



**CROWN  
RESORTS**



**Crown Resorts Limited  
Annual Report 2014**



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**Crown Resorts Limited ABN 39 125 709 953**

## Annual General Meeting Financial Calendar

Thursday 16 October 2014  
10.00 am (Perth time)

The Astral Ballroom, Convention Centre  
Crown Perth, Great Eastern Highway, Perth, WA

Record date for dividend – 26 September 2014  
Payment of final dividend – 10 October 2014  
Annual General Meeting – 16 October 2014  
2015 interim results – second half of February 2015

Artist's impression of Crown Sydney. The development of Crown Sydney remains conditional on the granting of all necessary planning approvals and the finalisation of certain agreements with the Barangaroo Delivery Authority and the developer of Barangaroo South, Lend Lease.



**Crown Resorts is one of Australia's leading luxury tourism and entertainment businesses, with a significant and growing global reach.**

Crown's Australian resorts make a major contribution to Australian tourism. We are a leading employer, with more than 15,000 people working across both properties, and Crown is one of the most significant taxpayers in the country, contributing two-thirds of its pre-tax profits to governments. This is more than any other ASX 50 company.

For the financial year ended 30 June 2014, Crown Resorts announced a net profit of \$702.5 million before significant items, which was up 43.1% on the prior year.

Australia's leading integrated resorts, Crown Melbourne and Crown Perth, have improved their performance in the second half to deliver earnings growth, despite a challenging domestic environment. The main contributor to Crown's improved performance this year was our investment in Melco Crown Entertainment (MCE) in Macau. MCE delivered strong earnings growth and Crown received its first dividends from MCE, which totalled \$94.4 million for the year.

For our shareholders, a final dividend of 19 cents per share, franked to 50%, was declared, bringing the total dividend for the year to 37 cents per share. The Crown Board has adopted a revised dividend policy. The revised dividend policy is to pay an annual dividend of the higher of 37 cents per share and 65% of normalised NPAT (excluding profits from associates but including dividends received from associates), subject to the company's financial position.

Crown is setting the bar for luxury tourism in Australia and I am extremely excited about our future pipeline of projects. In Perth, our six-star Crown Towers project is underway and is expected to open in late 2016 and we continue to make progress on our plans to complete the Crown Sydney project. I believe that Crown Sydney will offer New South Wales and Australia a once-in-a-lifetime tourism infrastructure opportunity. Sydney is Australia's international gateway and an iconic six-star luxury Crown resort on its harbour will help attract millions of tourists and create great economic benefit for the city and this country.

In Victoria, Crown has reached agreement with the State Government on a number of reforms to the Melbourne Licence and associated taxation arrangements, which will improve our competitiveness and investment certainty for the long run. With the support of the Victorian Government, we will have a licence and taxation regime that will enable us to compete on a more level playing field to help drive tourism, jobs and economic benefit for the State.

Through our investment and partnership with MCE, we are expanding our resorts across Asia and building a global luxury brand based on the highest quality product and exceptional service. MCE will continue to explore the opportunity that may arise in Japan, should Japan decide to develop integrated resorts to compete on the world stage.

Crown, through a majority-owned subsidiary, has also acquired a 34.6-acre site on Las Vegas Boulevard. Our investment in Las Vegas will expand Crown's global presence as a leading integrated resort operator and importantly, will provide our company with business and entertainment synergies that come from a network of resorts around the world. This complements our strong expansion in Australia and Asia.

Importantly, Crown Resorts continues to be a good corporate citizen, investing in local jobs and training, and contributing to the local communities we operate in through responsible practices and extensive charitable endeavours.

I am very proud of the contribution Crown has made to Australian communities over the past two decades. To take this to the next level, the Crown Resorts Foundation was established in September 2013. As the new philanthropic arm of Crown Resorts, it will formalise our substantial community involvement and aggregate the range of initiatives already being undertaken across our Australian resorts. The Foundation recently announced a \$200 million National Philanthropic Fund together with the Packer Family Foundation, which will establish community partnerships and provide financial support to programs with demonstrated success in the areas of social welfare, Indigenous education, and the arts.

On behalf of the Board, I wish to thank all of our employees and management for working so hard to ensure the success of Crown's future. I would also like to thank you for your continued support and interest as a shareholder of Crown Resorts Limited.

**James Packer**

Chairman, Crown Resorts Limited



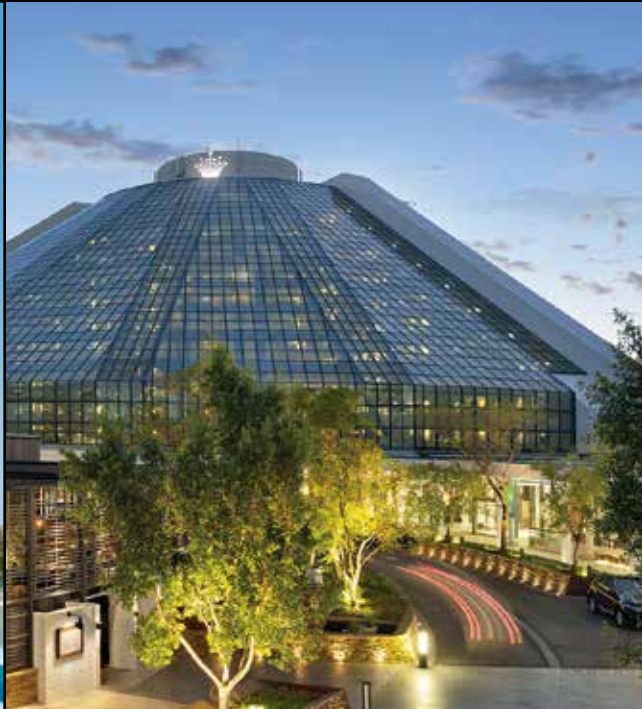


## Dining

From some of the most awarded restaurants in Australia through to casual food court offerings and cafés, Crown Melbourne and Crown Perth are each renowned for their range of cuisines and dining options.







## Hotels

Crown Resorts offers premium and luxury accommodation in all of its world-class hotels, with facilities that include swimming pools, gyms, tennis courts and day spas. This year we provided almost 1.2 million guest nights, delivering impeccable service to our local, interstate and international guests.





## Gaming & Entertainment

Both Crown Melbourne and Crown Perth have luxurious world-class VIP salons and a vibrant and exciting main gaming floor, offering customers a world of entertaining gaming experiences.

Each resort shows a variety of musicals, plays, rock concerts, comedy acts and other performances and spectacles across a range of excellent venues.







## Shopping & Events

Whether guests are looking for the latest trends in clothing and accessories, or luxury items from the world's most prestigious designers, Crown offers the perfect shopping experience.

Crown hosts events for an extraordinary range of occasions, from intimate meetings to large-scale corporate conferences, galas and televised events.







With our major investment in tourism infrastructure, our world-class resorts, hotels and entertainment experiences, Crown is building a global luxury brand based on the highest quality product and exceptional service.



MELBOURNE

**100% owned**

- Crown Melbourne operates 2,500 gaming machines and has approval to operate 500 table games.
- Crown Towers Melbourne hotel has 481 guest rooms.
- Crown Metropal Melbourne hotel has 658 guest rooms.
- Crown Promenade Melbourne hotel has 465 guest rooms.
- Crown Conference Centre has 7,350 square metres of conference and meeting facilities, across three floors.
- Banqueting facilities include the Palladium's 1,500-seat ballroom and the Palms' 900-seat cabaret venue.
- A broad selection of restaurants and bars are provided in the resort, including many of Melbourne's finest.
- Crown Melbourne's retail precinct includes internationally renowned designer boutiques and retail outlets.
- Entertainment facilities include a multi-screen cinema complex, a bowling alley, and an interactive entertainment auditorium.
- Crown Melbourne has two luxurious day spas.





## PERTH

### 100% owned

- Crown Perth has approval to operate 2,200 gaming machines and 270 table games.
- Crown Metropolis Perth hotel has 395 guest rooms and a luxury day spa.
- Crown Promenade Perth hotel has 291 guest rooms.
- Crown Towers Perth hotel will have approximately 500 guest rooms and is expected to open in late 2016.
- Crown Perth's large-scale entertainment facilities include the 2,300-seat Crown Theatre Perth.
- World-class convention and event facilities are available.
- A broad selection of restaurants and bars are provided in the resort, including some of Perth's best.



## MACAU

### 33.6% interest in Melco Crown Entertainment

#### CITY OF DREAMS

- City of Dreams operates approximately 500 table games and approximately 1,400 gaming machines.
- Crown Towers Macau hotel has approximately 300 guest rooms.
- Hard Rock hotel has approximately 300 guest rooms.
- Grand Hyatt hotel has approximately 800 guest rooms.
- City of Dreams has more than 30 restaurants and bars.
- The resort has a range of retail options.
- City of Dreams hosts Franco Dragone's iconic and spectacular show *The House of Dancing Water*.
- Other key attractions include The Bubble audio-visual experience and Club Cubic.

#### ALTIRA

- The casino and hotel feature approximately 120 table games and approximately 230 guest rooms.

#### MOCHA CLUBS

- The Mocha Clubs are a network of gaming lounges, with more than 1,200 gaming machines.



# Chief Executive Officer's Report



Crown is a leading provider of world-class luxury resorts and entertainment facilities, with properties and investments in Melbourne, Perth, Macau and London.

**Rowen Craigie**  
Chief Executive Officer, Crown Resorts Limited

## Overview

Crown reported a normalised net profit after tax (NPAT) of \$640.0 million for the full year ended 30 June 2014, up 35.2%. Crown's Australian resorts achieved normalised EBITDA growth of 2.0% and normalised revenue growth of 1.4%. MCE's result was the major contributor to the growth in Crown's normalised NPAT. Crown's operating cash flow for the period was \$702.0 million, and net debt, excluding working capital cash, was \$1,675.9 million.

### Performance for the year ended 30 June 2014

	\$m
Normalised revenue <sup>1</sup>	2,935.4
Normalised expenditure <sup>1</sup>	(2,152.7)
Normalised EBITDA <sup>2</sup>	782.7
Normalised EBIT <sup>3</sup>	537.8
Normalised NPAT	640.0
Reported NPAT before significant items	702.5
Significant items <sup>4</sup>	(46.7)
Reported NPAT after significant items	655.8

Overall, the results for the year were satisfactory, with improved trading in the second half in Australia and another strong year for Melco Crown Entertainment (MCE), which was driven primarily by strong growth in the mass market table games segment at City of Dreams.

During the year Crown has received dividends of \$94.4 million from MCE, of which \$68.6 million was from the 2013 special dividend and \$25.8 million from the result for the quarter ending 31 March 2014. For the quarter ending 30 June 2014, MCE has announced the payment of a dividend of which Crown's share will be US\$14.5 million.

## Australian Integrated Resorts

Overall, the results for the year were satisfactory, with improved trading in the second half. Normalised EBITDA was up 2.8% at Crown Melbourne and up 0.3% at Crown Perth, with main floor gaming revenue up 1.4% across both resorts. Despite this, we continue to see the weak consumer sentiment that has dampened trading at both Crown Melbourne and Crown Perth, and which reflects the structural and cyclical challenges their local economies are experiencing. VIP program play turnover was down 1.5% for the year.

Normalised EBITDA from Crown Melbourne was \$561.8 million. Reported EBITDA for the period was \$593.3 million, up 8.4% on the previous corresponding period. This reflects a win rate of 1.46%, which is above the theoretical win rate of 1.35%, and generated a positive EBITDA variance of \$31.5 million. This compares to a win rate of 1.36% in the previous corresponding period, which resulted in a positive EBITDA variance of \$0.4 million.

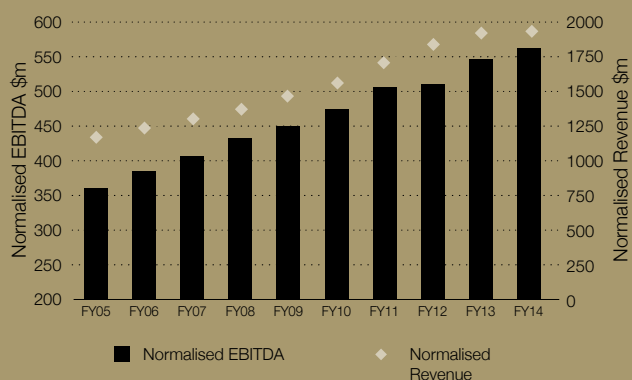
Normalised EBITDA from Crown Perth was \$241.6 million. Reported EBITDA for the period was \$315.7 million, up 31.1% on the previous corresponding period. This reflects a win rate of 2.21%, which is above the theoretical win rate of 1.35%, and generated a positive EBITDA variance of \$74.1 million. In the previous corresponding year, the actual result was in line with the theoretical win rate.

In August 2014, Crown announced it reached agreement with the Victorian Government on a number of reforms to the Melbourne Casino Licence and associated taxation arrangements, which will improve the competitiveness of the Crown Melbourne integrated resort as a tourism destination compared to other integrated resorts in Australia and Asia. The reforms will help boost Victorian tourism and create new jobs, as they will allow Crown Melbourne to compete more effectively in interstate and international markets. The implementation of these reforms remains subject to the passing of legislation by the Victorian Parliament and amendments to the Crown Melbourne Casino Licence by the Victorian Commission for Gambling and Liquor Regulation.

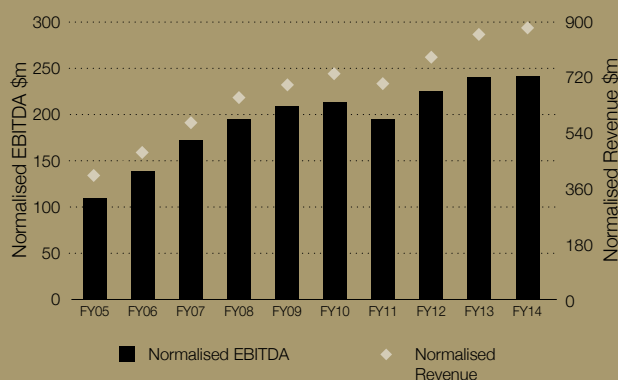
1. Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play and significant items.
2. Normalised earnings before interest, tax, depreciation, and amortisation.
3. Normalised earnings before interest and tax.
4. Relates to legal settlement costs of \$23.6 million (net of tax) and an asset impairment charge of \$23.1 million (net of tax).



**FIGURE 1**  
10 YEAR CROWN MELBOURNE NORMALISED REVENUE AND EBITDA PERFORMANCE



**FIGURE 2**  
10 YEAR CROWN PERTH NORMALISED REVENUE AND EBITDA PERFORMANCE



Figures 1 and 2 show a year by year comparison of the normalised revenue and EBITDA at Crown Melbourne and Crown Perth respectively

## Melco Crown Entertainment

Crown’s share of MCE’s normalised NPAT was an equity accounted profit of \$291.2 million, up 91.2% on the previous year. After adjusting for an above theoretical win rate and pre-opening costs, Crown’s share of MCE’s reported result for the year was an equity accounted profit of \$287.6 million, up 64.3%.

MCE’s result was attributable to solid underlying financial performance, driven primarily by its mass market table games business at City of Dreams. However, market conditions did weaken during the fourth quarter.

MCE’s development pipeline is progressing, with City of Dreams in Manila, the Philippines due to open later this year. Studio City, MCE’s second large-scale resort in Cotai, Macau (in which MCE has a 60% interest) remains on track to open in mid-2015, representing the next standalone integrated property to open in Macau. The iconic fifth tower at City of Dreams is progressing as planned. This new hotel tower will represent another strong catalyst for growth, particularly in the premium end of the market, when it opens in 2017.

## Development Projects

### Crown Towers Perth

Crown Towers Perth is expected to open in late 2016. As Perth’s first six-star and largest hotel, it will feature a unique combination of entertainment, luxury and service that is capable of competing with the best in the Asian region.

### Crown Sydney

In November 2013, the New South Wales Parliament passed legislation to permit the issue of a restricted gaming licence for Crown Sydney, a six-star luxury hotel resort to be located at Barangaroo South in Sydney. The Independent Liquor and Gaming Authority issued a restricted gaming licence to Crown on 8 July 2014.

The development of Crown Sydney remains conditional on the granting of all necessary planning approvals and the finalisation of certain agreements with the Barangaroo Delivery Authority and the developer of Barangaroo South, Lend Lease. It is envisaged that Crown Sydney will be operational from November 2019.

## Queen’s Wharf Brisbane Proposal

In July 2014, Crown announced that it had entered into an agreement with a subsidiary of the international Chinese diversified property group, Greenland Holdings Group, to jointly prepare a detailed proposal to develop the Queen’s Wharf precinct in Brisbane. This proposal will be submitted to the Queensland Government in late 2014.

## Las Vegas Site Acquisition

In August 2014, Crown announced that a majority-owned subsidiary had acquired a 34.6-acre site on Las Vegas Boulevard, which was formerly occupied by the New Frontier casino. The site was acquired through a foreclosure auction initiated by lenders to the former owner of the site.

The development plans for the site and the capital structure of the ownership entity are not yet finalised. However, it is expected that Crown will have majority ownership and Crown’s total equity investment will be approximately US\$400 million to US\$500 million, with a total project budget of approximately US\$1.6 billion to US\$1.9 billion.

## Conclusion

Looking ahead, Crown will progress its key strategies and business focuses. These are to continue to maximise the performance of Crown Melbourne and Crown Perth, including revenue growth, cost control and margins. We will progress the Crown Towers Perth project, the Crown Sydney project, the Queen’s Wharf Brisbane bid and the Las Vegas site development to deliver value to our shareholders. We will continue to assist MCE with the Studio City and Philippines projects and assess other relevant growth opportunities.

Finally, I sincerely thank the Board, management and all our employees for their valued contribution in 2014.





## Crown's Australian Resorts



Attracting more than 19 million visits each year, Crown Melbourne is one of Australia's most visited tourist destinations.

**Barry Felstead**  
Chief Executive Officer, Australian Resorts

### Crown Melbourne

#### Overview

Crown Melbourne is one of the region's leading integrated resorts and is Australia's number one destination for world-class luxury accommodation, dining, conference and gaming facilities together with diverse entertainment and retail options. The resort is Australia's largest single-site private sector employer, with a workforce of approximately 9,200 people working on site.

In 2013, Crown was awarded the prestigious Australian Employer of the Year at the Australian Training Awards, following the 2013 Victorian Employer of the Year award by the Victorian Government. We have previously won both awards as recently as 2010.

In February, Crown Melbourne was awarded the 2014 Casino / Integrated Resort of the Year at the prestigious International Gaming Awards (IGA) in London. Considered the definitive awards for outstanding performance in the industry worldwide, it recognised Crown Melbourne's clear vision and innovative approach to attracting both Australian and international guests.

Reinforcing this position, Crown Melbourne continues to enhance the property to ensure it remains competitive with the best in the world. Crown is investing \$1.7 billion over ten years from financial year 2007 to achieve this. While we have completed all major refurbishments, a key focus this year was to increase visitation through continued property refinement and several new attractions and promotions. We are pleased to report that Crown Melbourne welcomed more than 19 million visits this year, which is our highest level of visitation ever.

In the year to 30 June, normalised EBITDA grew by 2.8% and normalised revenue grew by 0.7% on the previous corresponding period. Results improved in the second half due to increased visitation and trading, however Crown Melbourne will continue its focus on operational cost and efficiency programs in the current subdued environment.

Main gaming floor revenue grew by 2.0% for the year to \$1,020.3 million while normalised VIP program play revenue decreased by 4.6% to \$501.2 million on turnover of \$37.1 billion. Non-gaming revenue grew 4.5% to \$409.7 million.





## Property Update

While the major capital works at Crown Melbourne are complete, ongoing projects focus on quality, with several upgrades providing new gaming, restaurant and retail experiences.

Famed UK chef, Heston Blumenthal, will temporarily relocate to Crown Melbourne in early 2015 with his three-Michelin-star restaurant The Fat Duck. Breezes closed during the year to make way for this ground-breaking culinary project, which is expected to bring diners from around the world to Melbourne. Following six months trading as The Fat Duck, Heston will open Dinner by Heston Blumenthal, securing ongoing ties with Crown Melbourne.

Gradi, a modern interpretation of a classic Italian pizzeria featuring specialties from Chef Johnny Di Francesco (winner of the 2014 Pizza World Championship in Italy), will open in September 2014.

Crown Melbourne enhanced its retail offering during the year with the addition of luxury watch retailer Monards, incorporating Cartier, and a new permanent home for Crown Gifts in Crown Metropolis. Village Cinemas also underwent a full refurbishment with the introduction of new state-of-the-art Vmax cinemas.

The Level 1 Casino also opened new venues the Crown Sports Bar and Groove, a live music venue, which are welcome additions to the established entertainment and dining venues in this exciting precinct. A new state-of-the-art TAB outlet opened in September 2013 along with our refurbished Poker Room and bar.

The ground level main food court was completely refurbished and enhanced with the new openings of Cucina, Tandoor Kitchen, Moorish Table and Ten Miles. On Level 1, the new Degani Bakery Café opened as well as Schnitz in the food court.

To ensure consistency in quality and customer experience across the resort, Crown Melbourne has upgraded numerous support facilities, including a new security control room, hotel reservations call centre and an improved multi-level car park exit.

## Local Gaming and Crown Signature Club

The refurbishment of the Riverside Lounge in November 2013 completes the upgrade program for Crown Melbourne's VIP areas. The Riverside Lounge complements the Teak and Mahogany Rooms in its offer of world-class gaming facilities, with each space now including restaurant, bar and outdoor terrace amenities.

Along with refreshing the gaming product offering, Crown Melbourne has invested in its gaming systems to deliver next-generation jackpot and bonus products. The first of these introduced during the year was the Member Money Jackpot promotion, which proved popular with customers.

Crown Melbourne hosted its thirteenth Aussie Millions Poker Tournament during the year, which is now a major event on the international poker circuit. The response from both Australian and international customers was extremely positive, with many guests choosing to stay at Crown post-event to participate in Lunar New Year celebrations.

The Crown Signature Club loyalty program continued to attract thousands of new members. It promotes patronage across Crown Melbourne resort facilities, with benefits including access to VIP rooms, invitations to events and golf at Crown's Capital Golf Course.

## VIP Program Play

VIP program play turnover for the year was \$37.1 billion, down 4.6% on the previous year. This reflected the competitive challenges facing Crown Melbourne, including the impact of the super tax on VIP program play revenue.

Crown has made significant enhancements to its VIP assets including new gaming areas and Crown Towers Melbourne villas and hotel rooms. During the period, Crown acquired three Bombardier jets to expand the range of our private jet service to Asian VIP customers and provide a superior level of comfort and amenity.

Crown has also acquired the shares of Capital Club Pty Ltd (the owner and operator of Capital Golf Course and Melbourne Golf Academy), situated on 103-hectares of freehold land, for a purchase price of \$67.6 million. This provides full control to better integrate these facilities into our VIP operations.





## Crown Melbourne continued

### Hotels, Conferences and Retail

As one of the world's leading integrated resorts, Crown Melbourne features more than 1,600 guest rooms across three hotels – each recognised for excellence in its class. Together they provided more than 850,000 guest nights during the year, up 6% on last year.

Crown Towers was recently awarded the 2014 Luxury Travel magazine Gold List Award for Best Australian Hotel and was also the 2013 Travellers' Choice Winner in the Tripadvisor Awards since publication last year. Crown Spa was awarded 2014 Best Luxury Hotel Spa - Australia and Oceania in the World Luxury Spa Awards.

Crown Promenade was awarded 2014 Superior Accommodation Hotel of the Year in the Tourism Accommodation Australia (Victoria) State Awards for Excellence.

### Restaurants and Bars

In its first year without major refurbishment since 2007, Crown Melbourne's premium dining precinct offered patrons a consistent wealth of choice in quality fine dining that is second-to-none in Australia.

October 2013 saw the transition of Crown Melbourne's flagship premium restaurant Number 8 into No. 8 by John Lawson.

Ten of Crown's signature restaurants featured in *The Age Good Food Guide 2015*. Rockpool Bar & Grill, Rosetta and Spice Temple each retained their two chef's hats and Neil Perry became the first chef to accumulate more than 100 hats in the history of the *Good Food Guides*. In addition, No. 8 by John Lawson was awarded its first hat, and Bistro Guillaume was awarded a coveted hat for the fourth year.

At the 2015 *Gourmet Traveller* Restaurant Guide Awards, four of Crown's restaurants were named in the magazine's influential list of Australia's top 100 restaurants, with Rockpool Bar & Grill, ranking in the top 25.

Overall, restaurant and bar operations continued to strengthen, with the popular Margo's on the main gaming floor also experiencing a full 12-months of operation since reopening in June 2013. Significant progress was made in the consolidation of produce and beverage suppliers both for Crown Melbourne and Crown Perth, to achieve notable cost reductions without compromising quality.

Crown Melbourne takes its responsibilities in the provision of Responsible Service of Alcohol (RSA) very seriously to help ensure a safe and pleasant environment for all customers and employees. We continue to be a leader in RSA best practice within our industry, with a dedicated team of RSA officers working closely with Security and relevant training programs delivered to all employees.

### Entertainment and Events

Crown Melbourne continued to provide the venues of choice for some of Australia's most memorable events, with more than 1,700 events booked during the year.

At the Palladium ballroom, the largest events included the *TV Week Logie Awards* and the *AFL Brownlow Medal*. Key charitable events hosted at Crown Melbourne included *Diamonds*, *Starry Starry Night* and the *Epworth Medical Foundation Dinner*. The Palladium also hosted a number of Victoria Racing Club's official events during the annual Spring Racing Carnival, including the *Crown Oaks Club Ladies Luncheon* and the *Call of the Card*.

This year's major live performances at The Palms on Level 3 included Jason Alexander, Jimmy Barnes, Human Nature, and Icehouse. Also on Level 3, the Co. and Fusion nightclubs continued to feature contemporary Australian artists including Bombs Away, Stafford Brothers, Havana Brown and Helena. The entrance to these nightclubs shifted in 2014 to be located via the Level 1 Casino, benefiting patron experience and increasing foot traffic.

Crown Melbourne hosted *Empire* for the second year, a live mix of vaudeville, acrobatics and burlesque, which was performed in a spiegel tent on the roof of the casino. This proved very successful and moved on to Crown Perth at the season's conclusion.

In its twelfth year, Lunar New Year festivities at Crown Melbourne were enjoyed by visitors of all ages over four days of celebrating the year of the horse. A hawker's bazaar and fireworks displays on Crown's riverside attracted large numbers together with live entertainment both within and outside the resort.

Crown Melbourne again participated as a partner in the Melbourne Food and Wine Festival and held events catering to all food and wine fans. The most exclusive of these was a bespoke dining concept for 250 guests in the Crown Towers lobby, which showcased Crown's creativity and was well received.





The transformation of Crown Perth demonstrates our ability to focus on building businesses for the long term.

## Crown Perth

### Overview

Crown Perth is an expanded modern resort of world-class standard that has become one of Western Australia's largest tourist destinations, attracting nine million visits each year. With approximately 5,800 people working on site, it is also the State's largest single-site private sector employer.

The revitalised property has received many prestigious awards during the period, cementing its position of quality under the internationally recognised Crown brand.

Crown Towers Perth, the new six-star hotel currently under construction, will add another dimension to Crown Perth's already extensive offering of hotels, resort style pool facilities, world-class convention centre, gaming options, restaurants, bars, nightclub, 2,300 seat theatre and day spa.

In the year to 30 June, normalised EBITDA grew by 0.3% and normalised revenue grew by 3.0% on the previous corresponding period. Crown Perth's result performance was impacted by the slowdown in the Western Australian economy throughout the year.

Main gaming floor revenue grew by 0.4% for the year to \$485.4 million, reflecting local market conditions. Normalised VIP Program Play revenue increased by 8.6% to \$173.1 million on turnover of \$12.8 billion. Non-gaming revenue grew 4.5% to \$225.1 million.

### Property Update

Crown Perth's capital works focus is now on the construction of Australia's newest six-star destination, Crown Towers Perth. On track for completion in 2016, it will be the largest hotel in Perth and will increase hotel room capacity at Crown Perth to nearly 1,200 rooms. This major development is a \$645 million investment that will provide employment for 700 people during construction and a further 500 people when operational.

There was an improvement in the availability of parking during the year with the introduction of a temporary car park and the creation of additional car parking following the demolition of the Dome stadium. The improved parking facilities will be further enhanced as the multi-level car park, currently under construction, introduces a further 1,500 bays in May 2015.





## Crown Perth continued

### Local Gaming and Crown Club

The rollout of improved gaming systems together with increased car parking capacity has delivered year-on-year growth in a strong comparative period. However the slow growth in revenue from Crown Perth's main gaming floor reflected weak consumer sentiment in the local economy. Targeted marketing campaigns to Crown Club loyalty program members, together with cost rationalisation in discretionary marketing activity, helped to offset the more difficult trading conditions.

### VIP Program Play

VIP program play turnover for the year was \$12.8 billion, up 8.6% despite increased regional competition for high net worth tourists.

Crown has made significant enhancements to its VIP assets in recent years. In Perth, these have included new gaming areas, the refurbishment of Crown Metropol Perth, the development of resort pool facilities in "Vegas" style format, Crown Perth's luxurious Infinity Suites and the development of two luxury villas, the Crown Perth Mansions, on the Swan River. The acquisition of a 140-foot luxury Italian-made super yacht, *Infinity*, has also allowed us to showcase the beauty of Perth and Western Australia to high net worth customers.

During this period, Crown acquired three Bombardier jets to expand its private jet service to Asian VIP customers.

The Infinity Suites at Crown Perth have been shortlisted in the Society of British and International Design (SBID) Awards 2014 for Best International Hotel Design. An SBID Award is one of the most exclusive achievements of design excellence in the interior design industry, demonstrating the world-class standard of the VIP facilities offered at Crown's resorts.

### Hotels and Conferences

Hotel business remained consistent despite the economic downturn in Western Australia, with approximately 320,000 guest nights provided across both Crown Metropol Perth and Crown Promenade Perth. While we experienced a decline in the corporate sector, this was offset by an increase in tourist and leisure guests.

Crown Metropol Perth continued to receive prestigious industry awards, recognising its transformation into one of Perth's leading five-star hotels. This year it was named 2014 winner of the Certificate of Excellence from Tripadvisor, was a finalist in the 2014 World Luxury Hotel Awards and was also included in the inaugural 2014 Gourmet Traveller Australian Hotel Guide. Reservation web site wotif.com reviewers also awarded it Best Hotel in Perth, placing it tenth nationally.

In August, Crown Metropol Perth received the Deluxe Accommodation Award and the Resort Style Accommodation Award in the Australian Hotels Association 2014 WA Accommodation Industry Awards for the second year running. It also won the Redeveloped Accommodation Hotel Award in 2013.

The six-star Crown Towers Perth is expected to open late 2016. The hotel will provide approximately 500 luxury rooms, bringing Crown Perth's capacity to 1,200 and will include VIP gaming salons, restaurants, bars and conference facilities.

Crown Perth function spaces attracted 10,000 additional patrons during the year, with major conferences and functions including those from the Royal Australian Navy, the Perinatal Society of Australia and New Zealand, the Real Estate Institute of Australia and the General Practice Education and Training Convention.

In addition, there has been considerable interest in pre-bookings for the large conference facilities planned for Crown Towers Perth.

The Crown Towers Convention Centre development will provide approximately 4,800 square metres of new multi-purpose venue space, securing Crown Perth's place as a leading destination for conferencing and events globally.





## Restaurants and Bars

A highlight of the year in review was the launch in August 2013 of Crown Perth's premium Chinese restaurant, Silks. A select team led by Chef Tam Kwok Fung from Michelin-starred Jade Dragon at the City of Dreams in Macau ensured the opening was a success. In addition, in June 2014, internationally acclaimed Singapore-based designer Michael Fiebrich was awarded the 2014 International Hotel and Property Award for a Restaurant within a Hotel for his work on Silks. The restaurant was the only venue in Australia to be shortlisted.

Guillaume Brahimi's French restaurant Bistro Guillaume Perth was named winner of the Restaurant within a Hotel Award in the Australian Hotels Association 2014 WA Accommodation Industry Awards for the second year running. It also won the Accommodation Hotel Wine List Award.

Neil Perry's Rockpool Bar & Grill at Crown Perth won the highest accolade Restaurant of the Year with a rating of 17.5/20 in the independent *West Australian Good Food Guide 2014*, also taking out Wine List of the Year in the same publication. Other Crown Perth venues included in the Guide were Bistro Guillaume, Nobu, La Vie Champagne Lounge, The Merrywell and Modo Mio.

Other awards include Nobu at Crown Perth winning Australia's Favourite Japanese Restaurant and Rockpool Bar & Grill winning WA's Favourite Dessert in the 2014 I Love Food Awards by Foxtel Lifestyle Food. In September 2013, designer Michael Fiebrich won the Best Restaurant Asia Pacific Award at the prestigious 2013 International Design & Architecture Awards for his project on Crown Perth's premium Italian restaurant Modo Mio.

In casual dining, The Merrywell is rated one of the most popular gastro pub concepts in Perth. To further drive visibility and success, The Merrywell Food Truck was launched in March 2014, with bookings proving popular for both private functions and public events and festivals.

Responsible Service of Alcohol (RSA) initiatives continued to be a focus throughout the year. As a responsible industry participant, Crown Perth has developed comprehensive RSA policies and practices to help ensure that all guests and employees enjoy a safe and pleasant environment.

## Entertainment and Events

With the increased public profile of the Crown Perth resort, it was the venue of choice for 1,275 events throughout the year.

In April 2014, the *Variety of Chefs Ball* was held in the Grand Ballroom, with some of WA's top chefs cooking live on stage before an audience of 400 guests. Acclaimed Chef Guillaume Brahimi (Bistro Guillaume), Chef de Cuisine Pat Cheong (Silks), and Executive Sous Chef Sean Marco (La Vie) all participated, serving main courses from each restaurant as well as canapés designed by Chef Nobu Matsuhisa (Nobu). More than \$180,000 was raised for Variety in support of WA children in need.

The inaugural Taste of Perth festival in May featured Nobu, Bistro Guillaume and Silks restaurants and was an overwhelming success with over 160,000 dishes served across the weekend.

Crown Theatre had several long running shows throughout the year including seasons of *Chitty Chitty Bang Bang*, *South Pacific* and *The Rocky Horror Show*. The musical *Grease* also commenced its season during the period.

A new entertainment initiative at Crown Perth this year saw Crown Theatre stage *Empire*, a live mix of vaudeville, acrobatics and burlesque, which was performed in a spiegel tent on the Great Lawn. This enjoyed a successful run and will be the first of similar shows. Also successful was the January showing of *The Illusionists*, which attracted more than 28,000 patrons to the resort. Other Crown Theatre performances included *Engelbert Humperdinck*, *The Hollies*, *Boyz n the City*, *Sesame Street Live*, *Ballet Revolution* and *The Footy Show*.

Crown Perth sponsored many local events, cultural activities and other community-based programs throughout the year, including providing the venue for the Ronald MacDonald Ball, the Royal Queensbury Challenge and Styleaid for the WA AIDS Council.





# Melco Crown Entertainment

Macau is currently the only market in Greater China, and one of only several in Asia, to offer legalised casino gaming.

As at 30 June 2014, Crown Resorts held a 33.6% equity interest in Melco Crown Entertainment (MCE), a joint venture between Crown and Melco International Development Limited. MCE has a dual listing on the NASDAQ and the Stock Exchange of Hong Kong.

MCE has enjoyed yet another successful year with record operating and financial results. Crown's share of MCE's normalised NPAT was an equity accounted profit of \$291.2 million, up 91.2% on the previous year. After adjusting for an above theoretical win rate and pre-opening costs, Crown's share of MCE's reported result for the year was an equity accounted profit of \$287.6 million, up 64.3%. MCE's result was attributable to solid underlying financial performance, driven primarily by its mass market table games business at City of Dreams. However, market conditions did weaken during the fourth quarter.

In Macau, MCE owns and operates two premium properties, City of Dreams and Altira Macau, in addition to the Mocha Clubs business. It also has a 60% equity interest in Macau Studio City, an integrated resort project on Cotai. In the Philippines, MCE, has a 68.8% equity interest in City of Dreams Manila, which is an integrated resort project due to open in late 2014.

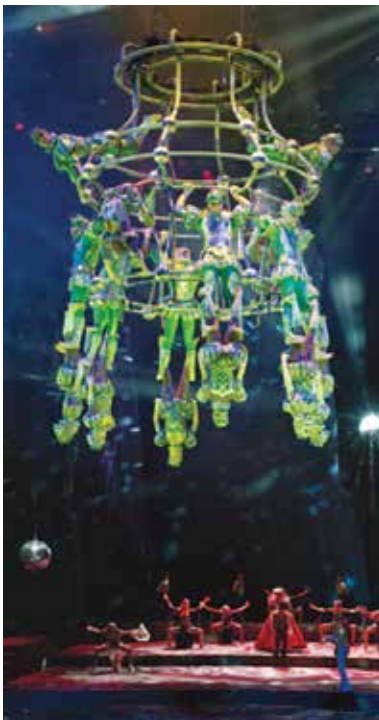
## City of Dreams – Macau

City of Dreams is an integrated casino resort in Cotai, Macau, which opened in June 2009. It is a premium focused property targeting high-end customers and rolling chip players from regional markets across Asia. As of 30 June 2014, City of Dreams featured approximately 500 gaming tables and 1,400 gaming machines.

Three exceptional hotels, Crown Towers (a Forbes Five-Star Hotel), Grand Hyatt Macau and the Hard Rock hotel, together provide 1,400 guest rooms. City of Dreams also features around 30 restaurants and bars, approximately 70 retail outlets, banquet and meeting facilities and recreation and leisure facilities that include health and fitness clubs, three swimming pools, spas and salons. Other key attractions include an audio-visual multimedia experience and the Club Cubic nightclub.

SOHO, a new lifestyle entertainment and dining precinct located on the second floor of City of Dreams, had its grand opening in August 2014. It is attracting customers with its wide selection of food and beverage options and other non-gaming offerings. The Dancing Water Theatre, a wet stage performance theatre with approximately 2,000 seats, features the internationally-acclaimed and award-winning *The House of Dancing Water* show.

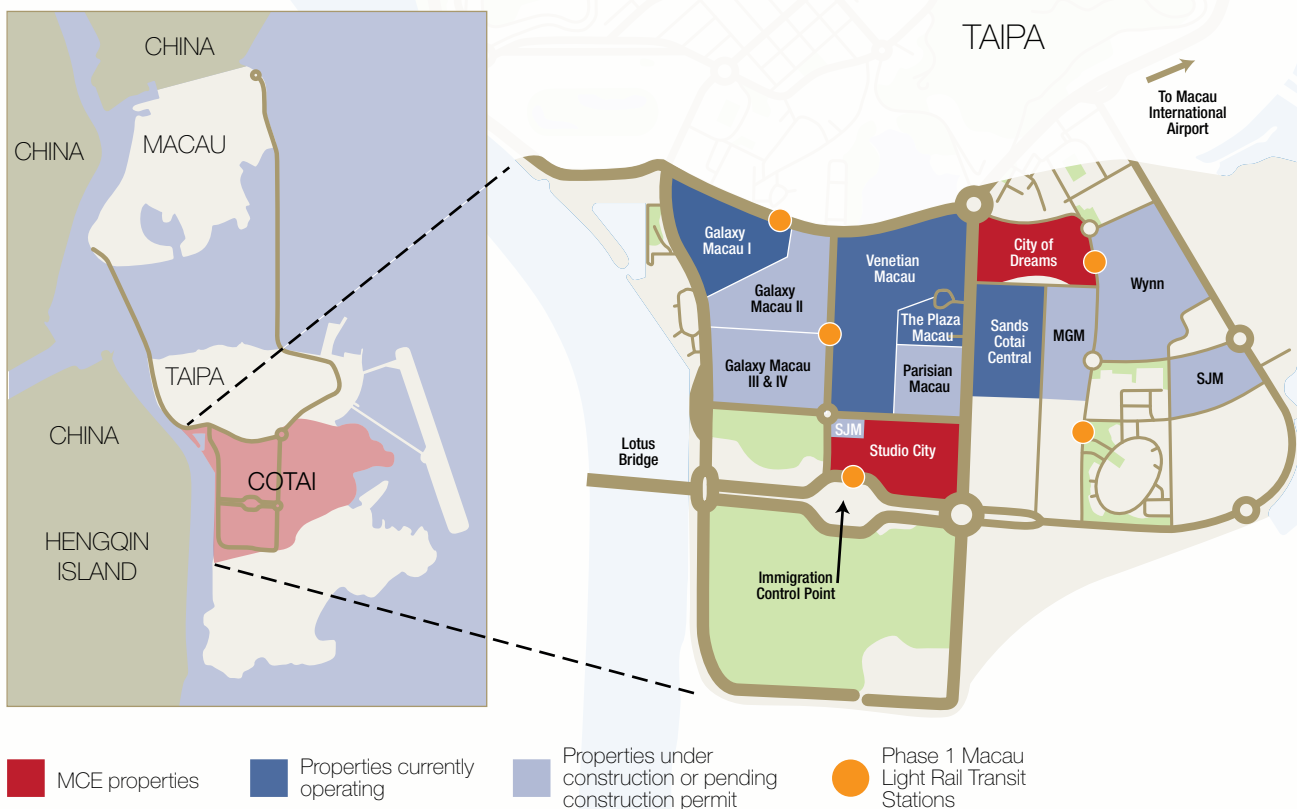
MCE is progressing with the development of its fifth hotel tower at City of Dreams, which according to MCE's current development schedule is anticipated to open in early 2017. The new hotel tower is a collaboration with award-winning, internationally renowned architect, Dame Zaha Hadid. It will add a truly iconic landmark to Macau, further extending City of Dreams' leading position at the premium end of the market.







## Macau Casino Map – Cotai



### Altira Macau

Altira Macau is designed to provide a casino and hotel experience that caters to Asian rolling chip customers and players sourced primarily through gaming promoters. Altira Macau offers a luxurious hotel experience with its internationally-acclaimed accommodation and guest services. In 2014, it was awarded the Forbes Five-Star rating in both Lodging and Spa categories by the Forbes Travel Guide for the fifth year running.

### Mocha Clubs

Mocha Clubs comprise the largest non-casino based operations of gaming machines in Macau. As of 30 June 2014, Mocha Clubs had eight clubs, with a total of 1,266 gaming machines in operation.

### Studio City – Macau

MCE is currently developing Studio City, a large-scale cinematically themed integrated entertainment, retail and gaming resort, which is expected to open in mid-2015. Upon completion, Studio City will include significant gaming capacity, five-star hotel offerings and various entertainment, retail and food and beverage outlets to attract a diverse range of customers. Studio City is designed to capture the increasingly important mass market segment, with its destination theming, unique and innovative interactive attractions, and strong Asian focus.

The Studio City site is located directly adjacent to the Lotus Bridge immigration checkpoint and one of the proposed light rail stations. MCE believes that the location of Studio City, in addition to its vast array of entertainment and leisure offerings, is a key competitive advantage.





## Melco Crown Entertainment continued

MCE currently estimates that the design and construction cost for the first phase of Studio City will be approximately US\$2.3 billion. The Studio City project is funded through a combination of equity contributions from shareholders, proceeds from the Studio City senior notes and a project loan. MCE has successfully raised approximately US\$825 million under the Studio City Notes offering and has signed the facilities agreement with the lead arranging banks in relation to the US\$1.4 billion Studio City senior secured credit facilities, both of which were achieved without a corporate guarantee from MCE.

### City of Dreams – Manila

In the Philippines, MCE, through its 68.8% owned subsidiary, Melco Crown (Philippines) Resorts Corporation (MCP), has an interest in a consortium that will develop and operate City of Dreams Manila, an integrated resort in Manila.

City of Dreams Manila is located on approximately 6.2-hectares at the gateway of Entertainment City, Manila, close to metro Manila's international airport and central business district. The development continues to progress well, with the resort expected to open later this year.

City of Dreams Manila is expected to be one of the Philippines' leading integrated tourist resorts and will diversify MCE's exposure to the rapidly developing Asian gaming and entertainment industry, enabling it to further participate in the growth of the Asian middle class and the increasing consumerism of this important target market.

MCE's investment in the City of Dreams Manila project, up to the time of opening, is estimated to be approximately US\$832 million, consisting of funds primarily for capital expenditures, working capital for initial opening and other pre-opening expenses. MCP has raised approximately US\$340 million from the issuance of the Philippine Notes by MCE Leisure Philippines in January 2014. MCP has also recently raised approximately US\$122 million of net proceeds from the 2014 Top-up Placement in June 2014, which included the offer and sale of common shares of MCP.

### Dividend and Capital Management

MCE has announced and implemented a special dividend and a new quarterly dividend policy, with a view to distributing surplus capital while at the same time maintaining suitable flexibility to support MCE's current and future growth plans, with the ultimate goal of driving long-term shareholder value.

During the year, Crown has received dividends of \$94.4 million from MCE, of which \$68.6 million was from the special dividend in respect of 2013 and \$25.8 million in respect of the result for the quarter ending 31 March 2014. For the quarter ending 30 June 2014, MCE has announced the payment of a dividend of which Crown's share will be US\$14.5 million.

MCE has approved the implementation of a US\$500 million stock repurchase program. MCE believes this capital management strategy provides it with the mechanism to return surplus capital opportunistically and efficiently, while maintaining flexibility to fund MCE's current operations and future development pipeline.

### Macau Market Update

In its financial year 2014, market-wide gross gaming revenues increased 16.9% from financial year 2013 to a record US\$47.9 billion, with the rolling chip segment growing 9.3% and the mass market table games segment expanding by 36.5%. The mass market table games segment in financial year 2014 accounted for 32.8% of market-wide gross gaming revenues, compared to 28.1% for financial year 2013. However, market conditions did weaken during the fourth quarter.

MCE, through its substantial exposure to mass market segments, particularly through its flagship property, City of Dreams and the upcoming Studio City project, is well positioned to take full advantage of this fast growing and increasingly important segment of the Macau market.

Tourism is a major driver of Macau's economy. In the year to June 2014, Macau welcomed approximately 30.5 million visitors. Visitation to Macau increased 6.4% compared to financial year 2013. Visitors from China continue to outpace visitors from other areas, increasing 12.7% on a year-on-year basis and accounting for 65.4% of all visitors to Macau in financial year 2014, compared to 61.8% in financial year 2013.

Macau continues to benefit from the People's Republic of China central and Macau governments' development plans for the region, including improved infrastructure, immigration policies and development of Hengqin Island. This wide-reaching development plan is expected to strengthen the appeal of Macau as a multi-faceted leisure and tourist destination, offering an increasingly expanded array of entertainment attractions and amenities to drive long-term growth and a more diversified tourism experience.



## Crown Aspinall's



Crown Aspinall's is an exclusive high-end London casino. It is one of only five licensed high-end casinos in London's prime West End entertainment district. Nestled in the heart of Mayfair, Crown Aspinall's offers members and guests an exciting and opulent world of international VIP gaming, in an environment that only London can provide.

Normalised EBITDA from Crown Aspinall's was \$35.2 million, up 5.7% on last year. Reported EBITDA for the period was \$25.1 million, down 5.3%.

## Other Investments

**Aspers Group**  
United Kingdom  
50.0% interest

Crown Resorts holds a 50% equity interest in the Aspers Group, which operates four regional casinos in the United Kingdom, in Newcastle, Stratford, Milton Keynes and Northampton (the latter in a joint venture with Kerzner UK Limited). Crown did not receive a distribution of any profits or recognise any earnings from Aspers Group during the period.

**Betfair**  
Australia

Crown Resorts held at 30 June 2014 a 50% equity interest in Betfair, a joint venture company with Betfair UK (The Sporting Exchange Limited). Betfair is a betting exchange for customers who reside in Australia and New Zealand. Betfair does not operate retail premises, nor does it have an on-course presence: its services are exclusively provided via the internet or telephone. Crown's equity accounted share of Betfair's loss was \$3.4 million. Crown acquired Betfair Group plc's 50% equity interest in Betfair Australasia on 12 August 2014 for consideration of \$10 million.

**Cannery**  
United States  
24.5% interest

Crown Resorts holds a 24.5% equity interest in Cannery, which is based in the United States and has operations at the Meadows Racetrack & Casino in Pittsburgh, Pennsylvania, and Cannery Casino and East Side Cannery in Las Vegas, Nevada. During the period, Crown did not receive a distribution of any profits or recognise any earnings from Cannery. Also during the period, Cannery entered into an agreement to sell the Meadows Racetrack and Casino located in Pennsylvania for US\$465 million. The transaction is subject to regulatory approval and is expected to close in 2015 with net proceeds to be used to reduce Cannery's debt.

**Caesars Growth Partners**  
United States  
1.9% interest

Crown Resorts exercised its rights to acquire an interest in a newly formed entity, Caesars Growth Partners (CGP), the owner of certain assets, which were transferred to CGP from Caesars Entertainment Corporation (Caesars). These assets include a majority stake in Caesars Interactive Entertainment, the Planet Hollywood Resort in Las Vegas and a portfolio of bonds issued by Caesars. The interest in CGP was acquired at a cost of US\$22.6 million.





# Crown Sydney

Crown Resorts has announced plans to develop and operate an iconic six-star hotel resort, including VIP gaming facilities, at Barangaroo South, Sydney.

In November 2013, the New South Wales Parliament passed legislation to permit the issue of a restricted gaming licence for Crown Sydney. The Independent Liquor and Gaming Authority issued a restricted gaming licence to Crown on 8 July 2014.

Crown's plan for an iconic six-star hotel resort on Sydney Harbour aims to give Sydney a landmark hotel that it can be proud of. It is widely accepted in the tourism sector that Sydney's luxury hotels are not competitive with the best hotels in Asia and the city is missing out on a valuable segment of the luxury tourist market.

Crown Sydney will be the city's first six-star hotel resort. Crown's plan includes 350 hotel rooms and suites, luxury apartments, signature restaurants, bars, retail outlets, pool and spa facilities, conference rooms and VIP gaming facilities.

The 'iconic' status of the resort will be assured through the appointment of Wilkinson Eyre, one of the world's leading architects, to design a landmark building that will be instantly recognisable around the world and will complement Sydney icons like the Sydney Harbour Bridge and the Sydney Opera House.

Crown Sydney will deliver significant and unique benefits for the people of New South Wales, including increases to employment, business investment, export income and Gross State Product.

Crown has the track record and experience to deliver something very special for Sydney-siders and visitors from interstate and overseas. Crown believes that the world-class Crown Sydney will assist New South Wales to meet its tourism targets by attracting a larger share of the booming Asian outbound tourism market. Incorporating world-class VIP gaming into such a hotel resort will provide a further attraction to high net worth tourists from China and other Asian countries.

The development of Crown Sydney remains conditional on the granting of all necessary planning approvals and the finalisation of certain agreements with the Barangaroo Delivery Authority and the developer of Barangaroo South, Lend Lease.

It is envisaged that Crown Sydney will be operational from November 2019.





Crown's plan for an iconic six-star hotel resort on Sydney Harbour aims to give Sydney a landmark hotel that it can be proud of. We have the track record and experience to deliver something very special for Sydney-siders and visitors from interstate and overseas.





## Sustainability: Our People

Crown Resorts is a significant Australian employer. Crown Melbourne is the largest private sector, single site employer in Australia, while Crown Perth is the largest private sector single site employer in Western Australia. This year, total payroll expenditure was more than \$790 million, with more than 15,000 people working at Crown Melbourne and Crown Perth across 700 different roles.

Crown has an outstanding record in employment and employee training and our learning and development pathways are widely acknowledged as a best practice model. In Melbourne, we have a \$10 million dedicated training facility, Crown College, and to date over 5,000 apprentices and trainees have graduated with nationally accredited qualifications. This year saw the enhancement of Crown College Perth to further support the development of our employees in Western Australia.

In 2013, Crown Melbourne was awarded the prestigious Australian Employer of the Year Award at the Australian Training Awards and in the same year was also awarded the Victorian Employer of the Year Award by the Victorian Government. We have previously won both awards as recently as 2010 and are the only organisation to win the national award twice.

Crown's learning and development program is widely acknowledged as a best practice model, as is our Indigenous Employment Program. Crown was the first company to sign the Australian Employment Covenant in 2009 with an initial pledge to create 300 job opportunities for Indigenous Australians. In 2012, that commitment was revised to 2,000 job opportunities by 2021. In September 2014, a considerable milestone towards this target was achieved, with the 400th job opportunity in the program filled.

Crown was recently awarded the Community Contribution Award at the 2014 Australian Business Awards in recognition of its ongoing commitment to Indigenous employment and the positive impacts this has on the broader community.

Through a focused Learning and Development strategy, our Indigenous employees are building valued careers in Crown and becoming future leaders within the community. As their experience and skills increase, these employees are

empowered to transfer this knowledge to their urban, regional and remote communities extending Crown's positive reach beyond our physical sites.

Crown's commitment to diversity in the workplace is also demonstrated through our CROWNability Program, which supports Crown's strategy to provide an employment pathway for people with disabilities.

Crown believes people with disabilities are an untapped resource in the Australian workforce. We recognise the benefits of creating sustainable employment opportunities for people with disabilities and have a goal to create a culture that encourages and supports the disclosure of disability.

This year, Crown has employed a full time Group Disability Manager to develop and expand the direction of the CROWNability program across our Australian resorts and has appointed a number of disability employment service providers in Melbourne and Perth to refer candidates to our recruitment teams.

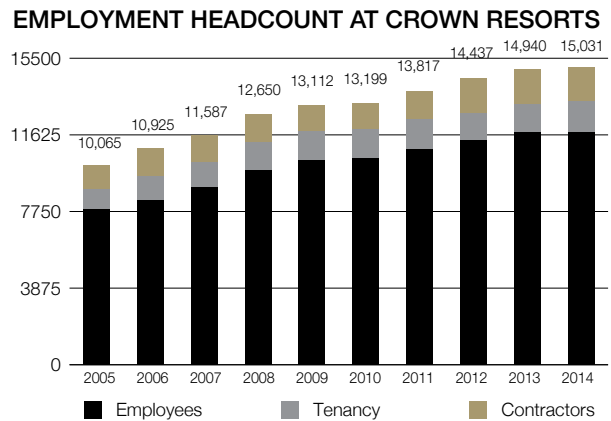
The CROWNability program works to build awareness of the opportunities of real jobs via the development of a recruitment process that is barrier free. It is our way to ensure people with disabilities are given every opportunity to gain and retain employment at Crown.

At the core of Crown's operations is a commitment to providing a safe work environment for all of our employees. In July 2014, Crown launched its new Health & Safety Management System, CrownSAFE. CrownSAFE will ensure a consistent approach to managing health and safety across Crown's properties and will further improve Crown's performance in reducing occupational injuries.

### Crown Melbourne: Our People

More than 9,200 people come to work at Crown Melbourne, and we are proud to be Australia's largest single-site private employer.

To create an engaged workforce capable of providing high standards of service to all our visitors, the learning and development of our employees is one of our main priorities. Almost 300,000 hours of employee training were



completed during the period, with 495 employees commencing accredited qualifications. As well, over 260 employees are currently completing a Learning Pathways program at Crown Melbourne, which aligns careers with qualifications in the Australian Qualifications Framework.

Testament to our commitment to our employees and their ongoing training, Crown Melbourne was recently awarded Top 100 Companies Employer of Choice Award at the 2014 Australian Business Awards.

This is in addition to the previously mentioned Australian Employer of the Year Award at the 2013 Australian Training Awards and the Victorian Employer of the Year Award at the 2013 Victorian Training Awards.

Other awards for the year included winning the 2013 RACV Victorian Tourism Award for Tourism Education and Training and receiving a Bronze Qantas Australian Tourism Award also for Tourism Education and Training. Crown Melbourne was also a finalist for the Wayne Cascio Award for Organisational Development and Leadership from the Australian Human Resources Institute and a finalist in Organisational Learning Effectiveness from the Australian Institute of Training and Development.

Crown Melbourne has established several consultation committees, comprising employees and management from across the business. This includes an Employee Consultative Committee dedicated to discussing and consulting on change, a Work-Life Rostering Committee that focusses on improving the work-life balance of our employees, and a Crown Resorts Foundation Advisory Committee where employees are invited to contribute ideas and feedback to support the Crown Resorts Foundation Advisory Board. Employee Consultative Committees are also in place within the key business areas to concentrate on any specific areas of interest that impact that business area only.

## Crown Perth: Our People

Crown Perth is Western Australia's largest single-site private sector employer with approximately 5,800 people working on site.

As the interest in the Crown brand continues to grow, so does the need to attract, develop and retain a competent workforce with diverse skills and experience. During the period almost 108,000 hours of training was completed at Crown Perth, with over 240 employees commencing accredited qualifications.

In 2013, Crown Perth invested more than \$2 million to redevelop its own purpose-built training facility, Crown College. Crown College will accommodate the training requirements for security, table games, food and beverage and other business units across the resort and includes a dedicated reception area, kitchenette and several training rooms.

During the period, 475 Crown Perth employees received a nationally accredited qualification, with almost 250 of these receiving a Certificate IV in Hospitality Supervision. Our apprentice chef commercial cookery program remains strong with 50 apprentices currently enrolled. A number of apprentices also participated in, and won, various external awards throughout the year.

This year, Crown Perth Recruitment focused on updating employee benefits and delivering a dedicated Talent Management program to better reflect changing trends in the market. In addition, we took the opportunity to increase digital communications, including social media, which assisted in broadening communication channels in a continued competitive labour market.

Recognising Crown Perth's high service standards and dedicated professionals, the Australian Hotels Association 2014 WA Accommodation Industry Awards announced in August that Crown Perth won all six major awards in which it was a finalist. For our people, these included Crown Perth's Hotels Engineering Manager receiving the Engineering and Maintenance Award for outstanding work across Crown Metropol Perth and Crown Promenade Perth, and Crown Metropol Perth's Housekeeping Manager (already Crown Perth's 2014 Employee of the Year) receiving a joint Housekeeping Award.





## Sustainability: Responsible Gaming

Crown Resorts is proud of its ongoing commitment to providing world-leading responsible service of gaming programs and support services. Crown allocates significant resources to raising awareness of responsible gaming and to assisting customers enjoy their gaming experience.

In August 2010, the Crown Resorts Board established a committee dedicated to overseeing the responsible service of gaming at both Crown Melbourne and Crown Perth. The Responsible Gaming Committee, chaired by independent Director, Professor John Horvath, AO, meets at least six times a year.

The delivery of education, information, assistance and resources is at the centre of Crown's approach to responsible gaming and sustainable business practices.

Employee training and education at all levels is the cornerstone of Crown's responsible gaming program. Staff participate in training that begins at induction and continues throughout their career at Crown. Training focuses on legislative compliance and Crown policies, the identification of observable signs that a customer may be experiencing difficulty with their gambling and how to direct the customer to appropriate support services.

In a world first responsible gaming initiative, Crown Melbourne implemented an onsite support facility, the Responsible Gaming Support Centre (RGSC) in 2002. With its specially trained staff, the RGSC is a free service that is available 24 hours a day, seven days a week, and provides information in English and other languages. Crown Perth opened a similar centre in 2009.

Play Safe Limits, Crown's voluntary time and spend limit setting program (in place in Melbourne since 2003 and in Perth since 2010), allows Crown's loyalty club members who play gaming machines and fully automated table games to set daily spend and time limits.

Crown's Self-Exclusion Program, also available at both resorts, allows customers to voluntarily ban themselves from the gaming floor.

A Responsible Gambling Code of Conduct specific to each resort has been available for many years. The Codes describe and demonstrate how each property executes its

commitment to its customers and employees concerning the responsible service of gaming.

Responsible gaming is the shared responsibility of individuals, community, the gaming industry and the state government, working in partnership to achieve socially responsible outcomes that are responsive to community concerns. Crown is proud of its broad range of customer and employee programs promoting awareness of responsible gaming and remains actively involved with many community and government bodies.

In 2013, Crown signed a Memorandum of Understanding with Mission Australia outlining a commitment to working together to provide responsible gaming support services at the proposed Crown Sydney Resort. Through the partnership with Mission Australia, Crown will continue to evolve its approach to responsible gaming, ensuring it remains an industry leader.

### Crown Melbourne: Responsible Gaming

Crown Melbourne's commitment to responsible gaming is long-standing, with a self-exclusion and customer assistance program available since the Melbourne casino's opening in 1994.

The resort's RGSC has been central to the delivery of all responsible gaming services since 2002. Open 24 hours a day, seven days a week, it is staffed by a team of highly trained professionals, including psychologists and a chaplain.

The RGSC facilitates the Self-Exclusion program, the Play Safe Limits program (voluntary time and spend limit setting) as well as providing chaplaincy support, individual counselling and referrals to government funded support services.

The Responsible Gaming team regularly engages with government, community and welfare organisations, including the Victorian Responsible Gambling Foundation, Gambler's Help and the Peer Connection programs. Participation in the Victorian Responsible Gambling Ministerial Advisory Council and its Working Groups continues.



The RGSC also hosts information sessions for community, government and industry. During the year, these visitors included Gambler's Help and Peer Connection program staff, Singapore government representatives, welfare services and industry staff.

In May 2014, Crown Melbourne again participated in Responsible Gambling Awareness Week, a Victorian government, community and industry initiative. As well as hosting a launch event, Crown Melbourne hosted smaller events for customers during the week. One of Crown Melbourne's responsible gaming messages, 'Have you had a break?', was headlined, with information presented on Crown Melbourne's extensive responsible gaming programs and services.

This year, the General Manager Responsible Gaming was invited to present at the Victorian Commission for Gambling and Liquor Regulation's Community Forum and delivered a presentation to students participating in the William Angliss Tourism and Hospitality Degree.

The Responsible Gaming logo and information is visible in the form of a sticker on all gaming machines and electronic table games and was updated to contain a QR Code for scanning and linking the user via an online App to the Crown Melbourne Responsible Gaming web page.

### Crown Perth: Responsible Gaming

Crown Perth's Responsible Gambling Information Centre continues to implement Crown's responsible service of gaming initiatives and provides a focal point for interacting with customers who may need support, including referral services or information on self-exclusion and third party exclusion programs. The team consists of dedicated staff members from multi-disciplinary backgrounds who provide this free specialist service 24 hours a day, seven days a week.

This year, Crown Resorts has focused on specialised training, including cross-cultural awareness training of problem gaming interventions, mental health, drug and alcohol awareness, and leadership development to provide enhanced support and services to Crown Perth customers.

The Responsible Gambling team continues to engage and develop relationships with a wide range of community service organisations and industry partners. Continued engagement with Gambling Help WA has been very successful, with a focus this year on referrals to financial counsellors who provide additional support.

Crown Perth continues to promote Player Activity Statements and the Play Safe Limit Program, encouraging customers who play gaming machines to stay informed about their gaming. As an initiative to increase responsible gaming awareness, 'Know the electronic games' and 'Know the table games' brochures were introduced as quick guides to accompany pre-existing information.

Crown Perth's ongoing support for Responsible Gambling Awareness Week helps to raise awareness of its programs and the importance of responsible gaming. The "Take a break" theme was launched in the opening ceremony, which was attended by representatives from a variety of community service providers. To encourage Crown Perth customers to take a break, the week long initiative incorporated a free and informal coffee service in gaming areas.

The Responsible Gambling team has maintained a strong and positive working relationship with the Department of Racing, Gaming and Liquor. In addition, the team has established further connections with several local government and community bodies, including the WA Transcultural Mental Health Service, multi-cultural services and Aboriginal Alcohol and Drug Services.





## Sustainability: Community

Crown has always been proactive in supporting the communities in which it operates. We recognise the positive impact we can have on social outcomes and have cultivated our approach over many years through community partnerships, sponsorships and creating employee volunteering opportunities.

A major long-term initiative to structure and shape our community contribution well into the future was the establishment of the Crown Resorts Foundation, announced in September 2013. Where relevant, it will formalise Crown's community involvement program and aggregate the range of community initiatives already being undertaken across our Australian resorts.

We are proud of the partnerships with leading charities and community services organisations we maintain. These partnerships include Reconciliation Australia, Mission Australia and United Voice (NSW Branch). Some community partnerships will now be overseen by the Crown Resorts Foundation, including those with the National Centre for Indigenous Excellence (NCIE), The Salvation Army and the Father Bob Maguire Foundation.

Crown continues to host and support many events that promote and fundraise for charitable organisations. In 2014 this included providing Crown's corporate entertainment facilities at the Formula 1 Australian Grand Prix Paddock to a fundraising arm of the Cancer Council. As well, the Crown Resorts Autumn Ladies Luncheon, held in Sydney in April, raised funds to support the White Ribbon Foundation, an organisation dedicated to raising awareness of domestic violence against women.

This year, Crown also utilised some of its sporting sponsorships to help raise the profile of significant community campaigns. One example was the National Rugby League *Close the Gap* round, where Crown joined with its sponsored South Sydney Rabbitohs team to promote KARI Aboriginal Resources, Australia's largest accredited Aboriginal children's service. Crown donated its South Sydney Rabbitohs' front-of-jersey position to KARI Aboriginal Resources for the game, to help raise awareness of its foster care programs.

### Crown Melbourne's Community Support

Crown Melbourne has continued its significant investment in community initiatives through corporate sponsorships and generous financial contributions. Use of Crown facilities, employee time and donated Crown Melbourne packages are other ways we continue to support a broad range of community activities and charities.

Crown Melbourne is a long-term premium partner of the Victoria Police Blue Ribbon Foundation, sponsoring *Blue Ribbon Day* since its inception in 1999 and hosting the annual *Blue Ribbon Ball* at the Palladium. In recognition of this generous and sustained support, Crown was awarded the Foundation's highest honour, the 2014 Frank Green Memorial Award.

Major continuing event sponsorships for the year included *Starry Starry Night* for the Alannah & Madeline Foundation, the *Ronald McDonald House Charities Ball*, the *My Room Ball* for the Children's Cancer Centre Foundation at the Royal Children's Hospital Melbourne, the *Reach Ball and Breakfast* for Reach, the *Robert Allenby Gala Dinner for Challenge*, *Fashion Aid* for HeartKids Australia, the *L'Oreal Fashion Lunch* for the Royal Children's Hospital Foundation, the Think Pink Foundation's *2014 Masquerade Ball* and the Royal Children's Hospital *Neonatal Unit's Celebration of Life*.

In addition, Crown supported the *Epworth Medical Foundation Dinner*, the *Financial Markets Foundation Gala Ball*, the *Susan Alberti Charitable Foundation Gala Ball* and the *Fight Cancer Foundation Red Ball* through major event sponsorships.

Many of our employees enthusiastically volunteer their time and give personal donations and the Staff Club is active in encouraging and coordinating participation in many charitable initiatives. Some of these included the *Red Cross Typhoon Haiyan Appeal* (matched dollar-for-dollar by the Crown Resorts Foundation), *Australia's Biggest Morning Tea* for the Cancer Council, the Royal Children's Hospital *Good Friday Appeal*, *The Salvation Army Red Shield Appeal* (plus a \$10,000 donation to Melbourne's appeal by the Crown Resorts Foundation), the Royal Children's



Hospital Kids Day Out, the *Salvos in the City Christmas Appeal* (also supported by the Crown Resorts Foundation), *The Salvation Army K-Mart Wishing Tree*, *Around the Bay in a Day* for the Smith Family, as well as for HeartKids and Ballarat Zoo. Every year, Crown chefs prepare festive meals for delivery by dedicated Crown employees on Christmas morning. This supports the work by Open Family and Whitelion in ensuring many people enjoy a special meal on Christmas Day.

### Crown Perth's Community Support

Crown Perth continues to be proud of the funding contributions and assistance it provides to many worthwhile causes across the community. We also provide ongoing support to a large number of community activities and charities through the use of Crown venues, the provision of auction items and employee time.

The Telethon Mega Bingo was held for the last time at the Dome, attended by more than 5,500 people and raising \$90,000 for Telethon. Crown Perth continued its major support of Telethon by pledging \$2 million in support of the child health services that benefit from Western Australia's largest fundraising initiative.

Crown Perth also supported the 'Tour De Crawford' breast cancer awareness and fundraising initiative in which Australian Football League legend Shane Crawford cycled from Melbourne to Perth. Raising more than \$1.32 million for the Breast Cancer Network Australia, the end of the ride was televised live for The Footy Show and broadcast from Crown Theatre Perth.

Our long-standing support of Foodbank WA continued in 2014 with daily soup donation, financial support and staff donations. A Crown Perth executive chef also volunteered their time for a mobile soup kitchen during Homeless Persons Week. Crown Perth has donated more than 175,000 litres of soup to Foodbank WA since 1999, which is distributed to over 600 charitable organisations and schools.

Crown Perth turned pink during October for Breast Cancer month and in 2013 we hosted a charity Pink Poker Tournament, which raised more than \$40,000. Crown Perth continued to host some of Western Australia's major fundraising events during the year, including *Styleaid* for the WA AIDS Council, the *Boobalicious Ball* for Breast Cancer Care WA, the *Op Shop Ball* for Anglicare, the *Night of Nights Ball* for Youth Focus and the *Ronald McDonald House Charities Ball*.

Many of Crown Perth's employees provide support through workplace giving and personal donations. *The Salvation Army Red Shield Appeal*, the *CEO Sleepout* for St Vincent De Paul and the *Anglicare Winter Appeal*, which has been a 15 year partnership, are some of the initiatives that staff have supported during the year. In addition, there was the Red Cross Typhoon Haiyan Appeal (matched dollar-for-dollar by the Crown Resorts Foundation) and an appeal by The Salvation Army for those affected by the Perth Hills bushfires in January 2014. Crown Perth, through the Crown Resorts Foundation, made a separate donation of \$30,000 to this cause.

Volunteering also plays a big part in Crown Perth employee support. The Hotel Sales team volunteered for the *Make a Meal* program at Ronald McDonald House and cooked meals for the children and their families. Also, as part of leadership and development team building, employees physically built brand new bicycles for both Ronald McDonald House Charities and The Salvation Army.





## Sustainability: Environment

Crown Resorts is committed to taking action towards minimising its environmental impact and we aim to be a leader in sustainable business practice in our industry. Our programs focus on three major areas: energy efficiency; water conservation, and; life cycle management.

This year, our Australian resorts have achieved a reduction in greenhouse gas emissions of 4.2% compared to the previous financial year, despite increasing business activity across both properties.

Crown's Environmental Committee comprises representatives from each major business unit from both resorts. The Committee focuses on numerous energy, water, and waste management initiatives, while providing advice to the Executive teams at both resorts on policy development.

In addition to its organisational programs, Crown proudly participated in a number of major community-based initiatives. These included the global *Earth Hour*, *Clean-up Australia Day*, *World Environment Day* and for the fifth year, the *Carbon Disclosure Project*.

### Crown Melbourne: Environment

Crown Melbourne reduced its greenhouse gas emissions by 5.0% this year, compared to the previous financial year.

The resort continued to implement a variety of initiatives, including its fifth year of investment in a resource monitoring and reporting system that provides live data for measuring electricity, gas and water consumption throughout the property. This system provides each business unit with daily, weekly and monthly reports to assist in reducing and monitoring consumption.

Over the same five-year period, more than \$11 million was allocated to resource-saving projects such as the carbon offset program for hotel guests as well as employee-based training initiatives and those from Crown Melbourne's Eco-Shoots.

Crown introduced its carbon offset program for guests in our hotels – a first in the hospitality and tourism industry – in partnership with Climate Friendly in April 2012. This program was recertified in 2014 under the Australian Government's National Carbon Offset Standard. When a guest voluntarily offsets their hotel stay, function, or conference event, we offset their emissions by purchasing carbon credits in Tasmanian forestry projects.

This year, Crown introduced an environmental sustainability online training module for all employees and contractors. The induction software incorporates the latest in interactivity and behavioural change concepts to ensure optimal uptake from participants.

Crown Melbourne's Eco-Shoots team (comprising of volunteer employees) was formed in 2011 and continues to conduct monthly environmental awareness campaigns that encourage employees to reduce, re-use and recycle.

In addition, Crown Melbourne continues its membership to a number of organisations, including the Australian Packaging Covenant, Waste Wise, and the City of Melbourne's 1200 Buildings Program, which aims to retrofit existing buildings to reduce the city's environmental impact.

### Energy Efficiency

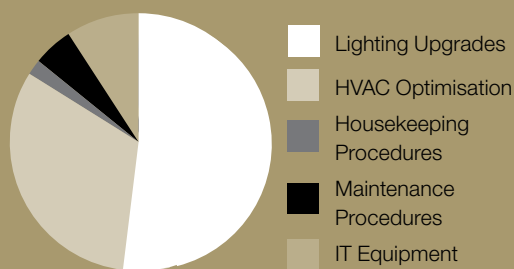
Crown Melbourne completed its energy efficiency upgrade of Crown Metropol Melbourne in March 2014. The project aimed to reduce greenhouse gas emissions by 2 million kilograms of carbon dioxide, or a 16% reduction. To achieve this, we replaced more than 6,000 lights with LED technology, optimised heating, cooling and ventilation control, and improved housekeeping and maintenance procedures.

Through its investment in smart engineering across the resort's IT, lighting, heating, ventilation and air conditioning systems, Crown Melbourne has achieved a demonstrable outcome that has created significant savings. As Australia's largest single-site private employer operating 24 hours a day, seven days a week, with a focus on guest experience, there will always be challenges to the implementation of energy efficient initiatives. The success of this upgrade project proves that energy efficiency can be achieved in the most complex of environments.

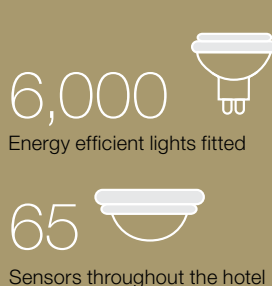
Together, Crown Melbourne's energy efficiency projects for this year have resulted in a carbon dioxide abatement of more than 6,800 tonnes, the equivalent of powering more than 560 homes or removing 1700 cars from the streets. Crown's reporting system provides accountability for energy performance and a process of continuous improvement.

# Crown Metropol Melbourne's Journey to Energy Efficiency:

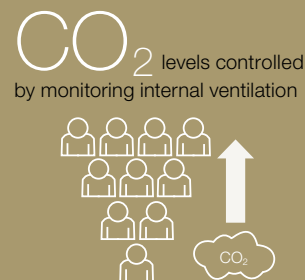
## CO<sub>2</sub> Savings by Category:



## Lighting Projects:



## HVAC Projects:



HVAC = Heating, ventilation and air conditioning

### Water Conservation

Crown Melbourne has invested in a number of water efficiency projects since 2010, resulting in significant water consumption savings across the resort.

This year, we have continued operating our water-recycling system, generating 1.4 million litres of recycled water used for toilet flushing, and have also expanded our rainwater harvesting to a total capacity of 300,000 litres. These systems have the potential to save 6 million litres of drinking water every year. We have also upgraded more than 500 shower heads, 400 taps and 140 toilets.

### Life Cycle Management

Life Cycle Management programs allow us to better manage or expand the total life cycle of products and services. We work with suppliers, employees, customers and waste management contractors to actively manage the manufacture, distribution, consumption and disposal of as many products as we can across the resort.

Crown Melbourne continued to expand its recycling systems, which now include those for soft plastic, green waste, polystyrene, e-waste, food, metal, fluorescent tubes, batteries, oil, CDs, DVDs, corks, mobile phones, metal, wood and gaming cards.

In March 2014, Crown joined an Australian-first initiative in recycling cigarette butts across the resort. Cigarette waste was collected and dispatched to Terracycle for conversion into recycled plastic items such as containers and ash trays.

### Crown Perth: Environment

Crown Perth reduced its greenhouse gas emissions by 2.1% this year, compared to the previous financial year.

For five years, Crown Perth has invested in a comprehensive resource monitoring and reporting system that provides live data for measuring electricity, gas and water consumption throughout the resort. This year, we continued to install water and energy sub-metering across the property to monitor and improve consumption.

The resort continues to improve employee awareness of environmental issues by providing ongoing relevant information, in conjunction with an employee education program that commenced in December 2012.

Crown Perth also continued its partnership with the Sustainability Environmental Association.

### Energy Efficiency

Crown Perth continues to implement resource-saving projects that reduce our impact on the environment. This year, these included the upgrade of 15,000 lights across the resort to more efficient LED technology, the upgrade of Crown Metropol Perth architectural façade lighting to more efficient LED technology, time scheduling to convention areas and the continual review of restaurant and office areas to match operational requirements. These initiatives have reduced lighting consumption by 80%.

### Water Conservation

Crown Perth continues its strong focus on water conservation and this year initiated a resort-wide water audit, which has recommended additional sub-metering and ongoing review and installation of tapware aerators (restrictors) in all areas.

Water saving initiatives include the installation of 2.5-litre tapware aerators to hand basins, a main water supply water-flow meter to allow for active monitoring of water use, and water-saving shower heads and tapware at Crown Metropol Perth and Crown Promenade Perth.

Crown Perth was awarded a Bronze Award from the Water Corporation of Western Australia for conserving between 10% and 25% of water across both the Crown Metropol Perth and Crown Promenade Perth hotels.

### Life Cycle Management

Crown Perth has implemented a resort-wide recycling program, including a food waste recycling system, allowing the resort to annually divert from landfill more than 80% of waste (approximately 5,000 tonnes), reducing carbon dioxide emissions by approximately 2,500 tonnes each year. This has been achieved by identifying a new waste facility that has a process of extracting food waste from the putrescible waste stream.

Crown Perth continued to expand its recycling systems, which now include those for soft plastic, green waste, polystyrene, e-waste, food, metal, fluorescent tubes, oil, batteries, wood and gaming cards.





# The Crown Resorts Foundation

In September 2013, the Board announced the establishment of the Crown Resorts Foundation. The Crown Resorts Foundation will engage with and provide financial support to programs with demonstrated success in the areas of community welfare, education, health care and research, the arts and the environment.

The Crown Resorts Foundation is overseen by the Crown Resorts Foundation Board, which comprises The Hon. Helen Coonan (Chair), Rowen Craigie, John Horvath AC, and Harold Mitchell AO.

The Crown Resorts Foundation is committed to creating and supporting opportunities across the communities in which it operates. Through its partnership with the Packer Family Foundation, its close working relationship with Crown Melbourne and Crown Perth and particularly through the support of their employees, it aims to inspire positive change.

## \$200 million National Philanthropic Fund

In July 2014, a \$200 million National Philanthropic Fund was announced - a joint commitment by the Crown Resorts Foundation and the Packer Family Foundation.

The \$200 million National Philanthropic Fund will be allocated over ten years, with \$100 million allocated to the National Arts Fund for eligible charities which promote the arts; and \$100 million allocated to the Community Partnerships and Indigenous Education Fund for eligible charities which support the broader community and, in particular, Indigenous education.

The National Philanthropic Fund is administered jointly by the Crown Resorts Foundation Board and the Packer Family Foundation Board, with both Boards offering extensive philanthropic experience.

“I applaud and thank the Packer Family and Crown Resorts Foundation for the significant and generous contribution they have made to Australia’s arts sector and for their leadership in building a culture of giving in Australia.”

*Attorney General, Senator The Hon. George Brandis on the announcement of the \$200 million National Philanthropic Fund*

## Improving the accessibility and availability of the arts across Australia

The \$100 million National Arts Fund aims to promote both access to and the development of the arts across Australia.

One of the first partnerships announced by the National Arts Fund, is with the Melbourne Theatre Company (MTC). The funding will enable the MTC to provide live theatre experiences and subsidised access to around 17,500 disadvantaged young people and families each year. It will also allow them to take education productions on tour to regional Victoria and Tasmania and further, it will provide for a multi-year Indigenous scholarship program.



Royal De Luxe's *The Giants*, which will be presented at the 2015 Perth International Arts Festival, is the first Western Australian arts project to be supported by the Crown Resorts Foundation (in collaboration with the Western Australian Government). Based on the story of Gallipoli-bound troops and Fay Howe of Breaksea Island Lighthouse, *The Giants* will also serve as part of the commemoration of the centenary of World War I.

The \$100 million National Arts Fund will encompass the \$60 million Crown Resorts Foundation Sydney Arts Fund which was announced in November 2013. Over 10 years, beginning in financial year 2015, \$30 million will be committed to Sydney art and cultural institutions, and \$30 million to Western Sydney arts projects, through a merit-based grants process.

### Strengthening communities and Indigenous education

The \$100 million Community Partnerships and Indigenous Education Fund aims to strengthen communities by providing assistance to community organisations where it is needed. It will principally support innovative programs that provide some of Australia's most marginalised youth with the confidence to grow and to succeed.

The first Crown Resorts Foundation Community partnership announced was The Salvation Army (Melbourne Project 614). This partnership formalised the relationship which had been developed by Crown Melbourne over many years.

Through this partnership, the Crown Resorts Foundation has committed \$750,000 to The Salvation Army over the next five years. The Crown Resorts Foundation and The Salvation Army will work together on several charitable projects including employee volunteering opportunities, providing training and employment pathways and funding the new 'Night Watch' program.

The Salvation Army's 'Night Watch' program operates in Melbourne's CBD and inner city and provides for two qualified and experienced workers, along with a team of trained volunteers to provide a critical response service for people experiencing drug and/or alcohol intoxication, separation from friends, homelessness or emotional distress.

The Community Partnerships and Indigenous Education Fund has also confirmed support for organisations such as the Exodus Foundation's with their Aboriginal Literacy Program in Darwin and the Father Bob Maguire Foundation, which operates in and around the Melbourne CBD.

During the year, the Crown Resorts Foundation also supported fundraising initiatives in New South Wales, including the *We're for the Kids Appeal* for the Sydney Children's Hospital, *The Salvation Army's NSW Bushfire Appeal* for those affected by the New South Wales bushfires, and the *RiseForAlex* campaign to support the recovery of Alex McKinnon, a former Newcastle Knights footballer who suffered a devastating spinal injury.

### Utilising the close working relationship with Crown Resorts

The Crown Resorts Foundation formalises Crown's community involvement program and community initiatives already being undertaken at Crown's Australian resorts.

In addition to supporting Crown Melbourne and Crown Perth employees in their fundraising goals, the Crown Resorts Foundation seeks to leverage Crown Resort's sporting sponsorships to bring greater attention to worthy causes.

In May, the Crown Resorts Foundation launched its inaugural *Crown Resorts Foundation Charity Challenge*, utilising one of the National Rugby League Premiership games between the Crown-sponsored South Sydney Rabbitohs and Melbourne Storm to raise the profile of and act as a fundraising event for a chosen charity partner. This year's chosen charity was the Ovarian Cancer Research Foundation (OCRF), whose logo appeared on all player jerseys. The Crown Resorts Foundation donated \$25,000 upon completion of the match and a further \$1,000 per try as well, further funds were contributed by both teams.





# Corporate Governance Statement

The Crown Resorts Limited Board is committed to the implementation and maintenance of good corporate governance practices. This Statement sets out the extent to which Crown Resorts Limited (Crown) has followed the best practice recommendations set by the ASX Corporate Governance Council (the Principles and Recommendations) during the twelve month period ending 30 June 2014. The disclosures in this Statement respond to the ASX Corporate Governance Council's second edition of its Corporate Governance Principles and Recommendations. Crown will make disclosures in response to the third edition in its 2015 Annual Report.

## Principle 1 Lay Solid Foundations for Management and Oversight

### Functions reserved for the Board

The Board is responsible for guiding and monitoring Crown on behalf of its shareholders. In addition, the Board (in conjunction with management) is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The Board has adopted a formal Board Charter which sets out a list of specific functions which are reserved for the Board.

Board appointments are made pursuant to formal terms of appointment.

### Functions delegated to Senior Executives

Crown's senior executives have responsibility for matters which are not specifically reserved for the Board (such as the day-to-day management of the operations and administration of Crown).

### Process for evaluating performance of Senior Executives

Crown has established processes for evaluating the performance of its senior executives. In summary, each senior executive is evaluated against the achievement of pre-agreed performance objectives. The evaluation process is conducted annually and is followed by the determination of appropriate remuneration of the relevant senior executive.

Detailed information regarding Crown's remuneration practices is provided in the Remuneration Report. An evaluation of senior executives took place following the end of the financial year and in accordance with the processes described in the Remuneration Report.

### Induction process for new executives

Crown executives are required to undertake formal induction training through either the Crown Melbourne on-site accredited training facility – Crown College, or Crown Perth's on-site training program.

The program involves training about:

- the history and development of the Crown brand and businesses;
- the main legal and regulatory obligations affecting the Crown businesses;
- Crown's responsible gaming policies and procedures;
- Crown's responsible service of alcohol policies; and
- the rights and obligations of Crown employees.

As part of the induction program, executives are required to successfully complete a series of online training modules and to pass the associated assessment.



#### More information

A full copy of the Crown Board Charter is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Charters.

## Principle 2 Structure the Board to add value

### Composition of the Board

As at the date of this Statement, the Board comprises the following eleven Directors:

- James D Packer  
**Chairman**
- John H Alexander BA  
**Executive Deputy Chairman**
- Benjamin A Brazil BCom LLB  
**Independent, Non-Executive Director**
- Helen A Coonan BA, LLB  
**Independent, Non-Executive Director**
- Rowen B Craigie BEd (Hons)  
**Chief Executive Officer and Managing Director**
- Rowena Danziger AM, BA, TC, MACE  
**Independent, Non-Executive Director**
- Geoffrey J Dixon  
**Independent, Non-Executive Director**
- Professor John S Horvath AO, MB, BS (Syd), FRACP  
**Independent, Non-Executive Director**
- Ashok Jacob MBA  
**Non-independent, Non-Executive Director**



- Michael R Johnston BEc, CA  
**Non-independent, Non-Executive Director**
- Harold C Mitchell AC  
**Independent, Non-Executive Director**

Mr Christopher D Corrigan resigned as a director of the Company during the financial year. Information about each current Director's qualifications, experience and period in office is set out in the Directors' Statutory Report. Since year end, the Board approved the appointment of Mr Andrew Demetriou as a director, subject to receipt of all necessary regulatory approvals. Mr Demetriou's appointment will only become effective once the necessary approvals have been received.

The roles of Chair and Chief Executive Officer are exercised by separate persons. James Packer is Chairman and Rowen Craigie is Chief Executive Officer and Managing Director.

### Relationships affecting independence

The Crown Board is currently comprised of eleven Directors, six of whom are independent Directors. A majority of Directors are therefore independent.

The independence of Directors is assessed against a list of criteria and materiality thresholds. Those criteria have been formally enshrined in the Crown Board Charter. Each Director who is listed as an independent Director complies with the relevant criteria for independence set out in the Crown Board Charter.

**Departure from Recommendation 2.2:** The Principles and Recommendations recommend that the chair of the Board should be an independent Director. Crown's Chairman is not an independent Director. The Board believes that the interests of shareholders are best served by a Chairman who is sanctioned by shareholders and who will act in the best interests of shareholders as a whole. As the Chairman has a significant relevant interest in Crown, he is well placed to act on behalf of shareholders and in their best interests.

### Procedure for selection and appointment of new Directors

Where a new Director appointment is required, Crown adheres to procedures (Selection Procedure) including the following:

- the experience and skills appropriate for an appointee, having regard to those of the existing Board members and likely changes to the Board are considered;
- upon identifying a potential appointee, specific consideration is given to that candidate's:
  - competencies and qualifications;
  - independence;

- other directorships and time availability; and
- the effect that their appointment would have on the overall balance and composition of the Board; and

- finally, all existing Board members must consent to the proposed appointment.

The duties, responsibilities and powers of Crown's Nomination and Remuneration Committee extend to reviewing the Selection Procedure and making appropriate recommendations to the Board in relation to the Selection Procedure. The Committee is responsible for implementing the Selection Procedure and developing succession plans in order for the Board to maintain appropriate experience, expertise and diversity.

The re-appointment procedures for incumbent Directors are as outlined in Crown's Constitution. In summary, subject to the specific matters described in the Constitution, an election of Directors must take place each year at which one third of Directors must retire. Any Director who has been in office for three or more years and for three or more annual general meetings must also retire. Directors who retire are generally eligible for re-election.

### Process for evaluating performance of the Board, its Committees and its Directors

A performance evaluation of the Board and of its Committees is undertaken annually, following completion of each financial year, by way of a questionnaire sent to each Director.

The questionnaire covers the role, composition, procedure and practices of the Board and its Committees. The individual responses to the questionnaire are confidential to each Director, with questionnaire responses to be provided to the Chairman of the Nomination and Remuneration Committee for his consideration and provision of a report to the Board.

Crown's Nomination and Remuneration Committee also has delegated responsibility for reviewing Crown's procedure for the evaluation of the performance of the Board, its Committees and its Directors.

An evaluation of the Board and its Committees took place following the end of the financial year and in accordance with the processes described above.

### Procedures for taking independent advice

To enable Crown's Board to fulfil its role, each Director may obtain independent advice on relevant matters at Crown's expense.

In these circumstances, the Director must notify the Chairman of the nature of the advice sought prior to obtaining that advice, so that the Chairman can take steps to

ensure that the party from whom advice is sought has no material conflict of interest with Crown. The Chairman is also responsible for approving payment of invoices in relation to the external advice.

In addition, each Committee has the full authority of the Board to:

- communicate and consult with external and internal persons and organisations concerning matters delegated to the Committee; and
- appoint independent experts to provide advice on matters delegated to the Committee.

### Crown Board Committees

To assist in carrying out its responsibilities, the Crown Board has established the following Committees:

Committees	Current Members	Meetings held during FY 2014
Audit & Corporate Governance	Benjamin Brazil (Chair) Rowena Danziger Michael Johnston	4
Corporate Social Responsibility	Helen Coonan (Chair) Rowen Craigie John Horvath Harold Mitchell	3
Finance <sup>1</sup>	Geoffrey Dixon (Chair) Benjamin Brazil Michael Johnston	0
Investment <sup>2</sup>	James Packer (Chair) John Alexander Rowen Craigie Ashok Jacob	0
Nomination and Remuneration	Geoffrey Dixon (Chair) John Horvath Harold Mitchell	1
Occupational Health & Safety	Rowena Danziger (Chair) Rowen Craigie John Horvath Michael Johnston	4
Responsible Gaming	John Horvath (Chair) Rowen Craigie Rowena Danziger	6
Risk Management	Geoffrey Dixon (Chair) Rowen Craigie Rowena Danziger	2

1. The Finance Committee did not meet this financial year.

2. The Investment Committee did not meet this financial year, however there were four written resolutions assented to by the Committee during financial year 2014.

Each Committee has adopted a formal Charter that outlines its duties and responsibilities.



#### More information

A full copy of each of the Crown Committee Charters is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Charters.

A description of the procedure for selection, appointment and re-election of Directors is available on the Crown website at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance.



## Principle 3 Promote Ethical and Responsible Decision-Making

### Codes of conduct

Crown has established separate Codes of Conduct that outline the standard of ethical behaviour that is expected of its Directors and of its employees at all times. The Code of Conduct for Employees is a detailed statement of the:

- practices required by employees to maintain confidence in Crown's integrity;
- legal obligations of employees and the reasonable expectations of their stakeholders; and
- responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

### Policy concerning diversity

Crown has established a policy concerning diversity and disclosed its policy on its website. The policy includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.

In accordance with the policy, Crown has established the measurable objectives for achieving gender diversity set out below. Except where specifically noted, these objectives have been set in relation to employees of Crown Resorts Limited, Crown Melbourne and Crown Perth groups.

An assessment of Crown's progress in achieving those objectives has also been included.

Objective	Crown's Progress
<ul style="list-style-type: none"> <li>• To require that at least one female candidate is presented on candidate short lists for all Senior Management and Senior Executive positions within the group for which a recruitment process is undertaken.</li> </ul>	<p><i>Crown Resorts – operating across both Crown Melbourne and Crown Perth</i></p> <p>Four senior positions operating across both properties were filled during FY14. Of those four positions, three were filled by females. The one role not filled by a female had no female shortlisted as no suitable female candidate was available.</p> <p>In addition, there were three senior management and senior executive positions that were filled via internal movements only. One of the three was a female appointed into the role. For the other two roles where males were appointed, no other candidates were shortlisted.</p> <p><i>Crown Melbourne</i></p> <p>Four recruitment processes for senior managers and senior executive positions were undertaken. At least one female was on each shortlist for two of the roles and one female was successful in gaining the role. There were no suitable female candidates for the two roles where no female was shortlisted.</p>
<ul style="list-style-type: none"> <li>• To increase the number of female participants in leadership and development programs across the group so that by 2015 females represent at least 45% of all participants.</li> </ul>	<p>During the year, 37% of participants in leadership and development programs across the group were female. This represents a decrease on the percentage participation in 2013 of 40%.</p> <p>Crown Melbourne and Crown Perth will continue to monitor female enrolments, both targeting and encouraging female participation in FY15.</p>
<ul style="list-style-type: none"> <li>• To incorporate a targeted mentoring program for women into existing group leadership and development programs.</li> </ul>	<p>During FY14, Crown commenced a project to scope a number of targeted programs through meeting with several external providers to best source programs that meet the business needs and gender objectives.</p> <p>These providers have presented a number of options, such as one-on-one coaching for mid to senior level employees, and more tailored programs with a broader reach across different levels.</p> <p>Crown will review these providers' recommendations to source options throughout FY15.</p>

Objective	Crown's Progress
<ul style="list-style-type: none"> <li>To conduct a review on an annual basis of the remuneration for key roles within the group to ascertain the existence of any gender pay gaps and to implement action plans to address any such gaps.</li> </ul>	<p>Crown has conducted an annual review of the remuneration of the Business Operations Teams within Crown's major operating subsidiaries, Crown Melbourne and Crown Perth. The average total male remuneration at Crown Melbourne was \$255,220 and the average total female remuneration was \$232,897. The average total male remuneration at Crown Perth was \$210,560 and the average total female remuneration was \$152,330.</p> <p>This suggested there may have been a gender based pay gap at senior levels. However, analysis was conducted to break down the data to see whether this gap exists within the same "pay grade", as the Business Operations Teams encompass several "pay grades".</p> <p>Crown Melbourne examined the grade levels within the Business Operations Team, of which there are three, comparing male and female remuneration, number of employees, and length of service within each grade level. The analysis indicated that females actually earned more than their male counterparts for two of the grade levels. In the one grade level where males on average had a higher TPV, the average length of service for the males was more than double that of the females in this group. This indicates there is no significant difference in the gender pay gap.</p> <p>The Crown Perth grade system also has three pay grades covering employees on the Business Operations Team. An analysis was conducted comparing TPVs within each grade that revealed a substantially smaller gap between male and female salaries in one of the grade levels, and females actually higher than males in another grade level. For the one grade level whereby males were being paid a higher TPV, the presence of an outlier has been identified as impacting the results.</p> <p>Crown Resorts is currently undertaking a comprehensive review of its remuneration framework to be applied across both Crown Melbourne and Crown Perth. The objective of this review is to ensure our remuneration practices continue to be applied in a consistent and fair manner, most notably in relation to the issue of gender pay equity.</p>

The proportion of women employees in the group, women in senior executive positions and women on the Board as at 30 June 2014 is as follows:

Measure	Result
<ul style="list-style-type: none"> <li>Proportion of women employees in the group:</li> </ul>	There were 5,097 women in the group. This represents 43% of the total workforce of 11,772 employees.
<ul style="list-style-type: none"> <li>Proportion of women in senior executive positions in the group:</li> </ul>	There were 29 women in senior executive positions in the group. This represents 28% of senior positions in the group.
<ul style="list-style-type: none"> <li>Proportion of women on the Board:</li> </ul>	Two women out of eleven directors, or 18%.

Crown's Audit & Corporate Governance Committee has been delegated responsibility for developing and monitoring the application of Crown's Diversity Policy.



### Policy concerning trading in company securities

Crown has adopted a formal Securities Trading Policy which details Crown's policy concerning trading in Crown shares by Directors, senior executives and employees.

The Securities Trading Policy:

- includes a requirement that employees do not buy and sell Crown shares within a 12 month period (i.e. that they do not short trade);
- establishes formal "trading windows" during which Crown employees can and cannot trade in Crown shares;
- includes restrictions and clearance procedures as to when trading can and cannot occur;
- sets out Crown's policy on entering into transactions in associated products which limit economic risk; and
- summarises the application of the insider trading provisions of the Corporations Act 2001 and the consequences of contravention thereof.

A copy of the Securities Trading Policy has been given to Australian Securities Exchange and released to the market.

### Policy concerning political donations

Crown has adopted a formal Political Donations Policy which details Crown's policy regarding donations to political parties.

The policy imposes annual monetary limits on political donations and sets up a framework to ensure Crown is able to comply with relevant State based and Commonwealth reporting requirements.

In summary, the policy provides that Crown may make political donations, provided that:

- the contributions support public policy which is aligned to the best interests of Crown's shareholders, customers, staff and the broader community;
- no particular political party is unduly favoured; and
- contributions are approved, made and recorded in compliance with the requirements of the policy and any other legislative requirements.

### Policy concerning anti-corruption and bribery

Crown has adopted a formal Anti-bribery and Corruption Policy which details Crown's policy concerning acts of bribery and corruption.

Crown takes a zero tolerance approach to acts of bribery and corruption by any officers, employees, third-party representatives or business partners.

Crown's Anti-bribery and Corruption Policy requires that Crown not, either directly or indirectly, solicit, encourage or accept any form of bribe from anyone, including a business partner, a supplier, a customer or fellow employees as an inducement for business, information or any other purpose.

The Crown Board is fully committed to the implementation of a zero tolerance Anti-bribery and Corruption Policy. The Board and senior management team must continue to foster a culture within Crown in which bribery or corruption is not acceptable.

Employees who are required to deal with external suppliers of goods and services to Crown must avoid placing themselves in situations of a potential conflict of interest.

It is a fundamental principle of Crown that all of its business affairs be conducted legally, ethically and with strict observance of the highest standards of integrity and professionalism.

### Corporate Social Responsibility

Crown's Corporate Social Responsibility Committee assists the Board in setting Crown's corporate social responsibility policies and programs and assessing Crown's corporate social responsibility performance.

Among other things, the Committee's mandate extends to continuing Crown's efforts in establishing appropriate corporate social responsibility policies and programs, monitoring and reviewing the effectiveness of those policies and programs and promoting and supporting continuous improvement in Crown's corporate social responsibility performance.



#### More information

Full copies of Crown's Code of Conduct for Directors and Code of Conduct for Employees are available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Codes.

A full copy of Crown's Diversity Policy is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Policies.

A full copy of Crown's Securities Trading Policy is available at:

[www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Policies.

A full copy of Crown's Anti-Bribery and Corruption Policy is available at:

[www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Policies.

A full copy of Crown's Corporate Social Responsibility Charter is available at:

[www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Charters.

## Principle 4 Safeguard Integrity in Financial Reporting

### Crown Audit & Corporate Governance Committee and Charter

As indicated above, Crown has established a formal Audit & Corporate Governance Committee to review the integrity of Crown's financial reporting and to oversee the independence of Crown's external auditors.

The current members of the Audit & Corporate Governance Committee are Ben Brazil (Chair), Rowena Danziger and Michael Johnston. All members of the Committee are Non-Executive Directors and a majority of those Committee members are independent Directors.

The Chairman of the Audit & Corporate Governance Committee, Mr Ben Brazil is an independent Director who has extensive financial qualifications and experience. He holds a Bachelor of Commerce degree and holds a senior role at Macquarie Bank in the Corporate and Asset Finance Group.

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report.

The Audit & Corporate Governance Committee has adopted a formal Charter that outlines its duties and responsibilities. The Charter includes information on the procedures for selection and appointment of the external auditor of Crown and for the rotation of external audit engagement partners.

## Principle 5 Make Timely and Balanced Disclosure

### Policy to ensure compliance with ASX Listing Rule disclosure requirements

- Crown has a formal Continuous Disclosure Policy in place which is designed to ensure compliance with ASX Listing Rule requirements. The policy details processes for:
  - ensuring material information is communicated to Crown's Chief Executive Officer, its General Counsel and Company Secretary or a member of the Audit & Corporate Governance Committee;
  - the assessment of information and for the disclosure of material information to the market; and
  - the broader publication of material information to Crown's shareholders and the media.



#### More information

A full copy of Crown's Continuous Disclosure Policy is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Policies.

## Principle 6 Respect the Rights of Shareholders

### Promotion of effective communication with shareholders

Crown has a Communications Policy which seeks to promote effective communication with its shareholders. The policy explains how information concerning Crown will be communicated to shareholders. The communication channels include:

- Crown's Annual Report;
- disclosures made to the ASX; and
- Notices of Meeting and other Explanatory Memoranda.

Crown has a dedicated corporate website which includes copies of all communications and other company information.

Advance notification of results announcements is made via Crown's website.



#### More information

A full copy of Crown's Communication Policy is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Policies.

## Principle 7 Recognise and Manage Risk

### Policy for the oversight and management of material business risks

Crown has established policies for the oversight and management of material business risks and has adopted a formal Risk Management Policy. Risk management is an integral part of the industry in which Crown operates.

### Design and implementation of risk management and internal control systems

As required by the Board, Crown's management have devised and implemented risk management systems appropriate to Crown.

Management are charged with monitoring the effectiveness of risk management systems and are required to report to the Board via the Risk Management Committee. The Board convened Risk Management Committee administers Crown's Risk Management Policy.

The policy sets out procedures which are designed to identify, assess, monitor and manage risk at each of Crown's controlled businesses and requires that the results of those procedures are reported to the Crown Board. A formal Risk Management Plan has been developed using the model outlined in AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines.



The Plan identifies specific Head Office risks in light of major risks identified at an operational level and provides the framework for the reporting and monitoring of material risks across the Crown group.

The Board has received, and will continue to receive, periodic reports through the Risk Management Committee, summarising the results of risk management initiatives at Crown.

### Chief Executive Officer and Chief Financial Officer assurances

The Crown Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.



#### More information

A full copy of Crown's Risk Management Committee Charter is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Charters.

A full copy of Crown's Risk Management Policy is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Policies.

## Principle 8 Remunerate Fairly and Responsibly

### Remuneration of Board members and Senior Executives

Crown has established a formal Nomination and Remuneration Committee. The role of the Nomination and Remuneration Committee includes:

- the review and recommendation of appropriate Directors' fees to be paid to Non-Executive Directors; and
- consideration of remuneration policies to be applied to executives, including any equity-based remuneration plan that may be considered, subject to shareholder approval (where required).

Following the end of the financial year, the Committee has reviewed and approved:

- the remuneration for senior executives which will apply during the financial year ending 30 June 2015; and
- the short term bonus payments made to senior executives referable to the financial year ending 30 June 2014.

The current members of the Nomination and Remuneration Committee are Geoffrey Dixon (Chair), John Horvath and Harold Mitchell who are each independent, Non-Executive Directors. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report.

The Nomination and Remuneration Committee has adopted a formal Charter that outlines its duties and responsibilities. A summary of current remuneration arrangements is set out more fully in the Remuneration Report. The objective of Crown's remuneration policy is to ensure that:

- senior executives are motivated to pursue the long-term growth and success of Crown; and
- there is a clear relationship between senior executives' performance and remuneration.

### Policy on entering into transactions in associated products which limit economic risk

The rules of the 2010 Crown Long Term Incentive Plan and the 2014 Crown Long Term Incentive Plan specifically provide that a participant must not grant or enter into any Security Interest in or over any Crown shares that may be acquired under the Plan (Participant Shares) or otherwise deal with any Participant Shares or interest in them until the relevant Participant Shares are transferred from the Trustee to the participant in accordance with the Plan rules. Security Interests are defined to extend to any mortgage, charge, pledge or lien or other encumbrance of any nature, and includes any derivative relating to or involving a Participant Share. Any Security Interest, disposal or dealing made by a participant in contravention of the Plan rules will not be recognised by Crown.



#### More information

A full copy of Crown's Nomination and Remuneration Committee Charter is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Charters.

# Nevada Information Statement

The gaming industry in Nevada is highly regulated and Crown Resorts Limited (Crown) must maintain relevant licences to continue its investments in entities with gaming operations in Nevada. Each of the casinos in which Crown has an interest is subject to extensive regulation under the laws, rules and regulations of the jurisdiction where it is located. These laws, rules and regulations generally concern the responsibility, financial stability and character of the owners, managers and persons with financial interest in gaming operations. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions.

Crown is registered as a publicly traded corporation in the state of Nevada. One of the conditions of that registration requires Crown to summarise relevant Nevada gaming law requirements in this Report. Crown Melbourne and Crown Perth are regulated in a similar manner by the Victorian Commission for Gambling and Liquor Regulation and the Western Australian Department of Racing Gaming and Liquor, respectively. We are not, however, required to summarise the regulations specific to Victoria and Western Australia in this Report.

## Nevada Government Regulation

The ownership and operation of casino gaming facilities in Nevada are subject to the Nevada Gaming Control Act and the regulations promulgated thereunder (collectively, the Nevada Act) and various local regulations. Gaming operations are subject to the licensing and regulatory control of the Nevada Gaming Commission (the Nevada Commission), the Nevada State Gaming Control Board (the Nevada Board) and various county and city licensing agencies (the local authorities). The Nevada Commission, the Nevada Board and the local authorities are collectively referred to as the "Nevada Gaming Authorities".

The laws, regulations and supervisory procedures of the Nevada Gaming Authorities are based upon declarations of public policy that are concerned with, among other things:

- the prevention of unsavoury or unsuitable persons from having a direct or indirect involvement with gaming at any time or in any capacity;
- the establishment and maintenance of responsible accounting practices;
- the maintenance of effective controls over the financial practices of licensees, including the establishment of minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;
- providing reliable record keeping and requiring the filing of periodic reports with the Nevada Gaming Authorities;
- the prevention of cheating and fraudulent practices; and
- providing a source of state and local revenues through taxation and licensing fees.

Each of the entities in which Crown holds an investment and which currently operate casinos in Nevada (the casino licensees) is required to be licensed by the Nevada Gaming Authorities. Certain of Crown's subsidiaries in the Cannery ownership chain have also been licensed or found suitable as shareholders, members or general partners, as relevant, of the casino licensees.

The casino licensees and the foregoing subsidiaries are collectively referred to as the "licensed subsidiaries".

## Registration as a Publicly Traded Corporation

Crown is required to be registered by the Nevada Commission as a publicly traded corporation and, as such, is required periodically to submit detailed financial and operating reports to the Nevada Commission and to furnish any other information that the Nevada Commission may require. No person may become a shareholder or member of, or receive any percentage of profits from, the licensed subsidiaries without first obtaining licences and approvals from the Nevada Gaming Authorities.

Additionally, local authorities have taken the position that they have the authority to approve all persons owning or controlling the shares of any corporation controlling a gaming licensee. Crown and the licensed subsidiaries have obtained from the Nevada Gaming Authorities the various registrations, approvals, permits and licences required in order to engage in gaming activities in Nevada.

## Suitability of Individuals

### Power to investigate

The Nevada Gaming Authorities may investigate any individual who has a material relationship to, or material involvement with, Crown or any of the licensed subsidiaries to determine whether such individual is suitable or should be licensed as a business associate of a gaming licensee.

Officers, Directors and certain key employees of the licensed subsidiaries must file applications with the Nevada Gaming Authorities and may be required to be licensed by the Nevada Gaming Authorities. Crown's officers, Directors and key employees who are actively



and directly involved in the gaming activities of the licensed subsidiaries may be required to be licensed or found suitable by the Nevada Gaming Authorities.

The Nevada Gaming Authorities may deny an application for licensing or a finding of suitability for any cause they deem reasonable. A finding of suitability is comparable to licensing and both require submission of detailed personal and financial information followed by a thorough investigation. The applicant for licensing or a finding of suitability, or the gaming licensee by which the applicant is employed or for whom the applicant serves, must pay all the costs of the investigation.

Changes in licensed positions must be reported to the Nevada Gaming Authorities and, in addition to their authority to deny an application for a finding of suitability for a licence, the Nevada Gaming Authorities have jurisdiction to disapprove a change in a corporate position.

#### **Consequences of finding of unsuitability**

If the Nevada Gaming Authorities were to find an officer, Director or key employee unsuitable for licensing or to continue having a relationship with Crown or the licensed subsidiaries, such company or companies would have to sever all relationships with that person. In addition, the Nevada Commission may require Crown or the licensed subsidiaries to terminate the employment of any person who refuses to file appropriate applications. Determinations of suitability or of questions pertaining to licensing are not subject to judicial review in Nevada.

#### **Reporting requirements**

Crown and the licensed subsidiaries are required to submit detailed financial and operating reports to the Nevada Commission. Substantially all of Crown and the licensed subsidiaries' material loans, leases, sales of securities and similar financing transactions must be reported to or approved by the Nevada Commission.

### **Consequences of Violation of the Nevada Act**

If the Nevada Commission determined that Crown or a licensed subsidiary violated the Nevada Act, it could limit, condition, suspend or revoke, subject to compliance with certain statutory and regulatory procedures, Crown's Nevada gaming licences and those of Crown's licensed subsidiaries. In addition, Crown and the licensed subsidiaries and the persons involved could be subject to substantial fines for each separate violation of the Nevada Act at the discretion of the Nevada Commission.

### **Certain Beneficial Holders of Shares Required to be Licensed**

#### **Generally**

Any beneficial holder of Crown's voting securities, regardless of the number of shares owned, may be required to file an application, be investigated and have his or her suitability as a beneficial holder of the voting securities determined if the Nevada Commission has reason to believe that such ownership would otherwise be inconsistent with the declared policies of the State of Nevada. The applicant must pay all costs of investigation incurred by the Nevada Gaming Authorities in conducting any such investigation.

The Nevada Act requires any person who acquires more than 5% of any class of Crown's voting securities to report the acquisition to the Nevada Commission. The Nevada Act requires that beneficial owners of more than 10% of any class of Crown's voting securities apply to the Nevada Commission for a finding of suitability within thirty days after the Chairman of the Nevada Board mails a written notice requiring such filing.

#### **Institutional investors**

Under certain circumstances, an "institutional investor" as defined in the Nevada Act, who acquires more than 10% but not more than 25% of any class of Crown's voting securities, may apply to the Nevada Commission for a waiver of such finding of suitability if such institutional investor holds the voting securities for investment purposes only.

An institutional investor will be deemed to hold voting securities for investment purposes if it acquires and holds the voting securities in the ordinary course of business as an institutional investor and not for the purpose of causing, directly or indirectly, the election of a majority of the members of Crown's Board of Directors, any change in Crown's Constitution, management, policies or operations or any of Crown's gaming affiliates or any other action that the Nevada Commission finds to be inconsistent with holding Crown's voting securities for investment purposes only.

Activities that are deemed to be consistent with holding voting securities for investment purposes only include:

- voting on all matters voted on by shareholders;
- making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in its management, policies or operations; and
- such other activities as the Nevada Commission may determine to be consistent with such investment intent.

## Corporations and trusts

If the beneficial holder of voting securities who must be found suitable is a corporation, partnership or trust, it must submit detailed business and financial information including a list of beneficial owners. The applicant is required to pay all costs of investigation.

## Consequences of finding of unsuitability

- Any person who fails or refuses to apply for a finding of suitability or a licence within 30 days after being ordered to do so by the Nevada Commission or the Chairman of the Nevada Board may be found unsuitable.
- The same restrictions apply to a nominee if the nominee, after request, fails to identify the beneficial owner. Any shareholder found unsuitable and who holds, directly or indirectly, any beneficial ownership of Crown's shares beyond such period of time as may be prescribed by the Nevada Commission may be guilty of a criminal offence in Nevada. Crown will be subject to disciplinary action if, after Crown receives notice that a person is unsuitable to be a shareholder or to have any other relationship with Crown or a licensed subsidiary, Crown or any of the licensed subsidiaries:
- pays that person any dividend or interest upon any of Crown's voting securities;
- allows that person to exercise, directly or indirectly, any voting right conferred through securities held by that person;
- pays remuneration in any form to that person for services rendered or otherwise; or
- fails to pursue all lawful efforts to require such unsuitable person to relinquish his or her voting securities including, if necessary, the immediate purchase of the voting securities for cash at fair market value.

## Certain Debt Holders Required to be Licensed

The Nevada Commission may, in its discretion, require the holder of any of Crown's debt securities to file an application, be investigated and be found suitable to hold the debt security. If the Nevada Commission determines that a person is unsuitable to own such security, then pursuant to the Nevada Act, Crown can be sanctioned, including the loss of its approvals, if without the prior approval of the Nevada Commission, it:

- pays to the unsuitable person any dividend, interest or any distribution whatsoever;

- recognises any voting right by such unsuitable person in connection with such securities;
- pays the unsuitable person remuneration in any form; or
- makes any payment to the unsuitable person by way of principal, redemption, conversion, exchange, liquidation or similar transaction.

## Maintenance of Share Register

Crown is required to maintain a current share register in Nevada that may be examined by the Nevada Gaming Authorities at any time. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to the Nevada Gaming Authorities. A failure to make such disclosure may be grounds for finding the record holder unsuitable. Crown is also required to render maximum assistance in determining the identity of the beneficial owner. The Nevada Commission has the power to require Crown's holding statements or share certificates bear a legend indicating that such securities are subject to the Nevada Act. To date, however, the Nevada Commission has not imposed such a requirement on Crown.

## Actions Requiring Prior Approval of the Nevada Commission

### Public offerings to fund Nevada gambling activities

Crown may not make a public offering of any securities without the prior approval of the Nevada Commission if the securities or the proceeds there from are intended to be used to construct, acquire or finance gaming facilities in Nevada or to retire or extend obligations incurred for those purposes or for similar purposes. An approval, if given, does not constitute a finding, recommendation or approval by the Nevada Commission or the Nevada Board as to the accuracy or adequacy of the prospectus or the investment merits of the securities. Any representation to the contrary is unlawful.

### Transactions effecting a change in control

Changes in control of Crown through merger, consolidation, share or asset acquisitions, management or consulting agreements or any act or conduct by a person whereby he or she obtains control, may not occur without the prior approval of the Nevada Commission. Entities seeking to acquire control of a registered corporation must satisfy the Nevada Board and the Nevada Commission concerning a variety of stringent standards prior to assuming control of the registered corporation. The Nevada Commission may also require controlling



shareholders, officers, Directors and other persons having a material relationship or involvement with the entity proposing to acquire control to be investigated and licensed as part of the approval process relating to the transaction.

### Share buy-backs and other arrangements

Approvals are, in certain circumstances, required from the Nevada Commission before Crown can make exceptional repurchases of voting securities above the current market price and before a corporate acquisition opposed by management can be consummated. The Nevada Act also requires prior approval of a plan of recapitalisation proposed by a registered corporation's Board of Directors in response to a tender offer made directly to the registered corporation's shareholders for the purpose of acquiring control of that corporation.

### Investigation and Monitoring of "Foreign Gaming Operations"

Because Crown is involved in gaming ventures outside of Nevada, Crown is required to deposit with the Nevada Board and thereafter maintain a revolving fund in the amount of US\$10,000 to pay the expenses of investigation by the Nevada Board of Crown's participation in such gaming.

The Nevada Board refers to any of Crown's operations outside of Nevada as "foreign gaming operations". The

revolving fund is subject to increase or decrease at the discretion of the Nevada Commission. Crown is also required to comply with certain reporting requirements imposed by the Nevada Act. Crown would be subject to disciplinary action by the Nevada Commission if Crown:

- knowingly violates any laws of the foreign jurisdiction pertaining to the foreign gaming operation;
- fails to conduct the foreign gaming operation in accordance with the standards of honesty and integrity required of Nevada gaming operations;
- engages in any activity or enters into any association that is unsuitable because it poses an unreasonable threat to the control of gaming in Nevada, reflects or tends to reflect discredit or disrepute upon the State of Nevada or gaming in Nevada or is contrary to the gaming policies of Nevada;
- engages in any activity or enters into any association that interferes with the ability of the State of Nevada to collect gaming taxes and fees; or
- employs, contracts with or associates with any person in the foreign gaming operation who has been denied a license or a finding of suitability in Nevada on the ground of personal unsuitability or who has been found guilty of cheating at gambling.

# Directors' Statutory Report

## Company Information

### Review of operations

A review of operations of the Crown Resorts Limited (Crown) group for the financial year ended 30 June 2014 and the results of those operations is detailed on pages 8 to 31.

The principal activity of the entities within the Crown group is gaming and entertainment.

### Significant changes in state of affairs

Some of the significant changes in the state of affairs of the consolidated group since 1 July 2013 include:

- On 4 July 2013, Crown announced that it had been invited by the New South Wales Government to move to Stage Three of the Unsolicited Proposal process for a six-star hotel resort including VIP gaming facilities at Barangaroo South and on 19 July 2013, Crown announced that it had accepted that invitation.
- On 2 August 2013, Crown announced that it had restructured its senior management team in Australia and created the new position of Chief Executive Officer – Australian Resorts. Barry Felstead, the Chief Executive Officer of Crown Perth, was appointed to that position. As a result, the positions of Chief Executive Officer Crown Melbourne and Chief Executive Officer Crown Perth, having been combined into this new position, ceased to exist.
- On 30 October 2013, Crown announced that it had changed the name of the company from Crown Limited to Crown Resorts Limited.
- On 11 November 2013, Crown announced that it had entered into agreements with the New South Wales Government for the development of a six-star luxury hotel resort at Barangaroo South in Sydney.
- On 13 December 2013, Crown announced that it had entered into discussions with the Victorian Government in relation to a range of matters including the terms and conditions of the Crown Melbourne casino licence and a restructuring of tax arrangements to ensure the Crown Melbourne resort remains competitive, supports Victorian jobs and positions the facility to compete strongly in the future for inbound tourists.
- On 26 February 2014, Crown announced that the Board of Melco Crown Entertainment Limited had recommended the payment of a special dividend and had adopted a new dividend policy. On 27 March 2014, Crown announced that the shareholders of Melco Crown Entertainment Limited had approved the payment of a special dividend.

### Significant events after Balance Date

On 8 July 2014, Crown announced that it had been issued a Restricted Gaming Licence by the New South Wales Independent Liquor and Gaming Authority for the Crown Sydney Hotel Resort at Barangaroo South.

Subsequent to 30 June 2014, the Crown Board reviewed its dividend policy and adopted a revised policy. The revised dividend policy is to pay an annual dividend of the higher of 37 cents per share and 65% of normalised NPAT (excluding profits from associates but including dividends received from associates), subject to the company's financial position. For the final F14 Crown dividend, the Board determined that the MCE special dividend related to the year ended 31 December 2013 should not be included in the calculation.

The Directors of Crown subsequently declared a final dividend on ordinary shares in respect of the year ending 30 June 2014. The total amount of the dividend is \$138.4 million, which represents 19 cents per share. The final dividend will be 50% franked. None of the unfranked component of the dividend will be conduit foreign income. The dividend has not been provided for in the 30 June 2014 financial statements.

On 18 July 2014, Crown announced that it had entered into an agreement with a subsidiary of the international Chinese diversified property group, Greenland Holdings Group, to jointly prepare a detailed proposal to be submitted to the Queensland Government to develop the Queen's Wharf precinct in Brisbane.

On 4 August 2014, Crown announced that a majority-owned subsidiary had acquired a 34.6 acre vacant site on Las Vegas Boulevard. The site, on the "Las Vegas Strip", was formerly occupied by the New Frontier casino and was acquired through a foreclosure auction initiated by lenders to the former owner of the site.

On 7 August 2014, Crown announced that its Board had resolved to appoint Mr Andrew Demetriou as a director of the company, subject to receipt of all necessary gaming regulatory approvals.

On 13 August 2014, Crown announced that it had acquired Betfair Group plc's 50% equity interest in Betfair Australasia Pty Limited (Betfair Australasia) for consideration of \$10 million.

On 22 August 2014, Crown announced that it had reached agreement with the Victorian Government on a number of reforms to the Melbourne Casino Licence, whereby the licence term will be extended to 2050, "super tax" on international and interstate VIP program play will be removed, Crown Melbourne will be entitled to additional gaming product and Crown will make agreed specified payments to the State of Victoria.



## Environmental regulation

The National Greenhouse and Energy Reporting Act 2007 (the NGER Act) established a mandatory reporting system for corporate greenhouse gas emissions and energy production and consumption. Crown is required to report emissions under the NGER Act. Relevant reports have been submitted during the year.

Key features of the NGER Act are:

- reporting of greenhouse gas emissions, energy consumption and production by large corporations;
- corporate level public disclosure of greenhouse gas emissions and energy information; and
- to provide consistent and comparable data for decision making.

The Federal Government's Clean Energy Legislation was repealed in July 2014. Crown Melbourne was considered a 'liable entity' under the legislation and was therefore required to surrender carbon units to meet its FY14 liability. However, moving forward Crown Melbourne is no longer considered a 'liable entity' and has no further obligations.

The Energy Efficiency Opportunities Act 2006 was repealed in May 2014. As such, Crown has no further obligations in regards to this legislation.

Under the Western Australian Water By-laws legislation, Crown Perth is required to complete annual water management assessments and submit water efficiency management plans. Relevant reports have been submitted during the year.

The Crown group is not otherwise subject to any particular or significant environmental regulation under Australian law. Environmental issues are, however, important to Crown and it has taken a number of initiatives in this regard. A description of those initiatives is set out in the Sustainability section of this Annual Report.

## Operating and financial review

In addition to the information provided in the review of operations section of this Report, set out below is some additional information that members of Crown might reasonably require to make an informed assessment of the operations, financial position and business strategies of Crown. The commentary which follows omits some information which might be considered relevant to Crown's business strategies and prospects for future financial years, on the basis that the directors have reasonable grounds to believe that disclosure would likely result in unreasonable prejudice to Crown.

Crown reported a consolidated net profit after tax (NPAT) of \$655.8 million and a normalised NPAT<sup>1</sup> of \$640.0 million for the 12 months ended 30 June 2014. Crown Melbourne and Crown Perth achieved normalised EBITDA growth of 2.0% and normalised revenue growth of 1.4%.

### Performance for the year ended

June 30 2014	\$m
Normalised revenue <sup>1</sup>	2,935.4
Normalised expenditure <sup>1</sup>	(2,152.7)
Normalised EBITDA <sup>2</sup>	782.7
Normalised EBIT <sup>3</sup>	537.8
Normalised net profit after tax before significant items	640.0
Reported net profit after tax before significant items	702.5
Significant items <sup>4</sup>	(46.7)
Reported net profit after tax	655.8

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

2. Normalised earnings before interest, tax, depreciation, and amortisation.

3. Normalised earnings before interest and tax.

4. Relates to legal settlement costs of \$23.6 million (net of tax) and an asset impairment charge of \$23.1 million (net of tax).

The activities and results of Crown's operations are discussed further below.

### **Crown Melbourne**

Normalised EBITDA from Crown Melbourne was \$561.8 million, up 2.8% on the prior comparable period (pcp). Reported EBITDA for the period was \$593.3 million, up 8.4% on the pcp. This reflects a win rate of 1.46%, which is above the theoretical win rate of 1.35%, and generated a positive EBITDA variance of \$31.5 million. This compares to a win rate of 1.36% in the pcp which resulted in a positive EBITDA variance of \$0.4 million.

Normalised revenue of \$1,931.2 million was up 0.7% on the pcp. During the year, main floor gaming revenue was \$1,020.3 million, up 2.0% on the pcp. Normalised VIP program play revenue was \$501.2 million, down 4.6% on the pcp with turnover of \$37.1 billion reflecting the competitive challenges facing Crown Melbourne including the impact of Super Tax on the Melbourne casino.

Non-gaming revenue grew 4.5% to \$409.7 million. Crown Towers Melbourne hotel occupancy was 96.1% with an average room rate of \$332. Crown Metropal Melbourne achieved hotel occupancy of 92.1% with an average room rate of \$248. Crown Promenade Melbourne hotel occupancy was 93.9% with an average room rate of \$215.

The overall operating margin<sup>1</sup> improved from 28.5 % to 29.1%. This, in part, reflects Crown Melbourne's comprehensive review of back of house costs and front of house operational efficiency as well as changes in business mix.

### **Crown Perth**

Normalised EBITDA from Crown Perth was \$241.6 million, up 0.3% on the pcp. Reported EBITDA for the period was \$315.7 million, up 31.1% on the pcp. This reflects a win rate of 2.21%, which is above the theoretical win rate of 1.35%, and generated a positive EBITDA variance of \$74.1 million. In the pcp the actual result was in-line with the theoretical win rate.

Normalised revenue of \$883.6 million was up 3.0% on the pcp. During the year, main floor gaming revenue was \$485.4 million, up 0.4% on the pcp reflecting local market conditions. Normalised VIP program play revenue was \$173.1 million, up 8.6% on the pcp with turnover of \$12.8 billion.

Non-gaming revenue grew 4.5% to \$225.1 million. Crown Metropal Perth hotel occupancy was 90.5% with an average room rate of \$308. Hotel occupancy at Crown Promenade Perth was 94.1% with an average room rate of \$217.

The overall operating margin<sup>1</sup> decreased from 28.1% to 27.3%. This reflects the change in business mix, partially offset by productivity and efficiency improvements.

<sup>1</sup> Normalised EBITDA divided by normalised revenue.

Work is progressing well on Crown Towers Perth, which is expected to open at the end of 2016.

### **Crown Aspinall's**

Normalised EBITDA from Crown Aspinall's was \$35.2 million, up 5.7% on the pcp. Reported EBITDA for the period was \$25.1 million, down 5.3% on the pcp.

### **Melco Crown Entertainment (MCE) – 33.6% equity interest**

Crown's share of MCE's normalised NPAT for the year to 30 June 2014 was an equity accounted profit of \$291.2 million, up 91.2% on the pcp. After adjusting for an above theoretical win rate and pre-opening costs, Crown's share of MCE's reported result for the year was an equity accounted profit of \$287.6 million, up 64.3% on the pcp.

MCE's result was attributable to solid underlying financial performance, driven primarily by its mass market table games business at City of Dreams. However, market conditions weakened during the fourth quarter.

### **Cash flow and debt**

Operating cash flow for the period was \$702.0 million. After net capital expenditure of \$401.4 million, licence fee payments of \$5.0 million, net investment payments of \$160.1 million, dividend payments of \$269.5 million and net drawdown of debt of \$103.4 million, total Group debt was \$1,742.8 million as at 30 June 2014. Total cash and cash equivalents at 30 June 2014 was \$177.8 million, which consisted of cash maintained for working capital purposes of \$110.9 million, with the balance of \$66.9 million available for general purposes. Net debt, excluding working capital cash, at 30 June 2014 stood at \$1,675.9 million.

At 30 June 2014, total liquidity, excluding working capital cash of \$110.9 million, was \$1,140.0 million, represented by \$66.9 million in available cash and \$1,073.1 million in committed undrawn facilities.

### **Conclusion**

Crown's key strategies and business focuses are to:

- continue to maximise the performance of Crown Melbourne and Crown Perth including revenue growth, cost control and margins;
- progress the Crown Towers Perth project, Crown Sydney Hotel Resort project. Queen's Wharf Brisbane bid and the Las Vegas site development to deliver value for shareholders;
- assist MCE with the Studio City and Philippines projects; and
- assess other relevant growth opportunities.



## Likely developments

Other than the developments described in this Report and the accompanying review of operations, the Directors are of the opinion that no other matter or circumstance will significantly affect the operations and expected results for the Crown group.

## Dividends and distributions

**Interim Dividend:** Crown paid an interim dividend of 18 cents per ordinary share on 11 April 2014. The dividend was 50% franked. None of the unfranked component was conduit foreign income.

**Final Dividend:** The Directors of Crown have declared a final dividend of 19 cents per ordinary share to shareholders registered as at 26 September 2014. The final dividend will be 50% franked. None of the unfranked component of the dividend will be conduit foreign income.

In summary:	Dividend per share	\$'000
Interim Dividend paid	18 cents per share	\$131,111
Final Dividend payable	19 cents per share	\$138,395
<b>Total</b>	<b>37 cents per share</b>	<b>\$269,506</b>

Crown paid shareholders a final dividend in respect of the 2013 financial year of \$138.4 million.

## Directors and Officers

### Director details

Set out below are the names of each person who has been a Director of Crown during or since year end and the period for which they have been a Director. There are eleven current Directors.

Name	Date Appointed	Date Ceased
James Douglas Packer	6 July 2007	–
John Henry Alexander	6 July 2007	–
Benjamin Alexander Brazil	26 June 2009	–
Helen Anne Coonan	2 December 2011	–
Christopher Darcy Corrigan	6 July 2007	29 November 2013
Rowen Bruce Craigie	31 May 2007	–
Rowena Danziger	6 July 2007	–
Geoffrey James Dixon	6 July 2007	–
John Stephen Horvath	9 September 2010	–
Ashok Jacob	6 July 2007	–
Michael Roy Johnston	6 July 2007	–
Harold Charles Mitchell	10 February 2011	–

Since year end, the Board approved the appointment of Mr Andrew Demetriou as a director, subject to receipt of all necessary regulatory approvals. Mr Demetriou's appointment will only become effective once the necessary approvals have been received.

At Crown's 2013 Annual General Meeting, Mr Geoffrey Dixon, Mr Ashok Jacob, Mr Harold Mitchell and Mr James Packer stood for re-election as Directors. Each was re-elected as a Director at that time.

The details of each Director's qualifications and experience as at the date of this Report are set out below. Details of all directorships of other Australian listed companies held in the three years before the end of the financial year have been included.

#### **James D Packer**, Chairman

Mr Packer is the Chairman of Consolidated Press Holdings Limited (CPH), a family company. CPH is a substantial shareholder in Crown.

Mr Packer is a director of various companies including Crown Melbourne Limited, Burswood Limited and Melco Crown Entertainment Limited.

Mr Packer is the chair of the Crown Investment Committee.

#### **Directorships of other Australian listed companies held during the last three years:**

- Consolidated Media Holdings Pty Limited<sup>1</sup>: from 28 April 1992 to 19 November 2012

#### **John H Alexander BA**, Executive Deputy Chairman

Mr Alexander is the Executive Deputy Chairman of Crown Resorts Limited and is also a director of a number of companies, including Seven West Media Limited, Crown Melbourne Limited, Burswood Limited and Aspers Holdings (Jersey) Limited.

Mr Alexander was the Executive Chairman of Consolidated Media Holdings Limited (CMH) from 2007 to November 2012, when CMH was acquired by News Corporation. Prior to 2007, Mr Alexander was the Chief Executive Officer and Managing Director of Publishing and Broadcasting Limited (PBL) from 2004, the Chief Executive of ACP Magazines Limited from 1999 and PBL's group media division comprising ACP Magazines Limited and the Nine Network from 2002.

Before joining the PBL Group, Mr Alexander was the Editor-in-Chief, Publisher & Editor of The Sydney Morning Herald and Editor-in-Chief of The Australian Financial Review.

Mr Alexander is a member of the Crown Investment Committee.

#### **Directorships of other Australian listed companies held during the last three years:**

- Consolidated Media Holdings Limited<sup>1</sup>: from 16 December 1999 to 19 November 2012
- Seven West Media Limited: from 2 May 2013 to current

#### **Benjamin A Brazil BCom LLB**, Independent, Non-Executive Director

Mr Brazil is an Executive Director of Macquarie Group Limited, a member of the Executive Committee and is Co-Head of its Corporate and Asset Finance Group. He originally commenced employment at Macquarie in 1994 and has operated across a range of geographies and business lines during the course of his career. He holds a Bachelor of Commerce and a Bachelor of Laws from the University of Queensland.

Mr Brazil is the Chairman of the Crown Audit and Corporate Governance Committee and a member of the Crown Finance Committee.

#### **The Honourable Helen A Coonan BA, LLB**, Independent, Non-Executive Director

Helen Coonan is a former Senator for New South Wales serving in the Australian Parliament from 1996 to 2011.

She holds degrees in Bachelor of Arts and Bachelor of Laws from the University of Sydney. Prior to entering Parliament she worked as a lawyer including as principal of her own legal firm, as a partner in law firm Gadens, as a commercial barrister in Australia and as an attorney in New York.

In Parliament, Helen Coonan served as the Deputy leader of the Government in the Senate. She was appointed to Cabinet as the former Minister for Communications, Information Technology and the Arts and was shareholder Minister for Telstra Corporation and Australia Post. She also served as the Minister for Revenue and Assistant Treasurer and had portfolio oversight of the Australian Taxation Office and the Australian Prudential Regulatory Authority.

Ms Coonan is a Non-Executive Director of Snowy Hydro Limited, a member of the Advisory Council of J.P. Morgan, a Member of the Board of Advice for Aon Risk Services Australia, a Trustee of the Sydney Opera House Trust, Chair of the Conservation Council of the Opera House Trust, a Member of the Australian World Heritage Advisory Committee, Co-Chair of GRACosway (a subsidiary of the Clemenger Group) and a Non-Executive Director of Obesity Australia Limited. She is also a member of Chief Executive Women.

Ms Coonan Chairs the Crown Resorts Foundation. She is also Chair of the Crown Resorts Corporate Social Responsibility Committee.

1. Consolidated Media Holdings Pty Limited (CMH) (previously Consolidated Media Holdings Limited and, prior to that, Publishing and Broadcasting Limited, ASX Code: PBL). CMH was removed from the ASX's official list on 20 November 2012.



**Rowen B Craigie BEc (Hons),**  
Chief Executive Officer and Managing Director

Mr Craigie was appointed Chief Executive Officer and Managing Director in 2007. He is also a director of Crown Melbourne Limited, Burswood Limited, Melco Crown Entertainment Limited and Aspers Holdings (Jersey) Limited.

Mr Craigie previously served from 2005 to 2007 as the Chief Executive Officer of PBL Gaming and as the Chief Executive Officer of Crown Melbourne Limited from 2002 to 2007. Mr Craigie joined Crown Melbourne Limited in 1993 and was appointed as the Executive General Manager of its Gaming Machines department in 1996 and was promoted to Chief Operating Officer in 2000.

Prior to joining Crown Melbourne Limited, Mr Craigie was the Group General Manager for Gaming at the TAB in Victoria from 1990 to 1993 and held senior economic policy positions in Treasury and the Department of Industry in Victoria from 1984 to 1990.

Mr Craigie is a member of Crown's Investment, Occupational Health & Safety, Responsible Gaming, Risk Management and Corporate Social Responsibility Committees. He also sits on the Crown Resorts Foundation Board.

Mr Craigie is a member of the Commonwealth Government's Trade and Investment Policy Advisory Council (TIPAC) and is President of Casinos and Resorts Australasia.

**Rowena Danziger AM, BA, TC, MACE,**  
Independent, Non-Executive Director

Mrs Danziger's professional experience spans over 30 years in various Australian and American educational institutions. Mrs Danziger was the Headmistress at Ascham School in Sydney from 1973 to 2003.

Mrs Danziger is a Director of Crown Melbourne Limited and is Chair of the Crown Resorts Limited Occupational Health & Safety Committee and a member of the Crown Audit & Corporate Governance, Risk Management and Responsible Gaming Committees.

**Directorships of other Australian listed companies held during the last three years:**

- Consolidated Media Holdings Limited<sup>1</sup>:  
17 September 1997 to 19 November 2012

**Geoffrey J Dixon,**  
Independent, Non-Executive Director

Mr Dixon is Chairman of Tourism Australia, the Australian Government's major international tourism marketing organisation. He is also Chairman of the Garvan Medical Research Foundation, based in Sydney.

Mr Dixon also sits on the board of publicly listed Australian company, Adslot Limited, and the boards of the Museum of Contemporary Art and the Local Organising Committee of the Asian Football Cup. He is an Ambassador for the Australian Indigenous Education Foundation.

Mr Dixon has also worked in the media, mining and government sectors. He was Managing Director and Chief Executive Officer of Qantas Airways Limited from 2001 to 2008. He joined Qantas Airways Limited in 1994 and was also Chief Commercial Officer and, for two years, Deputy Chief Executive. Mr Dixon is the Chairman of the Crown Finance, Nomination and Remuneration and Risk Management Committees.

**Directorships of other Australian listed companies held during the last three years:**

- Consolidated Media Holdings Limited<sup>1</sup>: from  
31 May 2006 to 19 November 2012
- Facilitate Digital Holdings Limited: from  
9 July 2009 to 24 December 2013 when the company was delisted from the ASX
- Adslot Limited: 23 December 2013 to current

**Professor John S Horvath AO, MB, BS (Syd), FRACP,**  
Independent, Non-Executive Director

Professor John Horvath was the Australian Government Chief Medical Officer from 2003 to 2009. He is currently continuing to advise the Department of Health, the National Health and Medical Research Council and the School of Medicine, University of Sydney, and holds the position of Honorary Professor of Medicine.

Professor Horvath is a Fellow of the Royal Australasian College of Physicians and is a distinguished practitioner, researcher and teacher. Professor Horvath sat on the Board of the Garvan Research Foundation until March this year and continues to be a Governor of the Centenary Institute of Medical Research. He is a member of the Advisory Board to the World Health Organisation Influenza Collaborating Centre, a member of the Advisory Council to the Australian Organ and Tissue Donation Agency and a member of the Finance and Administration Committee of the School of Medicine at the University of Sydney. Professor Horvath is a Member of the Ministerial Advisory Council to the Minister of Health.

1. Consolidated Media Holdings Pty Limited (CMH) (previously Consolidated Media Holdings Limited and, prior to that, Publishing and Broadcasting Limited, ASX Code: PBL). CMH was removed from the ASX's official list on 20 November 2012.

Professor Horvath was previously Clinical Professor of Medicine at University of Sydney. He is also known as a leader in a range of medical training and workforce organisations. He is also a former President of the Australian Medical Council and the NSW Medical Board.

Professor Horvath is the Chair of the Crown Responsible Gaming Committee and a member of Crown's Occupational Health & Safety and Corporate Social Responsibility Committees. He also sits on the Crown Melbourne Board and the Crown Resorts Foundation Board.

#### **Ashok Jacob BSc, MBA,**

Non-independent, Non-Executive Director

Mr Ashok Jacob is a non-executive director of Crown.

Mr Jacob is the Chairman and Chief Investment Officer of Ellerston Capital. Mr Jacob was the Chief Executive Officer of Consolidated Press Holdings Limited from 2006 to 2011 and previously the Joint Chief Executive Officer from 1998 to 2006. Mr Jacob is a director of Consolidated Press Holdings Limited and a director of MRF Limited. Mr Jacob is a member of the Advisory Board of Visy Australia.

Mr Jacob holds a Master of Business Administration from the Wharton School, University of Pennsylvania and a Bachelor of Science from the University of Bangalore.

Mr Jacob is a member of the Crown Investment Committee.

#### **Directorships of other Australian listed companies held during the last three years:**

- Consolidated Media Holdings Limited<sup>1</sup>: from 10 September 2009 to 19 November 2012.

#### **Michael R Johnston BEc, CA,**

Non-independent, Non-Executive Director

Mr Johnston is the Finance Director of Consolidated Press Holdings Limited, having previously been an advisor to the Consolidated Press Holdings Limited Group for 17 years. As Finance Director, Mr Johnston oversees a large number of operational businesses within the Consolidated Press Holdings Limited Group and its controlled associates. Mr Johnston was also the Chief Financial Officer of Ellerston Capital (a subsidiary of Consolidated Press Holdings Limited) until 30 June 2008.

Prior to his appointment with the Consolidated Press Holdings Limited Group, Mr Johnston was a senior partner in the Australian member firm of Ernst & Young. Mr Johnston was also on the Board of Partners of Ernst & Young, Australia.

Mr Johnston holds a Bachelor of Economics degree from Sydney University and is an associate of the Institute of Chartered Accountants of Australia.

Mr Johnston is a member of the Crown Audit & Corporate Governance, Finance, and Occupational Health & Safety Committees.

#### **Directorships of other Australian listed companies held during the last three years:**

- Consolidated Media Holdings Limited<sup>1</sup>: from 8 April 2009 to 19 November 2012, alternate director to Mr James Packer and Mr Guy Jalland; from 10 September 2009 to 19 November 2012, alternate director to Mr Ashok Jacob
- Living and Leisure Australia Group: from 23 August 2011 to 10 February 2012

#### **Harold C Mitchell AC,**

Independent, Non-Executive Director

Harold Mitchell is the founder of Mitchell & Partners and Executive Chairman of Aegis Media Pacific. Since he started Mitchell & Partners in 1976, the company has evolved to become the largest media and communications group in Australia today, with a growing presence in New Zealand and across the Asia-Pacific region. In December 2000, he launched the Harold Mitchell Foundation which distributes funds between health and the arts. He has been Chairman of the National Gallery of Australia, President of the Melbourne International Festival of Arts, Director of Deakin Foundation, President of the Museums Board of Victoria and a Board Member of the Opera Australia Council, as well as Chairman of ThoroughVision and Chairman and Owner of the Melbourne Rebels Rugby Union team.

Mr Mitchell holds a large number of community roles including Chairman CARE Australia; Chairman of the Melbourne Symphony Orchestra; Chairman of TVS, University of Western Sydney's television service for Greater Sydney; Chairman of Art Exhibitions Australia, Vice President of Tennis Australia; Chairman of The Florey Institute of Neuroscience and Mental Health, and Board Member New York Philharmonic.

In December 2002, Deakin University conferred on him an honorary degree of Doctor of Laws. In 2003, he delivered the Andrew Olle Memorial Lecture on Media.

In January 2004, he was awarded the Officer of the Order of Australia for his services as a benefactor and fundraiser in support of artistic and cultural endeavour.

1. Consolidated Media Holdings Pty Limited (CMH) (previously Consolidated Media Holdings Limited and, prior to that, Publishing and Broadcasting Limited, ASX Code: PBL). CMH was removed from the ASX's official list on 20 November 2012.

On 28 July 2005, he was awarded the Richard Pratt Business Leader Award given by the Australian Business Arts Foundation in recognition of excellence in arts leadership.

Mr Mitchell was appointed Companion of the Order of Australia in 2010 for eminent service to the community through leadership and philanthropic endeavours in the fields of art, health and education and as a supporter of humanitarian aid in Timor-Leste and Indigenous communities.

In December 2011, Mr Mitchell was awarded an Honorary Doctorate – Doctor of Business Honoris Causa, by RMIT University and in 2012 he was inducted into the Adnews Hall of Fame.

Mr Mitchell was awarded the Victorian Australian of the Year for 2013.

In August 2013 Harold Mitchell was appointed Adjunct Professor, School of Humanities and Communications Arts, University of Western Sydney.

Mr Mitchell is a member of the Crown Nomination and Remuneration Committee and the Corporate Social Responsibility Committee. He also sits on the Crown Resorts Foundation Board.

## Company secretary details

### Michael J Neilson BA, LLB

Mr Neilson is Crown's General Counsel and joint Company Secretary. Prior to his appointment with Crown, he was General Counsel for Crown Melbourne Limited, a position he held from 2004 to 2007.

Prior to joining the Crown group, Mr Neilson spent 10 years in a commercial legal practice in Melbourne before joining the Lend Lease Group in Sydney in 1997 as General Counsel for Lend Lease Property Management.

In 1998, he was appointed General Counsel and Company Secretary of General Property Trust, the position he held until joining Crown Melbourne Limited in 2004.

Mr Neilson is also a member of the Board of Trustees of the International Association of Gaming Advisers (IAGA) and Chair of the School Council of Camberwell Grammar School.

### Mary Manos BCom, LLB (Hons), GAICD

Ms Manos was appointed joint Company Secretary in April 2008. She commenced employment with the Crown group in October 2007 just prior to implementation of the PBL Scheme and the Demerger Scheme. Prior to joining Crown, Ms Manos was a Senior Associate in a Melbourne law firm, specialising in mergers and acquisitions and corporate law.

Ms Manos is a Graduate of the Australian Institute of Company Directors and a secretary of the Crown Resorts Foundation.

### Other officer details

In addition to the above, Crown's principal officers include:

- **Kenneth M Barton**  
Chief Financial Officer
- **Barry J Felstead**  
Chief Executive Officer – Australian Resorts
- **Greg F Hawkins**  
Chief Executive Officer – Crown Melbourne until 1 August 2013
- **W Todd Nisbet**  
Executive Vice President, Strategy and Development



## Relevant interests of Directors

Details of relevant interests of current Directors in Crown shares as at 30 June 2014 were as follows:

Director	Total number of ordinary shares <sup>1</sup>
John Alexander	256,549
Rowen Craigie	102,314 <sup>2</sup>
Rowena Danziger	30,896
Harold Mitchell	114,887
James Packer	364,270,253

Notes:

- For more information on relevant interests of current Directors, please see the Remuneration Report.
- The registered holder of these shares as at 30 June 2014 was Australian Executor Trustees Limited as trustee under the 2010 Crown Resorts Limited Long Term Incentive Plan. Mr Craigie has become entitled to have those shares transferred to him after 30 June 2014 given that the conditions in the 2010 Crown Resorts Limited Long Term Incentive Plan have been met.

Other than in connection with Crown's Long Term Incentive Plan which is described in the Remuneration Report, none of Crown's Directors is party to any contract which would give that Director the right to call for the delivery of shares in Crown.

## Board and Committee meetings

Set out below are details of the number of Board meetings and Committee meetings held by Crown during the 2014 financial year together with each Director's attendance details.

	Board Meetings		Audit & Corporate Governance Committee Meetings				Corporate Social Responsibility Committee				Nomination and Remuneration Committee Meetings		Occupational Health & Safety Committee Meetings		Responsible Gaming Committee Meetings		Risk Management Committee Meetings	
			Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended		
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended		
J D Packer	9	7																
J H Alexander	9	9																
B A Brazil	9	9	4	4														
H L Coonan	9	9			3	3												
C D Corrigan	4	2						1	1									
R B Craigie	9	9			3	3					4	3	6	4	2	1		
R Danziger	9	9	4	4							4	4	6	6	2	2		
G J Dixon	9	9						1	1						2	2		
J S Horvath*	9	8			3	3					4	4	6	6				
A P Jacob	9	8																
M R Johnston	9	8	4	4							4	3						
H C Mitchell	9	9			3	3		1	1									

\* Professor Horvath replaced Mr Corrigan on the Nomination and Remuneration Committee following Mr Corrigan's resignation.

The Corporate Governance Statement includes details on Committee structure and membership during the year.

Under Crown's Constitution, its Board and Committee Charters, documents containing written resolutions assented to by Directors are to be taken as a minute of a meeting of Directors or of a Committee (as the case may be). There were three written resolutions assented to by the Board this financial year. There were also four written resolutions assented to by the Investment Committee. The Investment Committee and the Finance Committee did not formally meet this financial year.

## Shares and Options

Crown has not granted any options over unissued shares. There are no unissued shares or interests under option. No shares or interests have been issued during or since year end as a result of option exercise.

## Indemnity and Insurance of Officers and Auditors

### Director and officer indemnities

Crown indemnifies certain persons as detailed in its Constitution in accordance with the terms of the Crown Constitution.

### Directors' and officers' insurance

During the year Crown has paid insurance premiums to insure officers of the Crown group against certain liabilities.

The insurance contract prohibits disclosure of the nature of the insurance cover and the amount of the insurance payable.

### Indemnification of auditors

To the extent permitted by law, Crown has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

## Auditor Information

### Auditor details

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 27 of the Financial Report.

Crown acquires non-audit services from Ernst & Young, largely in respect of taxation matters relating to pre-demerger and ongoing taxation items. These include, but are not limited to, matters in respect of the financial years ending on or prior to 30 June 2007, which at the time of the de-merger of Crown and Consolidated Media Holdings Limited (then Publishing and Broadcasting Limited (PBL)) agreed they would share as follows:

- Crown: 75 per cent; and
- CMH: 25 per cent.

The ratio of non-audit to audit services provided by Ernst & Young to Crown is approximately 5.0:1. This ratio reflects that:

- Ernst & Young advised Crown on matters relating to Crown's refinancing activities and proposed developments including in Sydney, Colombo and Las Vegas; and
- Ernst & Young provided taxation advisory services, mostly reflecting taxation matters pre-dating the PBL de-merger (which occurred in December 2007).

In the absence of pre-demerger matters, the ratio of non-audit services to audit services provided by Ernst & Young would be lower.

The Directors are satisfied that the non-audit services are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Board considers that the nature and scope of the services provided do not affect auditor independence.

## Rounding

The amounts contained in the financial statements have been rounded off to the nearest thousand dollars (where rounding is applicable) under the option available to Crown under ASIC Class Order 98/0100. Crown is an entity to which the Class Order applies.

# Remuneration Report

This Remuneration Report for the year ended 30 June 2014, outlines the Director and executive remuneration arrangements of Crown in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, key management personnel (KMP) of the Crown group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Crown group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

The disclosures in the Remuneration Report have been audited. The Remuneration Report is presented under the following sections:

1. Introduction
2. Overview of Remuneration Policy
3. Summary of Senior Executive Remuneration Structure
  - Fixed Remuneration
  - Performance Based Remuneration
4. Details of Performance Based Remuneration Elements
  - Short Term Incentives
  - Long Term Incentives: 2010 Crown LTI and 2014 Crown LTI
5. Relationship between Remuneration Policy and Company Performance
  - Remuneration linked to performance
  - Policy on entering into transactions in associated products which limit economic risk
6. Remuneration details for Non-Executive Directors (including statutory remuneration disclosures)
7. Remuneration details for Senior Executives
  - Executive Contract Summaries
  - Statutory Remuneration Disclosures
8. Shareholdings of Key Management Personnel

## Introduction

### Persons to whom Report applies

The remuneration disclosures in this Report cover the following persons:

#### **Non-Executive Directors**

- Benjamin A Brazil
- Helen A Coonan
- Christopher D Corrigan (until 29 November 2013)
- Rowena Danziger
- Geoffrey J Dixon
- John S Horvath

- Ashok Jacob
- Michael R Johnston
- Harold C Mitchell

#### **Executive Directors**

- James D Packer (Chairman)
- John H Alexander (Executive Deputy Chairman)
- Rowen B Craigie (Managing Director and Chief Executive Officer)

#### **Other company executives and key management personnel**

- Kenneth M Barton (Chief Financial Officer)
- Barry J Felstead (Chief Executive Officer – Australian Resorts)
- Greg F Hawkins (Chief Executive Officer, Crown Melbourne, until 1 August 2013)
- W Todd Nisbet (Executive Vice President – Strategy and Development)

In this Report the group of persons comprised of the Executive Directors and the other company executives and key management personnel (listed above) are referred to as “Senior Executives”.

This Remuneration Report contains a similar level of disclosure to the 2013 Remuneration Report. Apart from the introduction of the new 2014 Crown LTI and the modification to the rules of the 2010 Crown LTI, there has been no material change to the Company’s remuneration policy during the period and much of the description of the Company’s remuneration policy in this report is therefore unchanged from last year.

## Overview of Remuneration Policy

### Philosophy

Crown is a company that provides outstanding customer service and to remain competitive Crown must continue to enhance the experience of all customers who visit Crown’s properties. As a result, the performance of the Crown group is highly dependent upon the quality of its Directors, senior executives and employees.

Crown seeks to attract, retain and motivate skilled Directors and senior executives in leadership positions of the highest calibre. Crown’s remuneration philosophy is to ensure that remuneration packages properly reflect a person’s duties and responsibilities, that remuneration is appropriate and competitive both internally and as against comparable companies and that there is a direct link between remuneration and performance.

Crown has differing remuneration structures in place for Non-Executive Directors and senior executives.



## Non-Executive Directors

The process for determining remuneration of the Non-Executive Directors has the objective of ensuring maximum benefit for Crown by the retention of a high quality Board.

The Nomination and Remuneration Committee bears the responsibility of determining the appropriate remuneration for Non-Executive Directors. Non-Executive Directors' fees are reviewed periodically by the Nomination and Remuneration Committee with reference taken to the fees paid to the Non-Executive Directors of comparable companies. The Nomination and Remuneration Committee is subject to the direction and control of the Board.

In forming a view of the appropriate level of Board fees to be paid to Non-Executive Directors, the Nomination and Remuneration Committee may also elect to receive advice from independent remuneration consultants, if necessary. Details regarding the composition of the Nomination and Remuneration Committee and its main objectives are outlined in the Corporate Governance Statement. The Nomination and Remuneration Committee is comprised solely of Non-Executive independent Directors.

No performance based fees are paid to Non-Executive Directors. Non-Executive Directors are not entitled to participate in Crown's long term incentive plan (described more fully below).

Non-Executive Directors are not provided with retirement benefits other than statutory superannuation at the rate prescribed under the Superannuation Guarantee legislation.

## Senior Executives

The remuneration structure incorporates a mix of fixed and performance based remuneration. The following section provides an overview of the fixed and performance based elements of executive remuneration. The summary tables provided later in this Report indicate which elements apply to each Senior Executive.

Crown's key strategies and business focuses are to:

- continue to maximise the performance of Crown Melbourne and Crown Perth including revenue growth, cost control and margins;
- progress the Crown Towers Perth project, Crown Sydney Hotel Resort project, Queen's Wharf Brisbane bid and the Las Vegas site development to deliver value for shareholders;
- assist MCE with the Studio City and Philippines projects; and
- assess other relevant growth opportunities.

Senior Executive remuneration structure is tied to these strategies and focuses.

## Summary of Senior Executive Remuneration Structure

### Fixed remuneration

The objective of fixed remuneration is to provide a base level of remuneration which is appropriate to the Senior Executive's responsibilities, the geographic location of the Senior Executive and competitive standing in the appropriate market.

Fixed remuneration is therefore determined with reference to available market data, the scope and any unique aspects of an individual's role and having regard to the qualifications and experience of the individual. From time to time, Crown seeks a range of specialist advice to establish the competitive remuneration for its Senior Executives.

Fixed remuneration typically includes base salary and superannuation at the rate prescribed under the Superannuation Guarantee legislation, mobile telephone costs, complimentary privileges at Crown Melbourne and Crown Perth and may include, at the election of the Senior Executive, other benefits such as a motor vehicle, additional contribution to superannuation, car parking and staff gym membership, aggregated with associated fringe benefits tax to represent the total employment cost (TEC) of the relevant Senior Executive to Crown.

Fixed remuneration for the Senior Executives (except the Chief Executive Officer and Managing Director) is reviewed annually by the Chief Executive Officer and Managing Director and the Chairman of Crown and is approved by the Nomination and Remuneration Committee.

The review process measures the achievement by the Senior Executives of their Key Performance Objectives (KPOs) established at the beginning of the financial year (see further below), the performance of Crown and the business in which the Senior Executive is employed, relevant comparative remuneration in the market and relevant external advice.

Fixed remuneration for the Chief Executive Officer and Managing Director is reviewed by the Chairman and approved annually following consideration by the Nomination and Remuneration Committee of his performance against his annual KPOs.

The fixed remuneration for Crown's Chief Executive Officer and Managing Director, Mr Rowen Craigie, was determined in 2007 as part of the de-merger of the gaming businesses of Publishing and Broadcasting Limited and listing of Crown Resorts Limited in December 2007. Details of Mr Craigie's remuneration, including his fixed remuneration, were included in the Demerger Scheme Booklet issued by Publishing and Broadcasting Limited and considered by Publishing and Broadcasting Limited shareholders at the Scheme meeting on 30

November 2007. Mr Craigie's fixed remuneration has not changed since that date.

Mr Craigie's fixed remuneration is in the top quartile of ASX top 50 listed companies. Mr Craigie's awarded short term incentive, however, is below the 25th percentile for the same group and his total cash remuneration is at the median of that group. In addition, Mr Craigie's fixed remuneration is comparable to the Chief Executive Officers of global gaming companies with operations across several jurisdictions. When taken together with his potential STI payment, Mr Craigie's remuneration is commensurate with his peers in the global gaming industry.

The global gaming industry is highly competitive and the Board believes Mr Craigie's skills and experience in developing and operating major integrated resorts are in high demand in this industry. The Board believes that these capabilities, together with Mr Craigie's longstanding association with Crown's Australian businesses, are valuable to the Group. As a result, giving consideration to the fact that Mr Craigie has not received an increase to his fixed remuneration since 2007, the Board believes his fixed remuneration remains appropriate.

Any payments relating to redundancy or retirement are as specified in each relevant Senior Executive's contract of employment.

For summaries of Senior Executive contracts of employment, see page 70.

### Performance based remuneration

The performance based components of remuneration for Senior Executives seek to align the rewards attainable by Senior Executives with the achievement of particular annual and long term objectives of Crown and the creation of shareholder value over the short and long term. The performance based components which applied to the Senior Executives during the year were as follows:

- Short Term Incentives (STI); and
- Long Term Incentives (the 2010 Crown LTI).

A key focus of the Crown Board is the achievement of the Crown group's annual business plan and budget and the long term financial plan. In order to provide incentives to executives, each of the STI and the 2010 Crown LTI link back to elements of the business plan and budget and long term financial plan. It is therefore important to understand how that business plan and budget and long term financial plan are developed. A summary of the process involved is set out below.

A new long term incentive has been implemented for the four year period from financial year 2015 to financial year 2018 (the 2014 Crown LTI). A detailed description of the 2014 Crown LTI is provided later in this report. The 2014

Crown LTI commenced on 1 July 2014 and did not apply during the year which is the subject of this report.

### Development of Long Term Financial Plan (Four Year Financial Plan)

Each year, the Crown Board approves a financial plan which contains the key assumptions and forecasts for each Crown group business and for the Crown group as a whole for the four year period commencing in the following financial year (Four Year Financial Plan).

The process for developing, reviewing and approving each Four Year Financial Plan is rigorous. Each department in each Crown business must prepare a four year financial plan. Key inputs into this process include current operating performance and the previously approved Four Year Financial Plan, having regard to:

- performance relative to targets set in the previous Four Year Financial Plan;
- any changes in the business;
- any changes in factors affecting performance over the four year period; and
- any new strategic initiatives and changes in the market in which those businesses are operating.

The targets in each department's four year financial plan incorporate an underlying target growth in operating profit with additional operating profit increases arising from capital expenditure programs, performance improvement initiatives and other strategic impacts.

Each department's four year forecast is consolidated into the relevant business's four year forecast which is then reviewed by the Chief Executive Officer and Chief Financial Officer of the relevant business.

In turn, each business's four year forecast is then incorporated into the Four Year Financial Plan and reviewed by the Crown Resorts Limited Chief Executive Officer and Chief Financial Officer. The Four Year Financial Plan is then reviewed by the Chairman before it is submitted to the Crown Board for review and approval.

### Development of Annual Business Plan and Budget

Crown's annual business plan and budget (Annual Business Plan and Budget) is prepared having regard to the Crown Four Year Financial Plan.

The Annual Business Plan and Budget is based on the first year of the Four Year Financial Plan and details key operational strategic initiatives and the risks to be addressed. It is developed on a departmental basis, which is then incorporated into each business's annual budget and business plan and, finally, into the Crown group Annual Business Plan and Budget, which then must be approved by the Crown Board.

## Details of Performance Based Remuneration Elements

### Short Term Incentives (STI)

The remuneration of the Senior Executives is linked to Crown's short term annual performance through a cash-based STI.

Individuals may be paid an STI following an assessment of the performance of the Crown group in the previous year and the performance of the individual against agreed annual KPOs. Senior Executives have a potential or target STI, which is subject to the Crown group's performance and the achievement of the Senior Executive's KPOs established at the beginning of each financial year. In summary, the typical KPO structure might comprise the following elements:

<b>Financial Performance Objectives</b>	Performance against budgeted normalised EBITDA <sup>1</sup> and/or net profit after tax.
<b>Typical Non-financial Objectives</b>	<ul style="list-style-type: none"> <li>• Management of major capital expenditure and investment programs to ensure projects are delivered on time and on budget, while minimising disruption at relevant Australian properties as well as the subsequent delivery of anticipated benefits from those capital programs.</li> <li>• Reinforcement and delivery of outstanding customer experiences through continuous improvement in Crown's service culture.</li> <li>• Successful management of Crown stakeholders, including government, media, trade unions, community organisations, to achieve targeted outcomes.</li> <li>• Achievement of successful expansion of customer base for Crown properties through marketing or other relevant activities.</li> <li>• Growth in engagement levels of employees across Crown.</li> <li>• Achievement of margin improvement targets through the implementation of approved programs aimed at reducing costs and increasing asset yield.</li> <li>• Achievement (or maintenance) of improvements in key occupational health and safety statistics.</li> <li>• Achievement of VIP turnover growth and market share.</li> </ul>

<sup>1</sup> In this Report, the term "normalised EBITDA" represents EBITDA which has been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play and the impact of significant items (where applicable).

Financial performance objectives are derived from Crown's Annual Business Plan and Budget as the Crown Board considers this is the best way to ensure that Crown meets that Annual Business Plan and Budget, aligning performance outcomes with shareholder value.

A failure to achieve relevant financial performance objectives will result in Senior Executives receiving either, no STI bonus or, where relevant financial performance objectives are only partially met, a reduced STI bonus. The Crown Board retains discretion, however, to pay an STI bonus where financial performance objectives have not been met, but other objectives have been achieved.

Appropriate non-financial performance objectives (such as those set out above) are also included in a Senior Executive's KPOs where they are within that Senior Executive's sphere of influence and are relevant to the Senior Executive's area of work. These metrics are aligned with the achievement of Crown's Annual Business Plan and Budget.

The performance of each Senior Executive against financial and non-financial KPOs is reviewed on an annual basis. Whether KPOs have been achieved is determined by the Chief Executive Officer and Managing Director, having regard to the operational performance of the business or function in which the Senior Executive is involved and the Chief Executive Officer and Managing Director's assessment of the attainment of the individual's KPOs.

The Chief Executive Officer and Managing Director and the Chairman review performance based remuneration entitlements and recommend the STI payments, subject to final approval by the Nomination and Remuneration Committee and the Board.

The Chief Executive Officer and Managing Director's eligibility for an STI is reviewed by the Chairman and determined by the Nomination and Remuneration Committee on behalf of the Board.



In financial year 2014, the Group's financial performance objectives were only met in part. Neither Crown Melbourne nor Crown Perth met their financial performance objectives. However, Crown Resorts Limited achieved its normalised NPAT budget, largely as a result of the performance of MCE's businesses in Macau. Additionally, some important non-financial objectives were achieved, including good progress on the Crown Towers Perth project, the Crown Sydney project and other development projects. Accordingly, STI bonuses were not paid at Crown Melbourne and Crown Perth, except for some key executives who were paid reduced STI bonuses (generally 70% of their target STI bonus) where retention was considered an issue. At Crown Resorts Limited, reduced bonuses were paid (generally at 80% of target STI bonuses), except for some executives who achieved significant non-financial objectives, who received their target STI bonus. The Chief Executive Officer received 80% of his target STI bonus of \$1 million and did not receive any part of his further "discretionary bonus" of \$1 million for exceptional performance.

For a more detailed commentary on financial year 2014 STI bonuses see page 75.

## Long Term Incentives

### **2010 Crown Long Term Incentive Plan (2010 Crown LTI)**

The 2010 Crown LTI was made available to selected senior executives with effect from 1 July 2010. Approximately 16 senior executives in the Crown group continued to participate in the 2010 Crown LTI. Most participants commenced participating in the 2010 Crown LTI with effect from 1 July 2010, but some executives who joined the Crown group after this date participated on a pro rata basis. A number of executives who had been participating in the 2010 Crown LTI have left the Group and, under the terms of the 2010 Crown LTI, ceased to participate in the 2010 Crown LTI.

A summary of the terms of the 2010 Crown LTI follows. As noted in the following commentary, following an assessment by the Nomination and Remuneration Committee, the 2010 Crown LTI was modified. Further detail regarding the modification follows the general description of how the 2010 Crown LTI operated pre-modification.

#### *Operation of the 2010 Crown LTI*

The award of a long term incentive bonus under the 2010 Crown LTI was dependent on Crown achieving certain earnings per share hurdles (EPS Hurdles) in respect of, or in relation to, the four financial years ending 30 June 2011, 30 June 2012, 30 June 2013 and 30 June 2014 (each a Plan Year).

For the purposes of the 2010 Crown LTI, earnings per share (EPS) excluded contribution from Melco Crown Entertainment Limited (MCE) and was calculated in accordance with the following formula:

$$\frac{\text{Crown Profit}}{\text{Total Crown Shares}}$$

where:

**Crown Profit** means, in respect of a Plan Year, the normalised net profit after tax of the group for that Plan Year (excluding the contribution made by MCE and significant items); and

**Total Crown Shares** means the average of the largest number of Crown shares on issue during each day during the relevant Plan Year.

#### *How EPS Hurdles were derived*

The EPS Hurdles adopted in the 2010 Crown LTI were derived directly from EPS forecasts put in place in respect of the 2011 Four Year Financial Plan (each an EPS Target). Accordingly, the 2010 Crown LTI was specifically designed to provide an incentive to senior executives participating in the 2010 Crown LTI (Participants) to ensure the Four Year Financial Plan from financial year 2011 to financial year 2014 was met. The way in which Crown's Four Year Financial Plans are developed has been described in detail above.

The EPS Hurdles in financial year 2011, financial year 2012 and financial year 2013 were 98% of the EPS Target for the relevant year in the Four Year Financial Plan. The EPS Hurdle in financial year 2014 was 100% of the EPS Target for the relevant year in the Four Year Financial Plan.

The Four Year Financial Plan upon which EPS Hurdles were based was not varied during the life of the 2010 Crown LTI and remained the basis for determining the 2010 Crown LTI bonus payments.

#### *Why earnings per share was used as the single measure for 2010 Crown LTI*

Crown elected to use earnings per share as the single measure for its 2010 Crown LTI.

Earnings per share targets represent the product of individual business unit future performance projections (as determined by relevant executives based on their business unit's four year financial plan targets). These individual future performance projections were aggregated with group costs, interest and taxes to arrive at a Crown group earnings per share target.

As a result, each executive knew with certainty what performance hurdles needed to be met from their respective business operations over an extended period in order to meet the EPS Targets. In addition, as the

executive group collectively needed to achieve the consolidated EPS Target, it fostered a cooperative approach across businesses to optimise Crown group as well as individual business unit outcomes.

In developing the 2010 Crown LTI, consideration was given by the Crown Board to a range of measures as well as multiple measures, however, ultimately, it was determined that a single clear, unambiguous target in the form of an earnings per share hurdle was best suited to Crown. For example, consideration was given to the use of a relative measure, such as relative total shareholder return (TSR), however, it was decided such measures were not appropriate for Crown. This is because there are a limited number of comparable companies within any sizeable ASX comparator group and many of the larger companies listed on ASX bear little resemblance to Crown (e.g. financial institutions and resource companies). As the results and share prices of such companies can be expected to move in line with different economic factors (such as credit conditions and global resource market conditions) the Crown Board considered it to be inappropriate to base Crown executives' long term rewards on factors over which Crown executives have little influence.

In addition, the complexity of TSR and other relative measures (to accommodate changes in the comparator group, restructurings and capital management initiatives) can, in some cases, cause them to be of limited value in motivating executives to individually and collectively deliver outstanding performance. It is difficult for executives to equate their individual performance and efforts to the performance of Crown's share price relative to unrelated and incomparable companies.

Crown acknowledges that its EPS Targets are, to a large degree, an internal measure. However, Crown has disclosed in this Report its historical EPS Targets and EPS Hurdles as well as actual EPS, so that shareholders are able to see the "stretch" nature of these targets.

*How bonuses accrued*

If an EPS Hurdle was achieved in respect of a Plan Year, a Participant became entitled to a portion of the potential maximum bonus (Maximum Bonus) which may be achieved under the 2010 Crown LTI in accordance with the following table:

Plan Year	Percentage
Plan Year 1	15%
Plan Year 2	20%
Plan Year 3	25%
Plan Year 4	40%

The Plan rules provided that bonuses would only ultimately be paid at the end of financial year 2014 either by way of the transfer of shares acquired under the 2010 Crown LTI or the payment of cash. See further below.

*Effect of achieving an EPS Hurdle*

If an EPS Hurdle was met in respect of a Plan Year, the 2010 Crown LTI provided that Crown would calculate the dollar value of the bonus in respect of the relevant Plan Year (Plan Year Bonus) by multiplying the Maximum Bonus for the Participant by the relevant percentage applicable to that Plan Year (as set out in the table above).

If the Plan Year was Plan Year 1, Plan Year 2 or Plan Year 3, the 2010 Crown LTI provided that Crown pay the Plan Year Bonus earned by the Participant to the nominated Trustee and with an instruction that the Trustee apply that Plan Year Bonus to acquire Crown shares on market (Participant Shares), to be held on trust for the benefit of the Participant until the end of Plan Year 4 (at which time the shares could be transferred to the Participant).

In respect of Plan Year 4 the 2010 Crown LTI provided that Crown would pay the Plan Year 4 Plan Year Bonus to the Participant in cash and also advise the Trustee, who would arrange for any shares held in trust to be transferred to the relevant Participant. The Plan Year 4 Plan Year Bonus was designed to be paid in cash because the Participant will be required to pay tax on the Bonus at this time.

*Effect of not achieving one or more EPS Hurdles*

If an EPS Hurdle was not met, the 2010 Crown LTI provided as follows:

- if an EPS Hurdle in respect of Plan Year 1, Plan Year 2 or Plan Year 3 is not met, Crown will calculate the Plan Year Bonus which would have been applied to the purchase of Participant Shares had the relevant EPS Hurdle been met (Carried Over Plan Year Bonus);
- if the EPS Hurdle in respect of Plan Year 4 is met:
  - the Plan Year 4 Bonus will be paid by Crown to the relevant Participant in cash;
  - the Trustee will arrange for any shares held in trust to be transferred to the relevant Participant; and
  - if the sum of the EPS Targets for financial year 2011, financial year 2012, financial year 2013 and financial year 2014 (Cumulative EPS Hurdle) has also been met, any Carried Over Plan Year Bonuses will also be paid to the relevant Participant in cash. The Carried Over Plan Year Bonuses (if any) are paid in cash because the Participant will be required to pay tax on these Bonuses at this time.

- if the EPS Hurdle in respect of Plan Year 4 is not met but both the Fallback Plan Year 4 EPS Hurdle (i.e. 98% of the Plan Year 4 EPS Target) and the Cumulative EPS Hurdle are met:
  - the Plan Year Bonus in respect of Plan Year 4 will be paid by Crown to the relevant Participant in cash;
  - any Carried Over Plan Year Bonuses will be paid to the relevant Participant in cash; and
  - the Trustee will arrange for any shares held in trust to be transferred to the relevant Participant.
- if neither the EPS Hurdle in respect of Plan Year 4 nor the Fallback Plan Year 4 EPS Hurdle are met but the Cumulative EPS Hurdle is met:
  - the Plan Year Bonus in respect of Plan Year 4 will not be paid by Crown to the relevant Participant;
  - any Carried Over Plan Year Bonuses will be paid to the relevant Participant in cash; and
  - the Trustee will arrange for any shares held in trust to be transferred to the relevant Participant.
- if neither the EPS Hurdle in respect of Plan Year 4 nor the Cumulative EPS Hurdle are met (whether or not the Fallback Plan Year 4 EPS Hurdle is met):
  - the Plan Year Bonus in respect of Plan Year 4 will not be paid by Crown to the relevant Participant;
  - any Carried Over Plan Year Bonuses will lapse and will not be paid by Crown to the relevant Participant; and
  - the Trustee will arrange for any shares held in trust to be transferred to the relevant Participant.

#### Illustration

The following is an illustration of a range of outcomes which might have been achieved by a Participant under the 2010 Crown LTI. It does not include every permutation or combination of outcomes which the 2010 Crown LTI was designed to achieve.

**Key:** ✓ = Achieved X = Not achieved.

Year 1 EPS Hurdle Met? 15%	Year 2 EPS Hurdle Met? 20%	Year 3 EPS Hurdle Met? 25%	Year 4 EPS Hurdle Met? 40%	Fallback Year 4 EPS Hurdle Met? 40%	Cumulative EPS Hurdle Met?	
✓	✓	✓	✓		✓ 60% shares 40% cash	
✓	✓	✓	X	✓	✓ 60% shares 40% cash	X 60% shares No cash
				X	X 60% shares No cash	X 60% shares No cash
✓	✓	X	X	✓	X 35% shares 65% cash	X 35% shares No cash
				X	X 35% shares 25% cash	X 35% shares No cash
✓	X	X	X	✓	X 15% shares 85% cash	X 15% shares No cash
				X	X 15% shares 45% cash	X 15% shares No cash
X	X	X	X	X		X No shares No cash

Note: the percentage allocations between cash and shares are based on the Maximum Bonus, with the share component being valued based on the value of Crown shares at the time of acquisition. Subsequent movements in the price of Crown shares may result in changes to the cash and share proportions.



*What happened to dividends earned on Crown shares acquired under the 2010 Crown LTI*

All dividends received on shares held in trust were passed through to the Participant. As bonuses earned in the final year of the 2010 Crown LTI (including any Carried Over Plan Year Bonuses) were to be paid in cash, no dividends applied in respect of these bonuses.

*What happened if an executive's employment with Crown ceases*

If a Participant's employment with Crown ceased, then the Participant was not entitled to any part of his or her 2010 Crown LTI bonus, except for where the Participant's employment was terminated by Crown without cause, in which case the Participant would have been entitled to any tranche (in the form of shares held on trust) which had vested prior to the date of termination. There were no employees in this category.

*How EPS Hurdles could be amended*

The 2010 Crown LTI provides that in the event that corporate control events or capital reconstruction events impact the achievement of EPS Hurdles, then the Crown Board has discretion to amend the EPS Hurdles in such a way that does not materially disadvantage Participants.

The Crown Board retains general power to amend the rules of the 2010 Crown LTI from time to time.

*How the 2010 Crown LTI ameliorated issues with "cliff's edge" vesting*

The key features of the 2010 Crown LTI were that:

- the EPS Hurdles for Plan Years 1, 2 and 3 were set at 98% of the EPS Targets in the 2011 Four Year Financial Plan; and
- if at the end of financial year 2014, on a cumulative basis, the EPS Hurdles over all four years were met, then any Carried Over Plan Year Bonuses would vest and be paid to the relevant senior executive in cash.

Accordingly, when viewed as a whole, the Maximum Bonus under the 2010 Crown LTI consisted of four separate and individually achievable targets, as well as a cumulative target. As a result, there were a range of potential outcomes depending on performance against target in each year of the 2010 Crown LTI as well as the cumulative result.

This feature was designed to ameliorate issues with "cliff's edge" vesting, by giving participants a "second chance" to have a tranche paid when an individual EPS Hurdle was not met.

*Disclosure of historical EPS Targets*

Set out below are the EPS Targets and EPS Hurdles which applied for financial years 2011, 2012, 2013 and 2014 together with Crown's actual EPS for financial years 2011, 2012, 2013 and 2014.

	EPS Target (2011 Four Year Financial Plan)	EPS Target Growth (2011 Four Year Financial Plan)	EPS Hurdle (Crown LTI)*	Actual EPS	Actual EPS Growth (from previous year)	Tranche Vested?
FY11	44.1 cents	N/A	43.2 cents	42.3 cents	(3.0%)	No
FY12	48.7 cents	10.4%	47.7 cents	43.9 cents	3.7%	No
FY13	58.9 cents	20.9%	57.7 cents	44.0 cents	0.2%	No
FY14	68.8 cents	16.8%	68.8 cents	47.9 cents	8.9%	No

\* In financial year 2011, financial year 2012 and financial year 2013, the EPS Hurdle was 98% of the 2011 Four Year Financial Plan EPS Target.

All references in the above table to "EPS" exclude the contribution made by MCE.

In addition, under the Plan Rules for the 2010 Crown LTI, EPS for the purposes of measuring performance against EPS Hurdles excludes significant items.

The Crown Nomination and Remuneration Committee conducted an annual review of EPS Hurdles during the life of the 2010 Crown LTI, to consider whether the Board should exercise its discretion to adjust any EPS Hurdle.

A final assessment of EPS Hurdles was conducted by the Nomination and Remuneration Committee at the conclusion of the term of the 2010 Crown LTI, noting that the EPS Hurdle in respect of 2014 was not met. Following that assessment the Nomination and Remuneration Committee resolved to modify the 2010 Crown LTI Rules. Details of that modification are set out below.

The 2010 LTI Modification has no impact on the MCE Contribution component of the Plan which ceased on 30 June 2014 with entitlements to an MCE Contribution Bonus dealt with in accordance with the existing Plan rules. A summary of the MCE Contribution Bonus follows.

#### *MCE Contribution Bonus*

At the commencement of the 2010 Crown LTI, the Crown Board considered it of high importance to the Crown group that MCE achieve the MCE "Contribution" targets in Crown's Four Year Financial Plan and that certain executives who played a key role in Crown's relationship with MCE be provided with an extra incentive to ensure this goal was achieved. Mr Craigie and Mr Nisbet are Crown nominees on the MCE Board and Mr Barton works with the MCE Chief Financial Officer in providing assistance on MCE financial matters.

Accordingly, in the case of Mr Craigie, Mr Barton and Mr Nisbet, part of the Maximum Bonus to which they are eligible (the MCE Contribution Bonus) was dependent on MCE achieving certain MCE Contribution hurdles (MCE Contribution Hurdles).

Mr Craigie's maximum potential MCE Contribution Bonus was approximately 15% of his Maximum Bonus. For Mr Barton, it was approximately 11% and for Mr Nisbet it was approximately 17%.

The MCE Contribution Hurdles were derived from the MCE Contribution targets in Crown's 2011 Four Year Financial Plan (MCE Contribution Targets). MCE Contribution is defined as Crown's percentage interest in MCE from time to time, multiplied by the normalised net profit after tax of MCE.

If an MCE Contribution Hurdle was achieved in respect of a Plan Year, a Participant would become entitled to a portion of their potential Maximum Bonus. The rules on the effect of achieving or not achieving MCE Contribution Hurdles were the same as for the EPS Bonus.

The MCE Contribution Bonus was independent of the portion of the bonus which was referable to meeting the EPS Hurdles (EPS Bonus). Accordingly, Mr Craigie, Mr Barton and Mr Nisbet were able to achieve all of their entitlement to the MCE Contribution Bonus without achieving any part of the EPS Bonus.

#### *Disclosure of MCE Contribution Targets*

Set out below are the MCE Contribution Targets and MCE Contribution Hurdles for financial years 2011, 2012, 2013 and 2014 and MCE's actual Contribution for financial years 2011, 2012, 2013 and 2014.

	MCE Contribution Target (2011 Four Year Financial Plan)	MCE Contribution Target Growth (2011 Four Year Financial Plan)	MCE Contribution Hurdle*	Actual MCE Contribution	Actual MCE Contribution Growth	Tranche Vested?
FY11	(US\$30.9 million)	N/A	(US\$31.5 million)	US\$20.4 million	154.7%	Yes
FY12	US\$37.2 million	220.4%	US\$36.5 million	US\$95.0 million	365.7%	Yes
FY13	US\$86.3 million	132.0%	US\$84.6 million	US\$156.0 million	64.2%	Yes
FY14	US\$116.3 million	34.8%	US\$116.3 million	US\$267.0 million	71.2%	Yes

\* In financial year 2011, financial year 2012 and financial year 2013, the MCE Contribution Hurdle is 98% of the 2011 Four Year Financial Plan MCE Contribution Target.

Given that the financial year 2011, financial year 2012 and financial year 2013 MCE Contribution Hurdles were met, participants became entitled to the maximum proportion of shares as part of the MCE Contribution Bonus portion of the 2010 Crown LTI. They were also entitled to a cash bonus in relation to financial year 2014.

*Details of Participation of Senior Executives in 2010 Crown LTI*

Of the Senior Executives named in this Report, four participated in the 2010 Crown LTI. Details of potential 2010 Crown LTI cash bonuses are as follows:

Senior Executive	Maximum Value over four year period	30 June 2011 (15%)	30 June 2012 (20%)	30 June 2013 (25%)	30 June 2014 (40%)
Ken Barton	\$4,500,000	\$675,000	\$900,000	\$1,125,000	\$1,800,000
Rowen Craigie	\$12,300,000	\$1,845,000	\$2,460,000	\$3,075,000	\$4,920,000
Barry Felstead	\$3,600,000	\$540,000	\$720,000	\$900,000	\$1,440,000
Todd Nisbet	\$5,250,000	\$787,500	\$1,050,000	\$1,312,500	\$2,100,000

As noted in the tables above:

- in financial year 2011, Crown did not meet the relevant EPS Hurdle and accordingly, EPS Bonuses for financial year 2011 have not vested. The MCE Contribution Hurdle for financial year 2011 was, however, achieved. Accordingly, an entitlement to 15% of their potential MCE Contribution Bonus for each of Mr Craigie, Mr Barton and Mr Nisbet has vested;
- in financial year 2012, Crown did not meet the relevant EPS Hurdle and accordingly, EPS Bonuses for financial year 2012 have not vested. The MCE Contribution Hurdle for financial year 2012 was, however, achieved. Accordingly, an entitlement to 20% of their potential MCE Contribution Bonus for each of Mr Craigie, Mr Barton and Mr Nisbet has vested;
- in financial year 2013, Crown did not meet the relevant EPS Hurdle and accordingly, EPS Bonuses for financial year 2013 have not vested. The MCE Contribution Hurdle for financial year 2013 was, however, achieved. Accordingly, an entitlement to 25% of their potential MCE Contribution Bonus for each of Mr Craigie, Mr Barton and Mr Nisbet has vested; and
- in financial year 2014, Crown did not meet the relevant EPS Hurdle, however, the 2010 Crown LTI has been modified as described below to allow for a re-testing of the EPS Hurdle following the end of financial year 2015. The MCE Contribution Hurdle for financial year 2014 was, however, achieved. Accordingly, an entitlement to 40% of their potential MCE Contribution Bonus for each of Mr Craigie, Mr Barton and Mr Nisbet has vested.

Set out below are the vested bonus amounts for the above participants in respect of financial years 2011, 2012, 2013 and 2014 associated with the MCE Contribution Hurdle:

Senior Executive	Vested in relation to the financial year ended 30 June 2011	Vested in relation to the financial year ended 30 June 2012	Vested in relation to the financial year ended 30 June 2013	Vested in relation to the financial year ended 30 June 2014
Ken Barton	\$75,000	\$100,000	\$125,000	\$200,000
Rowen Craigie	\$270,000	\$360,000	\$450,000	\$720,000
Barry Felstead	Nil	Nil	Nil	Nil
Todd Nisbet	\$135,000	\$180,000	\$225,000	\$360,000



In accordance with the rules of the 2010 Crown LTI, the vested component of the cash bonus for financial years 2011, 2012 and 2013 was applied by Crown to fund the purchase of Crown shares on market, which are held on trust for each of Mr Craigie, Mr Barton and Mr Nisbet and which have been released to each of them following the end of financial year 2014.

Details of shares held on trust for Mr Craigie, Mr Barton and Mr Nisbet are set out below:

Senior Executive	Shares Acquired with FY11 Bonus <sup>1</sup>	Shares Acquired with FY12 Bonus <sup>2</sup>	Shares Acquired with FY13 Bonus <sup>3</sup>
Ken Barton	9,782	10,799	7,839
Rowen Craigie	35,217	38,875	28,222
Todd Nisbet	17,608	19,438	14,111

1. Shares acquired for an average price of \$7.65 per share.
2. Shares acquired for an average price of \$9.24 per share.
3. Shares acquired for an average price of \$15.91 per share.

#### *Modification to 2010 Crown LTI Rules*

Having considered changes in the Crown Resorts group's circumstances since the time the EPS Hurdles under the Plan were adopted, upon the recommendation of the Nomination and Remuneration Committee, the Board resolved that the rules of the 2010 Long Term Incentive Plan be modified by extending the time for achieving the Plan Year 4 EPS Hurdle for an additional year (**2010 LTI Modification**).

Given that the purpose of the 2010 Crown LTI was to assist in the recruitment, reward, retention and motivation of executive and management employees of Crown and its Subsidiaries and given that no EPS Hurdles were met and no bonuses were paid under the 2010 Crown LTI (with the exception of the MCE Contribution Bonuses), the Board considered that it would be reasonable to give Participants a further opportunity to receive their Plan Year 4 Bonus in cash should the Plan Year 4 EPS Hurdle (as described above) be achieved by the Crown Resorts Limited group in relation to the financial year ending 30 June 2015, ie a one year extension.

The 2010 LTI Modification only applies to original Participants in the 2010 Crown LTI and no new employees are entitled to the potential benefit of the 2010 LTI Modification.

1. a consumer price index (CPI) adjustment of 3.0% has been made to the Plan Year 4 EPS Hurdle approximating the CPI movement from 1 July 2013 through to 30 June 2014 (**Indexed Year 4 EPS Hurdle**);
2. If the Indexed Year 4 EPS Hurdle is achieved in relation to the financial year ending 30 June 2015, the Plan Year 4 Plan Year Bonus will be paid by Crown to each Participant in cash. Conversely, if the Indexed Plan Year 4 EPS Hurdle is not achieved, no bonus will be paid and the 2010 Crown LTI will be at an end;
3. Participants will cease to have any right to any Carried Over Plan Year Bonuses which have accrued under the Plan to date; and
4. The Plan Rules will continue to apply to the extent necessary to give effect to the 2010 LTI Modification.

The Board considered that the achievement of the Indexed Year 4 EPS Hurdle would be of substantial value to shareholders as it would require an increase in EPS for financial year 2015 of 48% which compares to an actual compound annual EPS growth rate of 4% from financial year 2011 to financial year 2014.

#### **2014 Crown Long Term Incentive Plan (2014 Crown LTI)**

As noted above, the 2010 Crown LTI was put in place with effect from 1 July 2010 and was due to expire 30 June 2014.

Whilst the modification to the 2010 Plan rules has the effect of extending the testing date for the last EPS Hurdle under the Plan to 30 June 2015, because the number of executives who continue to participate in that plan is relatively small, absent a replacement plan, Crown would have effectively had no long term incentive plan in place from 1 July 2014. The Board has therefore adopted a new long term incentive plan with effect from 1 July 2014.

The new 2014 Crown LTI is substantially the same as the 2010 Crown LTI, namely that the award of a long term incentive bonus under the 2014 Crown LTI will be dependent on Crown achieving certain earnings per share hurdles (EPS Hurdles) in respect of, or in relation to, the four financial years ending 30 June 2015, 30 June 2016, 30 June 2017 and 30 June 2018 (each a Plan Year).

*Features of the 2014 Crown LTI*

A summary of the features of the 2010 Crown LTI which are largely identical to the 2014 Crown LTI (except in relation to the applicable testing years) has been provided above.

As with the 2010 Crown LTI, the 2014 Crown LTI excludes the contribution of MCE in the calculation of EPS. The EPS Hurdles which will apply to the 2014 Crown LTI have been derived from the 2014 Four Year Financial Plan approved by the Crown Resorts Board. The 2014 Four Year Financial Plan has been prepared on the same basis as described above and the EPS Hurdles have also been derived in the same manner as described above.

The only material change is that there is no MCE Contribution Bonus under the 2014 Crown LTI.

When considering the features of the 2014 Crown LTI, the Crown Nomination and Remuneration Committee again considered whether EPS is the appropriate performance measure for Crown. For the reasons described earlier in this Report, the Nomination and Remuneration Committee maintained its view that EPS is the preferred measure of performance for the 2014 Crown LTI.

*Details of Participation of Senior Executives in 2014 Crown LTI*

Of the Senior Executives named in this Report, five participate in the 2014 Crown LTI. Details of potential 2014 Crown LTI cash bonuses are as follows:

Senior Executive	Maximum Value over four year period	30 June 2015 (15%)	30 June 2016 (20%)	30 June 2017 (25%)	30 June 2018 (40%)
John Alexander	4,500,000	675,000	900,000	1,125,000	1,800,000
Ken Barton	4,050,000	607,500	810,000	1,012,500	1,620,000
Rowen Craigie	9,000,000	1,350,000	1,800,000	2,250,000	3,600,000
Barry Felstead	6,300,000	945,000	1,260,000	1,575,000	2,520,000
Todd Nisbet	6,300,000	945,000	1,260,000	1,575,000	2,520,000

The EPS Targets for the 2014 Crown LTI have not been disclosed in this Report. The disclosure of prospective EPS Targets would have the consequence of providing the market and Crown's competitors with Crown's forecasted financial targets. It has been Crown's longstanding practice not to disclose prospective financial information and financial forecasts. Accordingly, Crown will not publicly disclose prospective EPS Targets. Such concerns, however, are not as significant in relation to historical EPS Targets and EPS Hurdles and performance against those historical EPS Hurdles will be disclosed on a year by year basis commencing next year.

The achievability of the EPS Targets for the 2014 Crown LTI are considered to be of a similar standard to the EPS Targets for the 2010 Crown LTI.

## Relationship between policy and company performance

### Remuneration linked to performance

As detailed above in the sections on Fixed Remuneration and Performance Based Remuneration, various elements of Crown's remuneration policy are linked to company performance, in particular, the achievement of Crown's Board approved Annual Budget and Business Plan (in the case of STI) and Crown's Board approved Four Year Financial Plan (in the case of each of the 2010 Crown LTI and the 2014 Crown LTI).

The Crown Board has sought to achieve this link by requiring the achievement of an annual level of normalised EBITDA and net profit after tax (in the case of STI) or predetermined EPS Targets and the achievement of MCE Contribution Targets (in the case of the 2010 Crown LTI).

Full details of how these links have been achieved are set out in the sections of the Report above, but, in summary:

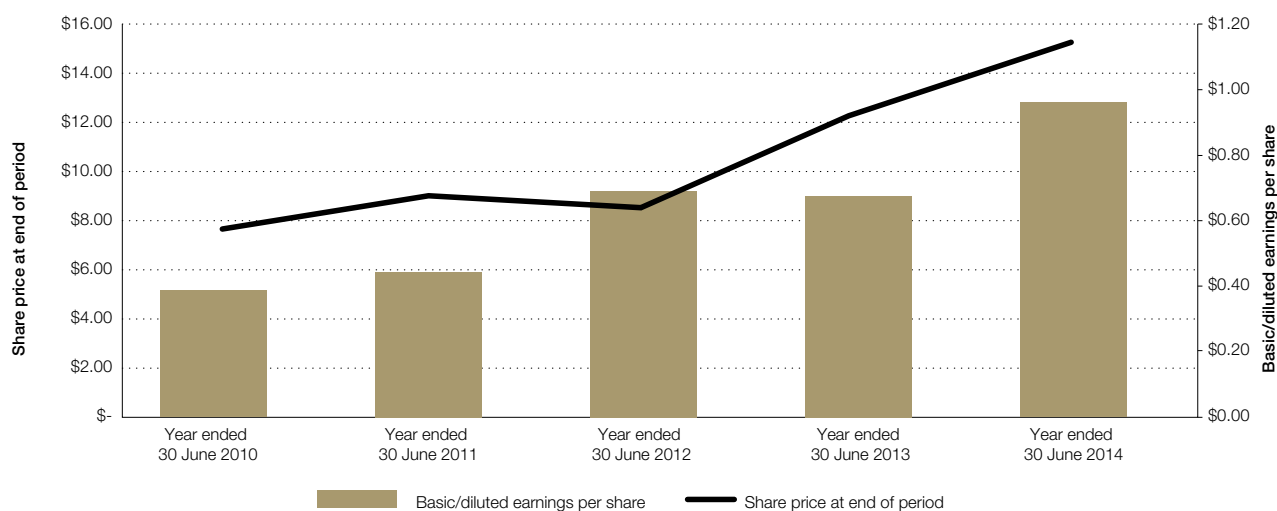
- An STI may be payable if Crown achieves its budgeted financial objectives and where an individual achieves his or her annual KPOs, assessed using a combination of financial and non-financial measures;

- The 2010 Crown LTI was linked to predetermined EPS Hurdles in financial year 2011, financial year 2012, financial year 2013 and financial year 2014;
- The 2014 Crown LTI may be payable where Crown achieves predetermined EPS Hurdles in financial year 2015, financial year 2016, financial year 2017 and financial year 2018; and
- A component of the 2010 Crown LTI was payable to key senior executives involved in managing the performance of MCE, where MCE achieved predetermined MCE Contribution Targets.

This year, normalised EBITDA generated by Crown Melbourne and Crown Perth, Crown's wholly owned Australian casinos, grew by 2.0%. The compound average normalised EBITDA growth for Crown Melbourne and Crown Perth for the five year period commencing from financial year 2009 through to financial year 2014 was 4.0%. Normalised Crown group NPAT grew by 35.2% in financial year 2014. The compound average normalised NPAT growth for the Crown group for the five year period commencing from financial year 2009 through to financial year 2014 was 17.9%.

The table and graph below set out information about movements in shareholder wealth for the years ended 30 June 2010 to 30 June 2014.

	Year ended 30 June 2010	Year ended 30 June 2011	Year Ended 30 June 2012	Year Ended 30 June 2013	Year Ended 30 June 2014
Share price at start of period	\$7.27	\$7.77	\$8.93	\$8.49	\$12.11
Share price at end of period	\$7.77	\$8.93	\$8.49	\$12.11	\$15.12
Full year dividend	37 cents <sup>1</sup>	37 cents <sup>2</sup>	37 cents <sup>3</sup>	37 cents <sup>3</sup>	37 cents <sup>3</sup>
Basic/diluted earnings per share <sup>4</sup>	38.54 cps	44.29 cps	69.78 cps	67.40 cps	96.44 cps



Notes:

1. Franked to 60% with none of the unfranked component comprising conduit foreign income.
2. Interim dividend franked to 60% and final dividend franked to 50% with none of the unfranked components comprising conduit foreign income.
3. Franked to 50% with none of the unfranked component comprising conduit foreign income.
4. Excluding the effect of significant items.



### Policy on entering into transactions in associated products which limit economic risk

Directors and Senior Executives are prohibited from entering into transactions in associated products which limit economic risk. This policy is further described in the Corporate Governance Statement.

## Remuneration Details for Non-Executive Directors

### Non-Executive Directors

Non-Executive Directors are entitled to a base fee of \$100,000 per annum for acting as a Director of Crown.

Non-Executive Directors acting on the Board of Crown Melbourne Limited are entitled to receive a further fee of \$60,000 per annum.

Non-Executive Directors of Crown are entitled to additional fees if they act as either chair or a member of an active Committee (the Audit & Corporate Governance Committee, the Occupational Health & Safety Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee or the Risk Management Committee):

- \$20,000 per annum for acting as Chair of an active Board Committee; or
- \$10,000 per annum for acting as a member of an active Board Committee.

All Directors are entitled to complimentary privileges at Crown Melbourne and Crown Perth facilities.

In accordance with Crown's constitution, Non-Executive Directors' fees are currently determined within an aggregate Non-Executive Directors' fee cap of \$1,300,000 per annum.

Set out below is a table showing Non-Executive Director remuneration for financial years 2014 and 2013.

### Remuneration Table – Non-Executive Directors

	Financial Year	Short Term Benefits			Post-employment Benefit – Superannuation	Long Term Incentives		Termination Benefits	Total
		Salary & Fees	Non Monetary	Other		Cash Based	Equity Based		
<b>Ben Brazil</b>	<b>2014</b>	120,000	-	-	11,100	-	-	-	<b>131,100</b>
Non-Executive Director	<b>2013</b>	120,000	-	-	10,800	-	-	-	<b>130,800</b>
<b>Helen Coonan</b>	<b>2014</b>	120,000	-	-	11,100	-	-	-	<b>131,100</b>
Non-Executive Director	<b>2013</b>	100,000	-	-	9,000	-	-	-	<b>109,000</b>
<b>Christopher Corrigan</b>	<b>2014</b>	45,833	-	-	4,240	-	-	-	<b>50,073</b>
Non-Executive Director	<b>2013</b>	110,000	-	-	9,900	-	-	-	<b>119,900</b>
<b>Rowena Danziger<sup>1</sup></b>	<b>2014</b>	210,000	-	-	17,775	-	-	-	<b>227,775</b>
Non-Executive Director	<b>2013</b>	210,000	-	-	-	-	-	-	<b>210,000</b>
<b>Geoffrey Dixon</b>	<b>2014</b>	140,000	-	-	12,950	-	-	-	<b>152,950</b>
Non-Executive Director	<b>2013</b>	140,000	-	-	-	-	-	-	<b>140,000</b>
<b>John Horvath<sup>1</sup></b>	<b>2014</b>	200,833	-	-	17,775	-	-	-	<b>218,608</b>
Non-Executive Director	<b>2013</b>	190,000	-	-	16,470	-	-	-	<b>206,470</b>
<b>Ashok Jacob<sup>2</sup></b>	<b>2014</b>	-	-	-	-	-	-	-	<b>-</b>
Non-Executive Director	<b>2013</b>	-	-	-	-	-	-	-	<b>-</b>
<b>Michael Johnston<sup>2</sup></b>	<b>2014</b>	-	-	-	-	-	-	-	<b>-</b>
Non-Executive Director	<b>2013</b>	-	-	-	-	-	-	-	<b>-</b>
<b>Harold Mitchell</b>	<b>2014</b>	116,100	-	-	15,000	-	-	-	<b>131,100</b>
Non-Executive Director	<b>2013</b>	101,750	-	-	8,250	-	-	-	<b>110,000</b>
<b>2014 TOTALS</b>		<b>952,766</b>	<b>-</b>	<b>-</b>	<b>89,940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,042,706</b>
<b>2013 TOTALS</b>		<b>971,750</b>	<b>-</b>	<b>-</b>	<b>54,420</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,026,170</b>

Notes:

1. Mrs Danziger and Professor Horvath each received Directors' fees at a rate of \$60,000 per annum for their participation on the Crown Melbourne Limited Board.
2. Neither Mr Jacob nor Mr Johnston receives remuneration for their services to Crown.

## Remuneration details for Senior Executives

### Senior Executives

Senior Executives are employed under service agreements with Crown or a subsidiary of Crown. Common features to these service agreements include (unless noted otherwise):

- an annual review of the executive's fixed remuneration, with any increases requiring approval of the Chief Executive Officer and Managing Director and the Nomination and Remuneration Committee and dependent on Crown's financial performance, the individual's KPO performance and market changes;
- competitive performance based incentive payments annually and in the long term, dependent upon Crown achieving its objectives and the Senior Executive achieving his or her KPOs;
- a provision that Crown may ask the executive to act as a Director of a member or associate of the Crown group for no additional remuneration;
- a prohibition from gambling at any property within the Crown group during the term of employment and for three months following termination and a requirement that the executive maintains licences required and issued by relevant regulatory authorities (such as the Victorian Commission for Gambling and Liquor Regulation and the Western Australian Gaming and Wagering Commission);
- where post-employment restraints apply, a restraint covering, amongst other things, competitive activities to those of the Crown group. Restraint periods vary and have been noted in each instance;
- where an employment agreement is terminated by Crown, a provision that notice may be given in writing or payment may be made (wholly or partly) in lieu of notice;
- a provision that all contracts may be terminated without notice by Crown for serious misconduct; and
- all Senior Executives are entitled to complimentary privileges at Crown Melbourne and Crown Perth facilities.

Specific details of each Senior Executive's contract of employment which applied during the financial year ending 30 June 2014 are summarised in the tables on the following pages. Where a Senior Executive has had more than one contract of employment during the year, or where a new contract of employment has been entered into post year end, this has been noted in those tables.

The Company did not obtain any remuneration recommendation from a remuneration consultant in relation to any of its key management personnel during the financial year.

## Summary of Contracts of Employment Applicable During the Year Ended 30 June 2014

	James D Packer	John H Alexander						
<b>Current Position</b>	Chairman	<b>Executive Deputy Chairman (commenced 1 December 2007):</b> Mr Alexander's current employment agreement with Crown Resorts Limited has no fixed term.						
<b>Fixed Remuneration</b>								
Base salary:	Nil.  The Chairman, Mr Packer does not receive any remuneration for his services to Crown. Mr Packer acts as a Director of Melco Crown Entertainment Ltd, a company in which Crown has a significant investment. Mr Packer does not receive a fee from Crown for these services.	\$1,482,225 per annum						
Superannuation	Nil	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$17,775 per annum.						
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities.	Complimentary privileges at Crown Melbourne and Crown Perth facilities and superannuation						
<b>Performance based remuneration</b>	Not applicable	Mr Alexander participates in the 2014 Crown LTI. See further page 59.						
<b>2014 Percentage breakdown of remuneration</b>	Not applicable	<table border="1"> <thead> <tr> <th><b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)</th> <th><b>STI</b></th> <th><b>LTI</b></th> </tr> </thead> <tbody> <tr> <td>100%</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table>	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>LTI</b>	100%	0%	0%
<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>LTI</b>						
100%	0%	0%						
<b>Post-employment benefits</b>	Not applicable	Nil						
<b>Post-employment restraint</b>	Not applicable	Crown may impose a restraint for various periods up to 12 months.						
<b>Termination</b>								
By Senior Executive:	Not applicable	12 months' notice.						
By Crown:	Not applicable	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.						
<b>Termination benefits</b>	Not applicable	Nil						
<b>Payments made prior to commencement</b>	Not applicable	Nil						
<b>Directors' Fees</b>	Nil	Nil						



### Rowen B Craigie

<b>Current Position</b>	<b>Chief Executive Officer and Managing Director (commenced 1 December 2007):</b> Mr Craigie's five year employment agreement with Crown Resorts Limited will expire on 15 September 2015.		
<b>Fixed Remuneration</b>			
Base salary:	\$2,982,225 per annum.		
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$17,775 per annum.		
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.		
<b>Performance based remuneration</b>			
STI:	A maximum of \$1,000,000, assessed by the Chairman based on the achievement of personal KPOs. A further \$1,000,000 may be paid at the discretion of the Crown Board if Crown's performance substantially exceeds that set out in Crown's business plan and represents an exemplary outcome.		
LTI:	Mr Craigie participates in the 2010 Crown LTI as well as the 2014 Crown LTI. See further page 59.		
<b>2014 Percentage breakdown of remuneration</b>	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>LTI</b>
	122%	32%	(54)%
	During the 2014 financial year, Crown reassessed the total potential LTI payments and amended its provisioning accordingly. This has resulted in a reversal of amounts previously expensed and, as a result of this, each executive who participated in the 2010 Crown LTI must be shown to have a negative amount for the LTI component of their F14 remuneration.		
<b>Post-employment benefits</b>	Nil		
<b>Post-employment restraint</b>	Crown may impose a restraint for various periods up to 24 months.		
<b>Termination</b>			
By Senior Executive:	12 months' notice.		
By Crown:	12 months' notice without cause; one month's notice for performance issues (following least three months' notice to improve); three months' notice for incapacity.		
<b>Termination benefits</b>	Subject to the receipt of shareholder approval, Mr Craigie will be entitled to receive a severance payment equal to 24 months' fixed remuneration in the event of early termination of his employment by Crown. The imposition of Mr Craigie's post-employment restraint is conditional upon receipt of his severance payment.		
<b>Payments made prior to commencement</b>	Nil		
<b>Directors' Fees</b>	Nil		

<b>Kenneth M Barton</b>			
<b>Current Position</b>	<b>Chief Financial Officer (commenced 9 March 2010):</b> Mr Barton's employment agreement with Crown Resorts Limited commenced on 9 March 2010 and expires in March 2015.		
<b>Fixed Remuneration</b>			
Base salary:	\$1,332,683 per annum.		
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$17,775 per annum.		
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. Until Mr Barton relocates to Melbourne, Crown will meet the weekly travel costs of his Melbourne/Sydney commuting and will provide hotel accommodation while in Melbourne.		
<b>Performance based remuneration</b>			
STI:	Mr Barton's annual target STI is \$500,000 and payment depends on meeting agreed personal KPOs. The STI may, at the discretion of the Nomination and Remuneration Committee, be increased to a maximum of \$750,000 if Mr Barton exceeds his KPOs and Crown also achieves its performance objectives.		
LTI:	Mr Barton participates in the 2010 Crown LTI as well as the 2014 Crown LTI. See further page 59.		
<b>2014 Percentage breakdown of remuneration</b>	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>LTI</b>
	104%	37%	(41)%
	During the 2014 financial year, Crown reassessed the total potential LTI payments and amended its provisioning accordingly. This has resulted in a reversal of amounts previously expensed and, as a result of this, each executive who participated in the 2010 Crown LTI must be shown to have a negative amount for the LTI component of their F14 remuneration.		
<b>Post-employment benefits</b>	Nil		
<b>Post-employment restraint</b>	Nil		
<b>Termination</b>			
By Senior Executive:	6 months' notice.		
By Crown:	6 months' notice without cause; one month's notice for performance issues (following least 3 months' notice to improve); 3 months' notice for incapacity.		
<b>Termination benefits</b>	Nil		
<b>Payments made prior to commencement</b>	A \$400,000 sign on payment in 2010 less applicable taxes in order to compensate Mr Barton for unvested incentives forfeited on cessation of employment with his previous employer.		
<b>Directors' Fees</b>	Nil		

### Barry J Felstead

<b>Current Position</b>	<b>Chief Executive Officer – Australian Resorts and Chief Executive Officer – VIP International (from 1 August 2013):</b> Mr Felstead's current employment agreement with Crown Resorts Limited has no fixed term.		
<b>Fixed Remuneration</b>			
Base salary:	\$2,082,225 per annum		
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$17,775 per annum.		
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. Mr Felstead is entitled to a travel allowance of \$50,000 per annum.		
<b>Performance based remuneration</b>			
STI:	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Felstead's annual target STI is 40% of his TEC.		
LTI:	Mr Felstead participates in the 2010 Crown LTI as well as the 2014 Crown LTI. See further page 59.		
<b>2014 Percentage breakdown of remuneration</b>	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>LTI</b>
	101%	29%	(30)%
	During the 2014 financial year, Crown reassessed the total potential LTI payments and amended its provisioning accordingly. This has resulted in a reversal of amounts previously expensed and, as a result of this, each executive who participated in the 2010 Crown LTI must be shown to have a negative amount for the LTI component of their F14 remuneration.		
<b>Post-employment benefits</b>	Nil		
<b>Post-employment restraint</b>	Crown may impose various restraint periods up to a period of 12 months post-employment.		
<b>Termination</b>			
By Senior Executive:	12 months' notice.		
By Crown:	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.		
<b>Termination benefits</b>	Nil		
<b>Payments made prior to commencement</b>	Nil		
<b>Directors' Fees</b>	Nil		



<b>W. Todd Nisbet</b>			
<b>Current Position</b>	<b>Executive Vice President – Strategy and Development (from 9 August 2010):</b> Mr Nisbet’s employment agreement with Crown Resorts Limited is due to expire in November 2014.		
<b>Fixed Remuneration</b>			
Base salary:	\$2,082,225 per annum.		
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$17,775 per annum.		
Non-monetary benefits and other:	<p>Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.</p> <p>Mr Nisbet is entitled to Relocation Benefits which assist with the relocation of him and his family from Nevada, USA to Melbourne.</p> <p>During Mr Nisbet’s employment with Crown, he is also entitled to additional customary expatriate benefits for himself and his family.</p> <p>Upon cessation of employment Mr Nisbet will be entitled to relocation benefits for him and his family to Las Vegas.</p>		
<b>Performance based remuneration</b>			
STI:	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Nisbet’s annual target STI is 50% of his base salary.		
LTI:	Mr Nisbet participates in the 2010 Crown LTI as well as the 2014 Crown LTI. See further page 59.		
<b>2014 Percentage breakdown of remuneration</b>	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>LTI</b>
	82%	36%	(18)%
	During the 2014 financial year, Crown reassessed the total potential LTI payments and amended its provisioning accordingly. This has resulted in a reversal of amounts previously expensed and, as a result of this, each executive who participated in the 2010 Crown LTI must be shown to have a negative amount for the LTI component of their F14 remuneration.		
<b>Post-employment benefits</b>	Nil		
<b>Post-employment restraint</b>	Crown may impose various restraint periods up to a period of up to 12 months post-employment.		
<b>Termination</b>			
By Senior Executive:	6 months’ notice.		
By Crown:	12 months’ notice without cause; one month’s notice for performance issues; three months’ notice due to incapacity.		
<b>Termination benefits</b>	Nil		
<b>Payments made prior to commencement</b>	Nil		
<b>Directors’ Fees</b>	Nil		

## Remuneration table for Senior Executives

The structure of senior executive remuneration has been described in detail in this Report, both generically and specifically in relation to each named Senior Executive. In addition, a table summarising all remuneration to be attributed to each Senior Executive for the financial years ending 30 June 2014 and 30 June 2013 is set out below.

Accounting Standards are prescriptive in relation to the required presentation of remuneration tables. Accordingly, as an aid to understanding, the following additional information should be read in conjunction with the table set out below.

### Fixed Remuneration

Mr Alexander, Mr Craigie and Mr Barton did not receive an increase to their fixed remuneration in financial year 2014 as compared with financial year 2013.

Mr Nisbet received an increase to his fixed remuneration of 8%, reflecting the increased scope of his responsibilities. Mr Felstead received an increase to his fixed remuneration of 74%. Effective 1 August 2013, Mr Felstead, took over responsibility for both Crown Melbourne and Crown Perth effective 1 August 2013, which significantly increased the scope of his responsibilities.

### Short Term Incentives (STI)

In financial year 2014, the Group's financial performance objectives were only met in part. Neither Crown Melbourne nor Crown Perth met their financial performance objectives. However, Crown Resorts Limited achieved its normalised NPAT budget, largely as a result of the performance of MCE's businesses in Macau. Additionally, some important non-financial objectives were achieved, including good progress on the Crown Towers Perth project, the Crown Sydney project and other development projects. Accordingly, STI bonuses were not paid at Crown Melbourne and Crown Perth, except for some key executives who were paid reduced STI bonuses (generally 70% of their target STI bonus) where retention was considered an issue. At Crown Resorts Limited, reduced bonuses were paid (generally at 80% of target STI bonuses), except for some executives who achieved significant non-financial objectives, who received their target STI bonus. The Chief Executive Officer received 80% of his target STI bonus of \$1 million and did not receive any part of his further "discretionary bonus" of \$1 million for exceptional performance.

### Long Term Incentives (LTI)

As summarised earlier, Senior Executives participated in the 2010 Crown LTI.

In accordance with relevant accounting standards, the 2010 Crown LTI is included in the remuneration for each Senior Executive to the extent that it is considered more likely than not at the date of this financial report that the performance condition and service condition will eventuate. During the 2014 financial year, Crown reassessed the total potential LTI payments and amended its provisioning accordingly. This has resulted in a reversal of amounts previously expensed.

As explained earlier, the first, second and third tranches of the 2010 Crown LTI represents 15%, 20% and 25% (respectively) of the total 2010 Crown LTI bonus for which each Senior Executive is eligible. The EPS Hurdle of the 2010 Crown LTI for financial years 2011, and 2012 and 2013 were not met. As explained above, as a result of the 2010 LTI Modification, the time for achieving the Plan Year 4 EPS Hurdle has been extended to 30 June 2015. The MCE Contribution Hurdles for financial years 2011, 2012, 2013 and 2014 were met, resulting in all of the MCE Contribution Bonuses of the 2010 Crown LTI for eligible Senior Executives vesting. Detail of the actual sums vested to relevant Senior Executives has been provided earlier.

	Financial Year	Short Term Benefits					Post-employment Benefits – Super-annuation <sup>1</sup>	Long Term Incentives			Total <sup>2</sup>
		Salary & Fees	Non Monetary	Other	STI	% of max STI		Cash Based	Equity Based – Crown LTI <sup>2</sup>	Termination Benefits	
<b>James Packer</b> Chairman	2014	-	-	-	-	-	-	-	-	-	-
	2013	-	-	-	-	-	-	-	-	-	-
<b>John Alexander</b> Executive Deputy Chairman	2014	1,482,225	-	-	-	-	17,775	-	-	-	1,500,000
	2013	1,483,530	-	-	-	-	16,470	-	-	-	1,500,000
<b>Ken Barton</b> Chief Financial Officer	2014	1,332,683	42,360	-	500,000	100%	17,775	200,000	(755,000)	-	1,337,818
	2013	1,333,530	45,522	-	400,000	80%	16,470	-	405,000	-	2,200,522
<b>Rowen Craigie</b> Chief Executive Officer & Managing Director	2014	2,982,225	-	-	800,000	80%	17,775	720,000	(2,055,000)	-	2,465,000
	2013	2,983,530	-	-	800,000	80%	16,470	-	1,185,000	-	4,985,000
<b>Barry Felstead<sup>3</sup></b> Chief Executive Officer - Australian Resorts	2014	2,008,058	-	35,171	580,000	72%	17,775	-	(612,000)	-	2,029,004
	2013	1,193,530	-	-	390,000	80%	16,470	-	252,000	-	1,852,000
<b>Greg Hawkins<sup>4</sup></b> Chief Executive Officer Crown Melbourne Limited	2014	261,553	-	-	-	-	4,444	-	-	1,494,978	1,760,975
	2013	1,065,030	-	-	86,500	20%	16,470	-	210,000	-	1,378,000
<b>Todd Nisbet<sup>5</sup></b> Executive Vice President – Strategy & Development	2014	2,082,225	-	265,009	1,050,000	100%	17,775	360,000	(874,500)	-	2,900,509
	2013	1,933,530	-	248,675	975,000	100%	16,470	-	529,500	-	3,703,175
<b>2014 TOTALS<sup>2</sup></b>		<b>10,148,969</b>	<b>42,360</b>	<b>300,180</b>	<b>2,930,000</b>		<b>93,319</b>	<b>1,280,000</b>	<b>(4,296,500)</b>	<b>1,494,978</b>	<b>11,993,306</b>
<b>2013 TOTALS</b>		<b>9,992,680</b>	<b>45,522</b>	<b>248,675</b>	<b>2,651,500</b>		<b>98,820</b>		<b>2,581,500</b>		<b>15,618,697</b>

## Notes:

1. Long service leave accrued balances have increased during the financial year ended 30 June 2014 for the following Senior Executives: Mr Alexander \$24,920, Mr Barton \$22,436, Mr Craigie \$49,840, Mr Felstead \$313,194, Mr Nisbet \$34,888.
2. The 2010 Crown LTI has been included in total remuneration to the extent that it is considered more likely than not at the date of this financial report that the performance condition and service condition will eventuate. During the 2014 financial year, Crown reassessed the total potential LTI payments and amended its provisioning accordingly. This has resulted in a reversal of amounts previously expensed. Detail of the actual sums vested to relevant Senior Executives has been provided earlier.
3. With effect from 1 August 2013, Mr Felstead was employed by Crown Resorts Limited in the role of Chief Executive Officer – Australian Resorts and Chief Executive Officer – VIP International. His Salary & Fees figure reflects one month in his previous role and 11 months in his current role.
4. As a result of a senior management restructure, Mr Hawkins' position was made redundant and Mr Hawkins agreed to leave the group, effective 27 September 2013. As no tranche of Mr Hawkins' 2010 Crown LTI Bonus was paid, with no shares held in trust, Mr Hawkins was not entitled to any part of his 2010 Crown LTI Bonus. Termination benefits set out above include payment in lieu of notice period and customary entitlements including a payment under the company's redundancy policy, accrued annual leave and long service leave.
5. Refer to the summary of Mr Nisbet's contract of employment for a description of the short term benefits to which Mr Nisbet is entitled.



## Key Management Personnel Disclosures

### Shareholdings of Key Management Personnel

Set out below is a summary of equity instruments held directly, indirectly or beneficially by KMPs, close family or controlled entities. The Company does not have any options on issue.

#### 30 June 2014

##### Crown Directors

Directors (Including directors who left the Board during the year)	Balance 1 July 2013	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2014
James D Packer	364,270,253	-	-	364,270,253
John H Alexander	256,549	-	-	256,549
Rowen B Craigie*	74,092	28,222	-	102,314
Rowena Danziger	30,896	-	-	30,896
Harold C Mitchell	114,887	-	-	114,887

##### Crown Executives

Executives	Balance 1 July 2013	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2014
Ken M Barton*	20,581	7,839	-	28,420
Barry J Felstead	-	-	-	-
Todd W Nisbet*	37,046	14,111	-	51,157

\* The registered holder of these shares is Australian Executor Trustees Limited as trustee under the 2010 Crown Limited Long Term Incentive Plan. Mr Craigie, Mr Barton and Mr Nisbet have become entitled to have those shares transferred to them after 30 June 2014

#### 30 June 2013

##### Crown Directors

Directors (Including directors who left the Board during the year)	Balance 1 July 2012	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2013
James D Packer*	350,311,967	-	13,958,286	364,270,253
John H Alexander*	506,047	-	(249,498)	256,549
Rowen B Craigie**	35,217	38,875	-	74,092
Rowena Danziger	30,896	-	-	30,896
Harold C Mitchell	114,887	-	-	114,887

##### Crown Executives

Executives	Balance 1 July 2012	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2013
Ken M Barton**	9,782	10,799	-	20,581
Barry J Felstead	-	-	-	-
Greg Hawkins	1,509	-	-	1,509
Todd W Nisbet**	17,608	19,438	-	37,046

\* On market trade.

\*\* The registered holder of these shares is Australian Executor Trustees Limited as trustee under the 2010 Crown Limited Long Term Incentive Plan. Mr Craigie, Mr Barton and Mr Nisbet have become entitled to have those shares transferred to them after 30 June 2014.

**Loans to Key Management Personnel**

There have been no loans made, guaranteed or secured, directly or indirectly by the Company or any of its subsidiaries in the reporting period in relation to KMPs, close family or controlled entities.

**Transactions entered into with Key Management Personnel**

Other than as has been disclosed in Note 30 of the Financial Report, there have been no transactions entered into during the reporting period between the Company or any of its subsidiaries and KMPs, close family and controlled entities.

Signed in accordance with a resolution of the Directors.



J D Packer  
Director



R B Craigie  
Director

Melbourne, 3rd day of September, 2014

# Auditor's Independence Declaration



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

In relation to our audit of the financial report of Crown Resorts Limited for the year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

David McGregor  
Partner  
3 September 2014

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# Independent Auditor's Report



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## Independent auditor's report to the members of Crown Resorts Limited

### Report on the financial report

We have audited the accompanying financial report of Crown Resorts Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year-end or from time to time during the financial-year.

#### *Directors' Responsibility for the financial report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls that the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.



### Opinion

In our opinion:

- a. The financial report of Crown Resorts Limited is in accordance with the *Corporations Act 2001*, including:
  - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(b).

### Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### Opinion

In our opinion, the Remuneration Report of Crown Resorts Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

David McGregor  
Partner  
Melbourne  
3 September 2014

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# Directors' Declaration

In accordance with a resolution of the Directors, we declare as follows:

In the opinion of the directors:

1. the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
  - (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
2. the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1 of the Financial Report;
3. 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;
4. this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2014; and
5. as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 32 of the Financial Report will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board



J D Packer  
Director



R B Craigie  
Director

Melbourne, 3rd day of September, 2014





# Financial Report

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# Statement of Profit or Loss

For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Revenues	3	3,094,344	2,894,804
Other income	3	420	183
Expenses	3	(2,510,763)	(2,467,540)
Share of profits of associates and joint venture entities	2,10	284,252	147,911
<b>Profit before income tax and finance costs</b>		<b>868,253</b>	<b>575,358</b>
Finance costs	3	(116,254)	(133,446)
<b>Profit before income tax</b>		<b>751,999</b>	<b>441,912</b>
Income tax expense	2,5	(96,236)	(46,125)
<b>Net profit after tax</b>		<b>655,763</b>	<b>395,787</b>

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

	Note	2014 Cents per share	2013 Cents per share
<b>Earnings per share (EPS)</b>			
Basic EPS	28	<b>90.03</b>	54.34
Diluted EPS	28	<b>90.03</b>	54.34
EPS calculation is based on the weighted average number of shares on issue throughout the period			
<b>Dividends per share</b>			
Current year final dividend declared	4	<b>19.00</b>	19.00
Current year interim dividend paid	4	<b>18.00</b>	18.00

# Statement of Comprehensive Income

For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>Net profit after tax</b>		<b>655,763</b>	<b>395,787</b>
<b>Other Comprehensive Income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation <sup>(1)</sup>	21	(40,778)	134,621
Movement in cashflow hedge reserve	21	(15,619)	17,383
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Unrealised gain / (loss) on investments	21	-	204
<b>Other comprehensive income / (loss) for the period, net of income tax</b>		<b>(56,397)</b>	<b>152,208</b>
<b>Total comprehensive income / (loss) for the period</b>		<b>599,366</b>	<b>547,995</b>

(1) The movement in the foreign currency translation reserve is largely attributable to foreign exchange movements relating to Crown's equity accounted investment in Melco Crown.

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

# Statement of Financial Position

As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>Current assets</b>			
Cash and cash equivalents	24	177,780	205,511
Trade and other receivables	6	341,553	257,459
Inventories	7	12,901	12,639
Prepayments		31,289	17,476
Other financial assets	8	-	1,568
<b>Total current assets</b>		<b>563,523</b>	<b>494,653</b>
<b>Non-current assets</b>			
Receivables	6	211,980	126,822
Other financial assets	8	457	925
Investments	9	85,066	89,671
Investments in associates	10	1,541,708	1,403,037
Property, plant and equipment	11	3,096,335	2,865,462
Licences	12	647,039	649,511
Other intangible assets	13	231,808	204,572
Deferred tax assets	5	131,184	112,212
Other assets	15	59,431	62,780
<b>Total non-current assets</b>		<b>6,005,008</b>	<b>5,514,992</b>
<b>Total assets</b>		<b>6,568,531</b>	<b>6,009,645</b>
<b>Current liabilities</b>			
Trade and other payables	16	345,874	296,581
Interest-bearing loans and borrowings	17	103,531	81,395
Income tax payable		118,837	53,642
Provisions	18	138,792	120,262
Other financial liabilities	19	1,499	-
<b>Total current liabilities</b>		<b>708,533</b>	<b>551,880</b>
<b>Non-current liabilities</b>			
Other payables	16	138	138
Interest-bearing loans and borrowings	17	1,639,270	1,553,868
Deferred tax liabilities	5	189,411	202,235
Provisions	18	32,815	44,304
Other financial liabilities	19	16,703	4,619
<b>Total non-current liabilities</b>		<b>1,878,337</b>	<b>1,805,164</b>
<b>Total liabilities</b>		<b>2,586,870</b>	<b>2,357,044</b>
<b>Net assets</b>		<b>3,981,661</b>	<b>3,652,601</b>
<b>Equity</b>			
Contributed equity	20	446,763	446,763
Treasury shares	20	(1,918)	(1,118)
Reserves	21	394,597	450,994
Retained earnings	21	3,142,219	2,755,962
<b>Total equity</b>		<b>3,981,661</b>	<b>3,652,601</b>

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



# Cash Flow Statement

For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		3,044,801	2,846,300
Payments to suppliers and employees		(2,267,546)	(2,130,086)
Dividends received		94,405	3,328
Interest received		11,872	9,842
Borrowing costs paid		(122,729)	(138,052)
Income tax paid		(58,778)	(95,134)
<b>Net cash flows from/(used in) operating activities</b>	24b	<b>702,025</b>	<b>496,198</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(401,847)	(253,620)
Proceeds from sale of property, plant and equipment		424	183
Payments in respect of licences		(5,000)	-
Payment for purchases of investments		(24,051)	(66,938)
Payment for acquisition of financial instruments		(61,372)	-
Payment for acquisition of controlled entities		(63,308)	-
Net proceeds from sale of equity investments		201	261,332
Loans to associated entities		(11,551)	(12,644)
Repayments of loans from associated entities		2,527	-
Other (net)		(2,552)	2,689
<b>Net cash flows from/(used in) investing activities</b>		<b>(566,529)</b>	<b>(68,998)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		763,530	2,083,708
Repayment of borrowings		(660,115)	(2,191,326)
Dividends paid		(269,506)	(269,506)
<b>Net cash flows from/(used in) financing activities</b>		<b>(166,091)</b>	<b>(377,124)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(30,595)</b>	<b>50,076</b>
Cash and cash equivalents at the beginning of the financial year		205,511	149,353
Effect of exchange rate changes on cash		2,864	6,082
<b>Cash and cash equivalents at the end of the financial year</b>	24a	<b>177,780</b>	<b>205,511</b>

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

# Statement of Changes in Equity

For the year ended 30 June 2014

	Ordinary Shares \$'000	Shares Held in Trust \$'000	Retained Earnings \$'000	Net Unrealised Gains Reserve \$'000	Foreign Currency Translation Reserve \$'000	Cashflow Hedge Reserve \$'000	Employee Benefits Reserve \$'000	Total Equity \$'000
<b>Year ended 30 June 2014</b>								
Balance at 1 July 2013	446,763	(1,118)	2,755,962	628,908	(188,798)	(2,126)	13,010	3,652,601
Profit for the period	-	-	655,763	-	-	-	-	655,763
Other comprehensive income	-	-	-	-	(40,778)	(15,619)	-	(56,397)
Total comprehensive income for the period	-	-	655,763	-	(40,778)	(15,619)	-	599,366
Dividends paid	-	-	(269,506)	-	-	-	-	(269,506)
Shares acquired under Long Term Incentive Plan	-	(800)	-	-	-	-	-	(800)
<b>Balance at 30 June 2014</b>	<b>446,763</b>	<b>(1,918)</b>	<b>3,142,219</b>	<b>628,908</b>	<b>(229,576)</b>	<b>(17,745)</b>	<b>13,010</b>	<b>3,981,661</b>
<b>Year ended 30 June 2013</b>								
Balance at 1 July 2012	446,763	(480)	2,629,681	628,704	(323,419)	(19,509)	13,010	3,374,750
Profit for the period	-	-	395,787	-	-	-	-	395,787
Other comprehensive income	-	-	-	204	134,621	17,383	-	152,208
Total comprehensive income for the period	-	-	395,787	204	134,621	17,383	-	547,995
Dividends paid	-	-	(269,506)	-	-	-	-	(269,506)
Shares acquired under Long Term Incentive Plan	-	(638)	-	-	-	-	-	(638)
<b>Balance at 30 June 2013</b>	<b>446,763</b>	<b>(1,118)</b>	<b>2,755,962</b>	<b>628,908</b>	<b>(188,798)</b>	<b>(2,126)</b>	<b>13,010</b>	<b>3,652,601</b>

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

# Notes to the Financial Statements

For the year ended 30 June 2014

## 1. Summary of Significant Accounting Policies

### (a) Basis of preparation

This financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for derivative financial instruments and investments that have been measured at fair value and investments in associates accounted for using the equity method.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the class order applies.

The financial report of Crown Resorts Limited and its controlled entities (the Group) for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 3 September 2014 subject to final approval by a subcommittee.

### (b) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The Group has adopted the following accounting standards, which became applicable from 1 July 2013:

- AASB 10 – Consolidated Financial Statements
- AASB 11 – Joint Arrangements
- AASB 12 – Disclosure of Interests in Other Entities
- AASB 13 – Fair Value Measurement
- AASB 119 – Employee Benefits
- AASB 2012-2 – Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities

The adoption of these standards did not have a material effect on the financial position or performance of the Group during the period.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the reporting period ending 30 June 2014 are outlined in the table below.

Reference	Title	Application date of standard <sup>(1)</sup>	Impact on Group financial report	Application date for Group <sup>(1)</sup>
AASB 2012-3	Amendments to Australian Accounting Standards - <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014	AASB 2012-3 adds application guidance to AASB 132 <i>Financial Instruments: Presentation</i> to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. Crown does not expect any significant impact on the Group from the application of this standard.	1 July 2014

(1) Designates the beginning of the applicable annual reporting period unless otherwise stated.

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 1. Summary of Significant Accounting Policies *continued*

### (b) Statement of compliance *continued*

Reference	Title	Application date of standard <sup>(1)</sup>	Impact on Group financial report	Application date for Group <sup>(1)</sup>
AASB 2013-3	Amendments to AASB 136 – <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014	AASB 2013-3 amends the disclosure requirements in AASB 136 <i>Impairment of Assets</i> . The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. Crown does not expect any significant impact on the Group from the application of this standard.	1 July 2014
IFRS 15	Revenue from Contracts with Customers	1 January 2017	The standard specifies the accounting treatment for all revenue arising from contracts with customers and provides a model for the recognition and measurement of gains and losses on the sales of some non-financial assets (e.g., disposals of property, plant and equipment) that are not an output of the entity's ordinary activities. Crown does expect any significant impact on the Group from the application of this standard.	1 July 2017
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle	Annual Improvements to IFRSs 2010–2012 Cycle	1 July 2014	This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) <i>Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle</i> . Crown does expect any significant impact on the Group from the application of this standard.	1 July 2014
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Crown does expect any significant impact on the Group from the application of this standard.	1 July 2016

(1) Designates the beginning of the applicable annual reporting period unless otherwise stated.



## 1. Summary of Significant Accounting Policies *continued*

### (c) Basis of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Crown Resorts Limited (the parent entity) and all entities that Crown Resorts Limited controlled from time to time during the year and at reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Information from the financial statements of subsidiaries is included from the date the parent entity obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent entity has control.

Subsidiary acquisitions are accounted for using the acquisition method of accounting. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

The accounting policies adopted have been applied consistently throughout the two reporting periods.

### (d) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on judgements, estimates and assumptions of future events. The key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

#### ***Impairment of goodwill and casino licences with indefinite useful lives***

The Group determines whether goodwill and casino licences with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and casino licences with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill

and casino licences with indefinite useful lives are discussed in note 14.

#### ***Fair value of investments***

In accordance with accounting standards the Group uses the Level Three method in estimating the fair value of financial assets. Accordingly, the fair value is estimated using inputs for the asset that are not based on observable market data.

#### ***Taxes***

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

#### ***Doubtful debts***

An allowance for doubtful debts is recognised when there is objective evidence that an individual trade debt is impaired.

#### ***Significant Items***

Significant items are transactions or events that fall outside the ordinary course of business. Significant items are disclosed separately to allow users of the financial report to see the performance of the Group in a comparable form to that of the comparative period.

### (e) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 1. Summary of Significant Accounting Policies *continued*

### (e) Income tax *continued*

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not the Statement of Profit or Loss.

### (f) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- gaming revenues, due to the GST being offset against casino taxes; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### (g) Foreign currency translation

Both the functional and presentation currency of Crown Resorts Limited and its Australian subsidiaries is Australian dollars.

Each foreign entity in the Group determines its own functional currency and items included in the financial statements of each foreign entity are measured using that functional currency, which is translated to the presentation currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of overseas subsidiaries are translated into the presentation currency of Crown Resorts Limited at the rate of exchange ruling at the reporting date and the profit or loss is translated at the weighted average exchange rates for the period. The exchange differences arising on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Statement of Profit or Loss.

## 1. Summary of Significant Accounting Policies *continued*

### (h) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprises of cash at bank and on hand, and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in future value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### (i) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when there is objective evidence that the full amount may not be collected. Bad debts are written off when identified.

Receivables from associates and other related parties are carried at amortised cost less an allowance for impairment. Interest, when charged is taken up as income on an accrual basis.

### (j) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Inventories which include food, beverages and other consumables are costed on a weighted average basis; and
- net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### (k) Investments in associates

The financial statements of the associates are used by the Group to apply the equity method. Where associates apply different accounting policies to the Group, adjustments are made upon application of the equity method.

Investments in associates are carried in the Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The Statement of Profit or Loss

reflects the Group's share of the results of operations of the associates.

Where there has been a change recognised directly in the associates' equity, the Group recognises its share of any changes and discloses this, when applicable in the Statement of Comprehensive Income.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long term receivables and loans, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

### (l) Investments and other financial assets

Financial assets are classified based on:

- (i) The objective of the entity's business model for managing the financial assets; and
- (ii) The characteristics of the contractual cash flow.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. An irrevocable election is made by instrument to determine if the instrument is measured at fair value either through Other Comprehensive Income (OCI) or the Statement of Profit or Loss.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets at fair value through OCI, directly attributable transaction costs.

The best evidence of fair value is quoted prices in an active market. The fair value of the investments and other financial assets that do not have a price quoted in an active market have been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. The fair value is reassessed each reporting period.

If the fair value through Statement of Profit or Loss approach is adopted, increments and decrements on the fair value of the financial asset at each reporting date are recognised through the Statement of Profit or Loss.

If the fair value through OCI approach is adopted, increments and decrements on the fair value are recognised in OCI, without recycling of gains and losses between the Statement of Profit or Loss and OCI, even on disposal of the investment. Dividends in respect of these investments that are a return on investment are recognised in the Statement of Profit or Loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 1. Summary of Significant Accounting Policies *continued*

### (m) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation and amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Freehold buildings - 40 to 75 years;
- Leasehold improvements - lease term; and
- Plant and equipment - 2 to 15 years.

The asset's residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

#### **Impairment**

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

#### **Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Profit or Loss in the period the item is derecognised.

### (n) Intangible assets

#### **Licences**

Licences are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The directors regularly assess the carrying value of casino licences so as to ensure they are not carried at a value greater than their recoverable amount.

The casino licence premiums are carried at cost of acquisition. The Crown Melbourne licence is being amortised on a straight-line basis over the remaining life of the licence from the time PBL acquired Crown Melbourne, being 34 years. The Crown Perth licence is assessed as having an indefinite useful life and, as such, no amortisation is charged. The Crown Perth licence is subject to an annual impairment assessment.

#### **Goodwill**

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

#### **Other intangible assets**

*Acquired both separately and from a business combination.*

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial



## 1. Summary of Significant Accounting Policies *continued*

### (n) Intangible assets *continued*

recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to the Statement of Profit or Loss.

Intangible assets created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists, and annually in the case of intangible assets with indefinite lives, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the net asset is derecognised.

### (o) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash flows from other assets or groups of assets (cash-generating units). In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

### (p) Trade and other payables

Trade and other payables are brought to account for amounts payable in relation to goods received and services rendered, whether or not billed to the Group at reporting date. The Group operates in a number of diverse markets, and accordingly the terms of trade vary by business.

### (q) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### **Borrowing costs**

Borrowing costs directly associated with qualifying assets are capitalised, including any other associated costs directly attributable to the borrowing. The capitalisation rate to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's outstanding borrowings during the year, in this case 6.3% (2013: 6.7%).

All other borrowing costs are expensed in the period they are incurred.

### (r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) to make a future sacrifice of economic benefits to other entities as a result of past transactions or other events, it is probable that a future sacrifice of economic benefit will be required and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for dividends is not recognised as a liability unless the dividends are declared, or publicly recommended on or before the reporting date.

### (s) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to reporting date including related on-costs. The benefits include wages and salaries, incentives, compensated absences and other benefits, which are charged against profits in their

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 1. Summary of Significant Accounting Policies *continued*

### (s) Employee benefits *continued*

respective expense categories when services are provided or benefits vest with the employee.

The provision for employee benefits is measured at the remuneration rates expected to be paid when the liability is settled. Benefits expected to be settled after twelve months from the reporting date are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

### (t) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense in the Statement of Profit or Loss on a straight-line basis over the lease term.

### (u) Derecognition of financial instruments

The derecognition of a financial instrument takes place when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

### (v) Derivative financial instruments and hedging

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of

derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair value of forward exchange contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair values of interest rate swaps are determined by reference to market values for similar instruments.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

#### (i) Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged and the derivative is remeasured to fair value. Gains and losses from both are taken to profit or loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

#### (ii) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability that is a firm commitment and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the Statement of Profit or Loss.

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction (finance costs or inventory purchases) when the forecast transaction occurs. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked (due to it being ineffective), amounts previously recognised in equity remain in equity until the forecast transaction occurs.

## 1. Summary of Significant Accounting Policies *continued*

### (w) Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

#### (i) *Financial assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the Statement of Profit or Loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the Statement of Profit or Loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

### (x) Contributed equity

Ordinary shares are classified as equity. Issued capital is recognised at the fair value of the consideration received, less transaction costs.

### (y) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### *Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered to have passed to the buyer at the time of delivery of the goods to the customer.

#### *Rendering of services*

Revenue is recognised when control of the right to be compensated for the services and the stage of completion can be reliably measured.

Casino revenues are the net of gaming wins and losses.

#### *Interest*

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

#### *Dividends*

Revenue is recognised when the shareholders' right to receive the payment is established.

### (z) Earnings per share (EPS)

Basic EPS is calculated as net profit after tax, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit after tax, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 1. Summary of Significant Accounting Policies *continued*

### (aa) 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 has three operating segments being Crown Melbourne, Crown Perth and Crown Aspinall's.

### (ab) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and

the amount of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.



## 2. Segment Information

30 June 2014

	Normalised Result <sup>(1)</sup>					Adjust- ment <sup>(1)</sup>	Significant Items <sup>(3)</sup>	Actual
	Crown Melbourne \$'000	Crown Perth \$'000	Crown Aspinall's \$'000	Unall- ocated \$'000	Crown Group \$'000			Crown Group \$'000
<b>Operating revenue</b>								
Main floor gaming	1,020,299	485,441	-	-	1,505,740	-	-	1,505,740
VIP program play	501,202	173,080	119,579	-	793,861	143,367	-	937,228
Non Gaming	409,669	225,053	1,045	15	635,782	-	-	635,782
Intersegment					(1,194)	-	-	(1,194)
Operating revenue	1,931,170	883,574	120,624	15	2,934,189	143,367	-	3,077,556
Interest revenue					17,208	-	-	17,208
<b>Total revenue</b>	<b>1,931,170</b>	<b>883,574</b>	<b>120,624</b>	<b>15</b>	<b>2,951,397</b>	<b>143,367</b>	<b>-</b>	<b>3,094,764<sup>(2)</sup></b>
<b>Segment result</b>								
Gaming taxes, commissions & other	(591,394)	(224,082)	(53,802)	-	(869,278)	(47,872)	-	(917,150)
Operating expenses	(777,963)	(417,930)	(31,600)	(55,881)	(1,283,374)	-	-	(1,283,374)
Intersegment					1,194	-	-	1,194
Earnings before interest, tax, depreciation and amortisation "EBITDA"	561,813	241,562	35,222	(55,866)	782,731	95,495	-	878,226
Depreciation and amortisation	(179,575)	(60,907)	(1,164)	(3,285)	(244,931)	-	-	(244,931)
Earnings before interest and tax "EBIT"	382,238	180,655	34,058	(59,151)	537,800	95,495	-	633,295
Legal Settlements					-	-	(33,730)	(33,730)
Asset Impairments					-	-	(32,772)	(32,772)
Equity accounted share of associates' net profit/(loss)					287,870	(3,618)	-	284,252
Net interest income/ (expense)					(99,046)	-	-	(99,046)
Income tax benefit/(expense)					(86,604)	(29,409)	19,777	(96,236)
<b>Profit/(loss) after tax</b>	<b>382,238</b>	<b>180,655</b>	<b>34,058</b>	<b>(59,151)</b>	<b>640,020</b>	<b>62,468</b>	<b>(46,725)</b>	<b>655,763</b>
<b>Capital expenditure</b>	<b>183,901</b>	<b>183,070</b>	<b>544</b>	<b>46,610</b>	<b>414,125</b>	<b>-</b>	<b>-</b>	<b>414,125</b>
<b>Investments in associates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,541,708</b>	<b>1,541,708</b>	<b>-</b>	<b>-</b>	<b>1,541,708</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 Aspinall's and Melco Crown), pre-opening costs from Melco Crown, legal settlement costs and asset impairments (refer footnote 3 below). 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, commissions & other expenses, income tax expense and equity accounted share of associates' results.

(2) Total revenue of \$3,094.8 million includes \$0.4 million of profit on disposal of non-current assets, which is not included in revenue in the Statement of Profit or Loss.

(3) Significant items consist of legal settlement costs of \$33.7m (\$23.6m net of tax) and asset impairments of \$32.8m (\$23.1m net of tax). Refer note 3.

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 2. Segment Information *continued*

30 June 2013

	Normalised Result <sup>(1)</sup>					Adjust- ment <sup>(1)</sup> \$'000	Significant Items <sup>(3)</sup> \$'000	Actual Crown Group \$'000
	Crown Melbourne \$'000	Crown Perth \$'000	Crown Aspinall's \$'000	Unall- located \$'000	Crown Group \$'000			
<b>Operating revenue</b>								
Main floor gaming	1,000,768	483,461	62	–	1,484,291	–	–	1,484,291
VIP program play	525,190	159,356	114,178	–	798,724	(8,658)	–	790,066
Non Gaming	392,118	215,299	592	3,328	611,337	–	–	611,337
Intersegment					(3,743)	–	–	(3,743)
Operating revenue	1,918,076	858,116	114,832	3,328	2,890,609	(8,658)	–	2,881,951
Interest revenue					13,036	–	–	13,036
<b>Total revenue</b>	<b>1,918,076</b>	<b>858,116</b>	<b>114,832</b>	<b>3,328</b>	<b>2,903,645</b>	<b>(8,658)</b>	<b>–</b>	<b>2,894,987<sup>(2)</sup></b>
<b>Segment result</b>								
Gaming taxes, commissions & other	(606,770)	(203,077)	(55,196)	–	(865,043)	2,321	–	(862,722)
Operating expenses	(764,564)	(414,281)	(26,325)	(65,868)	(1,271,038)	–	–	(1,271,038)
Intersegment					3,743	–	–	3,743
Earnings before interest, tax, depreciation and amortisation "EBITDA"	546,742	240,758	33,311	(62,540)	758,271	(6,337)	–	751,934
Depreciation and amortisation	(177,189)	(57,018)	(1,073)	(2,847)	(238,127)	–	–	(238,127)
Earnings before interest and tax "EBIT"	369,553	183,740	32,238	(65,387)	520,144	(6,337)	–	513,807
Loss on disposal of investments					–	–	(99,396)	(99,396)
Equity accounted share of associates' net profit/(loss)					150,903	22,602	(25,594)	147,911
Net interest income/(expense)					(120,410)	–	–	(120,410)
Income tax benefit/(expense)					(77,420)	1,476	29,819	(46,125)
<b>Profit/(loss) after tax</b>	<b>369,553</b>	<b>183,740</b>	<b>32,238</b>	<b>(65,387)</b>	<b>473,217</b>	<b>17,741</b>	<b>(95,171)</b>	<b>395,787</b>
<b>Capital expenditure</b>	<b>133,075</b>	<b>135,596</b>	<b>599</b>	<b>11,609</b>	<b>280,879</b>	<b>–</b>	<b>–</b>	<b>280,879</b>
<b>Investments in associates</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,403,037</b>	<b>1,403,037</b>	<b>–</b>	<b>–</b>	<b>1,403,037</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 Aspinall's and Melco Crown), refinance and development costs from Melco Crown and loss on disposal of Crown's investment in Echo Entertainment Group Ltd (Echo). 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, commissions & other expenses, income tax expense and equity accounted share of associates' results.

(2) Total revenue of \$2,895.0 million includes \$0.2 million of profit on disposal of non-current assets, which is not included in revenue in the Statement of Profit or Loss.

(3) The significant items relate to the loss on disposal of Crown's Investment in Echo, which resulted in a loss of \$99.4 million for the year (\$69.6 million net of tax) and Crown's share of Melco Crown's development and refinance costs (\$25.6 million). Refer note 3.

### 3. Revenue and Expenses

	2014 \$'000	2013 \$'000
Profit before income tax expense includes the following revenues and expenses:		
<b>(a) Revenue</b>		
Revenue from services	2,673,761	2,498,042
Revenue from sale of goods	376,410	355,520
Interest	17,208	13,036
Dividends	-	3,328
Other operating revenue	26,965	24,878
	<b>3,094,344</b>	<b>2,894,804</b>
<b>(b) Other income</b>		
Profit on disposal of non-current assets	420	183
<b>(c) Expenses</b>		
Cost of sales	138,220	131,211
Operating activities	2,246,875	2,168,218
Loss on disposal of investment in Echo	-	99,396
Legal settlement costs	33,730	-
Asset impairment	32,772	-
Other expenses	59,166	68,715
	<b>2,510,763</b>	<b>2,467,540</b>
<b>Depreciation of non-current assets</b> <i>(included in expenses above)</i>		
Buildings	87,276	80,535
Plant and equipment	140,430	140,374
	227,706	220,909
<b>Amortisation of non-current assets</b> <i>(included in expenses above)</i>		
Casino licence fee and management agreement	14,413	14,413
Other assets	2,812	2,805
	17,225	17,218
<b>Total depreciation and amortisation expense</b>	<b>244,931</b>	<b>238,127</b>
<b>(d) Other income and expense disclosures</b>		
<b>Finance costs expensed:</b>		
Debt facilities	126,079	143,232
Capitalised interest	(9,825)	(9,786)
	<b>116,254</b>	<b>133,446</b>
Operating leases	3,546	3,218
Superannuation expense	52,150	48,462
Other employee benefits expense	753,550	722,147
Net foreign currency (gains)/losses	(874)	(2,818)

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 3. Revenue and Expenses *continued*

	2014 \$'000	2013 \$'000
<b>(e) Significant items - income / (expense)</b>		
Legal settlements (net of tax)	(23,611)	-
Asset impairment (net of tax)	(23,114)	-
Loss on disposal of investment in Echo (net of tax)	-	(69,577)
Crown's share of Melco Crown's development and refinance costs	-	(25,594)
	<b>(46,725)</b>	<b>(95,171)</b>

## 4. Dividends Paid and Declared

	2014 \$'000	2013 \$'000
<b>(a) Dividends declared and paid during the financial year</b>		
<b><i>Prior year final dividend (paid 11 October 2013)</i></b>		
Paid at 19 cents (2012: 19 cents) per share and franked at 50% (2012: 50% franked) at the Australian tax rate of 30% (2012: 30%)	138,395	138,395
<b><i>Current year interim dividend (paid 11 April 2014)</i></b>		
Paid at 18 cents (2013: 18 cents) per share franked at 50% (2013: 50% franked) at the Australian tax rate of 30% (2013: 30%)	131,111	131,111
<b>Total dividends appropriated</b>	<b>269,506</b>	<b>269,506</b>
<b>(b) Dividends declared and not recognised as a liability</b>		
<b><i>Current year final dividend (expected to be paid 10 October 2014)</i></b>		
Declared at 19 cents (2013: 19 cents) per share and franked at 50% (2013: 50% franked) at the Australian tax rate of 30% (2013: 30%)	<b>138,395</b>	<b>138,395</b>
<b>(c) Franking credits</b>		
The tax rate at which the final dividend will be franked is 30% (2013: 30%). The franking account disclosures have been calculated using the franking rate applicable at 30 June 2014. The amount of franking credits available for the subsequent financial year:		
Franking account balance as at the end of the financial year at 30% (2013: 30%)	7,359	24,922
Franking credits that will arise from the payment of income taxes payable as at the end of the financial year	68,253	15,714
Franking debits that will arise from the refund of income taxes receivable as at the end of the financial year	(1,719)	(21,469)
<b>Total franking credits</b>	<b>73,893</b>	<b>19,167</b>
The amount of franking credits available for future reporting periods:		
Impact on the franking account of dividends declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the financial year	(29,656)	(29,656)
<b>Total franking credits available for future reporting periods</b>	<b>44,237</b>	<b>(10,489)</b>



## 5. Income Tax

	2014 \$'000	2013 \$'000
<b>(a) Income tax expense</b>		
The prima facie tax expense, using tax rates applicable in the country of operation, on profit differs from income tax provided in the financial statements as follows:		
Profit before income tax	751,999	441,912
Prima facie income tax expense on profit at the Australian rate of 30% (2013: 30%)	225,600	132,574
Tax effect of:		
Non deductible depreciation and amortisation	2,242	2,242
Share of associates' net losses/(profits)	(85,276)	(44,373)
Differences in foreign tax rates	(27,125)	(29,070)
Deferred income tax adjustment	(16,696)	(2,881)
Income tax (over)/under provided in prior years	1,042	(7,174)
Franking credits	-	(1,415)
Other items - net	(3,551)	(3,778)
<b>Income tax expense</b>	<b>96,236</b>	<b>46,125</b>
Income tax expense comprises:		
Current expense	147,324	85,999
Deferred expense	(32,353)	(2,881)
Adjustments for current income tax of prior periods	1,042	(7,174)
Tax on significant items	(19,777)	(29,819)
	<b>96,236</b>	<b>46,125</b>
<b>(b) Deferred income taxes</b>		
Deferred income tax assets	131,184	112,212
Deferred income tax liabilities	(189,411)	(202,235)
<b>Net deferred income tax assets/(liabilities)</b>	<b>(58,227)</b>	<b>(90,023)</b>
<b>(c) Deferred income tax assets and liabilities at the end of the financial year</b>		
<b>The balance comprises temporary differences attributable to:</b>		
Doubtful debt provision	26,947	14,582
Employee benefits provision	29,549	27,202
Other receivables	24,822	24,125
Other provisions	26,425	26,920
Prepaid casino tax	(16,409)	(17,230)
Licences and intangibles	(101,050)	(105,241)
Land and buildings	(80,447)	(75,111)
Property, plant & equipment	14,119	3,371
Other	17,817	11,359
<b>Net deferred income tax assets/(liabilities)</b>	<b>(58,227)</b>	<b>(90,023)</b>

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 5. Income Tax *continued*

	2014 \$'000	2013 \$'000
<b>(d) Movements in deferred income tax assets and liabilities during the financial year</b>		
Carrying amount at the beginning of the year	(90,023)	(92,965)
Tax income / (expense) during the period recognised in profit or loss	32,353	2,881
Acquisitions	(545)	-
Exchange differences	(12)	61
<b>Carrying amount at the end of the year</b>	<b>(58,227)</b>	<b>(90,023)</b>
<b>(e) Tax losses not brought to account, as the realisation of the benefits represented by these balances is not considered to be probable</b>		
Tax losses arising in Australia for offset against future capital gains	743,819	801,992
Foreign income tax losses for offset against future foreign profits	261,389	253,985
<b>Total tax losses not brought to account</b>	<b>1,005,208</b>	<b>1,055,977</b>
<b>Potential tax benefit at respective tax rates</b>	<b>314,632</b>	<b>329,492</b>

### (f) Unrecognised temporary differences

At 30 June 2014, there is no recognised or unrecognised deferred income tax liability (2013: \$nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or joint ventures, as the Group has no liability for additional taxation should such amounts be remitted.

### (g) Tax consolidation

Crown Resorts Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 July 2007. Crown Resorts Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing arrangement with Crown Resorts Limited in order to allocate income tax expense between Crown Resorts Limited and the wholly owned subsidiaries. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date the possibility of default is remote.

### (h) Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current and deferred taxes to members of the tax consolidated group in accordance with their taxable income for the period. The allocation of taxes under the tax funding agreement is recognised as an increase / decrease in the subsidiaries inter-company accounts with the tax consolidated group head company, Crown Resorts Limited.

## 6. Trade and Other Receivables

	2014 \$'000	2013 \$'000
<b>Current</b>		
Trade receivables	426,946	291,372
Provision for doubtful debts (a)	(102,812)	(57,605)
	324,134	233,767
Other receivables	17,419	23,692
	<b>341,553</b>	<b>257,459</b>

## 6. Trade and Other Receivables *continued*

### (a) Allowance for Doubtful Debts

Trade debtors are non-interest bearing and are generally 30 day terms.

An allowance for doubtful debts is recognised when there is objective evidence that an individual trade debt is impaired.

#### **Movements in the allowance for doubtful debts**

	2014 \$'000	2013 \$'000
Allowance for doubtful debts at the beginning of the year	(57,605)	(31,389)
Net doubtful debt expense <sup>(1)</sup>	(44,978)	(27,354)
Net Amounts written off	745	1,365
Exchange differences	(974)	(227)
	<b>(102,812)</b>	<b>(57,605)</b>

(1) Amounts are included in other expenses.

#### **Ageing analysis of trade debtors**

	0-30 days \$'000	>30 days \$'000	Total \$'000
<b>2014 – consolidated</b>			
Current	91,377	-	91,377
Past due not impaired	-	232,757	232,757
Considered impaired	88	102,724	102,812
	<b>91,465</b>	<b>335,481</b>	<b>426,946</b>
<b>2013 – consolidated</b>			
Current	86,783	-	86,783
Past due not impaired	-	146,984	146,984
Considered impaired	425	57,180	57,605
	<b>87,208</b>	<b>204,164</b>	<b>291,372</b>

	2014 \$'000	2013 \$'000
<b>Non-current</b>		
Loans to associated entities <sup>(1)</sup>	141,200	117,059
Other receivables	70,780	9,763
	<b>211,980</b>	<b>126,822</b>

(1) Loan terms are outlined in note 30.

## 7. Inventories

	2014 \$'000	2013 \$'000
<b>Current</b>		
Finished goods (at cost)	12,901	12,639

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 8. Other Financial Assets

	2014 \$'000	2013 \$'000
<b>Current</b>		
Receivable on forward exchange contracts	-	1,568
	-	<b>1,568</b>
<b>Non-current</b>		
Receivable on interest rate swaps	457	925
	<b>457</b>	<b>925</b>

Details of the Group's exposure to interest rate risk and foreign currency changes are provided in note 34.

## 9. Investments

	2014 \$'000	2013 \$'000
<b>At fair value</b>		
Shares - listed (USA)	34,277	-
Shares - unlisted (Australia)	-	36,353
Shares - unlisted (North America)	50,789	53,318
	<b>85,066</b>	<b>89,671</b>

Investments consist of shares, and therefore have no fixed maturity date or coupon rate.

The fair value of listed investments have been determined by reference to published price quotations in an active market.

The fair value of the unlisted investments have been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. Refer to note 34 for further information regarding the valuation techniques.

## 10. Investments in Associates

	2014 \$'000	2013 \$'000
<b>Investment details:</b>		
Associated entities - unlisted shares	1,932	5,314
Associated entities - listed shares	1,539,776	1,397,723
<b>Total investments in associates</b>	<b>1,541,708</b>	<b>1,403,037</b>
<b>Fair value of listed investments:</b>		
Melco Crown Entertainment Ltd <sup>(1)</sup>	7,059,056	4,562,303
	<b>7,059,056</b>	<b>4,562,303</b>

(1) Reflects Melco Crown share price at balance date, converted to Australian dollars. In accordance with Crown's accounting policies, recoverable amount is the greater of fair value less costs to sell and value in use. The Melco Crown carrying amount does not exceed its recoverable amount.



10. Investments in Associates *continued*

Investments in Associates	Reporting Date	Principal Activity	Principal Place of Business	% Interest	
				30 June 2014	30 June 2013
Melco Crown Entertainment Ltd	31 Dec <sup>(1)</sup>	Resort/Casino and gaming machine operator	Macau <sup>(2)</sup>	33.6	33.7
Betfair Australasia Pty Ltd	30 April <sup>(1)</sup>	Betting exchange	Australia	50.0	50.0
Aspers Holdings (Jersey) Ltd	30 June	Casino and gaming machine operator	U.K.	50.0	50.0

(1) The Group uses 30 June results to equity account for the investments.

(2) Melco Crown Entertainment Ltd was incorporated in the Cayman Islands.

Melco Crown Entertainment Ltd and Betfair Australasia Pty Ltd are accounted for using the equity method in these consolidated financial statements. The investment in Aspers Holdings (Jersey) Ltd was previously written down to \$nil and Crown has therefore discontinued recognising its share of further losses. The Group's share of unrecognised losses as at 30 June 2014 for Aspers Group is \$20.2 million (2013: \$12.1 million).

Summarised financial information in respect of each of the Group's material associates is set out below.

**Melco Crown Entertainment Ltd:**

	2014 \$'000	2013 \$'000
Revenue	7,256,138	6,347,423
Profit/(loss) for the year	855,845	480,226
Other comprehensive income for the year	(3,272)	(9,018)
Total comprehensive income for the year	852,573	471,208
Current assets	3,295,573	3,293,109
Non-current assets	6,527,650	5,801,281
Current liabilities	(1,325,453)	(1,297,811)
Non-current liabilities	(3,030,804)	(3,059,785)
<b>Net assets</b>	<b>5,466,966</b>	<b>4,736,794</b>
<b>Reconciliation of net asset to carrying mount:</b>		
Proportion of Crown's ownership interest in MCE	33.6%	33.7%
Crown's share of net assets	1,836,900	1,596,300
Non-controlling interest	(254,742)	(179,604)
Other	(42,382)	(18,973)
<b>Carrying amount of investment</b>	<b>1,539,776</b>	<b>1,397,723</b>

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 10. Investments in Associates *continued*

	2014 \$'000	2013 \$'000
<b>Carrying amount of investment in Melco Crown Entertainment Ltd</b>		
Balance at the beginning of the financial year	1,397,723	1,081,944
Carrying amount of investments in associates acquired during the year	-	16,563
Share of associates' net profit/(loss) for the year	287,634	149,397
Foreign exchange movements	(51,176)	149,819
Dividends Received	(94,405)	-
<b>Carrying amount of investment in associates at the end of the financial year</b>	<b>1,539,776</b>	<b>1,397,723</b>

Aggregate financial information in respect of each of the Group's associates which are not individually material are set out below.

	2014 \$'000	2013 \$'000
<b>Carrying amount of investment</b>		
Balance at the beginning of the financial year	5,314	6,800
Share of associates' net profit/(loss) for the year	(3,382)	(1,486)
<b>Carrying amount of investment in associates at the end of the financial year</b>	<b>1,932</b>	<b>5,314</b>

### **Impairment Testing**

Based on detailed impairment testing performed, there has been no impairment charge during the year (2013: \$nil).

For the purposes of impairment testing, management uses a value in use calculation using a discounted cash flow methodology covering a specified period, with an appropriate residual value at the end of that period. The methodology utilises cash flow forecasts based on past performance and expectations for the future using a four year cash flow period. The implied terminal growth rate beyond the four year period does not exceed the forecasted long term inflation rates of up to 3.0% (2013: 3.5%). Post-tax discount rates of between 10% and 13% were used in the impairment review calculations (2013: 10% - 13%).

Any reasonable possible change in key assumptions used would not cause the carrying amount of the investments in associates to exceed their recoverable amounts.

## 11. Property, Plant and Equipment

	Freehold land and buildings \$'000	Buildings on leasehold land \$'000	Plant & equipment \$'000	Construction work in progress \$'000	Leased plant & equipment \$'000	Total property, plant and equipment \$'000
<b>Year ended 30 June 2014</b>						
At 1 July 2013, net of accumulated depreciation and impairment	1,080,390	933,366	738,920	101,437	11,349	2,865,462
Additions	71,978	50,940	161,571	129,636	-	414,125
Disposals	-	-	-	-	-	-
Depreciation expense	(27,827)	(59,449)	(139,750)	-	(680)	(227,706)
Impairment	-	-	(32,772)	-	-	(32,772)
Acquisition of subsidiary	75,000	-	955	-	-	75,955
Exchange differences	-	977	294	-	-	1,271
Reclassification/ transfer	23,918	35,027	16,278	(75,223)	-	-
<b>At 30 June 2014, net of accumulated depreciation and impairment</b>	<b>1,223,459</b>	<b>960,861</b>	<b>745,496</b>	<b>155,850</b>	<b>10,669</b>	<b>3,096,335</b>
<b>At 1 July 2013</b>						
Cost (gross carrying amount)	1,337,994	1,440,699	1,971,334	101,437	11,545	4,863,009
Accumulated depreciation and impairment	(257,604)	(507,333)	(1,232,414)	-	(196)	(1,997,547)
<b>Net carrying amount</b>	<b>1,080,390</b>	<b>933,366</b>	<b>738,920</b>	<b>101,437</b>	<b>11,349</b>	<b>2,865,462</b>
<b>At 30 June 2014</b>						
Cost (gross carrying amount)	1,521,603	1,527,192	2,095,782	155,850	11,545	5,311,972
Accumulated depreciation and impairment	(298,144)	(566,331)	(1,350,286)	-	(876)	(2,215,637)
<b>Net carrying amount</b>	<b>1,223,459</b>	<b>960,861</b>	<b>745,496</b>	<b>155,850</b>	<b>10,669</b>	<b>3,096,335</b>

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 11. Property, Plant and Equipment *continued*

	Freehold land and buildings \$'000	Buildings on leasehold land \$'000	Plant & equipment \$'000	Construction work in progress \$'000	Leased plant & equipment \$'000	Total property, plant and equipment \$'000
<b>Year ended 30 June 2013</b>						
At 1 July 2012, net of accumulated depreciation and impairment	1,022,193	854,182	799,898	128,106	-	2,804,379
Additions	5,042	79,495	106,558	78,239	11,545	280,879
Disposals	-	(4)	(13)	-	-	(17)
Depreciation expense	(27,089)	(53,446)	(140,178)	-	(196)	(220,909)
Exchange differences	-	756	374	-	-	1,130
Reclassification/ transfer	80,244	52,383	(27,719)	(104,908)	-	-
<b>At 30 June 2013, net of accumulated depreciation and impairment</b>	<b>1,080,390</b>	<b>933,366</b>	<b>738,920</b>	<b>101,437</b>	<b>11,349</b>	<b>2,865,462</b>
<b>At 1 July 2012</b>						
Cost (gross carrying amount)	1,248,223	1,312,721	1,901,664	128,106	-	4,590,714
Accumulated depreciation and impairment	(226,030)	(458,539)	(1,101,766)	-	-	(1,786,335)
<b>Net carrying amount</b>	<b>1,022,193</b>	<b>854,182</b>	<b>799,898</b>	<b>128,106</b>	<b>-</b>	<b>2,804,379</b>
<b>At 30 June 2013</b>						
Cost (gross carrying amount)	1,337,994	1,440,699	1,971,334	101,437	11,545	4,863,009
Accumulated depreciation and impairment	(257,604)	(507,333)	(1,232,414)	-	(196)	(1,997,547)
<b>Net carrying amount</b>	<b>1,080,390</b>	<b>933,366</b>	<b>738,920</b>	<b>101,437</b>	<b>11,349</b>	<b>2,865,462</b>



## 12. Licences

	<b>Casino Licence \$'000</b>
<b>Year ended 30 June 2014</b>	
At 1 July 2013, net of accumulated amortisation and impairment	649,511
Additions	5,000
Amortisation expense	(7,472)
<b>At 30 June 2014, net of accumulated amortisation and impairment</b>	<b>647,039</b>
<b>At 1 July 2013</b>	
Cost (gross carrying amount)	794,899
Accumulated amortisation and impairment	(145,388)
<b>Net carrying amount</b>	<b>649,511</b>
<b>At 30 June 2014</b>	
Cost (gross carrying amount)	794,899
Additions	5,000
Accumulated amortisation and impairment	(152,860)
<b>Net carrying amount</b>	<b>647,039</b>
<b>Year ended 30 June 2013</b>	
At 1 July 2012, net of accumulated amortisation and impairment	656,983
Amortisation expense	(7,472)
<b>At 30 June 2013, net of accumulated amortisation and impairment</b>	<b>649,511</b>
<b>At 1 July 2012</b>	
Cost (gross carrying amount)	794,899
Accumulated amortisation and impairment	(137,916)
<b>Net carrying amount</b>	<b>656,983</b>

The casino licence premiums are carried at cost and amortised on a straight line basis over their useful lives.

The Crown Melbourne licence is being amortised over 34 years. The Crown Perth licence is assessed as having an indefinite useful life and no amortisation is charged. The addition relates to the deposit paid in relation to the Crown Sydney Hotel Resort.

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 13. Other Intangible Assets

	Goodwill <sup>(1)</sup> \$'000	Casino Management Agreement <sup>(1)</sup> \$'000	Other \$'000	Total \$'000
<b>Year ended 30 June 2014</b>				
At 1 July 2013, net of accumulated amortisation and impairment	60,762	141,718	2,092	204,572
Business acquisitions	26,855	-	-	26,855
Additions	-	-	3,030	3,030
Exchange differences	4,370	-	-	4,370
Amortisation expense	-	(6,941)	(78)	(7,019)
<b>At 30 June 2014, net of accumulated amortisation and impairment</b>	<b>91,987</b>	<b>134,777</b>	<b>5,044</b>	<b>231,808</b>
<b>At 1 July 2013</b>				
Cost (gross carrying amount)	60,762	245,279	2,813	308,854
Accumulated amortisation and impairment	-	(103,561)	(721)	(104,282)
<b>Net carrying amount</b>	<b>60,762</b>	<b>141,718</b>	<b>2,092</b>	<b>204,572</b>
<b>At 30 June 2014</b>				
Cost (gross carrying amount)	91,987	245,279	5,843	343,109
Accumulated amortisation and impairment	-	(110,502)	(799)	(111,301)
<b>Net carrying amount</b>	<b>91,987</b>	<b>134,777</b>	<b>5,044</b>	<b>231,808</b>
<b>Year ended 30 June 2013</b>				
At 1 July 2012, net of accumulated amortisation and impairment	56,950	148,659	2,163	207,772
Exchange differences	3,812	-	-	3,812
Amortisation expense	-	(6,941)	(71)	(7,012)
<b>At 30 June 2013, net of accumulated amortisation and impairment</b>	<b>60,762</b>	<b>141,718</b>	<b>2,092</b>	<b>204,572</b>
<b>At 1 July 2012</b>				
Cost (gross carrying amount)	56,950	245,279	2,812	305,041
Accumulated amortisation and impairment	-	(96,620)	(649)	(97,269)
<b>Net carrying amount</b>	<b>56,950</b>	<b>148,659</b>	<b>2,163</b>	<b>207,772</b>

(1) Purchased as part of a business combination

Goodwill is considered to have an indefinite life and is tested annually for impairment (see note 14). The goodwill balance at 30 June 2014 is allocated to Crown Melbourne \$26.9 million (2013: \$nil), Crown Perth \$11.9m (2013: \$11.9 million) and Crown Aspinall's \$53.2 million (2013: \$48.9 million).

The useful life of the Crown Melbourne casino management agreement is 34 years, and is amortised on a straight line basis.

## 14. Impairment Testing of Intangible Assets

### **Impairment tests for intangible assets**

Intangible assets deemed to have indefinite lives are allocated to the Group's cash generating units (CGU's) identified according to business segment.

The recoverable amount of a CGU is determined based on a value in use calculation using a discounted cash flow methodology covering a specified period, with an appropriate residual value at the end of that period, for each segment. The methodology utilises cash flow forecasts that are based primarily on business plans presented to and approved by the Board. The implied terminal growth rate beyond the five year period does not exceed the forecasted long term Australian inflation rate of 2.5% (2013: 2.5%).

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and casino licences.

#### **(a) Cash flow forecasts**

Cash flow forecasts are based on past performance and expectations for the future using a five year cash flow period.

#### **(b) Residual value**

Residual value is calculated using a perpetuity growth formula based on the cash flow forecast using a weighted average cost of capital (after tax) and forecast growth rate.

#### **(c) Forecast growth rates**

Forecast growth rates are based on past performance and management's expectations for future performance in each segment.

#### **(d) Discount rates**

A weighted average cost of capital (after tax) of between 8% and 10% was used by the Group in impairment testing, risk adjusted where applicable.

## 15. Other Assets

	2014 \$'000	2013 \$'000
<b>Non-current</b>		
Prepaid casino tax at cost	100,800	100,800
Accumulated amortisation	(46,103)	(43,369)
	<b>54,697</b>	<b>57,431</b>
Other prepayments	4,734	5,349
	<b>59,431</b>	<b>62,780</b>

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 16. Trade and Other Payables

	2014 \$'000	2013 \$'000
<b>Current - unsecured</b>		
Trade and other payables	345,008	296,411
Deferred Income	866	170
	<b>345,874</b>	<b>296,581</b>
<b>Non-current - unsecured</b>		
Other	138	138
	<b>138</b>	<b>138</b>

## 17. Interest-Bearing Loans and Borrowings

	2014 \$'000	2013 \$'000
<b>Current - unsecured</b>		
Bank Loans - unsecured	102,846	80,726
Finance Lease - secured	685	669
	<b>103,531</b>	<b>81,395</b>
<b>Non-current - unsecured</b>		
Bank Loans - unsecured	424,209	331,549
Capital Markets Debt - unsecured	1,205,023	1,211,613
Finance Lease - secured	10,038	10,706
	<b>1,639,270</b>	<b>1,553,868</b>

### **Assets pledged as security**

The lease liabilities are effectively secured, as the rights to the leased assets revert to the lessor in the event of default.

### **Fair Value Disclosures**

Details of the fair value disclosures of the Group's interest bearing liabilities are set out in note 34.

### **Financial Risk Management**

Information about the Group's exposure to interest rate and foreign currency changes is provided in note 34.



## 17. Interest-Bearing Loans and Borrowings *continued*

### **Financing and Credit Facilities**

Unsecured credit facilities are provided as part of the overall debt funding structure of the Crown Group as follows:

Facility Type	Facility Amount \$'000	Drawn Amount \$'000	Letters of Credit Issued \$'000	Available \$'000	Expiry Dates
<b>Bank Facilities</b>					
Bilateral Multi Option Facilities	220,000	122,846	24,078	73,076	Feb 15 / Oct 16
Syndicated Revolving Facilities	1,250,000	250,000	-	1,000,000	2016 - 2019
GBP Syndicated Facility	154,209	154,209	-	-	2015 - 2016
Letter of Credit Facility	185,000	-	185,000	-	June 2021
	<b>1,809,209</b>	<b>527,055</b>	<b>209,078</b>	<b>1,073,076</b>	
<b>Debt Capital Markets</b>					
Euro Medium Term Note	174,634	174,634	-	-	July 2036
Australian Medium Term Note	300,000	300,000	-	-	July 2017
AUD Subordinated Notes	518,300	518,300	-	-	Sept 2072
US Private Placement	212,089	212,089	-	-	2015 - 2020
	<b>1,205,023</b>	<b>1,205,023</b>	<b>-</b>	<b>-</b>	
<b>Total at 30 June 2014</b>	<b>3,014,232</b>	<b>1,732,078</b>	<b>209,078</b>	<b>1,073,076</b>	
<b>Total at 30 June 2013</b>	<b>2,958,162</b>	<b>1,623,888</b>	<b>207,702</b>	<b>1,126,572</b>	

The bank facilities are provided on an unsecured basis by domestic and international banks.

The debt capital markets drawn amounts represent unsecured notes issued to domestic and international debt investors.

Crown is able to make advances and issue letters of credit under the letter of credit facility, syndicated facilities and the bilateral facilities which are multi option in nature.

Each of the above mentioned facilities is issued by or supported by a Group guarantee from Crown and certain of its subsidiaries and impose various affirmative covenants on Crown, which may include compliance with certain financial ratios and negative covenants, including restrictions on encumbrances, and customary events of default, including a payment default, breach of covenants, cross-default and insolvency events.

During the current and prior year, there were no defaults or breaches on any of the loans or borrowings.

Refer to note 24(b) for a summary of Crown's overdraft facilities.

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 18. Provisions

	Employee Entitlements \$'000	Other \$'000	Total \$'000
At 1 July 2013	145,796	18,770	164,566
Arising during the year	99,871	5,555	105,426
Utilised during the year	(97,385)	(1,000)	(98,385)
<b>At 30 June 2014</b>	<b>148,282</b>	<b>23,325</b>	<b>171,607</b>
Current 2014	119,249	19,543	138,792
Non-current 2014	29,033	3,782	32,815
<b>At 30 June 2014</b>	<b>148,282</b>	<b>23,325</b>	<b>171,607</b>
Current 2013	103,163	17,099	120,262
Non-current 2013	42,633	1,671	44,304
<b>At 30 June 2013</b>	<b>145,796</b>	<b>18,770</b>	<b>164,566</b>

## 19. Other Financial Liabilities

	2014 \$'000	2013 \$'000
<b>Current</b>		
Payables on forward exchange contracts	1,332	-
Payables on interest rate swaps	167	-
	<b>1,499</b>	<b>-</b>
<b>Non-current</b>		
Payables on interest rate swaps	2,834	679
Payables on cross currency swaps	13,869	3,940
	<b>16,703</b>	<b>4,619</b>

Other financial liabilities are outlined in note 34.

## 20. Contributed Equity

	2014 \$'000	2013 \$'000
<b>Issued share capital</b>		
Ordinary shares fully paid	446,763	446,763
<b>Shares held in Trust</b>		
Balance at beginning of the financial year	(1,118)	(480)
Shares acquired by the Crown Resorts Limited Long Term Incentive Plan	(800)	(638)
<b>Balance at the end of the financial year</b>	<b>(1,918)</b>	<b>(1,118)</b>
	2014 No.	2013 No.
<b>Issued share capital</b>		
Ordinary shares fully paid	728,394,185	728,394,185

### **Terms and Conditions of Contributed Equity**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held.

The voting rights attaching to ordinary shares provide that each ordinary shareholder present in person or by proxy or attorney or being a corporation present by representative at a meeting shall have:

- (a) on a show of hands, one vote only;
- (b) on a poll, one vote for every fully paid ordinary share held.

### **Capital Management**

When managing capital, the Group's objective is to maintain optimal returns to shareholders and benefits for other stakeholders. The Group also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

During 2014, the Group paid dividends of \$269.5 million (2013: \$269.5 million). The Group's dividend policy is to pay the higher of 37 cents per share and 65% of normalised full year NPAT (excluding profits from associates but including dividends received from associates), subject to the company's financial position.

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 21. Reserves and Retained Earnings

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Foreign currency translation reserve	(229,576)	(188,798)
Employee equity benefits reserve	13,010	13,010
Net unrealised gains reserve	628,908	628,908
Cash flow hedge reserve	(17,745)	(2,126)
	<b>394,597</b>	<b>450,994</b>

### Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations. It is also used to recognise gains and losses on hedges of the net investment in foreign operations.

Balance at the beginning of the financial year	(188,798)	(323,419)
Net foreign exchange translation	(40,778)	134,621
<b>Balance at the end of the financial year</b>	<b>(229,576)</b>	<b>(188,798)</b>

### Employee Equity Benefits Reserve

The employee equity benefits reserve is used to record share based remuneration obligations to executives in relation to ordinary shares.

Balance at the beginning of the financial year	13,010	13,010
<b>Balance at the end of the financial year</b>	<b>13,010</b>	<b>13,010</b>

### Net Unrealised Gains Reserve

The net unrealised gains reserve records the movement from changes in investments and associates equity.

Balance at the beginning of the financial year	628,908	628,704
Change in net unrealised gains reserve	-	204
<b>Balance at the end of the financial year</b>	<b>628,908</b>	<b>628,704</b>

### Cash Flow Hedge Reserve

The cash flow hedge reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

Balance at the beginning of the financial year	(2,126)	(19,509)
Movement in interest rate swaps	(2,790)	11,577
Movement in cross currency swaps	(9,929)	4,575
Movement in forward exchange contracts	(2,900)	1,231
<b>Balance at the end of the financial year</b>	<b>(17,745)</b>	<b>(2,126)</b>



## 21. Reserves and Retained Earnings *continued*

	2014 \$'000	2013 \$'000
<b>Retained Earnings</b>		
Balance at the beginning of the financial year	2,755,962	2,629,681
Net profit after tax	655,763	395,787
Total available for appropriation	3,411,725	3,025,468
Dividends provided for or paid	(269,506)	(269,506)
<b>Balance at the end of the financial year</b>	<b>3,142,219</b>	<b>2,755,962</b>

## 22. Business Combinations

### Acquisition of Capital Club Pty Ltd

On 1 December 2013, Crown acquired Capital Club Pty Ltd and its controlled entities ("Capital Club"), the owner and operator of the Capital Golf Club and the Melbourne Golf Academy. The purchase price (inclusive of acquisition costs) was \$67.6 million, resulting in Crown owning 100% of the ordinary shares in Capital Club. Crown had previously acquired an exclusive corporate membership share in Capital Club for \$36.4 million.

The initial accounting for the business combination requires the identification of fair values to be assigned to Capital Club's identifiable assets, liabilities and contingent liabilities. In accordance with Australian Accounting Standards, Crown will recognise any adjustments to these provisional fair values as a result of completing the initial accounting within 12 months of the acquisition date.

Based on the provisional fair values, Capital Club's net assets at the date of acquisition were \$77.1 million, resulting in \$26.9 million of goodwill. The acquisition of Capital Club will provide Crown with full and exclusive access to the golf course to entertain guests and international VIP patrons, as well as the ownership of the freehold land associated with the golf course. None of the goodwill recognised is expected to be deductible for income tax purposes.

The financial statements include the results of Capital Club for the seven month period from the acquisition date.

The provisional fair value of the identifiable assets and liabilities of Capital Club as at the date of acquisition were:

	2014 \$'000
Cash and cash equivalents	4,311
Other current assets	337
Property, plant and equipment	75,955
Deferred tax assets	174
	<b>80,777</b>
Trade and other payables	2,942
Deferred tax liabilities	718
	<b>3,660</b>
<b>Fair value of identifiable net assets</b>	<b>77,117</b>
Goodwill arising on acquisition	26,855
<b>Consideration transferred for acquisition of identifiable net assets</b>	<b>103,972</b>
<b>Net Cash Flow - Acquisition of subsidiary</b>	
Cash Paid	67,619
Cash Acquired	(4,311)
<b>Net Cash Flow - Acquisition of subsidiary</b>	<b>63,308</b>

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 23. Expenditure Commitments

### (a) Capital expenditure commitments

	2014 \$'000	2013 \$'000
<b>Estimated capital expenditure contracted for at balance date, but not provided for:</b>		
Payable within one year	234,675	89,155
Payable after one year but not more than five years	288,890	20,000
	<b>523,565</b>	<b>109,155</b>

At 30 June 2014, the Group has capital expenditure commitments principally relating to funding various projects.

### (b) Non-cancellable operating lease commitments

	2014 \$'000	2013 \$'000
Payable within one year	3,236	3,538
Payable after one year but not more than five years	6,458	6,851
Payable more than five years	11,316	11,373
	<b>21,010</b>	<b>21,762</b>

The Group has entered into non-cancellable operating leases. The leases vary in contract period depending on the asset involved but generally have an average lease term of approximately 9 years (2013: 10 years). Operating leases include telecommunications rental agreements and leases on assets including motor vehicles, land and buildings and items of plant and equipment. Renewal terms are included in certain contracts, whereby renewal is at the option of the specific entity that holds the lease. On renewal, the terms of the leases are usually renegotiated. There are no restrictions placed upon the lessee by entering into these leases.

In addition, in 1993 Crown Melbourne entered into a ninety-nine year lease agreement for the site upon which Crown Melbourne Entertainment Complex is located. For years one to forty inclusive the annual rent payable by the parent entity is one dollar per annum. For years forty-one to ninety-nine inclusive the annual rent payable will be the then current market rent for the site. The aggregate lease expenditure contracted for at balance date but not provided for which is disclosed in this report does not include an estimate for the rent payable for years forty-one to ninety-nine inclusive due to the uncertainty of these amounts.

### (c) Non-cancellable finance lease commitments

	2014 \$'000	2013 \$'000
Payable within one year	669	669
Payable after one year but not more than five years	10,037	10,706
	<b>10,706</b>	<b>11,375</b>

Under the terms of the lease, Crown has the option to acquire the leased asset for a predetermined residual value on expiry of the lease.

## 24. Cash Flow Statement Reconciliation

	2014 \$'000	2013 \$'000
<b>(a) Cash balance represents:</b>		
• cash on hand and at bank	159,905	187,651
• deposits at call	17,875	17,860
	<b>177,780</b>	<b>205,511</b>

The above closing cash balances includes \$110.9 million (2013: \$118.5 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 \$66.9 million (2013: \$87.0 million) for other purposes.

	2014 \$'000	2013 \$'000
<b>(b) Reconciliation of the profit/(loss) after tax to the net cash flows from operating activities</b>		
Profit after tax	655,763	395,787
Depreciation and amortisation:		
• property, plant and equipment	227,706	220,909
• intangibles	17,225	17,218
(Profit)/loss on sale of property, plant and equipment	(420)	(183)
Unrealised foreign exchange (gain)/loss	381	(1,189)
Share of associates' net (profit) / loss	(284,252)	(147,911)
Impairment of assets	32,772	-
Net loss on disposal of investments	-	69,577
Net mark-to-market (gain)/loss on investments	(9,995)	-
Dividends received from associates	94,405	-
<i>Changes in assets and liabilities:</i>		
(Increase) / decrease in trade and other receivables	(157,777)	(91,525)
Increase / (decrease) in doubtful debts	45,207	26,216
(Increase) / decrease in inventories	(262)	(789)
(Increase) / decrease in prepayments	(13,197)	(1,458)
(Increase) / decrease in deferred income tax asset	(18,972)	428
(Increase) / decrease in other assets	(2,531)	(2,574)
(Decrease) / increase in payables	56,560	52,368
(Decrease) / increase in current income tax liability	65,195	(46,956)
(Decrease) / increase in provisions	7,041	9,650
(Decrease) / increase in deferred income tax liability	(12,824)	(3,370)
<b>Net cash flows from operating activities</b>	<b>702,025</b>	<b>496,198</b>

### Bank Overdraft Facilities

The consolidated entity has bank overdraft facilities available as follows:

Bank	2014	2013
ANZ Banking Group Limited	A\$20 million	A\$20 million
Citibank NA	US\$10 million	US\$10 million
Royal Bank of Scotland PLC	£20 million	£20 million

As at 30 June 2014 there were no drawn down amounts on the overdraft facilities (2013: nil).

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 25. Events After the Reporting Period

On 8 July 2014 Crown was issued with a Restricted Gaming Licence by the New South Wales Independent Liquor and Gaming Authority ("ILGA") for the Crown Sydney Hotel Resort at Barangaroo South. Subsequently, Crown paid a Licence Fee to the New South Wales Government of \$100 million (of which a \$5 million deposit was paid in July 2013).

On 4 August 2014, Crown announced that a majority-owned subsidiary had acquired a 34.6 acre vacant site on Las Vegas Boulevard, which was formerly occupied by the New Frontier casino. The site was acquired through a foreclosure auction initiated by lenders to the former owner of the site.

On 22 August 2014, Crown announced that it had reached agreement with the Victorian Government on a number of reforms to the Melbourne Casino Licence, whereby the licence term will be extended to 2050, "super tax" on international and interstate VIP program play will be removed, Crown Melbourne will be entitled to additional gaming product and Crown will make agreed specified payments to the State of Victoria.

Subsequent to 30 June 2014, the directors of Crown declared a final dividend on ordinary shares in respect of the year ending 30 June 2014. The total amount of the dividend is \$138.4 million, which represents a dividend of 19 cents per share franked at 50%. No part of the unfranked portion of the dividend will consist of conduit foreign income.

## 26. Contingent Liabilities and Related Matters

The Group has no contingent liabilities at 30 June 2014.

### **Legal Actions**

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.

## 27. Auditors' Remuneration

	2014 \$'000	2013 \$'000
<b>Amounts received, or due and receivable, by Ernst &amp; Young (Australia) for:</b>		
Auditing the accounts	780	774
Taxation services	4,146	5,725
<b>Amounts received, or due and receivable, by other member firms of Ernst &amp; Young International for:</b>		
Auditing the accounts	99	115
Other services:		
• Taxation services	192	79
• Consulting services	18	14
	<b>5,235</b>	<b>6,707</b>
<b>Amounts received, or due and receivable, by non Ernst &amp; Young audit firms for:</b>		
Auditing services	84	76



## 28. Earnings Per Share (EPS)

	2014	2013
<b>The following reflects the income and share data used in the calculations of basic and diluted EPS:</b>		
Net profit / (loss) after tax used in calculating basic and diluted EPS (\$'000)	655,763	395,787
Weighted average number of ordinary shares used in calculating basic and diluted EPS ('000)	728,394	728,394

There are no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

## 29. Key Management Personnel Disclosures

### (a) Details of key management personnel

#### (i) Directors

James D Packer	Chairman
John H Alexander	Executive Deputy Chairman
Benjamin A Brazil	Non-Executive Director
Helen A Coonan	Non-Executive Director
Christopher D Corrigan	Non-Executive Director (resigned 29 November 2013)
Rowen B Craigie	Chief Executive Officer and Managing Director
Rowena Danziger	Non-Executive Director
Geoffrey J Dixon	Non-Executive Director
John S Horvath	Non-Executive Director
Ashok Jacob	Non-Executive Director
Michael R Johnston	Non-Executive Director
Harold C Mitchell	Non-Executive Director

Subsequent to 30 June 2014, the Board approved the appointment of Mr Andrew Demetriou as a director, subject to receipt of all necessary regulatory approvals. Mr Demetriou's appointment will only become effective once the necessary approvals have been received.

#### (ii) Executives

Kenneth M Barton	Chief Financial Officer
Barry J Felstead	Chief Executive Officer – Crown Perth (until 1 August 2013) Chief Executive Officer – Australian Resorts (from 1 August 2013)
Greg F Hawkins	Chief Executive Officer – Crown Melbourne (until 1 August 2013)
W Todd Nisbet	Executive Vice President – Strategy and Development

### (b) Remuneration of key management personnel

Total remuneration for key management personnel for the Group and Parent Entity during the financial year are set out below:

	2014 \$	2013 \$
<b>Remuneration by category</b>		
Short term benefits	13,421,509	12,938,377
Post employment benefits	93,319	98,820
Termination benefits	1,494,978	-
Long term incentives	(3,016,500)	2,581,500
	<b>11,993,306</b>	<b>15,618,697</b>

Further details are contained in the Remuneration Report.

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 30. Related Party Disclosures

### (a) Parent entity

Crown Resorts Limited is the ultimate parent entity of the Group.

### (b) Controlled entities, associates and joint ventures

Interests in significant controlled entities are set out in note 31.

Investments in associates and joint ventures are set out in note 10.

### (c) Entity with significant influence over the Group

At balance date Consolidated Press Holdings Group ("CPH"), comprising Consolidated Press Holdings Limited and its related corporations, a group related to Mr James Packer, holds 50.01% (2013: 50.01%) of the Company's fully paid ordinary shares.

### (d) Key management personnel

Disclosures relating to key management personnel are set out in note 29, and in the Remuneration Report.

### (e) Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms, unless otherwise stated.

### (f) Transactions with related parties

The continuing operations have had the following transactions with related parties:

#### (i) Director related entities and entities with significant influence over the Group

CPH provided corporate secretarial and administrative services to Crown and its controlled entities of \$0.1 million during the year (2013: \$0.1 million). CPH paid costs on behalf of Crown to third parties totalling \$3.2 million during the year (2013: \$6.6 million). At 30 June 2014 there were no amounts owing to CPH (2013: \$nil).

Crown and its controlled entities provided CPH with hotel and banqueting services of \$0.1 million during the year (2013: \$0.1 million). At 30 June 2014 there were no amounts owing from CPH (2013: \$nil).

#### (ii) Associates

Crown did not acquire any additional equity in Melco Crown during 2014 (2013: \$16.6 million acquired from Melco Crown SPV Limited).

Crown provided Melco Crown IT and related services of \$1.0 million (2013: \$0.6 million) at cost during the year. During the year Crown paid costs on behalf of Melco Crown to third parties totalling \$10.3 million (2013: \$ nil). At 30 June 2014 Crown had \$10.3 million receivable from Melco Crown (2013: \$nil).

During the year Mr Nisbet received a fee of US\$0.1m for acting as a director of Melco Crown (Philippines) Resorts Corporation, being an indirect majority owned subsidiary of Melco Crown.

Melco Crown provided \$11,000 (2013: \$5,000) in Hotel and other services to Crown during the year. In addition, Melco Crown paid costs of \$0.1 million (2013: \$0.1 million) on behalf of Crown during the year which has subsequently been reimbursed in full.

Crown provided additional loans of \$11.6 million (2013: \$12.6 million) to Aspers Holdings (Jersey) Ltd during the year. There were loan repayments of \$2.5 million to Crown during the year (2013: \$nil). Interest charged on loans advanced to Aspers was \$15.3 million for the year (2013: \$10.4 million). At 30 June 2014 \$129.5 million (2013: \$105.4 million) was owed by Aspers. At 30 June 2014 there were no amounts owing to Aspers (2013: \$nil).

Crown made no further loans to Betfair during the year (2013: \$nil). The loan balance with Betfair at 30 June 2014 was \$11.7 million (2013: \$11.7 million). No interest is payable on the loan. Crown provided Betfair Hotel, Banqueting and other services of \$5,000 (2013: \$0.4 million) during the year. There were no amounts receivable from Betfair at 30 June 2014 (2013: \$nil).

For the year ended 30 June 2014, the Group has not made any allowance for doubtful debts relating to amounts owed by related parties as there have been no default of payment terms and conditions (2013: \$nil).

### 30. Related Party Disclosures *continued*

An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss. During the financial year Crown has assessed there is no impairment to related party receivables.

### 31. Investment in Controlled Entities

The consolidated financial statements include the financial statements of Crown Resorts Limited and its controlled entities. Significant controlled entities and those included in a class order with the parent entity are:

	Footnote		Country of Incorporation	Beneficial Interest Held by the Consolidated Entity <sup>(1)</sup>	
	2014	2013		2014 %	2013 %
<b>Crown Limited</b>			<b>Australia</b>	<b>Parent Entity</b>	
Artra Pty Ltd			Australia	100	100
Aspinall's Club Limited			United Kingdom	100	100
Burswood Limited	A	A	Australia	100	100
Burswood Nominees Ltd	A	A	Australia	100	100
Burswood Resort (Management) Ltd	A	A	Australia	100	100
Capital Club Pty Ltd			Australia	100	-
Crown Asia Investments Limited	A	A	Australia	100	100
Crown Australia Pty Ltd	A	A	Australia	100	100
Crown Capital Golf Pty Ltd			Australia	100	100
Crown Cyprus Limited			Australia	100	100
Crown CCR Group Holdings One Pty Ltd	A	A	Australia	100	100
Crown CCR Group Holdings Two Pty Ltd			Australia	100	100
Crown CCR Group Holdings General Partnership			USA	100	100
Crown CCR Group Investments One LLC			USA	100	100
Crown CCR Group Investments Two LLC			USA	100	100
Crown CCR Holdings LLC			USA	100	100
Crown CPS Holdings Pty Ltd	A	A	Australia	100	100
Crown Entertainment Group Holdings Pty Ltd	A	A	Australia	100	100
Crown Gateway Luxembourg Pty Ltd	A	A	Australia	100	100
Crown Group Finance Limited	A	A	Australia	100	100
Crown Group Securities Ltd	A	A	Australia	100	100
Crown Management Holdings Pty Ltd	A	A	Australia	100	100
Crown Management Pty Ltd	A	A	Australia	100	100
Crown Melbourne Limited	A	A	Australia	100	100
Crown North America Holdings One Pty Ltd			Australia	100	100
Crown North America Investments LLC			USA	100	100
Crown Overseas Investments Pty Ltd	A	A	Australia	100	100
Crown Services (US) LLC			USA	100	100
Crown Sydney Pty Ltd			Australia	100	100
Crown Sydney Gaming Pty Ltd			Australia	100	-
Crown Sydney Holdings Pty Ltd			Australia	100	-
Crown Sydney Property Pty Ltd			Australia	100	-
Crown UK Investments Ltd			United Kingdom	100	100
Crown (Western Australia) Pty Ltd	A	A	Australia	100	100

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 31. Investment in Controlled Entities *continued*

	Footnote		Country of Incorporation	Beneficial Interest Held by the Consolidated Entity <sup>(1)</sup>	
	2014	2013		2014 %	2013 %
Flienn Pty Ltd	A	A	Australia	100	100
Jade West Entertainment Pty Ltd	A	A	Australia	100	100
Jemtex Pty Ltd	A	A	Australia	100	100
Melbourne Golf Academy Pty Ltd			Australia	100	-
Nine Television (Netherlands Antilles) Pty Ltd			Australia	100	100
PBL (CI) Finance Limited			Cayman Islands	100	100
Pennwin Pty Ltd	A	A	Australia	100	100
Publishing and Broadcasting (Finance) Ltd	A	A	Australia	100	100
Publishing and Broadcasting International Holdings Ltd			Bahamas	100	100
Renga Pty Ltd	A	A	Australia	100	100

(1) The proportion of ownership interest is equal to the proportion of voting power held.

A These controlled entities have entered into a deed of cross guarantee with the parent entity under ASIC Class Order 98/1418 - the "Closed Group" (refer note 32).

## 32. Deed of Cross Guarantee

Certain controlled entities of Crown Resorts Limited, as detailed in note 31, are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the others.

By entering into the deed, pursuant to ASIC Class Order 98/1418, certain controlled entities of Crown have been granted relief from the Corporations Act 2001 requirements for preparation, audit and publication of accounts.

The consolidated income statement and balance sheet of the entities which are members of the "Closed Group" are detailed below.

	Closed Group	
	2014 \$'000	2013 \$'000
<b>Consolidated income statement</b>		
Profit / (loss) before income tax	3,365,192	593,880
Income tax (expense) / benefit	(97,233)	(55,267)
Net profit / (loss) after income tax	3,267,959	538,613
Retained earnings / (accumulated losses) at the beginning of the financial year	124,744	(144,363)
Dividends provided for or paid	(269,506)	(269,506)
<b>Retained earnings / (accumulated losses) at the end of the financial year</b>	<b>3,123,197</b>	<b>124,744</b>



## 32. Deed of Cross Guarantee *continued*

	Closed Group	
	2014	2013
	\$'000	\$'000
<b>Consolidated balance sheet</b>		
<b>Current assets</b>		
Cash and cash equivalents	126,664	156,247
Trade and other receivables	300,377	237,825
Inventories	12,360	12,172
Prepayments	28,148	16,507
Other financial assets	-	1,568
<b>Total current assets</b>	<b>467,549</b>	<b>424,319</b>
<b>Non-current assets</b>		
Receivables	1,213,932	1,105,002
Other financial assets	2,557,988	2,529,798
Investments	2,394	3,364
Investment in associates	1,541,708	1,403,037
Property, plant and equipment	3,036,804	2,850,817
Licences	642,039	649,511
Other intangible assets	178,645	155,858
Deferred tax assets	130,170	112,187
Other assets	59,431	62,780
<b>Total non-current assets</b>	<b>9,363,111</b>	<b>8,872,354</b>
<b>Total assets</b>	<b>9,830,660</b>	<b>9,296,673</b>
<b>Current liabilities</b>		
Trade and other payables	299,641	265,705
Interest-bearing loans and borrowings	103,531	81,395
Income tax payable	105,994	37,377
Provisions	136,029	117,499
Other financial liabilities	1,499	-
<b>Total current liabilities</b>	<b>646,694</b>	<b>501,976</b>
<b>Non-current liabilities</b>		
Other payables	138	138
Interest-bearing loans and borrowings	3,199,955	3,095,334
Deferred tax liability	184,908	201,938
Provisions	32,815	44,304
Other financial liabilities	16,703	4,619
<b>Total non-current liabilities</b>	<b>3,434,519</b>	<b>3,346,333</b>
<b>Total liabilities</b>	<b>4,081,213</b>	<b>3,848,309</b>
<b>Net assets</b>	<b>5,749,447</b>	<b>5,448,364</b>
<b>Equity</b>		
Contributed equity	2,180,793	4,809,818
Treasury shares	(1,919)	(1,118)
Reserves	447,376	514,920
Retained earnings	3,123,197	124,744
<b>Total equity</b>	<b>5,749,447</b>	<b>5,448,364</b>

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 33. Parent Entity Disclosures

	<b>Crown Resorts Limited</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Results of the parent entity</b>		
Profit after tax for the period	2,907,086	276,360
Other comprehensive income/(loss)	-	-
<b>Total comprehensive income for the period</b>	<b>2,907,086</b>	<b>276,360</b>
<b>Financial position of the parent entity</b>		
Current assets	-	-
Non-current assets	12,704,968	9,858,901
<b>Total assets</b>	<b>12,704,968</b>	<b>9,858,901</b>
Current liabilities	104,211	38,803
Non-current liabilities	3,016,422	2,873,344
<b>Total liabilities</b>	<b>3,120,633</b>	<b>2,912,147</b>
<b>Total equity of the parent entity comprising of:</b>		
Issued capital	9,927,204	9,927,204
Employee equity benefits reserve	13,010	13,010
Accumulated losses	(355,879)	(2,993,460)
<b>Total equity</b>	<b>9,584,335</b>	<b>6,946,754</b>

### **Contingent liabilities**

There are no contingent liabilities for the parent entity at 30 June 2014 (2013: \$nil).

### **Capital expenditure**

The parent entity does not have any capital expenditure commitments for the acquisition of property, plant and equipment contracted but not provided for at 30 June 2014 (2013: \$nil).

### **Parent entity guarantees in respect of debts of its subsidiaries**

The parent entity has entered into a deed of cross guarantee with the effect that the Company guarantees debts in respect of its subsidiaries. Further details of the deed of cross guarantee and the subsidiaries subject to the deed, are set out in notes 31 and 32.

## 34. Financial Risk Management Objectives and Policies

The Group's principle financial instruments comprise receivables, payables, bank loans, capital market debt, finance lease liabilities, investments, cash and short term deposits and derivatives.

The Group's business activities expose it to the following risks; market risks (interest rate 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. Other than as described in this note, the Group is satisfied that there are no material concentrations of risk.

The Group has policies in place to manage different types of risks to which it is exposed. Policies include monitoring the level of interest rate and foreign exchange risk and assessments of market forecasts for interest rates and foreign exchange rates. Ageing analysis of and monitoring of exposures to counterparties are undertaken to manage credit risk. Liquidity risk is monitored through the employment of rolling cash flow forecasts.

Financial risk management is carried out under policies approved by the Board of Directors. The Group identifies, evaluates and hedges financial risks in accordance with approved policies. The Board are informed on a regular basis of risk management activities.

### 34. Financial Risk Management Objectives and Policies *continued*

#### (a) Market Risk

##### (i) Interest rate risk – cash flow

The Group's exposure to market interest rates relates primarily to the Group's cash and cash equivalents and long term debt obligations as outlined in note 17.

At balance date, the Group had the following mix of financial assets and liabilities exposed to variable interest rates that are not designated as cash flow hedges.

	2014 \$'000	2013 \$'000
<b>Financial assets</b>		
AUD cash on hand and at bank	12,516	24,925
AUD deposits at call	17,875	17,860
GBP cash on hand and at bank	36,405	43,532
EUR cash on hand and at bank	5	599
USD cash on hand and at bank	84	65
<b>Total financial assets</b>	<b>66,885</b>	<b>86,981</b>
<b>Financial liabilities</b>		
AUD Bank loans	270,000	210,000
AUD Capital Market Debt	218,300	218,065
Finance Lease Liability	10,707	11,375
HKD Bank Loans	102,846	60,726
GBP Bank Loans	18,142	16,653
<b>Total financial liabilities</b>	<b>619,995</b>	<b>516,819</b>
<b>Net exposure</b>	<b>(553,110)</b>	<b>(429,838)</b>

As at balance date, the Group maintained floating rate liabilities of \$620.0 million (2013: \$516.8 million) that were not hedged by interest rate swaps. The associated interest rate risk is partially mitigated by total financial assets of \$66.9 million (2013: \$87.0 million). Under the financial liabilities outstanding, for AUD facilities, the Group pays the Bank Bill Swap rate (BBSW) plus a margin of between 100 and 500 basis points, for the finance lease liability, the Group pays USD LIBOR plus a margin of 200 basis points, for GBP facilities, the Group pays LIBOR plus a margin of 155 basis points, and for HKD facilities, the Group pays HIBOR plus a margin of 52.5 basis points.

Of the AUD cash on hand and at bank \$12.5 million is interest bearing and is invested at approximately BBSW. Deposits at call of \$17.9 million are invested at approximately BBSW. The Group maintains cash and cash equivalents on hand of \$110.9 million for operational purposes and is non interest bearing (2013: \$118.5 million).

As at balance date, the Group maintained floating rate borrowings of \$18.1 million in GBP (2013: \$16.7 million) and had cash and cash equivalents of \$36.4 million (2013: \$43.5 million) which is interest bearing and invested at the UK daily cash rate.

As at balance date, the Group maintained floating rate borrowings in HKD of \$102.8m (2013: \$60.7m) and had minimal interest earning cash and cash equivalents (2013: minimal).

As at balance date, the Group maintained no floating rate borrowings in USD (2013: \$nil) and had minimal cash and cash equivalents (2013: minimal).

As at balance date, the Group maintained no floating rate borrowings in EUR (2013: \$nil) and had minimal cash and cash equivalents (2013: minimal).

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 34. Financial Risk Management Objectives and Policies *continued*

### (a) Market Risk *continued*

#### (i) Interest rate risk – cash flow *continued*

##### Group Sensitivity

As a result of an increase of 75 basis points in AUD interest rates, an increase of 100 basis points in GBP, EUR and USD interest rates, and an increase of 50 basis points in HKD interest rates, the Group's post-tax-profit for the year would have decreased by \$2.6 million (2013: \$2.1 million). As a result of a decrease of 50 basis points in AUD and GBP interest rates, and a decrease of 25 basis points in USD, EUR and HKD interest rates, the Group's post-tax-profit for the year would have increased by \$1.7 million (2013: \$1.4 million).

The Group, where appropriate, uses interest rate swaps to manage the risk of adverse movements in interest rates for its long term floating rate borrowings which are subject to variable rates.

The Group uses cross-currency interest rate swaps to manage the risk of adverse movements in interest rates for its long term foreign currency denominated borrowings which are subject to variable rates.

As at balance date the notional principal amounts and period of expiry of the interest rate swap contracts were as follows:

	2014 \$'000	2013 \$'000
<b>Cash flow hedge</b>		
Maturity under 1 year	50,000	-
Maturity 1 -5 years	386,067	424,896
Maturity over 5 years	174,634	174,634
<b>Closing Balance</b>	<b>610,701</b>	<b>599,530</b>

As at balance date the key terms of the interest rate swap contracts were as follows:

Hedge Type	Maturity Date	Interest Rate Received	Interest Rate Paid	Fair Value of Swap Contract \$'000
<b>Year Ended 30 June 2014</b>				
Interest Rate Swap Contract	June 2015	BBSW	3.00%	(167)
Interest Rate Swap Contract	March 2016	BBSW	3.20%	(401)
Interest Rate Swap Contract	June 2017	BBSW	3.26%	(813)
Interest Rate Swap Contract	March 2018	BBSW	3.50%	(806)
Interest Rate Swap Contract	June 2018	BBSW	3.39%	(814)
Interest Rate Swap Contract	December 2015	LIBOR	1.00%	375
Interest Rate Swap Contract	December 2016	LIBOR	1.19%	82
Cross Currency Swap Contract	June 2036	USD 4.91%	AUD 7.05%	(13,869)
<b>Year Ended 30 June 2013</b>				
Interest Rate Swap Contract	June 2015	BBSW	3.00%	(151)
Interest Rate Swap Contract	March 2016	BBSW	3.20%	(236)
Interest Rate Swap Contract	June 2017	BBSW	3.26%	254
Interest Rate Swap Contract	March 2018	BBSW	3.50%	38
Interest Rate Swap Contract	June 2018	BBSW	3.39%	633
Interest Rate Swap Contract	December 2015	LIBOR	1.00%	(109)
Interest Rate Swap Contract	December 2016	LIBOR	1.19%	(183)
Cross Currency Swap Contract	June 2036	USD 4.91%	AUD 7.05%	(3,940)

The terms of each of the swap contracts are matched directly against the appropriate loan and interest expense and as such are highly effective.



### 34. Financial Risk Management Objectives and Policies *continued*

#### (a) Market Risk *continued*

##### (ii) Interest rate risk – fair value

Where appropriate, the Group enters into fixed rate debt to mitigate exposure to interest rate risk. As the Group holds fixed rate debt there is a risk that the fair value of financial instruments will fluctuate because of market movements in interest rates. The level of fixed rate debt at balance date was \$1,122.8 million (2013: \$1,118.4 million). As at balance date, the carrying amounts of the Group's fixed rate debt were not materially different from the fair values (2013: not material).

As at balance date the Group had no interest rate swaps in place to hedge fixed rate debt issuances.

##### (iii) Foreign exchange risk

The Group has currency exposure as a result of capital expenditure and investments/sales in currencies other than the Group's functional currency.

Treasury, on behalf of the operating units, uses forward exchange contracts to minimise the currency exposure on any significant receivables or payables as is deemed appropriate.

All forward exchange contracts must be in the same currency as the firm commitment and the Group negotiates the terms of the hedges to exactly match the underlying commitment to maximise hedge effectiveness. As at balance date, the Group had hedged the majority of its foreign currency receivables and payables that are firm commitments.

As at balance date, the Group had the following material foreign exchange exposures that were not designated as cash flow hedges:

	2014 \$'000	2013 \$'000
<b>USD Exposure</b>		
<b>Financial assets</b>		
Cash and cash equivalents	6,960	876
Trade and other receivables	60,697	-
<b>Total financial assets</b>	<b>67,657</b>	<b>876</b>
<b>Financial liabilities</b>		
US Private Placement	212,089	218,914
<b>Total financial liabilities</b>	<b>212,089</b>	<b>218,914</b>
<b>Net exposure</b>	<b>(144,432)</b>	<b>(218,038)</b>
<b>GBP Exposure</b>		
<b>Financial assets</b>		
Cash and cash equivalents	4,215	3,257
Loans to associates	129,500	105,359
<b>Total financial assets</b>	<b>133,715</b>	<b>108,616</b>
<b>Financial liabilities</b>		
GBP Loan Facilities	154,209	141,549
<b>Total financial liabilities</b>	<b>154,209</b>	<b>141,549</b>
<b>Net exposure</b>	<b>(20,494)</b>	<b>(32,933)</b>

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 34. Financial Risk Management Objectives and Policies *continued*

### (a) Market Risk *continued*

#### (iii) Foreign exchange risk *continued*

	2014 \$'000	2013 \$'000
<b>HKD Exposure</b>		
<b>Financial assets</b>		
Cash and cash equivalents	5,482	2,501
Trade and other receivables	96,204	62,668
<b>Total financial assets</b>	<b>101,686</b>	<b>65,169</b>
<b>Financial liabilities</b>		
Trade and other payables	16,052	6,293
HKD Debt Facilities	102,846	60,726
<b>Total financial liabilities</b>	<b>118,898</b>	<b>67,019</b>
<b>Net exposure</b>	<b>(17,212)</b>	<b>(1,850)</b>

	2014 \$'000	2013 \$'000
<b>SGD Exposure</b>		
<b>Financial assets</b>		
Cash and cash equivalents	208	1,768
<b>Total financial assets</b>	<b>208</b>	<b>1,768</b>
<b>Net exposure</b>	<b>208</b>	<b>1,768</b>

#### **Group sensitivity – USD**

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 10c against the USD would be \$14.5 million higher or \$18.0 million lower (2013: \$21.6 million higher or \$26.9 million lower).

The sensitivity to fair value movements through profit and loss as a result of the AUD strengthening or weakening by 10c against the USD would be \$0.8 million higher or lower \$0.7 million (2013: not material).

#### **Group sensitivity – GBP**

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 5c against the GBP would be \$2.1 million higher or \$2.5 million lower (2013: \$2.8 million higher or \$3.3 million lower).

The sensitivity to fair value movements through profit and loss as a result of the AUD strengthening or weakening by 5c against the GBP would not be material as at balance date (2013: not material).

#### **Group sensitivity – HKD**

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 50c against the HKD would not be material as at balance date (2013: not material).

The sensitivity to fair value movements through profit and loss as a result of the AUD strengthening or weakening by 50c against the HKD would be \$1.1 million higher or \$1.3 million lower (2013: not material).

#### **Group sensitivity – SGD**

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 10c against the SGD would not be material as at balance date (2013: not material).

The sensitivity to fair value movements through profit and loss as a result of the AUD strengthening or weakening by 10c against the SGD would not be material as at balance date (2013: not material).

### 34. Financial Risk Management Objectives and Policies *continued*

#### (a) Market Risk *continued*

##### (iii) Foreign exchange risk *continued*

#### Foreign Exchange Contracts

The Group uses derivative instruments such as forward exchange contracts to manage the currency risks arising from the Group's operations and its sources of finance.

Derivatives are exclusively used for hedging purposes and not as trading or other speculative instruments. These derivatives qualify for hedge accounting and are based on limits set by the Board.

#### Cash flow hedges

At balance date details of outstanding contracts denominated in AUD was:

	Notional Amounts		Average Rate	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Buy USD/Sell AUD</b>				
Maturity under 1 year	38,084	14,906	0.9062	1.0153
Maturity 1 - 5 years	20,970	-	0.8941	-
<b>Closing Balance</b>	<b>59,054</b>	<b>14,906</b>	<b>0.9019</b>	<b>1.0153</b>

The forward exchange contracts are considered to be highly effective hedges as they are matched against known and committed receivables and payments and any gain or loss on the hedged risk is taken directly to equity.

#### (b) Price Risk

##### (i) Equity Securities Price Risk

The Group is exposed to equity securities price risk. Equity securities price risk arises from investments held by the Group and classified on the balance sheet as investments.

	2014 \$'000	2013 \$'000
Shares - listed	34,277	-
Shares - unlisted	50,789	89,671
<b>Net exposure</b>	<b>85,066</b>	<b>89,671</b>

#### Group sensitivity

The Group's sensitivity to equity securities price risk for the listed investments has been estimated by reference to published price quotations in an active market. The sensitivity to movement in fair value for listed investments as a result of a 10% movement in the share price of the listed shares at balance date was \$2.3 million (2013: nil).

The Group's sensitivity to equity securities price risk for the unlisted investments has been estimated using valuation techniques based on the fair value of securities held. The sensitivity to fair value movements through profit and loss as a result of a one percent increase or decrease in either the forecast earnings growth rate or discount rate would be an increase of up to US\$3 million or a reduction of up to US\$0.6 million.

##### (ii) Commodity Price Risk

Neither the Group nor the parent entity is exposed to commodity price risk.

# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 34. Financial Risk Management Objectives and Policies *continued*

### (c) Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments. The Group's exposure to credit risk arises from the potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is outlined under each applicable note.

The Group does not hold any credit derivatives or collateral to offset its credit exposure.

All investment and financial instruments activity is with approved counterparties with investment grade ratings and is in accordance with approved policies. There are no significant concentrations of credit risk within the Group and the aggregate value of transactions is spread amongst a number of financial institutions to minimise the risk of default of counterparties.

Credit risk in trade receivables is managed in the following ways:

- (i) The provision of credit is covered by a risk assessment process for all customers.
- (ii) Concentrations of credit risk are minimised by undertaking transactions with a large number of customers.
- (iii) The provision of cheque-cashing facilities for gaming patrons is subject to detailed policies and procedures designed to minimise any potential loss, including the taking up of bank opinions and the use of a central credit agency which collates information from major casinos around the world.

### (d) Liquidity Risk

It is the Group's objective to maintain a balance between continuity of funding and flexibility through the use of cash reserves, committed bank lines and capital markets debt in order to meet its financial commitments in a timely manner.

At balance date 5.9% or \$103.5 million of the Group's interest bearing liabilities will mature in less than 12 months (2013: 5.0%).

As at balance date the Group had \$1,073 million in undrawn committed bank lines (2013: \$1,127 million).

### 34. Financial Risk Management Objectives and Policies *continued*

#### (d) Liquidity Risk *continued*

##### Maturity analysis of financial assets and liabilities

The table below analyses the Group's contractual undiscounted cash flows of financial assets and financial liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	1 year or less		1 to 5 years		more than 5 years		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Financial assets</b>								
Cash and cash equivalents	177,780	205,511	-	-	-	-	177,780	205,511
Receivables - trade	341,553	257,459	10,083	9,763	-	-	351,636	267,222
Receivables - associates	-	-	141,200	117,059	-	-	141,200	117,059
Receivables - other	-	-	60,697	-	-	-	60,697	-
Forward exchange contracts receivable	36,600	16,565	19,883	-	-	-	56,483	16,565
Cross currency interest rate swaps receivable	6,574	6,786	26,297	27,143	111,762	122,145	144,633	156,074
<b>Total financial assets</b>	<b>562,507</b>	<b>486,321</b>	<b>258,160</b>	<b>153,965</b>	<b>111,762</b>	<b>122,145</b>	<b>932,429</b>	<b>762,431</b>
<b>Financial liabilities</b>								
Trade and other payables	345,874	296,581	138	138	-	-	346,012	296,719
Finance lease liabilities	685	669	10,038	10,706	-	-	10,723	11,375
Capital markets	-	-	474,974	316,419	730,050	895,194	1,205,024	1,211,613
Bank loans	102,846	80,726	424,209	331,549	-	-	527,055	412,275
Forward exchange contracts payable	38,084	14,906	20,970	-	-	-	59,054	14,906
Interest rate swaps payable	2,279	1,940	4,241	5,768	-	-	6,520	7,708
Cross currency interest rate swaps payable	12,312	12,312	49,248	49,248	209,299	221,611	270,859	283,171
<b>Total financial liabilities</b>	<b>502,080</b>	<b>407,134</b>	<b>983,818</b>	<b>713,828</b>	<b>939,349</b>	<b>1,116,805</b>	<b>2,425,247</b>	<b>2,237,767</b>
<b>Net maturity</b>	<b>60,427</b>	<b>79,187</b>	<b>(725,658)</b>	<b>(559,863)</b>	<b>(827,587)</b>	<b>(994,660)</b>	<b>(1,492,818)</b>	<b>(1,475,336)</b>



# Notes to the Financial Statements *continued*

For the year ended 30 June 2014

## 34. Financial Risk Management Objectives and Policies *continued*

### (e) 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.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	Valuation Technique			Total \$'000
	Quoted market price Level One \$'000	Observable inputs Level Two \$'000	Non market observable Level Three \$'000	
<b>Year ended 30 June 2014</b>				
<b>Financial Assets</b>				
<i>Derivative Instruments</i>				
Receivable on interest rate swaps	-	457	-	457
<i>Investments</i>				
Shares - listed (North America)	34,277	-	-	34,277
Shares - unlisted (North America)	-	-	50,789	50,789
	<b>34,277</b>	<b>457</b>	<b>50,789</b>	<b>85,523</b>
<b>Financial Liabilities</b>				
<i>Derivative Instruments</i>				
Payables on forward exchange contracts	-	1,332	-	1,332
Payables on interest rate swaps	-	3,001	-	3,001
Payables on cross currency swaps	-	13,869	-	13,869
	-	<b>18,202</b>	-	<b>18,202</b>
<b>Year ended 30 June 2013</b>				
<b>Financial Assets</b>				
<i>Derivative Instruments</i>				
Receivable on forward exchange contracts	-	1,568	-	1,568
Receivable on interest rate swaps	-	925	-	925
<i>Investments</i>				
Shares - unlisted (Australia)	-	-	36,353	36,353
Shares - unlisted (North America)	-	-	53,318	53,318
	-	<b>2,493</b>	<b>89,671</b>	<b>92,164</b>
<b>Financial Liabilities</b>				
<i>Derivative Instruments</i>				
Payables on interest rate swaps	-	679	-	679
Payables on cross currency swaps	-	3,940	-	3,940
	-	<b>4,619</b>	-	<b>4,619</b>

There have been no transfers during the financial year ended 30 June 2014.

### 34. Financial Risk Management Objectives and Policies *continued*

#### (e) Fair Value of Financial Instruments *continued*

##### Reconciliation of Level Three fair value movements:

	2014 \$'000	2013 \$'000
Opening balance	89,671	100,976
Capital return received	(271)	(20,713)
Disposal of shares	-	(1,155)
Business Combination	(36,353)	-
Other Comprehensive Income	(2,258)	10,563
<b>Closing Balance</b>	<b>50,789</b>	<b>89,671</b>

##### **Valuation techniques**

The fair value of the unlisted investments have been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. Management believes that the estimated fair values resulting from the valuation techniques and recorded in the Statement of Financial Position and the related changes in fair value recorded in the Statement of Comprehensive Income are reasonable and the most appropriate at the reporting date.

Based on the valuation techniques performed, there has been no fair value movement on unlisted investments during the year (2013: \$nil), other than foreign exchange rate movements.

A weighted average cost of capital (after tax) of between 7% and 10% was used by the Group in impairment testing, risk adjusted where applicable. The sensitivity to the fair value of Level Three financial instruments of a one percent increase or decrease in either the forecast earnings growth rate or discount rate would be an increase of up to US\$3.0 million or a reduction of up to US\$0.6 million in fair value.

# Shareholder Information

## Substantial shareholders as at 31 August 2014

The following information is extracted from substantial shareholder notices received by Crown.

Shareholder	Number of ordinary Shares	% of Issued Capital
Consolidated Press Holdings Limited	364,270,253	50.01%

## Holders of each class of securities

Crown only has ordinary shares on issue. The total number of ordinary shares on issue is 728,394,185 held by 62,980 shareholders.

## Voting rights of ordinary shares

Crown's Constitution sets out the information in relation to the voting rights attached to shares. In summary, at a general meeting on a show of hands, every member present has one vote; and on a poll, every member present has:

- (a) one vote for each fully paid share held by the member and in respect of which the member is entitled to vote; and
- (b) a fraction of a vote for each partly paid share held by the member and in respect of which the member is entitled to vote, equivalent to the proportion which the amount paid on the share bears to the total amount paid and payable on the share.

## Distribution of shareholders as at 31 August 2014

Size of Holdings	Number of Shareholders	% of Issued Capital
1 – 1,000	41,579	2.34
1,001 – 5,000	18,945	5.47
5,001 – 10,000	1,643	1.57
10,001 – 100,000	729	2.10
100,001+	84	88.52
<b>Total</b>	<b>62,980</b>	<b>100</b>
Holding less than a marketable parcel	1,183	

## The 20 largest shareholders as at 31 August 2014

Name	No. of Shares	% of Issued Capital
1. CONSOLIDATED PRESS HOLDINGS LIMITED	162,113,176	22.26
2. BAREAGE PTY LIMITED	158,486,104	21.76
3. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	72,431,541	9.94
4. J P MORGAN NOMINEES AUSTRALIA LIMITED	63,163,034	8.67
5. NATIONAL NOMINEES LIMITED	40,782,487	5.60
6. CITICORP NOMINEES PTY LIMITED	24,388,148	3.35
7. BNP PARIBAS NOMS PTY LTD <DRP>	15,792,244	2.17
8. CAVALANE HOLDINGS PTY LTD	15,250,723	2.09
9. CAIRNTON HOLDINGS LIMITED	14,641,045	2.01
10. RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PI POOLED A/C>	10,669,947	1.46
11. SAMENIC LIMITED	10,188,370	1.40
12. CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	9,223,957	1.27
13. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	5,540,884	0.76
14. UBS NOMINEES PTY LTD	3,950,027	0.54
15. BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	3,184,680	0.44
16. ARGO INVESTMENTS LIMITED	2,334,184	0.32
17. CONSOLIDATED PRESS INVESTMENTS PTY LTD	2,069,387	0.28
18. UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	1,992,542	0.27
19. AMP LIFE LIMITED	1,784,220	0.24
20. NATIONAL NOMINEES LIMITED <DB A/C>	1,740,948	0.24
<b>Total</b>	<b>619,727,648</b>	<b>85.08</b>
<b>Others</b>	<b>108,666,537</b>	<b>14.92</b>

## Details of equity securities

Crown has 728,394,185 shares currently on issue, all of which are quoted.

# Additional Information

## Shareholder enquiries

Shareholders may access their details by visiting the Share Registry's website at [www.investorcentre.com](http://www.investorcentre.com). For security reasons, shareholders need to enter their Security holder Reference Number (SRN) or Holding Identification Number (HIN) and postcode to access personal information. Security holding information may be updated online. Alternatively, download the relevant forms and have the completed forms mailed to the Share Registry. Shareholders with queries about their shareholdings should contact the Share Registry, Computershare Investor Services, on telephone number 1300 659 795, or if calling from outside Australia (61 3) 9415 4000 or by fax (61 3) 9473 2500.

## Electronic shareholder communications

Receiving shareholder communications electronically, instead of by post enables you to:

- Receive important shareholder and company information faster
- Reduce your impact on the environment
- Securely store important shareholder documents online, reducing clutter in your home or office
- Access all documents conveniently 24/7

Shareholders who wish to receive email alerts informing them of Annual Report, Notice of Meeting, Issuer Holding Statements, Payment Advices and other company related information on Crown's website, [www.crownresorts.com.au](http://www.crownresorts.com.au) may either contact the Share Registry or lodge such instructions online at the Share Registry's website at [www.investorcentre.com](http://www.investorcentre.com).

## Change of address

Issuer sponsored shareholders should notify the Share Registry immediately in writing or by telephone upon any change in their address quoting their SRN. Changes in addresses for broker sponsored holders should be directed to the sponsoring brokers with the appropriate HIN.

## Direct payment to shareholders' accounts

Dividends may be paid directly to any bank, building society or credit union account in Australia. Payments are electronically credited on the dividend date with advisory confirmation containing payment details mailed to shareholders. Shareholders who wish to have their dividends paid directly to their account may advise the Share Registry in writing or may update their payment instructions online on [www.investorcentre.com](http://www.investorcentre.com) prior to the dividend record date.

## Tax File Numbers

Crown is obliged to deduct tax at the top marginal rate plus Medicare levy from unfranked or partially franked dividends paid to Australian resident shareholders who have not supplied their Tax File Number (TFN) or exemption details. If you wish to provide your TFN or exemption details, please contact the Share Registry.

## Consolidation of multiple holdings

If you have multiple holdings which you wish to consolidate, please advise the Share Registry in writing. If your holdings are broker sponsored, please contact the sponsoring broker directly.

## Crown website

Crown has a dedicated corporate website, [www.crownresorts.com.au](http://www.crownresorts.com.au) which includes Crown's Annual Report, disclosures made to the ASX and Notices of Meeting and other Explanatory Memoranda.

## Investment Warning

All information provided in the Annual Report is provided as of the date stated or otherwise as at the date of the Report.

The Annual Report has not taken into account any particular investor's investment objectives or other circumstances.

Investors are encouraged to make an independent assessment of Crown or seek independent professional advice.



# Corporate Information

## Directors

- James D Packer Chairman
- John H Alexander BA Executive Deputy Chairman
- Rowen B Craigie BEc (Hons) Chief Executive Officer and Managing Director
- Benjamin Brazil BCom, LLB
- The Honourable Helen A Coonan BA, LLB
- Rowena Danziger BA, TC, MACE
- Geoffrey J Dixon
- John S Horvath AO, MB, BS (Syd), FRACP
- Ashok Jacob BSc, MBA
- Michael R Johnston BEc, CA
- Harold C Mitchell AC

## Company Secretaries

- Michael J Neilson BA, LLB
- Mary Manos BCom, LLB (Hons), GAICD

## Crown's registered office and principal corporate office

Level 3  
Crown Towers  
8 Whiteman Street  
Southbank VIC 3006  
Australia  
Phone: (61 3) 9292 8824

## Share Registry

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford VIC 3067  
Phone: 1300 659 795 (within Australia)  
(61 3) 9415 4000 (outside Australia)  
Fax: (61 3) 9473 2500  
Website: [www.computershare.com.au](http://www.computershare.com.au)

## Stock Exchange Listing

Crown's ordinary shares are listed on the Australian Stock Exchange under the code "CWN". Crown's Subordinated Notes are listed on the Australian Stock Exchange under the code "CWNHA". The home exchange is Melbourne.

## Website

Visit our website [www.crownresorts.com.au](http://www.crownresorts.com.au) for media releases and financial information.

## Auditor

Ernst & Young

## Banker

Australia and New Zealand Banking Group Limited





**CROWN**