



Crown Limited
Annual Report 2010



Australia's Integrated
Resort Company

“Annually, over 24 million visitors enjoy the world-class facilities we have on offer in Melbourne and Perth. Many of our visitors are from interstate and international destinations which makes Crown Melbourne and Burswood important tourism drivers for Australia.”

James Packer, Executive Chairman

Hotels

From premium luxury to creature comforts, Crown's two Australian integrated resorts offer 2,300 guest rooms across five hotels.



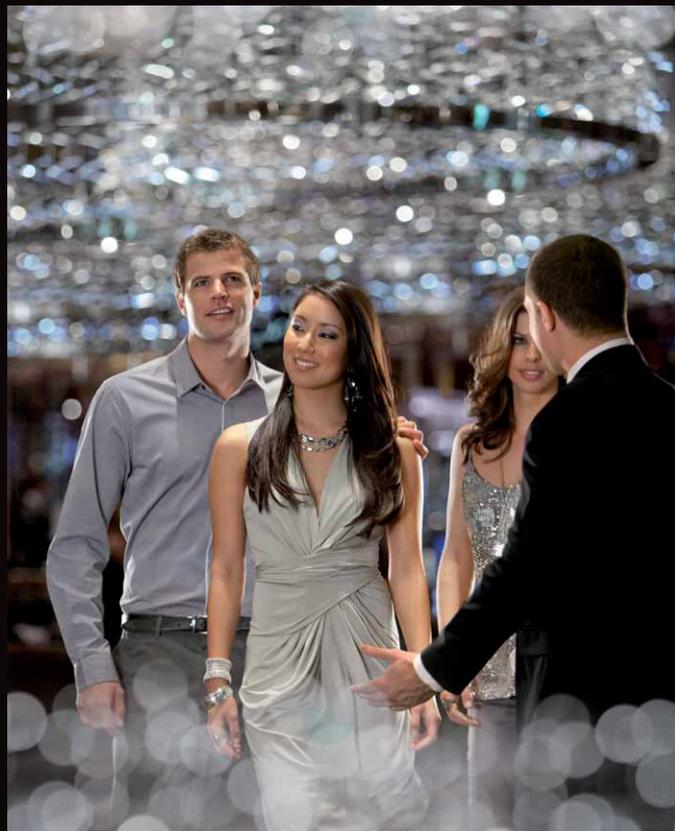


Dining

With a wide range of cafes, casual restaurants and fine dining establishments across Crown Melbourne and Burswood, the discerning diner has a myriad of delicacies to choose from.

Gaming

From the exclusive sophistication of world-class VIP gaming rooms to the excitement of the main gaming floors, unparalleled gaming experiences are on offer at Crown Melbourne and Burswood.





Events

Whether hosting a glamorous gala ball, an international conference, a corporate event or an intimate celebration, Crown Melbourne's and Burswood's pre-eminent facilities will impress.



Entertainment

Local and international guests alike are captivated by world-class entertainment from large capacity rock concerts to musicals, comedy shows, ballets and theatre.



VERSACE



Shopping

Louis Vuitton, Versace, Burberry, Prada, Saba, Raoul and G-Star are just some of the designer names in the wide retail offerings across Crown's Australian integrated resorts.

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ANNUAL GENERAL MEETING

Tuesday 30 November, 11.00am (AWST)
The Astral Ballroom, Convention Centre
Burswood Entertainment Complex
Great Eastern Highway, Burswood, WA

FINANCIAL CALENDAR

Record date for dividend..... 1 October 2010
Payment of final dividend..... 15 October 2010
Annual General Meeting..... 30 November 2010
2011 interim results..... Second half of February 2011

Crown Limited ABN 39 125 709 953

Executive Chairman's Letter



“I believe integrated resorts are a key part of the future of Australia's tourism industry. We have faith in Australia's appeal as a tourism destination for the Asian region and faith in our ability to deliver integrated resorts of international quality.”

James Packer
Executive Chairman
Crown Limited

Dear fellow shareholder,

During the past 12 months, Crown Melbourne and Burswood, Australia's leading integrated resorts, have delivered a reasonable performance. This was achieved despite the adverse impact of softening consumer sentiment and the greater than expected impact of refurbishment works associated with expanding and enhancing both complexes.

Our wholly-owned and operated Australian casino businesses, which employ over 9,600 people, continued to perform well, achieving normalised EBITDA growth of 6.1 percent for the year. VIP gaming volumes at both Crown Melbourne and Burswood reached an all-time record level. However, the growth rate in VIP program play moderated in the second half with some initial impact being seen from the opening of two new integrated resorts in Singapore.

Internationally, Melco Crown Entertainment made significant progress in Macau with its flagship resort, the City of Dreams, having its first full year of operation in a gaming market that exhibited strong growth.

Crown reported a net profit of \$292.3 million for the financial year ended 30 June 2010. The Directors have announced a final dividend of 19 cents per share, franked to 60 percent. This brings the total dividend for the year to 37 cents per share.

In the year ahead, the primary focus will be to maximise the performance of Crown Melbourne and Burswood and manage the major capital expenditure programs currently underway at both properties. We will continue to work with Melco Crown to further build the value of the business in Macau.

As one of Australia's leading investors in tourism, we have, for many years, shown confidence in Australia, particularly in Western Australia and Victoria. Our current \$1.9 billion capital expenditure program is well underway and scheduled for completion in 2013. This is a demonstration of our faith in the economy, in Australia's appeal as a tourism destination for the Asian region and our ability to deliver integrated resorts of international quality.

On behalf of the Board, I wish to thank the management and staff of Crown for their contribution in 2010. I would also like to thank you, and all our shareholders, for your continued support.

A handwritten signature in black ink, appearing to be 'JP', written in a cursive style.

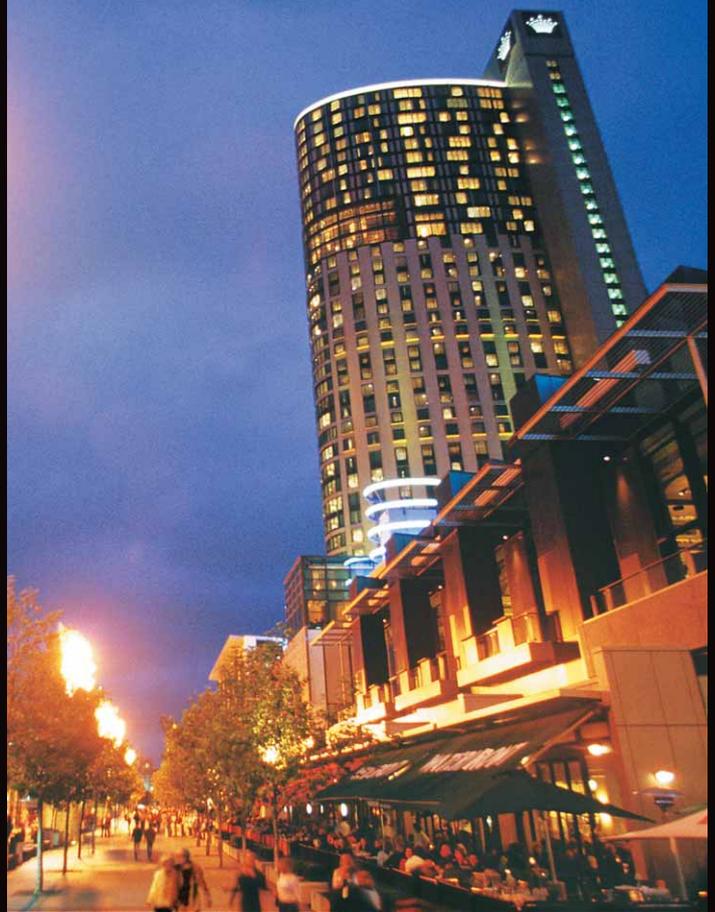
James Packer
Executive Chairman
Crown Limited



A WORLD OF ENTERTAINMENT.™

Portfolio of integrated resort assets

Crown owns and operates Australia's leading premium integrated resorts – Crown Entertainment Complex in Melbourne and Burswood Entertainment Complex in Perth.



MELBOURNE • 100% OWNED

Crown Melbourne operates 2,500 gaming machines and 350 table games (with approval to expand to 500).

Crown Towers hotel comprises 480 guest rooms.

Crown Promenade hotel comprises 465 guest rooms.

Crown Metropolis hotel, which opened in April 2010, comprises 658 guest rooms.

Crown Conference Centre has 7,350 square metres of conference and meeting facilities over three floors.

Banqueting facilities include the Palladium's 1,500 seat ballroom and the Palms' 900 seat cabaret venue.

More than 70 restaurants and bars reside in the complex, including many of Melbourne's finest.

Internationally recognised designer boutiques and retail outlets.

Entertainment facilities include a multi-screen cinema complex, a bowling alley and an interactive gaming auditorium.

BURSWOOD

ENTERTAINMENT COMPLEX



Melco Crown Entertainment
新濠博亞娛樂



PERTH • 100% OWNED

Burswood operates 1,750 gaming machines (with approval in-principle to expand to 2,000) and 170 table games (with approval in-principle to expand to 220).

The InterContinental Perth Burswood hotel comprises 405 guest rooms.

Holiday Inn Burswood hotel comprises 291 guest rooms.

A range of entertainment options including the 20,000 seat Burswood Dome and 2,300 seat Burswood Theatre.

World-class conventions and events facilities.

16 restaurants and bars (soon to expand to 18) and a nightclub.

Luxury day spa and retail outlets.

MACAU • 33.4% INTEREST¹

City of Dreams

Melco Crown operates approximately 1,300 gaming machines and over 400 table games.

Crown Towers hotel comprises approximately 300 guest rooms.

Hard Rock hotel comprises approximately 300 guest rooms.

Grand Hyatt hotel comprises 800 guest rooms.

More than 20 restaurants and bars.

Wide range of retail brands.

Iconic audio visual experience, The Bubble.

Key attraction, Franco Dragone's 'The House of Dancing Water' in the Theatre of Dreams.

Altira

The casino and hotel features approximately 200 table games and more than 200 guest rooms, respectively.

Mocha Clubs

A network of gaming lounges, operating approximately 1,500 gaming machines.

1. As at 30 June 2010.

Chief Executive Officer's Report



“Our Australian casinos attract significant patronage from overseas, particularly from the Asian region. This market is becoming increasingly competitive.”

Rowen Craigie
Chief Executive Officer
Crown Limited

Performance for the year ended 30 June 2010 (\$m)¹

Group revenue	2,292.4
Expenditure	1,635.2
EBITDA	657.2
EBIT	494.1
Normalised Net profit after tax	288.4
Reported net profit	292.3

1. Normalised, excluding significant items

Overview

Crown reported a normalised net profit after tax of \$288.4 million for the 12 months ended 30 June 2010. The result was underpinned by the performances of Crown's wholly-owned Australian casinos, Crown Melbourne and Burswood. These businesses achieved normalised revenue growth of 5.9 percent to \$2,292.4 million and normalised EBITDA growth of 6.1 percent to \$657.2 million. Crown's operating cash flow was \$467.5 million for the 12 months and net debt, excluding working capital cash, was \$777.6 million at 30 June 2010.

Our \$1.9 billion capital expenditure program that started in 2007 is on track for completion in 2013. The program involves a range of projects across the two Australian properties including construction of Crown Metropol and an upgrade of existing hotel facilities at Crown Towers and the InterContinental Perth Burswood hotel. The program also includes the expansion and upgrade of the international VIP facilities and the main gaming floor at both properties. This capital expenditure is expected to further enhance Crown's position as one of the leading operators of integrated resorts in the region. Crown expects the investment in the upgrading and expansion of its Australian integrated resorts will be earnings and value accretive for shareholders.

Crown's joint venture business in Macau, Melco Crown Entertainment, saw the first full year of operation for its City of Dreams complex, which has made good progress throughout 2010.

Australian casinos

Crown Melbourne and Burswood delivered reasonable results despite the adverse impact of a softening in consumer sentiment and corporate hospitality spending, as well as a greater than expected impact of refurbishment works associated with expanding and enhancing the two resorts.

Across the two properties, main floor gaming revenue grew 1.6 percent and VIP program play grew a solid 14.1 percent with revenue of \$536.0 million. However, the growth rate in VIP program play moderated in the second half with some initial impact being seen from the opening of two new integrated resorts in Singapore.

Non-gaming revenue grew by 9.6 percent, benefiting from the opening of the Crown Metropol hotel, as well as a number of new food and beverage outlets at Crown Melbourne.

A highlight of the year for Crown Melbourne was the opening of Crown Metropol, a 658 room, \$300 million luxury hotel that will attract international leisure guests as well as cater for global convention and conference delegates.

Crown Melbourne's normalised revenue increased by 6.4 percent over the prior comparable period to \$1,559.5 million and reported revenue increased by 9.7 percent to \$1,642.9 million. Normalised EBITDA was \$474.9 million, up 5.5 percent on the prior comparable period. Reported EBITDA for the period was \$540.7 million, up 13.3 percent. The result reflects an above theoretical win rate of 1.66 percent which generated a positive EBITDA variance of \$65.8 million.

This year, Crown Melbourne was given approval by the Victorian Government for the first increase in table games since opening at the Southbank site 13 years ago. The agreement, which includes the implementation of a phased increase in casino gaming machine tax, came into effect in January 2010.

A more detailed report on Crown Melbourne is provided later in this Annual Report.

Burswood's normalised revenue increased by 5.1 percent over the prior comparable period to \$732.9 million and reported revenue increased 0.3 percent to \$698.8 million. Normalised EBITDA was \$213.6 million, up 2.4 percent on the prior comparable period. Reported EBITDA for the period was \$183.5 million, down 11.8 percent. The result reflects a below theoretical win rate of 1.08 percent which generated a negative EBITDA variance of \$30.1 million.

Burswood received in-principle support from the Western Australian Government to expand its existing casino complex to accommodate an increase in gaming products. The increase is currently subject to the approval of the Gaming & Wagering Commission of Western Australia.

A more detailed report on Burswood is provided later in this Annual Report.

Figures 1 and 2 show the strong growth achieved in normalised revenue and EBITDA at both Crown Melbourne and Burswood.

FIGURE 1
CROWN MELBOURNE NORMALISED REVENUE AND EBITDA PERFORMANCE

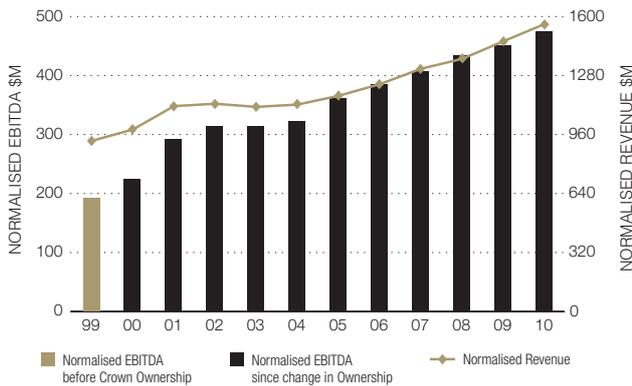
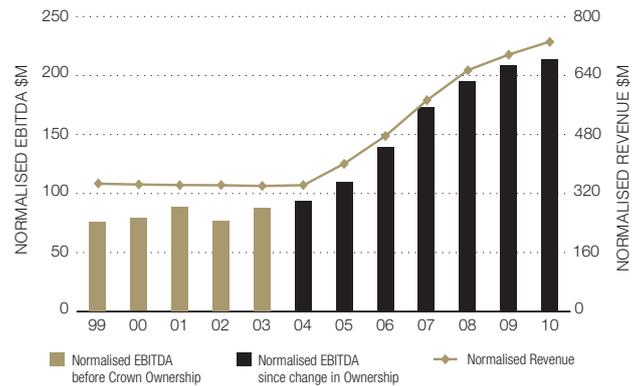


FIGURE 2
BURSWOOD NORMALISED REVENUE AND EBITDA PERFORMANCE



Melco Crown Entertainment

City of Dreams, Melco Crown’s flagship integrated resort, had its first full year of operation this year in a gaming market that has exhibited strong growth.

In a recent announcement, Melco Crown reported that good progress has been made in the quarter to June 2010 at City of Dreams, with quarterly rolling chip volume increasing 24 percent sequentially. Melco Crown also announced that it delivered a nine percent sequential increase in mass market table games revenue in the same quarter. Altira Macau continues to perform better under its traditional VIP model and profitability has continued to benefit from the commission cap implemented in 2009.

Crown’s share of Melco Crown’s reported result for the year was an equity accounted loss of \$63.8 million. Crown’s share of Melco Crown’s normalised result for the period was a loss of \$42.7 million, after adding back Crown’s share of a below theoretical win rate variance and pre-opening expenses.

Additional information about Melco Crown and Crown’s other international investments appears later in this Annual Report.

Outlook

Crown Melbourne and Burswood have each made a solid start to the 2011 financial year.

Our efforts will remain focused on enhancing Crown’s Australian operations. We are currently midway through an extensive capital expenditure program totalling \$1.9 billion, of which approximately \$800 million will be spent over the next three years.

The Australian Federal Government recently announced its intention to implement a national pre-commitment scheme. The Government has also announced it will establish a consultative process involving technical experts, problem gambling support groups and the gaming industry. Crown pioneered pre-commitment in Australia in 2003 through the introduction of its Play Safe Limits program. Crown is looking forward to participating in the consultative process. Further details on Crown’s responsible gaming programs, including our pre-commitment initiatives, are provided later in this Annual Report.

Crown is a truly international business. Our Australian casinos attract significant patronage from overseas, particularly from the Asian region. This market is becoming increasingly competitive as integrated resorts throughout Asia continue to receive support from their Governments. We must remain focused on maintaining our global reputation for quality and service excellence. We are looking forward to working with governments and other stakeholders to build on Australia’s strengths as an attractive tourism destination. We will also continue to work closely with our joint venture partners to optimise the value of our Macau and other overseas investments.

I would like to sincerely thank the Board, management and staff for their contribution in 2010.

Rowen Craigie

Rowen Craigie
Chief Executive Officer



Crown Metropol

“We must remain focused on maintaining our global reputation for quality and service excellence.”

Crown Melbourne



“The addition of the new Crown Metropol hotel and Crown Conference Centre to our integrated resort demonstrates the confidence Crown has in the future of Melbourne as one of the region’s most appealing tourist destinations.”

David Courtney
Chief Executive Officer
Crown Melbourne

Overview

Australia’s leading integrated resort, Crown Melbourne, is a key driver of tourism within Victoria attracting approximately 17 million visitors each year. The 500,000 square metre entertainment complex offers quality shopping and dining experiences, gaming options and live entertainment, whilst the addition of Crown Metropol brings Crown Melbourne’s accommodation offering to approximately 1,600 guest rooms across its three hotels.

The financial results for Crown Melbourne were resilient this year despite the adverse impact of refurbishment works at the property and the challenging financial environment.

Main gaming floor revenue grew 2.5 percent for the year. The closure of the Teak Room for refurbishment, coupled with a softening in consumer sentiment, caused lower than anticipated main floor gaming revenue. Normalised VIP program play revenue increased by 10.3 percent to \$363.5 million on record turnover of \$26.9 billion.

Non-gaming revenue grew 13.5 percent to \$319.2 million, assisted by strong performances in bars and premium restaurants, as well as the opening of Crown Metropol.

Crown Melbourne property update

During the year, there was a focus on the substantial development and refurbishment projects underway at the property. Construction of Crown Metropol was completed and the hotel was opened to the public in April 2010. In addition, improvements to gaming and food and beverage facilities continued through the year.

In September 2009, the Teak Room closed to enable its redevelopment into an integrated table games and gaming machines premium gaming room. The first phase of the Teak Room upgrade was completed in the 2010 financial year with the new premium gaming machines area opening in April 2010. The second phase is scheduled to open in October 2010 and includes premium table games, an in-room restaurant and terrace.

Redevelopment and expansion of the Mahogany Room and construction of new VIP gaming salons have commenced. The private salons on Levels 29 and 39 of Crown Towers opened in September 2010. These salons will reinforce Crown Melbourne’s competitiveness with the world’s best VIP gaming facilities.



Crown Metropol, Lobby



Crown Melbourne, Lagerfeld



Artist's impression of the Mahogany Room once its redevelopment is completed



Artist's impression of Crown Melbourne's exterior once the Mahogany Room redevelopment is completed

Local gaming and Signature Club

The agreement with the Victorian Government to implement a phased increase in casino gaming machine tax and an increase in the number of table games was passed by the Victorian Parliament and came into effect in January 2010.

Fully automated table games were introduced onto the gaming floor this financial year, with additional poker and regular table games also installed.

During the year, 800 gaming machines were upgraded with new hardware following the launch of the Aristocrat Viridian and IGT Neo machines. Similarly, the introduction of the Ticket-In Ticket-Out transaction technology for gaming machines was completed in July 2010.

Crown Melbourne continues to be regarded as the home of poker in Australasia. The 2010 Aussie Millions Poker Championship main event ranked as the 6th richest poker tournament in the world. The Aussie Millions is becoming one of Melbourne's major events.

The Crown Signature Club loyalty program was relaunched in October 2009 and now includes earning and redemption benefits throughout the entire complex. The program provides member benefits such as free parking, invitations to 'money can't buy experiences' and special hotel offers. Club members were among the first to experience the new Crown Metropol hotel, maze, maze Grill and Isika Day Spa.

VIP program play

Crown Melbourne achieved an all-time record of \$26.9 billion in VIP program play turnover, despite strong competition from Macau and the opening of Singapore's integrated resorts. However, the growth rate in VIP program play moderated in the second half with some initial impact being seen from the opening of the two new integrated resorts in Singapore.



"Crown Melbourne continues to be regarded as the home of poker in Australasia."



Crown Towers hotel bedroom

“The refined luxury, comfort and cutting-edge technology offered to guests has enabled Crown Towers to continue to be a market leader...”



Hotels and conferences

Crown Metropol commenced trading in April 2010, ensuring Crown Melbourne remains among the best integrated resorts in the world. The new 658 room, \$300 million hotel reflects the urban and metropolitan context of the hotel’s design and location.

Crown Metropol has grown Crown Melbourne’s share in the Melbourne hotel market significantly, attracting international leisure guests as well as catering for global convention and conference delegates. The hotel incorporates a day spa, a sky bar and terrace, four meeting rooms and a retail precinct showcasing brands previously unavailable in Australia.

Overall, more than 5,000 people were employed during the building phase, with up to 700 construction project employees working at any one time.

The 2010 financial year was the first full year of operations for the fully refurbished Crown Towers. The refined luxury, comfort and cutting-edge technology offered to guests has enabled Crown Towers to continue to be a market leader in both occupancy and average room rates.

Crown Towers received a number of top awards this year including the 2010 Australian Gourmet Traveller Best Large Luxury Hotel and the 2009 Hotel Club Annual Awards’ Best Luxury Hotel and Best Service Hotel. Crown Towers was also named 15th in the Top 20 Best Oceania Hotels in the 2009 Condé Nast Traveller Best in the World awards.

At Crown Promenade, the rooms now have full wireless internet connectivity and flat screen plasma televisions with free Internet Protocol television (IPTV). Additionally, the hotel is fully equipped with Voice over Internet Protocol (VoIP) telephony.

The Crown Conference Centre opened in December 2009, further boosting Melbourne’s business events infrastructure. Market response to the opening of the Crown Conference Centre has been positive, with strong initial demand and a substantial number of long lead bookings. In addition to the original capacity for large residential conferences, meetings, product launches and exhibitions, the extended centre can accommodate up to 840 delegates in one space, while the moveable walls can create up to 20 concurrent rooms.

Restaurants and bars

Crown Melbourne’s premium restaurant and bar operations showed good revenue growth this year. World-famous chef, Gordon Ramsay, opened his first two Australian restaurants – maze and maze Grill – at Crown Metropol. Ramsay and his Chef de Cuisine, Josh Emmett, are also responsible for the hotel’s room service and spa cuisine.

Crown Melbourne again supported the 2010 Melbourne Food & Wine Festival and presented at the celebrated Gala Dinner. Specialty dining experiences, particularly the wine-featured dinners and Crown Melbourne’s Seafood Celebration, proved to be a great success for a number of the premium and casual restaurants. Additionally, a range of partnered beverage promotions offered an array of ‘money can’t buy’ sporting and travel packages.

Crown Melbourne’s restaurants continue to be recognised through industry-related awards. The brasserie by Philippe Mouchel was again awarded Best European Restaurant and Koko was a national finalist for Best Asian Restaurant at the Victorian Restaurant & Catering Awards for Excellence. In the 2010 Wine Spectator Awards, Rockpool Bar & Grill and Number 8 restaurant and wine bar received “2 glasses” in the Best of Awards of Excellence and the brasserie by Philippe Mouchel received “1 glass”.

Crown Melbourne’s restaurants were also extensively featured in the Australian Gourmet Traveller 2010 Australian Restaurant Guide this year, with Rockpool Bar & Grill nominated under Best Business Lunches and Modern Australian, Sho Noodle Bar under Best Chinese, Giuseppe, Arnaldo & Sons for Best Italian and maze for Modern European.

In addition, nine of Crown Melbourne’s premium restaurants and restaurant tenancies were included in The Age Good Food Guide 2011, with three being awarded chef’s hats. Rockpool Bar & Grill was again awarded two prestigious chef’s hats and the restaurant’s wine list was named Brown Brothers Wine List of the Year. Rockpool Bar & Grill’s sommelier was named Champagne Louis Roederer Sommelier of the Year.



Crown Melbourne gaming floor



Sho Noodle bar

“Crown Melbourne was recognised at the Victorian & National Restaurant & Catering Awards, winning the National Award for ‘Best Function Centre Caterer’.”



Gordon Ramsay’s maze at Crown Metropol was awarded a single chef’s hat and Giuseppe, Arnaldo & Sons maintained its single chef’s hat status.

Crown Melbourne further strengthened its responsible service of alcohol (RSA) with the introduction of a new RSA protocol for events and functions held at Crown Melbourne.

Entertainment and events

Crown Melbourne was recognised at the Victorian & National Restaurant & Catering Awards, winning the National Award for “Best Function Centre Caterer”.

In conjunction with the Victoria Racing Club and its official partners, Crown Melbourne again hosted a ‘live site’ at Southbank during the Melbourne Cup Carnival. An estimated 80,000 people enjoyed live entertainment, big screen racing action, giveaways and the riverbank Carnival Bar.

Crown Melbourne responds and provides assistance to a broad range of community organisations. The Palladium hosted some of the country’s highest profile fundraising and sporting events this financial year. These included the Million Dollar Lunch, Ronald McDonald House Charity Ball, Starry Starry Night, the Diamonds Dinner, TV Week Logie Awards, AFL Brownlow Medal, Cricket Australia Allan Border Medal, Formula 1 Australian Grand Prix Ball, Australian Masters Golf Gala Dinner and Victoria Racing Club Spring Carnival events including the Oaks Club Ladies Lunch and the Call of the Card.

The Palms and Crown Melbourne’s nightclubs Fusion and Co. showcased guests such as the Black Eyed Peas, Diesel, Guy Sebastian, the Backstreet Boys, Jessica Mauboy, Flo Rida and comedians Pablo Francisco, Tommy Tiernan and Joe Koy.

Burswood



“Burswood will undertake capital expenditure totalling approximately \$350 million over the next 36 months to create a property that can successfully compete against the new integrated resorts in the Asian region”

Barry Felstead

Chief Executive Officer
Burswood

Overview

Located on the banks of the Swan River in Perth, Burswood is a major Western Australian tourist attraction drawing over 7 million visitors each year. This integrated resort is the State's largest single-site employer and features a casino, two hotels, 16 restaurants and bars, a nightclub, a world-class convention centre, 2,300 seat theatre, 20,000 seat capacity indoor stadium, a day spa and retail outlets.

Burswood's financial results this year were reasonable given the adverse impact of major refurbishments on the main gaming floor and the softening of consumer sentiment.

Main gaming floor revenue decreased 0.4 percent to \$396.2 million primarily due to disruption to central casino operations from November 2009, caused by refurbishment activity. This, coupled with a softening in consumer sentiment, impacted main floor gaming revenue. Normalised VIP program play revenue increased by 23.2 percent to \$172.5 million on record turnover of \$12.8 billion.

Non-gaming revenue increased 2.9 percent to \$164.3 million for the year in an economic environment that continues to be challenging.

Burswood property update

Refurbishment and redevelopment was the major focus for the year with the highlight being the continued improvements to gaming and food and beverage facilities. The major works included the upgrade of the main gaming floor, which commenced in 2007 and is due for completion in December 2010. The refurbishment of the third VIP Infinity suite, the majority of club rooms and the river suites within the InterContinental Perth Burswood hotel were also part of this redevelopment.

Work commenced on two VIP luxury villas to be built in the hotel grounds. The Atrium Buffet Restaurant and the Spice Lounge Bar in the lobby of the InterContinental Perth Burswood are also undergoing refurbishments. The restaurant and bar are expected to open in December 2010.



Proposed VIP luxury villas



Burswood VIP gaming



Burswood, Carbon Sports Bar

“...upgrading and expanding the Burswood offering will secure its position as a world-class integrated resort”



In July 2010, Burswood received in-principle support from the Western Australian Government to expand the existing casino complex in order to accommodate an increase in gaming product. This increase is currently subject to the approval of the Gaming & Wagering Commission of Western Australia.

Together with the expansion of the main casino floor and the InterContinental Perth Burswood hotel, other capital projects include the development of the Rockpool Bar & Grill restaurant and premium Japanese and Italian restaurants. Additionally, the InterContinental Perth Burswood's pool and resort facilities will be upgraded and a roof-top VIP gaming salon will offer a unique gaming experience to VIP customers.

This investment in upgrading and expanding the Burswood offering will secure its position as a world-class integrated resort. The full benefits will be delivered from the 2013 financial year onwards and the investment is expected to be earnings and value accretive for shareholders.

Local gaming and Club Burswood

The replacement of the raised floor in the main casino, a key phase of the main gaming floor refurbishment, caused disruption to central casino operations from November 2009, particularly to table games. This, coupled with a softening in leisure and hospitality spending, impacted main floor gaming revenue. The replacement of the raised floor was completed at the end of April 2010. Since completion of this work, gaming revenue is slowly returning to normal levels. The balance of the main gaming floor refurbishment is due for completion in December 2010 and has been planned to minimise disruption to patrons.

The gaming machines area featured a number of tailored events and a range of new games were developed. The Meridian Room mid-tier electronic gaming facility has underpinned continued growth.

A number of strategies were implemented in Burswood's loyalty program, Club Burswood, to create interest during the year which has resulted in strong year-on-year growth of new memberships. Food and beverage promotions along with main gaming floor entertainment enhanced the customer experience.



Burswood, Yú restaurant



Burswood, (A)LURE Dining Room and Bar

VIP program play

International gaming achieved double-digit growth this year. This can be attributed to an increase in new business, as well as the development of joint initiatives with Crown Melbourne.

Burswood's position in the international market has been enhanced by the Pearl Room and the Infinity suites. Six private salons and luxurious international gaming facilities, coupled with a reputation for premium customer service, ensures the Pearl Room's continued success.

Hotels

The InterContinental Perth Burswood maintained its position as the leading luxury hotel in Perth despite being under refurbishment for a significant portion of the year, weaker conferencing business and the softening of the Perth hotel market.

Holiday Inn Burswood benefited from customers staying overnight to attend concerts at the Dome and the Theatre. This was driven by innovative promotions with Burswood's sponsorship partners and entertainment packages built around long-running shows such as Chicago, Cats and Mamma Mia driving the hotel business.

Restaurants and bars

Burswood's restaurant and bar portfolio maintained its significant contribution with year-on-year growth. This was driven by the success of Carvers Buffet restaurant and Snax Café on the main gaming floor, both of which opened in August 2009. Effective advertising, promotional offers and the large number of entertainment events held in both Burswood Dome and the Theatre contributed to the continued strong performance of restaurants and bars.

Burswood's premium Asian restaurant, Yú, continued to perform above expectations due to Burswood's successful dinner series and a continued focus on advertising and promotion. (A)LURE Dining Room and Bar won Western Australia's Best Seafood Restaurant and Best Wine List Awards, and the Carbon Sports Bar was again awarded Western Australia's Best Sporting Entertainment Venue by the Australian Hotels Association.

A key focus again this year was on the issue of responsible service of alcohol, with a number of initiatives supported throughout the year. Burswood was awarded the Australian Hotels Association Responsible Service of Alcohol Award for Western Australia.

In other business initiatives, Burswood continued to focus on securing new entertainment line-ups such as themed glamour events in EVE nightclub. Increasing electronic communication and promotion of the product-focused website were also priorities.



“Effective advertising, promotional offers and the large number of entertainment events held in both Burswood Dome and the Theatre contributed to continued strong performance of restaurants and bars.”



“Burswood was awarded Western Australia’s ‘Best Live Entertainment Award’ by the Australian Hotels Association in the year.”



Pearl Room

Entertainment and events

Burswood was awarded Western Australia’s Best Live Entertainment Award by the Australian Hotels Association during the year. More than 675,000 patrons visited the Complex to attend either a Dome or Theatre show.

The majority of Dome shows were well supported which resulted in multiple performances and record attendances. Major Dome shows included Simon & Garfunkel, Pink, Beyonce, Black Eyed Peas, Britney Spears, George Michael and Lady Gaga.

Burswood Theatre also achieved an unprecedented number of long running shows with Chicago, Cats and Mamma Mia all drawing good crowds. It also hosted a number of successful performances including Jimmy Barnes, Swan Lake and John Farnham. The implementation of dedicated show packages has also driven accommodation and restaurant activity.

Burswood continues to be recognised as one of Australia’s leading meetings and events venues. This year, Burswood focused on implementing a dynamic pricing structure and incentive offers to drive business locally as well as from the eastern states.

Signature events hosted at the Complex included the Queensbury Charity Challenge and the Melbourne Cup Luncheon. Major conferences were also held at the Complex including the Asia Pacific Oil and Gas, West Australia Primary Principals Association, CSIRO Greenhouse 2009 and CPA Week.

Once again, Burswood partnered with a number of charities in support of their annual gala balls this year including the high profile and very successful charity ball for Ronald McDonald House Charities. Other charities which held events at Burswood included The Anglicare Op Shop Ball, Youth Focus ‘Night of Nights’ and the seventh annual Amanda Young Foundation Ball.

Burswood host-sponsored STYLEAID, a fashion fundraiser that benefits the Western Australian Aids Council. Also in the fashion arena, the annual Boobalicious Ball was host-sponsored by Burswood and run by adultshop.com in support of the Breast Cancer Foundation of WA.

In March 2010, Burswood hosted Sir Richard Branson who was supporting a series of Strike A Chord For Cancer Foundation events that were host-sponsored by Burswood. The Foundation helps children that need inspiration and a distraction from their fight against cancer. The day culminated in a ‘Branson by the Pool’ event at Burswood, attended by over 900 guests. The Strike A Chord For Cancer Foundation Ball is held annually at Burswood.



Burswood casino entry

Melco Crown Entertainment



Crown Towers, LAN bar

“...the Macau gaming market exhibited strong growth with gaming revenue for the year to June 2010 up 51.3 percent...”

Overview

Crown held a 33.4 percent equity interest in Melco Crown, a joint venture between Crown and Melco International Development Limited, as at 30 June 2010. Melco Crown was listed on the NASDAQ in December 2006 and has two premium properties, City of Dreams and Altira Macau. The joint venture also operates Mocha Clubs.

Melco Crown is one of only six sub-concessionaires permitted to operate gaming in Macau, a Special Administrative Region of the People’s Republic of China. As the only Chinese territory where gaming is legal, the Macau gaming market exhibited strong growth with gaming revenue for the year to June 2010 up 51.3 percent, while the number of tourists increased 8.5 percent to 23.6 million.

Crown’s share of Melco Crown’s normalised result for the period was a loss of \$42.7 million, after adding back Crown’s share of a below theoretical win rate variance and pre-opening expenses.

This year, Melco Crown completed a US\$600 million issuance of eight year high-yield bonds, the proceeds from which were used principally to reduce existing debt. Melco Crown also negotiated favourable changes to its banking covenants.

City of Dreams

City of Dreams had its first full year of operation this year. Melco Crown recently announced that good progress has been made in the quarter to June 2010, with quarterly rolling chip volume increasing 24 percent sequentially. Melco Crown also announced that it delivered a 9 percent sequential increase in mass market table games revenue in the same quarter.

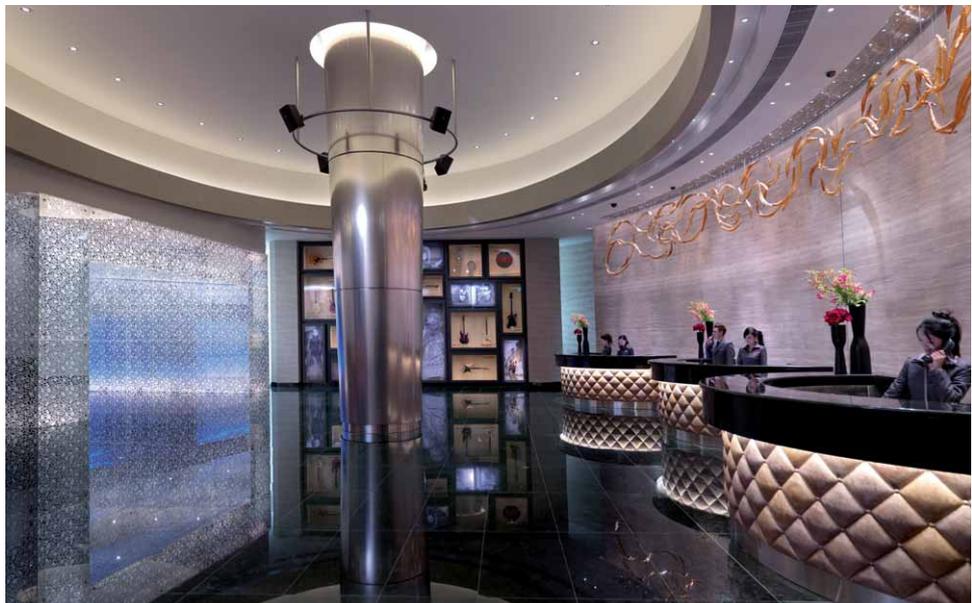
A key attraction for City of Dreams going forward will be Franco Dragone’s ‘The House of Dancing Water’, a live show created specifically for the purpose-built Theatre of Dreams, which opened in September 2010.

Altira Macau

Altira Macau is primarily focused on meeting the cultural preferences and expectations of Asian VIP rolling chip customers. Altira Macau continues to perform better under its traditional VIP model and profitability has continued to benefit from the commission cap implemented in 2009.

Mocha Clubs

Mocha Clubs feature approximately 1,500 gaming machines in eight locations and represent the largest non-casino based operations of electronic gaming machines in Macau.



City of Dreams, Hard Rock hotel lobby

Other Investments

Betfair

Crown holds a 50 percent interest in Betfair Australasia under a joint venture established in 2004 with Betfair UK (The Sporting Exchange Limited), the world's largest betting exchange.

Betfair is a betting exchange for customers resident in Australia or New Zealand. The betting exchange operates an online market where individuals with differing views on an event can make fixed-price bets, effectively wagering between themselves. Betfair's services are exclusively provided via the internet and via telephone. It does not operate retail premises, nor does it have an on-course presence.

Crown's equity accounted share of Betfair's loss was \$5.7 million. The loss is primarily due to an increase in legal fees and product fees (the subject of a legal challenge in NSW). During the year, Crown made a further \$4.0 million loan to Betfair, thereby resulting in a total debt owed to Crown of \$11.7 million.

Cannery

Crown holds a preferred instrument in Cannery Casino Resorts (Cannery) which is recorded in the Crown balance sheet as an Available-For-Sale financial asset. Crown is awaiting Pennsylvania regulatory approval to convert this preferred instrument to equity. Upon conversion, Crown will hold a 24.5 percent share in Cannery.

Based in the United States, Cannery operates the Meadows Racetrack and Casino in Pennsylvania and Cannery Casino, East Side Cannery and Rampart Casino in Las Vegas. In early 2010, Crown agreed to contribute a further \$20.6 million (US\$18.4 million) towards its investment in Cannery as part of Cannery's external debt refinancing. All shareholders of Cannery contributed further equity in order to reduce existing external debt. Crown contributed its pro rata share of the new equity. By participating in the equity investment, Crown has maintained its ownership share in Cannery, which remains subject to Pennsylvania regulatory approval.

Aspinalls

Crown holds a 50 percent equity interest in Aspinalls, which was written down to nil in 2009.

Aspinalls is a long-established UK-based casino operator whose subsidiaries operate the Aspinall's Club in London's Mayfair and three regional casinos in Newcastle, Swansea and Northampton (the latter in a joint venture with Kerzner UK Limited).

Crown had previously provided debt facilities to Aspinalls which were, as at 30 June 2010, drawn to £17.6 million. As part of a loan restructure, Crown agreed to provide additional loan facilities including a new term loan of £6.0 million to the Aspinalls Group, a gaming guarantee facility of up to £10.0 million, which replaces Crown's existing gaming guarantee facility of £6.25 million, and a new loan facility of £1.6 million to the Aspinalls holding company.

In July 2010, the new term loan of £6.0 million was drawn by Aspinalls and was used to reduce existing bank debt, resulting in a total debt owed to Crown of £23.6 million.

Gateway

Crown's equity and debt investments in Gateway had previously been written down to nil. Subsequent to year end, Gateway has finalised a restructure of its equity and debt so that Crown and its joint venture partner, Macquarie Group, now each own 1% of the restructured entity. Crown was not required to contribute any further capital and has been released from all obligations. The restructure has no material impact on Crown's financial results.

Sustainability Report



Steve Herbert, Parliamentary Secretary for Education and Parliamentary Representative for Eltham
– Opening of Crown College

“...opening of the new \$10 million purpose-built training facility for Crown College exemplifies Crown Melbourne’s commitment to continued investment in its employees.”

Our People

Crown places significant emphasis on employee engagement and satisfaction, as is evidenced by its commitment to offering access to training and development opportunities for its workforce of more than 9,600 employees.

Across its Crown Melbourne and Burswood businesses, which are the largest single-site private sector employers in Victoria and Western Australia, over 370,000 hours of job training are undertaken annually.

In 2009, Crown was the first employer to sign the Australian Employment Covenant. Over the past 12 months Crown’s indigenous employment strategy, guided by dedicated employment coordinators, has facilitated the increase of its indigenous workforce. Over 60 indigenous Australians have been employed in the Crown Melbourne and Burswood complexes to date. Crown’s indigenous employment strategy is regarded as a best practice model for other employers across the country. The program boasts a high retention rate with a significant number of people settling into permanent secure employment and building strong careers.

Crown Melbourne

This year’s opening of the new \$10 million purpose-built training facility for Crown College, which has been in operation for the past 15 years, exemplifies Crown Melbourne’s commitment to continued investment in its employees.

Training for up to 300 employees can take place across the general purpose and computer-equipped training rooms, the 70-seat auditorium, and the dedicated Table Games and Gaming Machines training areas. The new 70-seat training restaurant and bar, Culinarium, offers a training environment second to none for Food and Beverage employees.

As a Registered Training Organisation, Crown Melbourne has developed and delivered high-quality accredited courses at the College and has worked with industry and education-sector partners to ensure a broad range of development opportunities is available.

Currently, 16 percent of Crown Melbourne employees are participating in accredited training across 13 qualification streams covering all areas of the business.

Crown Melbourne’s three main Learning Pathways programs offer frontline employees, supervisors and managers a clear course to achieve their career goals. In partnership with Swinburne University, Learning Pathways has been aligned to the Australian Qualifications Training Framework enabling Crown Melbourne employees to gain nationally recognised qualifications. The Learning Pathways initiative strongly supports the Victorian Government’s *Securing Jobs for the Future – Skills for Victoria* strategy.



Crown Melbourne participates in NAIDOC week



Crown Melbourne, Open Family Christmas



Participants of Burswood's Australian Employment Covenant

“Burswood significantly expanded its training activities during the financial year.”

Employees were further encouraged to develop a fulfilling and long-term career at Crown Melbourne this year with the launch of Crown Careers Expo online, which supports the facilitation of career moves into other frontline roles within the business.

To support the launch of the customer loyalty program, a company-wide training program on Crown Signature Club was implemented in conjunction with a customer service values training program aimed at strengthening Crown's brand.

Health and safety continued to be a priority. Crown Melbourne's Senior Management Team participated in Health & Safety Executive Due Diligence Workshops during the year, reinforcing legal obligations and emphasising the importance of safety leadership in senior management roles.

The new online incident, hazard and risk reporting system was also launched resulting in improved hazard reporting and control. During the year, Crown Melbourne committed to renewing its WorkSafe Self Insurance Approval.

In September 2010, Crown Melbourne was named “Victorian Employer of the Year” at the Victorian Training Awards 2010.

Burswood

The commitment and professionalism of Burswood's employees underpinned the strong results achieved this year, with a high level of customer satisfaction evident across the complex.

Burswood significantly expanded its training activities during the financial year. The focus was on developing and improving service capability, improving performance systems and launching new online learning courses. Diversity in the workplace has also been a key focus throughout the year.

Burswood introduced its own Apprentice, Trainee and Trainer of the Year Awards to provide recognition to those employees who participate in training and learning and development at Burswood.

A Leadership Development Program was also introduced this year. The program identifies developing leaders within the business and assists them in reaching their full potential over a year-long training program.

The introduction of Burswood's mentoring program has seen over 35 experienced managers assume mentoring roles within the business to support and assist other staff members in their careers at Burswood.



“Crown is committed to the promotion of responsible service of gaming as part of its business.”

Professor John Horvath A.O.
Chair
Crown Responsible Gaming Committee

Responsible Gaming

Crown continues to be a leader in the development and implementation of initiatives that support responsible gaming. The commitment to good gaming practices is evident in the significant resources dedicated to promoting responsible gaming and providing assistance to patrons who may be experiencing difficulty with their gaming behaviours at both Crown Melbourne and Burswood complexes.

Subsequent to year end, the Crown Board established a Board Committee dedicated to overseeing responsible gaming at Crown. The Responsible Gaming Committee is chaired by newly appointed Crown Director, Professor John Horvath. The Committee is charged with reviewing and monitoring Crown’s responsible gaming programs, recommending policies and procedures to enhance the effectiveness of those programs and promoting awareness of responsible gaming issues.

Crown is serious about ensuring that staff members understand Crown’s responsible gaming programs. From induction through to ongoing training, they are trained to look out for, and make managers aware of, observable signs that indicate a customer may be experiencing difficulty with their gaming behaviours. Staff regularly participate in information sessions and complete refresher courses on the responsible service of gaming. Staff at both Crown Melbourne and Burswood know the steps to take to ensure individuals are directed to their respective Responsible Gaming Support Centres or to make their Responsible Gaming Liaison Officers aware of the behaviours.

Crown Melbourne

Crown Melbourne’s Responsible Gaming Support Centre has been in operation since 2002. The centre, which is a world-first responsible gaming initiative, is an in-house facility that operates 24-hours a day, seven days a week. It is staffed by an experienced team including Crown Melbourne’s Responsible Gaming Liaison Officers who provide services around the many responsible gaming initiatives and programs including the Self-Exclusion Program. Other initiatives include access to on-site Responsible Gaming Psychologists and the availability of the Chaplaincy Support Service.

Crown Melbourne has been a pioneer in the development of pre-commitment systems, having first implemented a voluntary system, the Play Safe Limits program, in 2003 as one of its many responsible gaming initiatives. The program allows gaming machine and fully automated table games customers to set daily individual spend and time limits, or a combination thereof, as well as an optional annual spent limit, using their Crown Signature Club Card.

Availability of information on Crown Melbourne’s established responsible gaming programs is key to successfully assisting customers to address problem behaviours associated with gaming. Responsible gaming materials are readily available throughout the complex, on the gaming floor and via the Responsible Gaming Support Centre. Furthermore, contact telephone numbers for Crown Melbourne’s Responsible Gaming Support Centre and Gambler’s Help are displayed on gaming machines, table games, ATMs, brochures, Crown Signature Club information desks and in newsletters.

This year marked the first full year of operation of Crown Melbourne’s new Responsible Gambling Code of Conduct. The Code brought all the responsible gaming initiatives that Crown Melbourne had been actively implementing for a number of years under one banner. It is available in a number of languages.

Crown Melbourne has established strong links with support services such as Gambler’s Help and relevant assistance programs, with regular interactions to ensure provision of appropriate assistance to customers seeking help. Crown Melbourne is represented on the Victorian Responsible Gambling Ministerial Advisory Council and on their working groups and committees.



RESPONSIBLE GAMING
STAY IN CONTROL



Hon. Terry Waldron, Minister for Racing and Gaming – Opening of Burswood’s Responsible Gambling Information Centre



Simon O’Donnell, ambassador for Responsible Gambling Awareness Week, and Fr James Grant, Crown Melbourne’s Chaplain



“Burswood’s continuous responsible gaming training for staff underpins its focus on providing assistance to customers who experience problems with their gaming behaviours.”

Crown Melbourne has participated in Responsible Gambling Awareness Week (RGAW), a state wide government, community and industry initiative, since its inception and this year hosted a morning tea with stakeholder attendees and the media. Former Australian cricketer, Simon O’Donnell, an ambassador for RGAW and Crown Melbourne’s Chaplain, Fr James Grant, spoke about the key themes for the week – knowledge, balance and control. Crown Melbourne’s involvement highlights the importance of the partnership between the gaming industry, state government and the community sector in promoting responsible gaming.

Burswood

Awareness continues to increase for Burswood’s Responsible Gambling Information Centre, which opened in 2009. Burswood’s centre is an in-house facility manned by experienced staff who deal with customers who may be experiencing difficulties with their gaming behaviours. The responsible gaming team at the Centre provide information about Burswood’s many responsible gaming initiatives and programs such as the Self-Exclusion Program.

Burswood recently updated its online training program for staff, ensuring they have access to the latest best practice information on responsible gaming. The training updates also include the development of an ongoing refresher program for staff.

In July 2010, Burswood introduced player pre-commitment and player activity statement functionality. Patrons who play Burswood’s gaming machines are able to set financial and time limits regarding their play. Additionally patrons are able to obtain a statement that details their gaming activity.

This year, during Awareness Week, Burswood, in collaboration with State government, community and industry partners, hosted and presented at an inaugural half-day forum. The Minister for Racing and Gaming formally opened Awareness Week and Professor Jan McMillan delivered a key note address.

Burswood’s annual forum with Gambling Help WA (GHWA) included industry partners for the first time this year. The forum continued to build collaboration between workplaces in order to develop relationships among industry stakeholders. Burswood’s presentations outlined its strategic approach, guiding principles and achievements. During the forum, GHWA provided case studies to staff on the issues patrons confront in counselling and how counsellors engage and treat individuals who have developed problem behaviours.

Burswood has continued to engage, develop and maintain relationships with a wide range of community service organisations and industry partners, raising awareness of responsible gaming and the services provided by Burswood to assist patrons who develop a problem with their gambling.



Crown Melbourne supporting The Million Dollar Lunch

“...Crown Melbourne responds and provides assistance, donations and support to a broad range of community needs.”

Community

Community involvement is driven by the belief that we have both responsibility and opportunity to assist in the growth and development of the local communities where Crown's people and staff live and work.

This year, Crown and its employees provided support to projects that focused on a variety of charitable causes from individuals who suffer illness to established care agencies. Contributions were made in various forms including sponsorship arrangements and the contribution of resources such as staff time, use of facilities and various Crown Packages that can be further used to raise monies for the charities.

Crown Melbourne

From large organisations to individuals affected by tragedy, Crown Melbourne responds and provides assistance, donations and support to a broad range of community needs.

Crown Melbourne is proud that its staff volunteer their time and efforts each Christmas Day to help pack and distribute over 250 hampers filled with ingredients donated by Crown Melbourne as part of the Open Family Australia Christmas program.

For over five years, Crown Melbourne has sponsored and hosted the My Room Ball. My Room was formed in 1993 by three families who had children undergoing chemotherapy and wanted to support the Oncology Unit at The Royal Children's Hospital in Melbourne.

Crown Melbourne also supports Challenge's Robert Allenby Gala Dinner and Diamonds are a Girl's Best Friend Dinner for children living with cancer and other life-threatening blood disorders.

Over the past five years, the KOALA Foundation (Kids Oncology And Leukaemia Action Foundation) has received over \$7.56 million from its annual fundraising event that brings together some of Australia's most influential people. Crown Melbourne hosts The Million Dollar Lunch and donates food, the venue, various prizes and raffle items, along with staff and management teams who work at the event for the benefit of the KOALA Foundation.

Crown Melbourne also sponsors and hosts Starry, Starry Night, which raises funds for The Alannah and Madeline Foundation. This year, over \$620,000 was raised to help protect children from violence and its devastating effects.

Crown Melbourne is involved with The Shane Warne Foundation, which donates monies raised at events to charities that work with seriously ill and underprivileged Australian children. Crown Melbourne sponsors and hosts a number of the Foundation's events including the Footy Finals Luncheon, the Boxing Day Breakfast and the Joe Hachem and Shane Warne Charity Poker Tournament.



KOALA Foundation Christmas morning tea



Salvation Army Easter Appeal



Richard Branson – Strike A Chord for Cancer Foundation event

“Burswood’s employees are an integral part of the community support program.”

Burswood

Burswood’s community support program works with a portfolio of over 20 local charity partners that help meet various needs in Western Australia.

Burswood supports a number of local, welfare-based agencies including a 10-year partnership with Foodbank Western Australia which sees Burswood chefs prepare 9,000 litres of soup annually for distribution to those in need. This year, the chefs were also involved in a local 6PR radio promotion to find Perth’s best soup recipe, which the chefs served during The Salvation Army lunchtime food run.

Burswood’s employees are an integral part of the community support program. For 12 years, they have provided much needed support to the Anglicare WA Winter Appeal donating blankets, clothing and food items. Employees also support the Christmas Appeal for St Vincent’s, donating items like hampers and bedding. This year, Burswood launched an Easter Appeal for The Salvation Army and staff donated chocolate Easter eggs and treats. The Juvenile Diabetes Research Foundation Australia Walk to Cure is also supported by Burswood employees.

Burswood has a long-term partnership with The St Vincent de Paul Society. This year Chief Executive Officer, Barry Felstead, participated in the inaugural CEO Sleepout in Western Australia, raising over \$34,000 in support of homeless services across Australia.

A new initiative this year included major support of Telethon, a long-running televised Perth fundraiser for the Princess Margaret children’s hospital.

Burswood is a proud partner of Youth Focus, a not-for-profit organisation dedicated to the prevention of youth suicide and depression. The organisation’s annual Night of Nights Ball is held at Burswood.

Importance is placed on providing support and patronage to the arts in Western Australia. Young Artists With Artitude each year gives 22 young artists the chance to exhibit in the Lobby of the InterContinental Perth Burswood, with one artist receiving a \$5,000 grant from Burswood.

Burswood again sponsored the annual Storm The Stage competition. An arts initiative developed with the Rotary Club over the past six years, it gives young performers the chance to showcase their talents on a world-class stage.

Reinforcing Burswood’s commitment to safety in the community, Burswood has an important 15-year partnership with Crime Stoppers in WA and is host-sponsor to the annual WA Police Officer of the Year Awards.



Burswood Environment Committee

“Crown’s vision is to play a leadership role in sustainable business practice in the gaming and entertainment industry.”

Environment

Crown again participated in the Carbon Disclosure Project (CDP), which is run by an independent not-for-profit organisation that holds the largest database of corporate climate change information in the world.

Crown’s vision is to play a leadership role in sustainable business practice in the gaming and entertainment industry. In order to achieve this, Crown looks to expand its environmental sustainability efforts going forward by following the Global Reporting Initiative Guidelines in its sustainability reporting and by bringing operations in line with global environmental management standards.

Crown Melbourne

This year, Crown Melbourne implemented a number of sustainability initiatives including a comprehensive monitoring and reporting system that provides live data for measuring electricity, gas and water consumption.

State-of-the-art energy and water efficiency technologies were adopted during the development of the Crown Metropol and Crown Conference Centre, both of which opened this year.

Energy Efficiency

Crown Melbourne continues to reduce energy consumption through initiatives such as a site-wide lighting review to identify lighting replacement and control upgrade opportunities.

The installation of 13 new KONE lifts at Crown Towers will incorporate a number of energy saving features that will result in a total annual energy savings of over 1.2 million kWh. This represents greenhouse gas savings of more than 1,500 tonnes, equivalent to powering 128 Victoria homes or removing 386 cars from the streets.

Water Conservation

Crown Melbourne continued water reduction initiatives through its approved waterMAP program. A complex-wide review of water fittings resulted in a number of upgrades and water-saving installations.

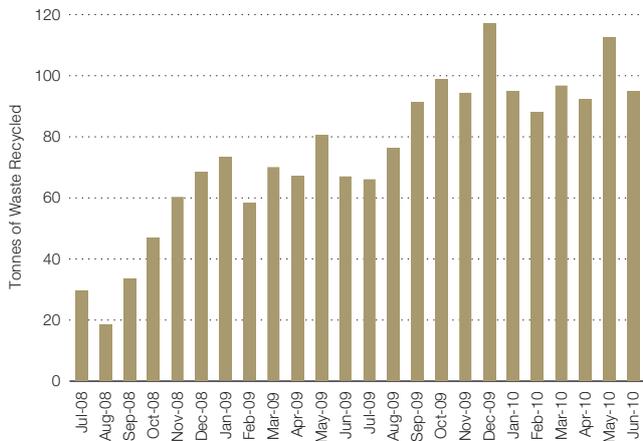
The installation of waterless woks throughout Crown Melbourne was one of the more progressive initiatives. A significant amount of water is used during wok cooking and Crown Melbourne restaurants have been able to save up to 5,000 litres per day per waterless wok stove, a total of 1.8 million litres per year.

Life Cycle Management

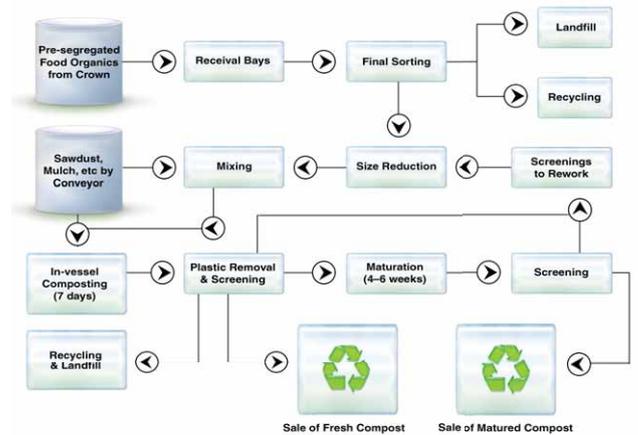
Crown Melbourne works with suppliers, employees, customers and waste management contractors to develop more sustainable consumption and production patterns across the total life cycle of products and services.

The polystyrene recycling scheme at Crown Melbourne is a good example of the Life Cycle Management program. Over 15 cubic metres of polystyrene is generated per day (5,475 per year) at the complex, primarily from the food and beverage outlets, all of which is diverted to a recycling facility where it is crushed, melted and reused as office stationery.

Crown Melbourne also continued its positive track record in waste management by extending its certification under Sustainability Victoria’s Waste Wise scheme. The successful organics composting system diverted over 1,100 tonnes of landfill, an increase of over 80 percent on 2009 levels.



Crown's Monthly Levels of Organic Waste Recycling



Crown's Food Waste Lifecycle Management Process

“Burswood places high priority on environmental issues...”

Burswood

Burswood places high priority on environmental issues, with an Environmental Committee in place to create initiatives and carry them out across the business.

Ongoing staff communications and involvement helped increase staff awareness of Burswood's environmental initiatives. Staff participation in Burswood's inaugural 'B Green' week was significant and a number of communication channels delivered positive environmental lessons.

Energy Efficiency

As part of Burswood's ongoing energy monitoring program, further energy saving initiatives this year included completion of the chiller replacement program, which has improved energy efficiency by 10 to 15 percent. The continuing upgrade to energy efficient lighting and replacement of pneumatic controls with direct digital controls throughout the Complex has also resulted in direct energy savings. Furthermore, the Holiday Inn Burswood implemented a modulated set point for water heating, again reducing energy consumption across the hotel.

Despite the significant development works during the past year, Burswood maintained, and in some areas reduced, energy use, with figures showing a 3 percent reduction in total energy consumed.

Water Conservation

A number of water saving initiatives were identified and implemented this year including installation of 3.5 litre hand basin tapware restrictors across the whole complex. The Holiday Inn Burswood also installed water efficient shower heads. New water efficient dishwashers were installed in Yù and staff café kitchens. Pool covers were fitted to the InterContinental Perth Burswood indoor pool and spa as well as the outdoor spa.

An assessment of the quantifiable water saving initiatives undertaken this year at Burswood has shown a reduction in water use of approximately 20 million litres a year.

Life Cycle Management

Burswood appreciates the need for a whole of life cycle approach to waste management and continues to adopt initiatives that help reduce waste.

Burswood undertook a number of steps this year aimed at reducing waste. Two initiatives were implemented with the assistance of funding grants. The Packaging Stewardship Forum Public Place Recycling is a complex-wide recycling program and the Burswood Strategic Waste Initiatives Scheme involves the trial implementation of a collection service of food waste which is then composted.

Corporate Governance Statement

The Crown Limited Board is committed to the implementation and maintenance of good corporate governance practices.

This Statement sets out the extent to which Crown 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 2010.

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 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.

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 Crown Melbourne's on-site accredited training facility – Crown College.

The program involves training about:

- the history and development of the Crown brand and business;
- the main legal and regulatory obligations affecting the Crown business;
- Crown's responsible gaming policies and procedures; 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.crownlimited.com 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 twelve Directors:

- James D Packer
Executive Chairman
- John H Alexander BA
Executive Deputy Chairman
- Benjamin A Brazil BCom LLB
Independent, Non-Executive Director
- Christopher D Corrigan
Independent, Non-Executive Director
- Rowen B Craigie BEc (Hons)
Chief Executive Officer and Managing Director
- Rowena Danziger BA, TC, MACE
Independent, Non-Executive Director
- Geoffrey J Dixon
Independent, Non-Executive Director
- David L B Gyngell
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
- Richard W Turner AM, BEc, FCA
Independent, Non-Executive Director

Mr David H Lowy resigned as a director on 22 June 2010.

Information about each current Director's qualifications, experience and period in office is set out in the Directors' Statutory Report.

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

Relationships affecting independence

During the financial year ending 30 June 2010 (until Mr Lowy's resignation), Crown had eleven Directors, six of whom were independent Directors. A majority of Directors were therefore independent.

The appointments of Professor Horvath and Mr Gyngell, which were announced on 22 June 2010, took effect on 9 September and 13 September 2010 respectively following the receipt of all necessary regulatory approvals. As a consequence, the Crown Board currently comprises twelve Directors, seven of whom are independent Directors.

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

In April 2010, the Board expanded the mandate of the Remuneration Committee to include delegated authority to deal with nomination issues. The newly named "Nomination and Remuneration Committee" has a formal Charter that outlines its duties and responsibilities. Those responsibilities include reviewing Crown's procedure for the selection and appointment of new directors and developing succession plans in order for the Board to maintain appropriate experience, expertise and diversity.

Where a new Director appointment is required, the Committee adheres to procedures 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 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 members

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 Board and Committee member.

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 Board/Committee member, with questionnaire responses to be provided to the Chairman of the Audit & Corporate Governance Committee for his consideration and provision of a report to the Executive Chairman of the Board.

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.

The mandate of the amended Nomination and Remuneration Committee now extends to reviewing Crown's procedure for the evaluation of the performance of the Board, its Committees and its directors. Accordingly, responses to the Board performance evaluation will be reviewed by the Nomination and Remuneration Committee commencing in financial year 2011.

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 Executive Chairman of the nature of the advice sought prior to obtaining that advice, so that the Executive Chairman can take steps to ensure that the party from whom advice is sought has no material conflict of interest with Crown. The Executive Chairman is also responsible for approving payment of invoices in relation to the external advice.

In addition, each Board 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 2010
Audit & Corporate Governance	Richard Turner (Chair) Rowena Danziger Michael Johnston	3
Finance*	Geoffrey Dixon (Chair) Michael Johnston Richard Turner	0
Investment	James Packer (Chair) John Alexander Rowen Craigie Ashok Jacob	2
Nomination and Remuneration**	Geoffrey Dixon (Chair) Chris Corrigan James Packer	1
Occupational Health, Safety & Environment	Rowena Danziger (Chair) Rowen Craigie Michael Johnston	4
Risk Management	Geoffrey Dixon (Chair) Rowen Craigie Rowena Danziger	2

* The Finance Committee did not meet this financial year as all relevant financing matters were dealt with by the Board.

** The Nomination and Remuneration Committee was restructured in April 2010. Its mandate was extended to include delegated authority to deal with nomination issues. In April 2010, Mr Corrigan replaced Mr Alexander and Mr Dixon commenced his role as Chair. There was one meeting of the Committee during financial year 2010 subsequent to the restructure.

In addition, a Responsible Gaming Committee was established in June 2010 to oversee and enhance Crown's responsible gaming programs and performance. The Committee is comprised of the following members: John Horvath (Chair), Rowen Craigie and Rowena Danziger. The Committee will commence its role in financial year 2011.

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



More information

A full copy of each of Crown's Committee Charters is available at:
www.crownlimited.com 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.crownlimited.com under the heading Corporate Governance – Policies.

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 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 (ie that they do not short trade);
- establishes formal "trading windows" during which Crown employees can and cannot trade in Crown shares;
- 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 and the consequences of contravention thereof.

More information

Full copies of Crown's Code of Conduct for Directors and Code of Conduct for Employees are available at: www.crownlimited.com under the heading Corporate Governance – Codes.

A full copy of Crown's Securities Trading Policy is available at: www.crownlimited.com under the heading Corporate Governance – Policies.

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 members of the Audit & Corporate Governance Committee are Richard Turner (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 Richard Turner is an independent Director who has extensive financial qualifications and experience, having been an audit partner at Ernst & Young and having held the position of Chief Executive Officer of Ernst & Young prior to his retirement in 1994.

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.

More information

A full copy of Crown's Audit & Corporate Governance Committee Charter is available at: www.crownlimited.com under the heading Corporate Governance – Charters.

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.crownlimited.com 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.



More information

A full copy of Crown's Communication Policy is available at: www.crownlimited.com 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 is charged with monitoring the effectiveness of risk management systems and is 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 Australia & New Zealand Standard 4360: 2004. 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 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.crownlimited.com under the heading Corporate Governance – Charters.

A full copy of Crown's Risk Management Policy is available at:
www.crownlimited.com under the heading Corporate Governance – Policies.

Principle 8 Remunerate fairly and responsibly

Remuneration of Board members and Senior Executives

As indicated earlier, 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. The Committee's Charter provides that, at the discretion of the Crown Board, the role of this Committee may be extended to 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).

In the lead up to the end of the financial year, the Nomination and Remuneration Committee was requested by the Board to review executive remuneration policies. Accordingly, 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 2011; and
- the short term bonus payments made to senior executives referable to the financial year ending 30 June 2010.

The current members of the Nomination and Remuneration Committee are Geoffrey Dixon (Chair), Chris Corrigan and James Packer.

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 Crown Board has resolved that Directors and employees of the Crown group who hold Crown shares under the Executive Share Plan are not permitted to hedge or create derivative arrangements in respect of their Executive Share Plan shares or any of their interests in any of those shares.



More information

A full copy of Crown's Nomination and Remuneration Committee Charter is available at:
www.crownlimited.com under the heading Corporate Governance – Charters.

A full copy of Crown's Remuneration Policy is available at:
www.crownlimited.com under the heading Corporate Governance – Policies.

Nevada Information Statement

The gaming industry in Nevada is highly regulated and Crown 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 company 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 Entertainment Complex in Melbourne and Burswood Entertainment Complex in Perth are regulated in a similar manner by the Victorian Commission for Gambling 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 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 or licensure, 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 casino licensees 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 licenced

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 therefrom 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 Limited (**Crown**) group for the financial year ended 30 June 2010 and the results of those operations is detailed on pages 4 to 23.

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 2009 include:

- on 25 March 2010, Crown Melbourne Limited (the owner and operator of the Crown Entertainment Complex in Melbourne) (**Crown Melbourne**), announced that more than \$200 million would be spent to improve the premium player facilities to further enhance it as one of the world's leading integrated resorts. The expansion was facilitated by amendments to Crown Melbourne's casino licence which were part of an agreement which was ratified by the Victorian parliament late in 2009. The agreement saw an increase in the number of tables permitted under the Crown Melbourne licence and an increase in the rate of tax on electronic gaming machines;
- on 21 April 2010, Crown Melbourne announced the official opening of its 658 room Crown Metropool hotel, Australia's largest hotel, at the Crown Entertainment Complex in Melbourne; and
- in May 2010, Melco Crown Entertainment Limited completed a US\$600 million issuance of eight year high yield bonds, the proceeds from which were used principally to reduce existing debt. Melco Crown Entertainment also negotiated favourable changes to its banking covenants.

Significant events after Balance Date

Subsequent to 30 June 2010, the Directors of Crown announced a final dividend on ordinary shares in respect of the year ending 30 June 2010. The total amount of the dividend is \$144.1 million, which represents 19 cents per share. The final dividend will be 60% 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 2010 financial statements.

On 24 August 2010, Consolidated Media Holdings Limited (CMH) announced that it had been advised that the Special Purpose Liquidator of One.Tel had filed proceedings and CMH had been served with some documents. CMH also announced that it will strongly defend the proceedings. The apportionment of any costs associated with the proceedings will be in accordance with the PBL Demerger Deed outlined in the PBL Scheme Booklet (75% Crown Limited, 25% CMH).

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.

Environmental regulation

The National Greenhouse and Energy Reporting Act 2007 (the NGER Act) has 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. The first reporting period commenced on 1 July 2008 and relevant reports were submitted in October 2009.

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, in particular, to assist the development of the Carbon Pollution Reduction Scheme.

Crown is also subject to the Energy Efficiency Opportunities Act 2006 which encourages large energy-using businesses to improve their energy efficiency. It does this by requiring businesses to identify, evaluate and report publicly on cost effective energy savings opportunities. Crown submits reports in line with the required reporting schedule.

At a state level, Crown Melbourne is subject to the Victorian Government's Environment & Resource Efficiency Plans (EREP), which requires all large commercial and industrial facilities to prepare a plan identifying actions to reduce energy and water use and waste generation. Under the Western Australian Water By-laws legislation, Burswood Limited (**Burswood**) is required to complete annual water management assessments and submit water efficiency management plans.

The Crown group is otherwise not 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 Report.

Dividends and distributions

Interim Dividend: Crown paid an interim dividend of 18 cents per ordinary share on 23 April 2010. The dividend was 60% franked. None of the unfranked component was conduit foreign income.

Final Dividend: The Directors of Crown have announced a final dividend of 19 cents per ordinary share to shareholders registered as at 1 October 2010. The final dividend will be 60% 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	\$136,511
Final Dividend payable	19 cents per share	\$144,095
Total	37 cents per share	\$280,606

Crown paid shareholders a final dividend in respect of the 2009 financial year of \$144.1 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 twelve 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	–
Christopher Darcy Corrigan	6 July 2007	–
Rowen Bruce Craigie	31 May 2007	–
Rowena Danziger	6 July 2007	–
Geoffrey James Dixon	6 July 2007	–
David Liam Barr Gyngell	13 September 2010	–
John Stephen Horvath	9 September 2010	–
Ashok Jacob	6 July 2007	–
Michael Roy Johnston	6 July 2007	–
David Hillel Lowy	6 July 2007	22 June 2010
Richard Wallace Turner	6 July 2007	–

At Crown's 2009 Annual General Meeting, Mr Benjamin Brazil, Mr Christopher Corrigan, Mr Michael Johnston and Mr Richard Turner 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, Executive Chairman

Mr Packer is the Executive Chairman of Consolidated Press Holdings Limited, Deputy Chairman of Consolidated Media Holdings Limited, and is a director of various companies including Crown Melbourne Limited (appointed 22 July 1999), Burswood Limited (appointed 3 September 2004) and Melco Crown Entertainment Limited (appointed 8 March 2005).

Mr Packer is the Chair of the Crown Investment Committee and a member of the Crown Nomination and Remuneration Committee.

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

- Challenger Financial Services Group Limited: from 6 November 2003 to 8 September 2009
- Consolidated Media Holdings Limited¹: from 28 April 1992 to current
- Qantas Airways Limited: from 1 March 2004 to 31 August 2007
- SEEK Limited: from 31 October 2003 to 26 August 2009
- Sunland Group Limited: from 20 July 2006 to 13 August 2009

John Alexander BA, Executive Deputy Chairman

Mr Alexander is the Executive Chairman of Consolidated Media Holdings Limited. Prior to November 2007, Mr Alexander was Chief Executive Officer and Managing Director of Publishing and Broadcasting Limited (PBL), having commenced that role in June 2004.

Mr Alexander joined ACP Magazines Limited, then a subsidiary of PBL, as Group Publisher in 1998 and was appointed Chief Executive Officer of that division in March 1999, a position he held until April 2006. In January 2002, he was appointed Chief Executive Officer of PBL's media businesses which included ACP Magazines and Nine Network – then owned by PBL. Prior to 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 also a director of a number of companies, including Crown Melbourne Limited, Burswood Limited, FOXTEL Management Pty Limited and Premier Media Group Pty Limited.

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 Limited¹: from 16 December 1999 to current
- SEEK Limited: from 17 April 2009 to 26 August 2009

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

Mr Brazil is an Executive Director of Macquarie Group Limited, within its Corporate Asset Finance Division. 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.

Christopher D Corrigan, Independent, Non-Executive Director

Mr Corrigan was Managing Director of Patrick Corporation Limited, Australia's largest stevedore company with interests in rail transportation and aviation from March 1990 to May 2006. Prior to that, Mr Corrigan had a career with Bankers Trust spanning 20 years, including periods as Managing Director of Bankers Trust in Australia and for the Asia-Pacific region.

Mr Corrigan sponsored the formation of a development capital business of \$220 million known as Jamison Equity in 1990, which became a wholly owned subsidiary, in December 1996, of the then publicly listed company Patrick Corporation Limited.

Mr Corrigan is a member of the Crown Nomination and Remuneration Committee.

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

- Consolidated Media Holdings Limited¹: from 8 March 2006 to current
- Webster Limited: from 30 November 2007 to 9 July 2010

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

Mr Craigie is also a Director of Crown Melbourne Limited, Burswood Limited, Melco Crown Entertainment Limited and Aspinalls Holdings (Jersey) Limited.

Mr Craigie previously served from 2007 to 2008 as the Chief Executive Officer, PBL Gaming and from 2002 to 2007 as the Chief Executive Officer of Crown Melbourne Limited. 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 & Environment, Risk Management and Responsible Gaming Committees.

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

- Consolidated Media Holdings Limited¹: from 9 January 2002 to 8 April 2009

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

Mrs Rowena Danziger is an Independent, Non-Executive Director of Crown Limited. 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. She is currently a board member of the Sydney Writers' Festival and Chairperson of The Foundation of the Art Gallery of NSW.

Mrs Danziger is also a Director of Consolidated Media Holdings Limited and Crown Melbourne Limited and is Chair of the Crown Limited Occupational Health, Safety & Environment 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 Limited¹: 17 September 1997 to current

Geoffrey J Dixon, Independent, Non-Executive Director

Mr Geoff Dixon is an Independent, Non-Executive Director of Crown Limited. Mr Dixon was the Chief Executive Officer of Qantas Airways Limited until November 2008. Mr Dixon joined Qantas in 1994 and had responsibility at the airline for all commercial activities. Before joining Qantas, Mr Dixon was director of Marketing and Industry Sales at Ansett Australia Airlines and General Manager Marketing and Corporate Affairs at Australian Airlines.

Mr Dixon is Chairman of the Garvan Research Foundation, Queensland Events and Tourism Australia. Prior to his career in the airline industry, Mr Dixon worked for an arm of the Australian Government Overseas Service in Australia and on postings to Australian Missions in The Hague, New York and San Francisco. He has also worked in the mining and media sectors.

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:

- Qantas Airways Limited: from 1 August 2000 to 28 November 2008
- Consolidated Media Holdings Limited¹: from 31 May 2006 to current
- Facilitate Digital Holdings Limited: from 9 July 2009 to current
- Jetset Travelworld Limited: from 17 July 2008 to 15 September 2008

David L B Gyngell, Independent, Non-Executive Director

David Gyngell is the Chief Executive Officer of the Nine Network Australia, having been appointed in September 2007.

The appointment marked his return to the Nine Network from the United States, where he had been CEO of television production and distribution company Granada US.

Before moving to the US, he was Nine Network's CEO from May 2004 to May 2005 and prior to that was Nine's Deputy Chief Executive Officer – a role he held from August 2002.

He has also worked as Executive Director, Group Marketing and Communications for Publishing and Broadcasting Limited.

Before moving into television, Mr Gyngell was Director of Corporate Management at International Management Group and Transworld Media International.

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

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

Professor Horvath is currently a member of Council of the NHMRC and Chairman of the Healthcare Committee. He is a Fellow of the Royal Australasian College of Physicians and is a distinguished practitioner, researcher and teacher. Professor Horvath sits on the Board of the Garvan Research Foundation, the Centenary Institute of Medical Research and is a member of the Advisory Board to the World Health Organisation Influenza Collaborating Centre.

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 the Crown Occupational Health, Safety & Environment Committee.

Ashok Jacob MBA, Non-independent, Non-Executive Director

Mr Jacob is Chief Executive Officer of Consolidated Press Holdings Limited (CPH). Prior to joining CPH in 1998, Mr Jacob was the Managing Director of the investment arm of the Pratt group of companies.

Mr Jacob is a Director of MRF Limited (appointed 26 October 1998) and a Director of Consolidated Media Holdings Limited (reappointed on 10 September 2009).

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 Limited¹: from 9 November 1998 to 8 April 2009, reappointed on 10 September 2009 to current
- Challenger Financial Services Group Limited: from 6 November 2003 to 8 September 2009

Michael R Johnston BEc, CA, Non-independent, Non-Executive Director

Mr Johnston is the Finance Director of Consolidated Press Holdings Limited (CPH), having previously been an advisor to the CPH Group for 18 years. As Finance Director, Mr Johnston oversees a large number of operational businesses within the CPH Group and its controlled associates. Mr Johnston was also the Chief Financial Officer of Ellerston Capital (a subsidiary of CPH) until 30 June 2008. He is an alternate Director of Consolidated Media Holdings Limited.

Prior to his appointment with the CPH 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 and Environment Committees.

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

- Consolidated Media Holdings Limited¹– from 16 December 2005 to 8 April 2009 (from 8 April 2009, alternate director to Mr James Packer and Mr Guy Jalland; from 10 September 2009 to current, alternate director to Mr Ashok Jacob)
- Challenger Financial Services Group Limited – from 24 February 2006 to 8 September 2009 (alternate director to Mr James Packer and Mr Ashok Jacob)

Richard W Turner AM, BEc, FCA, Independent, Non-Executive Director

Before his retirement in 1994, Mr Turner had been the Chief Executive Officer of Ernst & Young, having had a successful 36 year career as an audit partner. Mr Turner is a Fellow of the Institute of Chartered Accountants in Australia. He was past President and Director of The Smith Family and past Chairman and a current Director of the Institute of Pain Management Research Institute Limited.

Mr Turner is also a Director of Crown Melbourne Limited and is Chair of the Crown Audit & Corporate Governance Committee and a member of the Crown Finance Committee.

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

- Consolidated Media Holdings Limited¹: from 9 November 1998 to 8 April 2009
- The Mirvac Group: from 7 January 2005 to 25 August 2009
- Bank of Western Australia Limited from 15 December 2005 to 19 December 2008²

Notes:

1. Consolidated Media Holdings Limited (previously Publishing and Broadcasting Limited, ASX Code: PBL).
2. Removed from ASX's official list on 20 December 2008.

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 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.

Other officer details

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

- Kenneth M Barton
Chief Financial Officer
- David G Courtney
Chief Executive Officer, Crown Melbourne Limited
- Barry J Felstead
Chief Executive Officer, Burswood Limited

Relevant interests of Directors

Details of relevant interests of current Directors in Crown shares as at 30 June 2010 are as follows:

Director	Total number of ordinary shares ¹
John Alexander	506,047
Rowen Craigie	2,341,102 ²
Rowena Danziger	30,896
James Packer	303,505,290
Richard Turner	29,373

Notes:

1. For more information on relevant interests of current Directors, please see the Remuneration Report and the key management personnel disclosures set out in the Notes to the Financial Statements.
2. Mr Craigie's holding is entirely comprised of Crown Employee Share Plan shares.

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 2010 financial year together with each Director's attendance details.

	Board		Audit & Corporate Governance Committee		Investment Committee		Nomination and Remuneration Committee		Occupational Health, Safety & Environment Committee		Risk Management Committee	
	Meetings		Meetings		Meetings		Meetings		Meetings		Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
J D Packer	6	6	–	–	2	2	1	1	–	–	–	–
J H Alexander	6	6	–	–	2	2	–	–	–	–	–	–
B A Brazil	6	6	–	–	–	–	–	–	–	–	–	–
C D Corrigan	6	5	–	–	–	–	1	1	–	–	–	–
R B Craigie	6	6	–	–	2	2	–	–	4	4	2	2
R Danziger	6	6	3	3	–	–	–	–	4	4	2	2
G J Dixon	6	6	–	–	–	–	1	1	–	–	2	2
A P Jacob	6	6	–	–	2	1	–	–	–	–	–	–
M R Johnston	6	6	3	3	–	–	–	–	4	4	–	–
D H Lowy*	5	5	–	–	–	–	–	–	–	–	–	–
R W Turner	6	6	3	3	–	–	–	–	–	–	–	–

* Resigned 22 June 2010.

The Finance Committee did not meet this financial year as all relevant financing matters were dealt with by the Board.

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 no written resolutions assented to by the Board 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.

D&O 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.

Auditor Information

Auditor details

Ernst & Young has been appointed Crown's auditor.

Mr Brett Kallio is the Ernst & Young partner responsible for the audit of Crown's accounts.

True and fair information

There is no additional true and fair information included in the financial report.

Non-audit services

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.

The Directors are satisfied that the non-audit services are compatible with the general standard of independence for auditors imposed by the Corporations Act. 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

Introduction

Content of the Report

This Remuneration Report 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. For further details of KMP, refer to note 29 of the Financial Report.

The disclosures in the Remuneration Report have been audited.

Persons to whom Report applies

The remuneration disclosures in this Report cover the following persons:

Non-Executive Directors

- Benjamin A Brazil
- Christopher D Corrigan
- Rowena Danziger
- Geoffrey J Dixon
- Ashok Jacob
- Michael R Johnston
- David H Lowy (resigned 22 June 2010)
- Richard W Turner

Executive Directors

- James D Packer (Executive 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 from 9 March 2010)
- David G Courtney (Chief Executive Officer, Crown Melbourne Limited)
- Barry J Felstead (Chief Executive Officer, Burswood Limited)
- Robert F Turner (former Chief Financial Officer, ceased employment on 31 May 2010)

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".

As shareholders are aware, Crown acquired the majority of its gaming assets via two schemes of arrangement between the then Publishing and Broadcasting Limited (**PBL**) (now Consolidated Media Holdings Limited (**CMH**)), Crown and their respective shareholders. References in this report to the **PBL Scheme** and the **Demerger Scheme** are references to those schemes. The disclosure document which detailed the terms of the Schemes (the PBL Scheme Booklet) remains available for viewing on the Crown website.

Overview of remuneration policy

Philosophy

The performance of the Crown group is dependent upon the quality of its Directors, senior executives and employees.

Crown seeks to attract, retain and motivate skilled Directors and senior executives 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 Committee may also elect to receive advice from independent remuneration consultants, if necessary.

Details regarding the composition of the Committee and its main objectives are outlined in the Corporate Governance Statement. During the year, the Nomination and Remuneration Committee was restructured so that it now comprises a majority of independent directors and is chaired by an independent director, Mr Geoffrey Dixon.

No performance based fees are paid to Non-Executive Directors. Non-Executive Directors are not entitled to participate in Crown's Executive Share Plan.

Non-Executive Directors are not provided with retirement benefits other than statutory superannuation at the rate prescribed under the Superannuation Guarantee legislation. During the year, the Crown Board amended its previous policy, removing the discretion to pay retirement benefits to Non-Executive Directors.

Senior Executives

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

Details 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. 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 Burswood 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 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 and set annually following consideration by the Nomination and Remuneration Committee of his or her performance against his or her annual KPOs.

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 52.

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 are as follows:

- Short Term Incentives (**STI**);
- Long Term Incentives (the **Gaming LTI**); and
- an Executive Share Plan (**ESP**).

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. A key focus is on the achievement of the Crown group's annual business plan and budget.

Financial performance objectives (including performance against budgeted normalised EBITDA¹) have been chosen as Crown considers they are the best way to align performance outcomes with shareholder value.

1. 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).

Appropriate non-financial performance objectives (such as strategic goals, operational efficiencies and people development) 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 business plan.

The performance of each Senior Executive against the 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 reviews performance based remuneration entitlements and recommends the STI payments, subject to final approval by the Nomination and Remuneration Committee.

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

Long Term Incentive Plan (Gaming LTI) – expired 30 June 2010

The Gaming LTI is a five year long term incentive which was established in June 2005. The final tranche of the bonus under the Gaming LTI has been paid for the year ended 30 June 2010.

The Gaming LTI was introduced at the time when Crown's principal gaming businesses were owned by PBL. The Gaming LTI was introduced as a means of retaining and motivating selected executives. The Gaming LTI was designed so that selected executives would be contractually entitled to a cash bonus where the then "PBL Gaming Division", comprising Crown Melbourne and Burswood, achieved its normalised EBITDA targets in financial years 2008, 2009 and 2010.

Selected participating Senior Executives were each awarded a cash bonus. The cash bonus was payable in three tranches over the financial years 2008, 2009 and 2010, but subject to the achievement of normalised EBITDA targets in those years.

If the normalised EBITDA target was not reached in any financial year, the amount of the EBITDA cash bonus tranche for that year would have been held over to the following year or until the end of the Gaming LTI, ie financial year 2010, and would have been payable if the total aggregate normalised EBITDA for Crown Melbourne and Burswood for all three financial years exceeded the aggregate sum of the normalised EBITDA targets for those three financial years 2008, 2009 and 2010.

The normalised EBITDA targets for Crown Melbourne and the normalised EBITDA targets for Burswood were each determined by reference to the audited financial reports of the Crown group.

Crown has achieved each of the normalised EBITDA targets for Crown Melbourne and Burswood for financial years 2008, 2009 and 2010. The final cash payment has therefore been made to participating executives for the 2010 financial year.

The Gaming LTI is now at an end.

Of the Senior Executives named in this Report, four participated in the Gaming LTI. Details of the Gaming LTI cash bonuses that have been paid are as follows:

Senior Executive	30 June 2008 (30%)	30 June 2009 (20%)	30 June 2010 (50%)
Rowen Craigie	\$1,500,000	\$1,000,000	\$2,500,000
David Courtney	\$675,000	\$450,000	\$1,125,000
Barry Felstead	\$300,000	\$200,000	\$500,000
Robert Turner	\$375,000	\$250,000	Nil*

* Mr Turner ceased employment with Crown on 31 May 2010.

Executive Share Plan (ESP)

Certain Crown executives participate in an ESP which was approved by the PBL Shareholders at the 1994 Annual General Meeting.

The key features of the ESP are as follows:

- Crown Directors determine the number of Crown shares to be issued under the ESP;
- the total number of shares which can be issued under the ESP is limited to 2% of the issued capital of Crown;
- the price payable for each Crown share issued under the ESP is the weighted average share market price over the five business days up to and including the date that the offer of Crown shares is accepted;
- on completion of each year of service after the issue date, and subject to the performance hurdle summarised below, 25% of a participating executive's Crown shares are released from restrictions on transfer, with the loan repayable in year five (**Expiry Date**);
- subscription moneys for shares are funded by a loan from Crown that is fully repayable after five years, or earlier, upon cessation of employment of the executive;
- if a participating executive sells Crown shares which are no longer subject to transfer restrictions before the Expiry Date, the executive must pay the issue price for each Crown share towards repayment of the relevant portion of the loan;
- loan funds provided by Crown to acquire shares are provided on a limited recourse basis; and
- interest payable on the loan funds is equal to dividends received on the relevant Crown shares from time to time.

Crown ESP shares are subject to a performance condition, requiring a 7% compound annual growth in the Crown share price in order that the relevant portion of shares vest and be released from restrictions under the ESP.

If a share price hurdle is not exceeded, that 25% share parcel remains restricted until the hurdle is exceeded in a subsequent anniversary. If the hurdle is ultimately not exceeded, the shares will be transferred back to Crown.

Determination that hurdles have been achieved will be provided to the Chief Executive Officer and Managing Director by the Company Secretary.

Only executives of Crown can participate in the ESP. Mr James Packer does not participate.

There have been no issues of shares under the ESP since 2007 and there were no new issues of Crown ESP shares made in the 2010 financial year. No new ESP shares will be issued in the future. None of the executives met their share price performance hurdles during the 2010 financial year. The consequence of this is that no issued ESP Shares were released from limitations under the Plan Rules. The ESP is now in run off mode.

As at the date of this Report a total of 5,748,815 ESP shares are on issue, representing 0.8% of Crown's capital.

The Senior Executives who have ESP shares for which loans are still outstanding, or have repaid loans during the year, are as follows:

Senior Executive	Issue Date	Issue Price (Per Share) ¹	Number of Crown ESP Shares Issued	Crown ESP Loan	Released from Limitations During the year % ²	Loan Outstanding	Number of ESP Shares for which Loan still outstanding	Shares Sold During Year	Loan Expiry Date
Rowen Craigie	30-Oct-06	\$10.35	409,694	\$4,242,000	NIL	\$4,242,000	409,694	NIL	30-Oct-11
	30-Oct-06	\$11.42	585,276	\$6,682,500	NIL	\$6,682,500	585,276	NIL	30-Oct-11
	23-Nov-07	\$12.15	292,638	\$3,556,875	NIL	\$3,556,875	292,638	NIL	23-Nov-12
	23-Nov-07	\$12.29	1,053,494	\$12,946,500	NIL	\$12,946,500	1,053,494	NIL	23-Nov-12
David Courtney	23-Feb-06	\$10.35	204,847	\$2,121,000	NIL	\$2,121,000	204,847	NIL	23-Feb-11
	30-Aug-06	\$11.42	263,374	\$3,007,125	NIL	\$3,007,125	263,374	NIL	30-Aug-11
	06-Mar-07	\$12.15	175,581	\$2,134,125	NIL	\$2,134,125	175,581	NIL	06-Mar-11
Barry Felstead	30-Aug-06	\$11.42	117,055	\$1,336,500	NIL	\$1,336,500	117,055	NIL	30-Aug-11
	06-Mar-07	\$12.15	117,055	\$1,422,750	NIL	\$1,422,750	117,055	NIL	06-Mar-12
Robert Turner ³	30-Aug-06	\$11.42	146,319	\$1,670,625	NIL	\$1,670,625	146,319	NIL	30-Aug-11
	06-Mar-07	\$12.15	117,054	\$1,422,750	NIL	\$1,422,750	117,054	NIL	06-Mar-12

Notes:

1. The fair value per Crown ESP share for each allotment date under the ESP is as follows: 23 February 2006: \$1.92; 30 August 2006: \$2.51; 6 March 2007: \$3.72; 21 June 2007: \$3.77. Shares allotted to Mr Craigie on 23 February 2006 and 30 August 2006 were issued on 30 October 2006, following receipt of shareholder approval. Shares allotted to Mr Craigie on 6 March 2007 and 21 June 2007 were issued on 23 November 2007, following the receipt of shareholder approval.
2. None of the executives met their share price performance hurdles during FY10. The consequence of this is that no ESP Shares were released from limitations under the Plan Rules. These ESP Shares shall remain subject to the limitations under the Plan Rules unless or until the share price performance condition is satisfied on a subsequent anniversary and the executive remains an employee of the Crown Group.
3. Mr Turner is no longer employed by Crown, having ceased employment on 31 May 2010. In accordance with the terms of the ESP, the directors have required the relevant ESP loan be repaid. ESP loans are limited recourse loans and Crown is authorised to procure the sale of associated ESP shares on a participant's behalf and to apply the proceeds in full satisfaction of the relevant ESP loan. Crown intends to sell Mr Turner's Crown ESP shares but, during the period since Mr Turner's departure from Crown, has been unable to trade the shares, as trading during this period was prohibited under Crown's Securities Trading Policy.

Relationship between policy and performance

As detailed above, various elements of Crown's remuneration policy are linked to company performance, either by requiring the achievement of a predetermined share price or level of normalised EBITDA. 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 Gaming LTI may be payable where Crown Melbourne and Burswood achieve predetermined normalised EBITDA targets in financial years 2008, 2009 and 2010; and
- The terms of the ESP include share price performance hurdles.

This year, normalised EBITDA generated by Crown Melbourne and Burswood, Crown's wholly owned Australian casinos, grew by 4.5%. The compound average normalised EBITDA growth for Crown Melbourne and Burswood for the five year period commencing from financial year 2005 through to financial year 2010 was 8.6%. During the 2004 financial year Crown Melbourne was the only gaming asset of PBL. Burswood was acquired by PBL in September 2004 and the impact of the Burswood acquisition on normalised EBITDA growth is included within the five year number above.

Crown was admitted to the official list of the ASX on 3 December 2007. Accordingly, the table below sets out information about movements in shareholder wealth for the years ended 30 June 2008, 30 June 2009 and 30 June 2010.

	Year ended 30 June 2008	Year ended 30 June 2009	Year ended 30 June 2010
Share price at start of period	NA ¹	\$9.29	\$7.27
Share price at end of period	\$9.29	\$7.27	\$7.77
Full year dividend	54 cents ²	37 cents ³	37 cents ³
Basic/diluted earnings per share ⁴	54.58 cps	33.74 cps	38.54 cps

Notes:

1. As Crown was admitted to the official list of the ASX on 3 December 2007, there is no trading data for 1 July 2007.
2. Franked to 40% with unfranked component made up of conduit foreign income.
3. Franked to 60% with none of the unfranked component comprising conduit foreign income.
4. Excluding the effect of discontinued operations and significant items.

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

Crown's policy prohibits Directors and Senior Executives entering into transactions in associated products which limit economic risk. This is described in the Corporate Governance Statement.

Remuneration details for Non-Executive Directors and Senior Executives

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 & Environment Committee, the Nomination and Remuneration 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 Burswood facilities.

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

Senior Executives

Senior Executives are employed under service agreements with Crown or a business of the Crown group. 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;
- 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 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, notice may be given in writing or payment may be made (wholly or partly) in lieu of notice;
- 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 Burswood facilities.

Specific details of each Senior Executive's contract of employment are summarised below. Where a Senior Executive has had more than one contract of employment during the year the most recent contract is listed and changes from the previous contract are noted. Where a key clause in a Senior Executive's contract has been updated the change is noted. The summaries should be read in conjunction with the Remuneration Policy above.

	James D Packer	John H Alexander						
Current Position	Executive Chairman	Executive Deputy Chairman (commenced 1 December 2007): Mr Alexander currently has a five year employment agreement with Crown Limited which is due to expire in December 2012.						
Fixed Remuneration								
Base salary:	The Executive 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.	\$1,485,539 per annum.						
Superannuation		Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$14,461 per annum.						
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Burswood facilities.	Complimentary privileges at Crown Melbourne and Burswood facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.						
Performance based remuneration	Not applicable	Not applicable						
2010 Percentage breakdown of remuneration	Not applicable	<table border="0"> <tr> <td>Fixed remuneration¹</td> <td>STI</td> <td>LTI</td> </tr> <tr> <td>100%</td> <td>0%</td> <td>0%</td> </tr> </table>	Fixed remuneration¹	STI	LTI	100%	0%	0%
Fixed remuneration¹	STI	LTI						
100%	0%	0%						
Post employment benefits	Not applicable	Nil						
Post-employment restraint	Not applicable	Crown may impose a restraint for the five year term of Mr Alexander's employment agreement up to 30 November 2012.						
Termination								
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.						
Termination benefits	Not applicable	Nil						
Payments made prior to commencement	Not applicable	Nil						
Directors' Fees	Nil	Nil						
Other	Nil	Nil						

1. Includes voluntary and compulsory superannuation.

	Rowen B Craigie	Kenneth M Barton				
Current Position	Chief Executive Officer and Managing Director (commenced 1 December 2007): Mr Craigie has a five year employment agreement with Crown Limited which is due to expire in December 2012.	Chief Financial Officer, Crown Limited (commenced 9 March 2010): Mr Barton's current employment contract with Crown Limited commenced on 9 March 2010 and expires in March 2015.				
Fixed Remuneration						
Base salary:	\$2,985,539 per annum.	\$1,235,539 per annum.				
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$14,461 per annum.	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$14,461 per annum.				
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Burswood facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.	Complimentary privileges at Crown Melbourne and Burswood 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.				
Performance based remuneration						
STI:	Discretionary up to a maximum of \$2,000,000 of which up to a maximum of \$1,000,000 is assessed by the Executive 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.	Mr Barton commenced with Crown on 9 March 2010 and will participate in the Company's Short Term Incentive Plan in financial year 2011. Mr Barton's annual target STI will be \$500,000 and payment will depend 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:	Subject to achieving internal normalised EBITDA targets in FY08, FY09 and FY10, Mr Craigie is eligible to receive up to \$5,000,000 (30% for FY08, 20% for FY09 and 50% for FY10). See further page 47.	Mr Barton has not participated in the Gaming LTI.				
2010 Percentage breakdown of remuneration	Fixed remuneration¹ 42%	STI 14%	LTI 44%	Fixed remuneration¹ 100%	STI 0%	LTI 0%
Post employment benefits	Nil	Nil				
Post-employment restraint	Crown may impose a restraint for various periods up to 36 months. Depending on the circumstances, Mr Craigie may be entitled to an additional payment in consideration for the restraint. Mr Craigie may also be paid an amount equivalent to his monthly fixed remuneration for any period during which a restraint applies.	Nil				
Termination						
By Senior Executive:	12 months' notice.	6 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.	6 months' notice without cause; one month's notice for performance issues (following least 3 months' notice to improve); 3 months' notice for incapacity.				
Termination benefits	Provided that Mr Craigie complies with any restraints imposed on him, if Mr Craigie terminates his employment with Crown or Crown terminates his employment for serious misconduct, performance issues or incapacity, he will be entitled to any unpaid Gaming LTI. Thereafter, Mr Craigie will cease to be involved in the Gaming LTI. If Crown terminates Mr Craigie's employment without cause, Mr Craigie will be entitled to any unpaid Gaming LTI. Mr Craigie may also elect either to end his participation in the Gaming LTI and receive a payment of 24 months' fixed remuneration at the date of termination or continue a pro-rated participation (calculated by reference to the number of completed months in the five year term) in the Gaming LTI.	Nil				
Payments made prior to commencement	Nil	Mr Barton's contract included provision for a \$400,000 sign on payment less applicable taxes in order to compensate Mr Barton for unvested incentives forfeited on cessation of employment with his previous employer.				
Directors' Fees	Nil	Nil				
Other	A summary of the terms of the Executive Share Plan to which Mr Craigie is a member is set out on page 48.					

1. Includes voluntary and compulsory superannuation.

	David G Courtney	Barry J Felstead												
Current Position	Chief Executive Officer, Crown Melbourne Limited (from 6 March 2007): Mr Courtney's current employment contract with Crown Melbourne commenced on 6 March 2007 and expires on 5 March 2012.	Chief Executive Officer, Burswood Limited (from 6 March 2007): Mr Felstead's current employment contract with Burswood commenced on 6 March 2007 and expires on 5 March 2012.												
Fixed Remuneration														
Base salary:	\$1,300,539 per annum.	\$720,539 per annum.												
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$14,461 per annum.	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$14,461 per annum.												
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Burswood facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.	Complimentary privileges at Crown Melbourne and Burswood facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. Mr Felstead is entitled to one annual economy airfare between Perth and Melbourne for himself and his family.												
Performance based remuneration														
STI:	Discretionary STI based on the performance of Crown Limited and the achievement of personal KPOs. Mr Courtney's annual target STI is 40% of his TEC.	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:	Subject to achieving internal normalised EBITDA targets in FY08, FY09 and FY10, Mr Courtney is eligible to receive up to \$2,250,000 (30% for FY08, 20% for FY09 and 50% for FY10). See further page 47.	Subject to achieving internal normalised EBITDA targets in FY08, FY09 and FY10 Mr Felstead is eligible to receive up to \$1,000,000 (30% for FY08, 20% for FY09 and 50% for FY10). See further page 47.												
2010 Percentage breakdown of remuneration	<table border="0"> <tr> <td>Fixed remuneration¹</td> <td>STI</td> <td>LTI</td> </tr> <tr> <td>45%</td> <td>18%</td> <td>37%</td> </tr> </table>	Fixed remuneration¹	STI	LTI	45%	18%	37%	<table border="0"> <tr> <td>Fixed remuneration¹</td> <td>STI</td> <td>LTI</td> </tr> <tr> <td>45%</td> <td>25%</td> <td>30%</td> </tr> </table>	Fixed remuneration¹	STI	LTI	45%	25%	30%
Fixed remuneration¹	STI	LTI												
45%	18%	37%												
Fixed remuneration¹	STI	LTI												
45%	25%	30%												
Post employment benefits	Nil	Nil												
Post-employment restraint	Crown may impose various restraint periods up to a period of 36 months post employment. Depending on the circumstances, Mr Courtney may be entitled to an additional payment in consideration for the restraint. Mr Courtney may also be paid an amount equivalent to his monthly fixed remuneration for any period during which a restraint applies.	Crown may impose various restraint periods up to a period of 36 months post employment. Depending on the circumstances, Mr Felstead may be entitled to an additional payment in consideration for the restraint. Mr Felstead may also be paid an amount equivalent to his monthly fixed remuneration for any period during which a restraint applies.												
Termination														
By Senior Executive:	12 months' notice.	12 months' notice.												
By Crown:	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.												
Termination benefits	<p>Provided that Mr Courtney complies with any restraints imposed on him, if Mr Courtney terminates his employment with Crown Melbourne or Crown Melbourne terminates his employment for serious misconduct, performance issues or incapacity, he will be entitled to any unpaid Gaming LTI. Thereafter, Mr Courtney will cease to be involved in the Gaming LTI. If Crown Melbourne terminates Mr Courtney's employment without cause, Mr Courtney will be entitled to any unpaid Gaming LTI.</p> <p>Mr Courtney may also elect either to end his participation in the Gaming LTI and receive a payment of 24 months' fixed remuneration or continue a pro-rated participation (calculated by reference to the number of completed months in the five year term) in the Gaming LTI.</p>	<p>Provided that Mr Felstead complies with any restraints imposed on him, if Mr Felstead terminates his employment with Burswood or Burswood terminates his employment for serious misconduct, performance issues or incapacity, he will be entitled to any unpaid Gaming LTI. Thereafter, Mr Felstead will cease to be involved in the Gaming LTI.</p> <p>If Burswood terminates Mr Felstead's employment without cause, Mr Felstead will be entitled to any unpaid Gaming LTI. Mr Felstead may also elect either to end his participation in the Gaming LTI and receive a payment of 24 months' fixed remuneration or continue a pro-rated participation (calculated by reference to the number of completed months in the five year term) in the Gaming LTI.</p>												
Payments made prior to commencement	Nil	Nil												
Directors' Fees	Nil	Nil												
Other	A summary of the terms of the Executive Share Plan to which Mr Courtney is a member is set out on page 48.	A summary of the terms of the Executive Share Plan to which Mr Felstead is a member is set out on page 48.												

1. Includes voluntary and compulsory superannuation.

Remuneration tables

Non-Executive Directors

	Financial Year	Short Term Benefits			Post Employment Benefits – Super-annuation	Long Term Incentives		Termination Benefits	Total
		Salary & Fees	Non Monetary	Other ³		Cash Based	Equity Based		
Christopher Anderson Non-Executive Director	2010	–	–	–	–	–	–	–	–
	2009	44,250	–	30,306	37,500	–	–	–	112,056
Ben Brazil Non-Executive Director	2010	100,000	–	–	9,000	–	–	–	109,000
	2009	1,195	–	–	–	–	–	–	1,195
Christopher Corrigan ¹ Non-Executive Director	2010	101,667	–	–	9,150	–	–	–	110,817
	2009	100,000	–	–	9,000	–	–	–	109,000
Rowena Danziger ² Non-Executive Director	2010	200,000	–	–	–	–	–	–	200,000
	2009	200,000	–	–	–	–	–	–	200,000
Geoffrey Dixon ¹ Non-Executive Director	2010	123,333	–	–	4,777	–	–	–	128,110
	2009	120,000	–	–	10,800	–	–	–	130,800
Ashok Jacob ⁴ Non-Executive Director	2010	–	–	–	–	–	–	–	–
	2009	–	–	–	–	–	–	–	–
Michael Johnston ⁴ Non-Executive Director	2010	–	–	–	–	–	–	–	–
	2009	–	–	–	–	–	–	–	–
David Lowy Non-Executive Director	2010	100,000	–	–	9,000	–	–	–	109,000
	2009	100,000	–	–	9,000	–	–	–	109,000
Richard Turner ² Non-Executive Director	2010	180,000	–	–	–	–	–	–	180,000
	2009	180,000	–	–	–	–	–	–	180,000
2010 TOTALS		805,000	–	–	31,927	–	–	–	836,927

Notes:

- As explained in the Corporate Governance Statement, the mandate of the Remuneration Committee was extended during 2010 to deal with both nomination and remuneration matters. As an active Committee, Mr Dixon is entitled to an additional \$20,000 per annum and Mr Corrigan an additional \$10,000 per annum. The remuneration disclosures for Mr Dixon and Mr Corrigan include two months' fees attributable to their work on the Nomination and Remuneration Committee.
- Mrs Danziger and Mr Turner each receive Directors' fees of \$60,000 per annum for their participation on the Crown Melbourne Limited Board.
- Executives who elected to receive the PBL Scheme standard consideration were provided with a loan (at an interest rate of 9 per cent) to compensate the relevant executive for the net capital gain incurred on the cash component of the consideration. The loan was provided to executives on similar repayment terms to the ESP loan and secured by their ESP shares.
- Neither Mr Jacob nor Mr Johnston receives remuneration for their services to Crown.

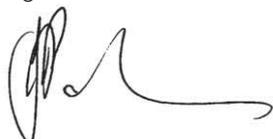
Senior Executives

	Financial Year	Short Term Benefits				% of target STI	Post Employment Benefits – Super-annuation	Long Term Incentives		Termination Benefits	Total
		Salary & Fees	Non Monetary	Other ⁶	STI			Cash Based ⁴	Equity Based ⁵		
James Packer Executive Chairman	2010	–	–	–	–	–	–	–	–	–	
	2009	–	–	–	–	–	–	–	–	–	
John Alexander Executive Deputy Chairman	2010	1,485,539	–	–	–	–	14,461	–	–	1,500,000	
	2009	1,486,255	–	102,126	–	–	13,745	–	399,271	2,001,397	
Ken Barton¹ Chief Financial Officer	2010	384,987	15,726	400,000	–	NA	7,231	–	–	807,944	
Rowen Craigie Chief Executive Officer & Managing Director	2010	2,985,539	–	–	1,000,000	100%	14,461	1,666,667	1,503,585	7,170,252	
	2009	2,900,000	–	–	–	–	100,000	1,666,667	1,562,500	6,229,167	
David Courtney Chief Executive Officer Crown Melbourne Limited	2010	1,290,000	–	–	526,000	100%	25,000	750,000	323,230	2,914,230	
	2009	1,265,528	–	–	368,000	70%	49,472	750,000	352,688	2,785,688	
Barry Felstead Chief Executive Officer Burswood Limited	2010	720,539	10,856	–	400,000	135%	14,461	333,333	147,750	1,626,939	
	2009	721,255	7,061	–	205,800	70%	13,745	333,333	147,750	1,428,944	
Geoff Kleemann⁷	2010	–	–	–	–	–	–	–	–	–	
	2009	505,959	–	27,014	–	–	33,682	–	88,373	175,000	
Robert Turner²	2010	737,206	–	–	–	–	14,461	–	149,818	1,435,000	
	2009	806,255	–	–	–	–	13,745	416,667	163,438	1,400,105	
2010 TOTALS		7,603,810	26,582	400,000	1,926,000	–	90,075	2,750,000	2,124,383	1,435,000	16,355,850

Notes:

- Mr Barton commenced in his role as Chief Financial Officer on 9 March 2010. Remuneration disclosures are made in respect of the period commencing 9 March 2010 and ending 30 June 2010. Mr Barton's contract included provision for a \$400,000 sign on payment less applicable taxes in order to compensate Mr Barton for unvested incentives forfeited on cessation of employment with his previous employer.
- Mr Turner commenced in his role as Chief Financial Officer from 20 October 2008. Mr Turner ceased employment with Crown on 31 May 2010. Remuneration disclosures are made in respect of the 11 month period ending 31 May 2010. The \$1,435,000 termination payment to Mr Turner was paid pursuant to a Severance Agreement.
- Long service leave accrued balances have increased during the financial year ended 30 June 2010 for the following Senior Executives: Mr Alexander \$24,983, Mr Barton, \$6,503, Mr Craigie, \$49,967, Mr Courtney \$21,899, Mr Felstead \$12,250, Mr Turner \$11,425.
- Representing average Gaming LTI cash bonus payments for FY08, FY09 and FY10.
- AASB 2 "Share-Based Payment" requires an entity to recognise the effects of modifications that increase the total fair value of the share-based payment arrangement or are otherwise beneficial to the employee. As the modification to the ESP post Demerger reduced the total fair value of the share-based payment arrangement, Crown continues to account for the services rendered as consideration for the equity instruments granted as if the modification had not occurred. The allocation of the expenses for Equity Based payments to the Senior Executives made following the PBL Scheme and the Demerger Scheme was consistent with the split of the PBL ESP Loan as between CMH and Crown Limited (25 percent/75 percent).
- Executives who elected to receive the PBL Scheme standard consideration were provided with a loan (at an interest rate of 9 per cent) to compensate the relevant executive for the net capital gain incurred on the cash component of the consideration. The loan was provided to executives on similar repayment terms to the ESP loan and secured by their ESP shares. Mr Alexander and Mr Kleemann elected the PBL Scheme standard consideration.
- Remuneration disclosures are made for the period to 7 April 2009 when Mr Kleemann ceased employment with Crown.

Signed in accordance with a resolution of the Directors.



 J D Packer
Director



 R B Craigie
Director

Melbourne, 22nd day of September, 2010



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Auditor's Independence Declaration to the Directors of Crown Limited

In relation to our audit of the financial report of Crown Limited for the financial year ended 30 June 2010, 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.

A stylized, handwritten signature of 'Ernst + Young' in black ink.

Ernst & Young

A handwritten signature of 'Brett Kallio' in black ink.

Brett Kallio
Partner
Melbourne
22 September 2010

Liability limited by a scheme approved
under Professional Standards
Legislation



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Independent audit report to members of Crown Limited

Report on the Financial Report

We have audited the accompanying financial report of Crown Limited ('the company'), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's 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 and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 our 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, we consider 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 met 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 attached to the financial report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

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Auditor's Opinion

In our opinion:

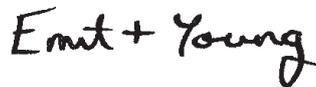
1. the financial report of Crown Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position at 30 June 2010 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 44 to 56 of the directors' report for the year ended 30 June 2010. 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.

Auditor's Opinion

In our opinion the Remuneration Report of Crown Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



Brett Kallio
Partner
Melbourne
22 September 2010

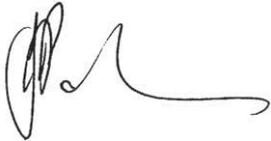
Directors' Declaration

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 2010 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; and
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 2010.
5. as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 31 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, 22nd day of September, 2010

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Statement of Comprehensive Income

For the year ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
Continuing Operations			
Revenues	3	2,342,248	2,299,624
Other income	3	10,455	152
Expenses	3	(1,811,811)	(3,112,178)
Share of profits/(losses) of associates and joint venture entities	2,9	(69,457)	(125,959)
Profit/(loss) before income tax and finance costs		471,435	(938,361)
Finance costs	3	(84,126)	(187,412)
Profit/(loss) before income tax		387,309	(1,125,773)
Income tax expense	2,5	(95,016)	(72,131)
Net profit/(loss) after tax		292,293	(1,197,904)
Other Comprehensive Income			
Foreign currency translation		(63,781)	186,469
Movement in cashflow hedge reserve		30,680	(63,900)
Unrealised gain/(loss) on investments in associates		(4,061)	181,506
Other comprehensive income/(loss) for the period, net of income tax		(37,162)	304,075
Total comprehensive income/(loss) for the period		255,131	(893,829)

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

	2010 Cents per share	2009 Cents per share
Earnings per share (EPS)		
Basic EPS ⁽¹⁾	38.54	(166.89)
Diluted EPS ⁽¹⁾	38.54	(166.89)
EPS calculation is based on the weighted average number of shares on issue throughout the period		
Dividends per share		
Final dividend proposed	19.00	19.00
Current year interim dividend paid	18.00	18.00

⁽¹⁾ Basic/diluted EPS excluding the effect of significant items is 38.54 cps (2009: 33.74).

Statement of Financial Position

At 30 June 2010

	Note	2010 \$'000	2009 \$'000
Current Assets			
Cash and cash equivalents	23	196,395	515,498
Trade and other receivables	6	147,252	144,657
Inventories	7	16,328	15,293
Prepayments		12,197	12,335
Other financial assets	11	1,971	–
Total current assets		374,143	687,783
Non-current assets			
Receivables	6	128,158	236,837
Available-for-sale financial assets	10	106,634	86,313
Other financial assets	11	6,045	–
Investments in associates	9	1,029,669	1,095,150
Property, plant and equipment	12	2,320,459	2,134,630
Licences	13	651,926	659,397
Other intangible assets	14	175,370	182,336
Deferred tax assets	5	111,081	140,138
Prepaid casino tax	8	65,636	68,371
Total non-current assets		4,594,978	4,603,172
Total assets		4,969,121	5,290,955
Current Liabilities			
Trade and other payables	16	292,283	292,769
Interest-bearing loans and borrowings	17	135,236	20,000
Income tax payable		33,117	37,141
Provisions	18	113,320	120,884
Other financial liabilities	19	–	3,400
Total current liabilities		573,956	474,194
Non-current liabilities			
Other payables	16	67	4,097
Interest-bearing loans and borrowings	17	712,758	1,037,158
Deferred tax liabilities	5	207,098	235,167
Provisions	18	15,337	43,509
Other financial liabilities	19	40,600	60,500
Total non-current liabilities		975,860	1,380,431
Total liabilities		1,549,816	1,854,625
Net assets		3,419,305	3,436,330
Equity			
Contributed equity	20	638,690	634,364
Reserves	21	448,751	483,978
Retained earnings	21	2,331,864	2,317,988
Total equity		3,419,305	3,436,330

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

Cash Flow Statement

For the year ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
Cash flows from operating activities			
Receipts from customers		2,325,096	2,209,937
Payments to suppliers and employees		(1,660,736)	(1,581,916)
Dividends received		26	15
Interest received		7,301	88,335
Borrowing costs		(89,773)	(251,325)
Income tax paid		(114,457)	(82,610)
Net cash flows from/(used in) operating activities	23b	467,457	382,436
Cash flows from investing activities			
Purchase of property, plant and equipment		(356,270)	(389,026)
Proceeds from sale of property, plant and equipment		13,809	128
Payment for purchases of equity investments		–	(12,125)
Purchase of available-for-sale financial assets		(20,584)	(575,332)
Net proceeds from sale of equity investments		84,671	76,266
Loans to associated entities		(4,000)	(84,076)
Other (net)		(3,177)	(3,712)
Net cash flows from/(used in) investing activities		(285,551)	(987,877)
Cash flows from financing activities			
Proceeds from borrowings		250,000	3,442,768
Repayment of borrowings		(450,000)	(5,285,054)
Dividends paid		(278,417)	(331,191)
Proceeds from equity raising (net of underwriting fees)		–	337,150
ESP proceeds received		2,893	39,065
Net cash flows from/(used in) financing activities		(475,524)	(1,797,262)
Net increase/(decrease) in cash and cash equivalents		(293,618)	(2,402,703)
Cash and cash equivalents at the beginning of the financial year		515,498	2,362,964
Effect of exchange rate changes on cash		(25,485)	555,237
Cash and cash equivalents at the end of the financial year	23a	196,395	515,498

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 2010

	Ordinary Shares \$'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
Year ended 30 June 2010							
Balance at 1 July 2009	634,364	2,317,988	632,593	(94,107)	(63,900)	9,392	3,436,330
Profit/(loss) for the period	–	292,293	–	–	–	–	292,293
Other comprehensive income	–	–	(4,061)	(63,781)	30,680	–	(37,162)
Total comprehensive income for the period	–	292,293	(4,061)	(63,781)	30,680	–	255,131
Dividends paid	–	(278,417)	–	–	–	–	(278,417)
ESP proceeds received	2,893	–	–	–	–	–	2,893
Transfers	1,433	–	–	–	–	(1,433)	–
Share based payments expense	–	–	–	–	–	3,368	3,368
Balance at 30 June 2010	638,690	2,331,864	628,532	(157,888)	(33,220)	11,327	3,419,305
Year ended 30 June 2009							
Balance at 1 July 2008	258,149	3,846,972	451,087	(280,576)	–	5,712	4,281,344
Profit/(loss) for the period	–	(1,197,904)	–	–	–	–	(1,197,904)
Other comprehensive income	–	–	181,506	186,469	(63,900)	–	304,075
Total comprehensive income for the period	–	(1,197,904)	181,506	186,469	(63,900)	–	(893,829)
Dividends paid	–	(331,080)	–	–	–	–	(331,080)
Shares issued (net of equity raising fees)	337,150	–	–	–	–	–	337,150
ESP proceeds received	39,065	–	–	–	–	–	39,065
Share based payments expense	–	–	–	–	–	3,680	3,680
Balance at 30 June 2009	634,364	2,317,988	632,593	(94,107)	(63,900)	9,392	3,436,330

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 2010

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 available-for-sale financial assets 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 Limited and its controlled entities for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the directors on 24 August 2010 subject to final approval by a sub committee.

(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 2009:

- AASB 8 Operating Segments
- AASB 123 Borrowing Costs
- AASB 101 Presentation of Financial Statements (revised)

The adoption of these standards did not have a material effect on the financial position or performance of the Group. However the adoption of AASB 8 has caused the Group to revise its segment reporting. Refer to note 2 for further details. The information for the comparative period has been restated in accordance with the new accounting standard.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the reporting period ending 30 June 2010. These are outlined in the table below.

Reference	Title	Application date of standard ⁽¹⁾	Impact on Group financial report	Application date for Group ⁽¹⁾
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project – Leases	1 January 2010	Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible vs. property, plant and equipment) needs to be determined.	1 July 2010
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project – Cash Flow Statements	1 January 2010	The amendment to AASB 107 explicitly states that only expenditure that results in a recognised asset can be classified as a cash flow from investing activities. The amendment will not have an impact on the Group.	1 July 2010
AASB 2009-12	Amendments to Australian Accounting Standards – Related Party Disclosures	1 January 2011	The amendment to AASB 124 clarifies and simplifies the definition of a related party. The amendment will not have an impact on the Group.	1 July 2011
AASB 9	Financial Instruments	1 January 2013	These amendments are not expected to have an impact on the Group result. This standard may result in additional or changes in disclosure.	1 July 2013

⁽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 Limited (the parent entity) and all entities that Crown Limited controlled from time to time during the year and at reporting date.

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 estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key 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 15.

Fair value of available-for-sale financial assets

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.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined with the assistance of an external valuer, using the assumptions detailed in note 25.

Doubtful debts

An allowance for doubtful debts is recognised when there is objective evidence that an individual trade debt is impaired.

Significant Items

Management determines significant items based on the nature, size and generally accepted accounting principles.

(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
- when taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where 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 2010

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
- when the deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised 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 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 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 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 comprehensive income.

(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.

1. Summary of Significant Accounting Policies *continued*

(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:

- Gaming 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 Group's investment in its associates are accounted for under the equity method of accounting in the consolidated financial statements. These are entities in which the Group has significant influence and which are not subsidiaries.

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 comprehensive income 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

All investments and other financial assets are initially recognised at cost, being the fair value of the consideration given and including acquisition costs.

After initial recognition, investments, which are classified as available-for-sale, are re-measured at each reporting date at fair value. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the reporting date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment. Gains or losses are recognised in the statement of comprehensive income and the related assets are classified as non-current in the statement of financial position.

(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 assets residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

1. Summary of Significant Accounting Policies *continued*

(m) Property, plant and equipment *continued*

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 comprehensive income 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 Burswood licence is perpetual and, as such, no amortisation is charged. The Burswood 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 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 comprehensive income.

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 comprehensive income when the net asset is derecognised.

1. Summary of Significant Accounting Policies *continued*

(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 to be capitalised, including any other associated costs directly attributable to the borrowing. The capitalisation ratio to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the year, in this case 8.9%.

All other borrowing costs are expensed in the period they occur.

(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 comprehensive income 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 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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

1. Summary of Significant Accounting Policies *continued*

(t) Share-based payment transactions

Equity settled transactions

The Group provides benefits to senior executives in the form of share-based payments, whereby executives render services in exchange for shares or rights over shares (equity-settled transactions).

The plan in place to provide these benefits is the Executive Share Plan (ESP).

The cost of these equity-settled transactions with executives is measured by reference to the fair value of the equity instruments at the date which they are granted. The fair value is determined by an external valuer using the Monte Carlo model, further details of which are given in note 25.

In valuing equity-settled transactions, only conditions linked to the price of the shares of Crown Limited are taken into account, further details of which are given in note 25.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant executives become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting dates reflects:

- (i) the extent to which the vesting period has expired; and
- (ii) the Groups best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

(u) 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 leased 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 comprehensive income on a straight-line basis over the lease term.

(v) 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.

(w) Derivative financial instruments and hedging

The Group uses derivative financial instruments (including forward exchange contracts and interest rate swaps) to hedge its risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value at inception and are subsequently marked-to-market.

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.

1. Summary of Significant Accounting Policies continued

(w) Derivative financial instruments and hedging continued

(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 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.

(x) 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 comprehensive income.

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 comprehensive income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated cash flows, discounted at the current market rate of return for a similar financial asset.

(iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in equity, is transferred from equity to profit or loss. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit or loss. Instead they are recognised through a separate component of equity.

(y) Contributed equity

Ordinary shares are classified as equity. Issued capital is recognised at the fair value of the consideration received, less transaction costs.

(z) 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 passed to the buyer at the time of delivery of the goods to the customer.

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

1. Summary of Significant Accounting Policies *continued*

(z) Revenue *continued*

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.

(aa) 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.

(ab) 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 two operating segments being Crown Melbourne and Burswood. The information for the comparative period has been restated in accordance with the new accounting standard.

2. Segment Information

30 June 2010

	Normalised Result ⁽¹⁾				Actual		
	Note	Crown Melbourne \$'000	Burswood \$'000	Unall-ocated \$'000	Crown Group \$'000	Adjust-ment ⁽¹⁾ \$'000	Crown Group \$'000
Operating revenue							
Main floor gaming		876,810	396,157	–	1,272,967	–	1,272,967
VIP commission program play		363,511	172,491	–	536,002	49,303	585,305
Non Gaming		319,184	164,262	27	483,473	–	483,473
Intersegment					(142)	–	(142)
Operating revenue		1,559,505	732,910	27	2,292,300	49,303	2,341,603
Interest revenue	3				11,100	–	11,100
Total revenue		1,559,505	732,910	27	2,303,400	49,303	2,352,703⁽²⁾
Segment result							
Gaming taxes and commissions		(439,523)	(197,588)	–	(637,111)	(13,626)	(650,737)
Operating expenses		(645,117)	(321,696)	(31,285)	(998,098)	–	(998,098)
Intersegment					142	–	142
Earnings before interest, tax, depreciation and amortisation "EBITDA"		474,865	213,626	(31,258)	657,233	35,677	692,910
Depreciation and amortisation	3	(125,716)	(34,762)	(2,640)	(163,118)	–	(163,118)
Earnings before interest and tax "EBIT"		349,149	178,864	(33,898)	494,115	35,677	529,792
Equity accounted share of associates' net profit/(loss)	9				(48,409)	(21,048)	(69,457)
Net interest income/(expense)	3				(73,026)	–	(73,026)
Income tax benefit/(expense)	5				(84,313)	(10,703)	(95,016)
Profit/(loss) after tax		349,149	178,864	(33,898)	288,367	3,926	292,293
Total assets employed		2,424,006	1,167,304	1,377,811	4,969,121	–	4,969,121
Total liabilities		359,741	117,854	1,072,221	1,549,816	–	1,549,816
Capital expenditure		271,286	62,003	36	333,325	–	333,325
Investments in associates	9	–	–	1,029,669	1,029,669	–	1,029,669
Non-cash (income)/expenses (other than depn & amort)		–	–	–	–	–	–

⁽¹⁾ Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP commission program play (at Crown Melbourne, Burswood and Melco Crown), the impact of significant items (where applicable), and pre-opening costs in respect of City of Dreams (where applicable). The theoretical win rate is the expected hold percentage on VIP commission program play over time. Accordingly, the normalised result gives rise to adjustments to VIP commission program play revenue, gaming taxes, income tax expense and equity accounted share of associates' result.

⁽²⁾ Total revenue of \$2,352.7 million includes \$10.5 million profit on disposal of non-current assets, which is not included in revenue in the statement of comprehensive income.

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

2. Segment Information *continued***30 June 2009**

	Normalised Result ⁽¹⁾				Adjustment ⁽¹⁾		Significant Items \$'000	Actual Crown Group \$'000
	Note	Crown Melbourne \$'000	Burswood \$'000	Unallocated \$'000	Crown Group \$'000	\$'000		
Operating revenue								
Main floor gaming		855,272	397,860	–	1,253,132	–	–	1,253,132
VIP commission program play		329,704	140,001	–	469,705	31,438	–	501,143
Non Gaming		281,205	159,708	–	440,913	–	–	440,913
Intersegment					(120)	–	–	(120)
Operating revenue		1,466,181	697,569	–	2,163,630	31,438	–	2,195,068
Interest revenue	3				64,265	–	40,443	104,708
Total revenue		1,466,181	697,569	–	2,227,895	31,438	40,443	2,299,776⁽²⁾
Segment result								
Gaming taxes and commissions		(408,684)	(170,095)	–	(578,779)	(4,970)	–	(583,749)
Operating expenses		(607,233)	(318,812)	(39,332)	(965,377)	–	–	(965,377)
Intersegment					120	–	–	120
Earnings before interest, tax, depreciation and amortisation "EBITDA"		450,264	208,662	(39,332)	619,594	26,468	–	646,062
Depreciation and amortisation	3	(112,969)	(32,385)	(2,630)	(147,984)	–	–	(147,984)
Earnings before interest and tax "EBIT"		337,295	176,277	(41,962)	471,610	26,468	–	498,078
Significant items		–	–	–	–	–	(1,415,188)	(1,415,188)
Equity accounted share of associates' net profit/(loss)	9				(68,962)	(56,997)	–	(125,959)
Net interest income/(expense)	3				(27,877)	–	(54,827)	(82,704)
Income tax benefit/(expense)	5				(94,105)	(7,941)	29,915	(72,131)
Profit/(loss) after tax		337,295	176,277	(41,962)	280,666	(38,470)	(1,440,100)	(1,197,904)
Total assets employed		2,231,621	1,229,366	1,829,968	5,290,955	–	–	5,290,955
Total liabilities		371,636	142,486	1,340,503	1,854,625	–	–	1,854,625
Capital expenditure		354,115	54,991	148	409,254	–	–	409,254
Investments in associates	9	–	–	1,095,150	1,095,150	–	–	1,095,150
Non-cash (income)/expenses (other than deprec & amort)		–	–	–	–	–	1,293,751	1,293,751

⁽¹⁾ Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP commission program play (at Crown Melbourne, Burswood and Melco Crown), the impact of significant items (where applicable), and pre-opening costs in respect of City of Dreams (where applicable). The theoretical win rate is the expected hold percentage on VIP commission program play over time. Accordingly, the normalised result gives rise to adjustments to VIP commission program play revenue, gaming taxes, income tax expense and equity accounted share of associates' result.

⁽²⁾ Total revenue of \$2,299.8 million includes \$0.2 million profit on disposal of non-current assets, which is not included in revenue in the statement of comprehensive income.

3. Revenue and Expenses

	2010 \$'000	2009 \$'000
Profit before income tax expense includes the following revenues and expenses:		
(a) Revenue from continuing operations		
Revenue from services	2,016,601	1,903,113
Revenue from sale of goods	295,533	272,188
Interest – significant item	–	40,443
Interest – non significant item	11,100	64,265
Dividends	27	16
Other operating revenue	18,987	19,599
	2,342,248	2,299,624
(b) Other income from continuing operations		
Profit on disposal of non-current assets	10,455	152
(c) Expenses from continuing operations		
Cost of sales	115,327	105,386
Gaming activities	1,662,559	1,549,626
Significant items (excl. interest and tax)	–	1,415,188
Other ordinary activities	33,925	41,978
	1,811,811	3,112,178
Depreciation of non-current assets		
<i>(included in expenses above)</i>		
Buildings	49,164	43,870
Plant and equipment	94,973	85,681
	144,137	129,551
Amortisation of non-current assets		
<i>(included in expenses above)</i>		
Casino licence fee and management agreement	14,417	14,417
Other assets	4,564	4,016
	18,981	18,433
Total depreciation and amortisation expense	163,118	147,984

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

3. Revenue and Expenses *continued*

	2010 \$'000	2009 \$'000
(d) Significant items		
Continuing operations		
Write down of available-for-sale assets	–	939,773
Write down of investments in associates	–	131,634
Write down of Gateway shareholder loan	–	182,279
Write down of deferred debt securities	–	31,265
Termination fee for original Cannery transaction	–	76,546
Termination of US dollar interest rate swaps	–	57,341
Net interest attributable to the termination of original Cannery transaction	–	54,827
Other net significant items	–	(3,650)
	–	1,470,015
(e) Other income and expense disclosures		
Finance costs expensed:		
Debt facilities	86,925	92,142
Capitalised interest	(2,799)	–
Debt facilities – significant item	–	95,270
	84,126	187,412
Bad and doubtful debts – trade debtors	6,753	13,678
Rentals – operating leases	5,449	4,975
Superannuation expense	38,979	36,676
Other employee benefits expense	571,534	557,986
Executive share plan expenses	3,368	3,680
Net foreign currency gains/(losses)	2,375	12,909

4. Dividends Paid and Announced

	2010 \$'000	2009 \$'000
(a) Dividends declared and paid during the financial year		
<i>Prior year final dividend (paid 26 October 2009)</i>		
Paid at 19 cents (2008: 29 cents) per share franked at 60% (2008: 40% franked) at the Australian tax rate of 30% (2008: 30%)	144,095	200,006
<i>Current year interim dividend (paid 23 April 2010)</i>		
Paid at 18 cents (2009: 18 cents) per share franked at 60% (2009: 60% franked) at the Australian tax rate of 30% (2009: 30%)	136,511	136,511
Total dividends appropriated	280,606	336,517
(b) Dividends announced and not recognised as a liability		
<i>Current year final dividend (expected to be paid 15 October 2010)</i>		
Announced at 19 cents (2009: 19 cents) per share and franked at 60% (2009: 60%) at the Australian tax rate of 30% (2009: 30%)	144,095	144,095
(c) Franking credits		
The tax rate at which the final dividend will be franked is 30% (2009: 30%). The franking account disclosures have been calculated using the franking rate applicable at 30 June 2010.		
The amount of franking credits available for the subsequent financial year:		
Franking account balance as at the end of the financial year at 30% (2009: 30%)	46,189	29,458
Franking credits that will arise from the payment of income taxes payable as at the end of the financial year	19,199	15,994
Total franking credits	65,388	45,452
The amount of franking credits available for future reporting periods:		
Impact on the franking account of dividends announced before the financial report was authorised for issue but not recognised as a distribution to equity holders during the financial year	(37,054)	(37,054)
Total franking credits available for future reporting periods	28,334	8,398

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

5. Income Tax

	2010 \$'000	2009 \$'000
(a) Income tax expense		
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/(loss) before income tax	387,309	(1,125,773)
Prima facie income tax expense/(benefit) on profit/(loss) at the Australian rate of 30% (2009: 30%)	116,192	(337,732)
Tax effect of:		
Non deductible depreciation and amortisation	2,247	2,247
Share of associates' net losses/(profits)	20,837	37,788
Differences in foreign tax rates	(24,928)	(13,950)
Non assessable income sheltered by capital losses	(3,065)	–
Other non assessable income	(5,002)	–
Tax losses previously not recognised now brought to account	–	(6,000)
Other items – net	(14,524)	12,933
Impairment and write down of investments and loans	–	385,485
Deferred income tax on temporary differences	988	(1,358)
Income tax (over)/under provided in prior years	2,271	(7,282)
Income tax expense/(benefit)	95,016	72,131
Income tax expense/(benefit) comprises:		
Current expense/(benefit)	91,757	80,771
Deferred expense/(benefit)	988	(1,358)
Adjustments for current income tax of prior periods	2,271	(7,282)
	95,016	72,131
(b) Deferred income taxes		
Deferred income tax assets	111,081	140,138
Deferred income tax liabilities	207,098	235,167
Net deferred income tax assets/(liabilities)	(96,017)	(95,029)

5. Income Tax *continued*

	2010 \$'000	2009 \$'000
(c) Deferred income tax assets and liabilities at the end of the financial year		
The balance comprises temporary differences attributable to:		
Doubtful debt provision	7,712	8,082
Employee benefits provision	22,258	21,274
Revenue losses carried forward	12,305	20,475
Other receivables	41,580	44,013
Other provisions	18,840	27,932
Investments	(639)	–
Prepaid casino tax	(20,379)	(20,511)
Licences and intangibles	(123,053)	(125,137)
Land and buildings	(69,958)	(88,099)
Property, plant and equipment	9,975	1,393
Other	5,342	15,549
Net deferred income tax assets/(liabilities)	(96,017)	(95,029)
(d) Movements in deferred income tax assets and liabilities during the financial year		
Carrying amount at the beginning of the year	(95,029)	(258,136)
Charged/(credited) to the income statement	(988)	(1,359)
Charged/(credited) to equity	–	164,466
Carrying amount at the end of the year	(96,017)	(95,029)
(e) Tax losses not brought to account, as the realisation of the benefits represented by these balances is not considered to be probable		
The Group has tax losses arising in Australia that are available indefinitely for offset against future capital gains.		
Capital gains tax – no expiry date	913,557	922,128
Total tax losses not brought to account	913,557	922,128
Potential tax benefit at respective tax rates	274,067	276,638

(f) Unrecognised temporary differences

At 30 June 2010, there is no recognised or unrecognised deferred income tax liability (2009: \$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 Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 July 2007. Crown Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing arrangement with Crown Limited in order to allocate income tax expense between Crown 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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

5. Income Tax *continued*

(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 Limited.

6. Trade and Other Receivables

	2010 \$'000	2009 \$'000
Current		
Trade receivables	140,884	127,194
Provision for doubtful debts (a)	(26,897)	(28,206)
	113,987	98,988
Loans to associated entities	13	34
Other receivables	33,252	45,635
	33,265	45,669
	147,252	144,657

(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

	2010 \$'000	2009 \$'000
Allowance for doubtful debts at the beginning of the year	(28,206)	(13,983)
Net doubtful debt expense ⁽¹⁾	(6,753)	(13,678)
Transfers in	–	(800)
Amounts written off	8,062	255
	(26,897)	(28,206)

⁽¹⁾ Amounts are included in other expenses.

6. Trade and Other Receivables *continued***(a) Allowance for Doubtful Debts** *continued*

Ageing analysis of trade debtors

	0-30 days \$'000	> 30 days \$'000	Total \$'000
2010 – consolidated			
Current	90,097	–	90,097
Past due not impaired	–	23,890	23,890
Considered impaired	667	26,230	26,897
	90,764	50,120	140,884
2009 – consolidated			
Current	48,405	–	48,405
Past due not impaired	–	50,583	50,583
Considered impaired	3,249	24,957	28,206
	51,654	75,540	127,194

	2010 \$'000	2009 \$'000
Non-current		
Loans to associated entities ⁽¹⁾	114,076	165,160
Other receivables	14,082	71,677
	128,158	236,837

⁽¹⁾ Loan terms are outlined in note 30.

7. Inventories

	2010 \$'000	2009 \$'000
Current		
Finished goods (at cost)	16,328	15,293

8. Prepaid Casino Tax

	2010 \$'000	2009 \$'000
Non-current		
Prepaid casino tax at cost	100,800	100,800
Accumulated amortisation	(35,164)	(32,429)
	65,636	68,371

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

9. Investments in Associates

	2010 \$'000	2009 \$'000
Investment details:		
Associated entities – unlisted shares	6,158	11,829
Associated entities – listed shares	1,023,511	1,083,321
Total investments in associates	1,029,669	1,095,150
Fair value of listed investments:		
Melco Crown Entertainment Ltd ⁽¹⁾	792,247	929,714
	792,247	929,714

⁽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.

Investments in Associates	Reporting Date	Principal Activity	Country of Incorporation or Residence	% Interest	
				30 June 2010	30 June 2009
Melco Crown Entertainment Ltd	31 Dec ⁽²⁾	Resort/Casino and gaming machine operator	Macau	33.4	36.4
Aspinalls Holdings (Jersey) Ltd	30 June	Casino and gaming machine operator	U.K.	50.0	50.0
Betfair Australasia Pty Ltd	30 April ⁽²⁾	Betting exchange	Australia	50.0	50.0
Gateway Casinos	31 Dec ⁽²⁾	Casino and gaming machine operator	Canada	50.0	50.0

⁽²⁾ The Group uses 30 June results to equity account for the investments.

	2010 \$'000	2009 \$'000
Share of associates' revenue and profits/(losses)		
Share of associates':		
Revenue	779,378	661,130
Operating profit/(loss) before income tax	(72,039)	(133,030)
Income tax benefit/(expense)	2,582	7,071
Share of associates' net profit/(loss) after income tax	(69,457)	(125,959)

9. Investments in Associates *continued*

	2010 \$'000	2009 \$'000
Carrying amount of investments in associates		
Balance at the beginning of the financial year	1,095,150	1,130,164
Carrying amount of investments in associates acquired during the year	63,565	12,124
Share of associates' net profit/(loss) for the year	(69,457)	(125,959)
Gain/(loss) on issue of shares by associate	(4,389)	(12,063)
Impairment of investments	–	(131,634)
Foreign exchange movements	(55,200)	222,518
Carrying amount of investment in associates at the end of the financial year	1,029,669	1,095,150
Represented by:		
• Melco Crown	1,023,511	1,083,321
• Betfair	6,158	11,829
	1,029,669	1,095,150
The consolidated entity's share of the assets and liabilities of associates in aggregate		
Current assets	403,607	419,658
Non-current assets	2,370,148	2,694,416
Current liabilities	(1,021,821)	(343,794)
Non-current liabilities	(997,264)	(1,807,980)
Net assets	754,670	962,300
Retained profits/(accumulated losses) of the consolidated entity attributable to associates		
Balance at the beginning of the financial year	(201,283)	(75,324)
Share of associates' net profits/(losses)	(69,457)	(125,959)
Balance at the end of the financial year	(270,740)	(201,283)

The investments in Gateway Casinos and Aspinalls Holdings (Jersey) Ltd are no longer equity accounted as the investments have been written down to \$nil. The Group's share of unrecognised losses as at 30 June 2010 are \$148.4 million (2009: \$101.6 million) for Gateway and \$5.4 million (2009: \$nil) for Aspinalls.

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

9. Investments in Associates *continued*

Impairment Testing

Based on detailed impairment testing performed, there has been no impairment charge during the year (2009: \$131.6 million).

During the 2009 financial year the Group's investments in Aspinalls and Gateway were both written down to \$nil, resulting in an impairment loss of \$131.6 million.

For the purposes of impairment testing, management estimated the present value of the future cash flows expected to be generated from operations and the proceeds from ultimate disposal. These calculations use cash flow projections based on past performance and expectations for the future using a five year cash flow period. The implied terminal growth rate beyond the five year period does not exceed the forecasted long term inflation rates of up to 3.4%. Post-tax discount rates of between 9% and 10% were used in the impairment review calculations.

Any reasonable possible change in key assumptions used would not cause the carrying amount of the investments to exceed their recoverable amounts.

10. Available-for-sale Financial Assets

	2010 \$'000	2009 \$'000
At fair value		
Shares – unlisted (Australia)	37,132	36,728
Shares – unlisted (US)	69,502	49,585
	106,634	86,313

Available-for-sale financial assets consist of investments in shares, and therefore have no fixed maturity date or coupon rate.

The fair value of the unlisted available-for-sale financial assets has 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 impairment charge during the year (2009: \$939.8 million).

11. Other Financial Assets

	2010 \$'000	2009 \$'000
Current		
Receivable on forward exchange contracts	1,335	–
Receivable on interest rate swap	636	–
	1,971	–
Non-current		
Receivable on forward exchange contracts	6,045	–
	6,045	–

Details of the Group's exposure to interest rate risk and foreign currency changes are provided in note 34.

12. 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
Year ended 30 June 2010						
At 1 July 2009, net of accumulated depreciation and impairment	685,363	677,503	499,468	272,296	–	2,134,630
Additions	1,535	29,954	39,632	262,204	–	333,325
Disposals	(3,283)	–	(76)	–	–	(3,359)
Depreciation expense	(16,839)	(32,325)	(94,973)	–	–	(144,137)
Reclassification/transfer	299,780	–	91,891	(391,671)	–	–
At 30 June 2010, net of accumulated depreciation and impairment	966,556	675,132	535,942	142,829	–	2,320,459
At 1 July 2009						
Cost (gross carrying amount)	839,644	1,018,705	1,290,588	272,296	10,679	3,431,912
Accumulated depreciation and impairment	(154,281)	(341,202)	(791,120)	–	(10,679)	(1,297,282)
Net carrying amount	685,363	677,503	499,468	272,296	–	2,134,630
At 30 June 2010						
Cost (gross carrying amount)	1,137,453	1,046,742	1,409,420	142,829	10,679	3,747,123
Accumulated depreciation and impairment	(170,897)	(371,610)	(873,478)	–	(10,679)	(1,426,664)
Net carrying amount	966,556	675,132	535,942	142,829	–	2,320,459

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

12. 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
Year ended 30 June 2009						
At 1 July 2008, net of accumulated depreciation and impairment	674,551	670,558	444,827	65,041	–	1,854,977
Additions	883	34,395	65,502	308,474	–	409,254
Disposals	(9)	–	(41)	–	–	(50)
Depreciation expense	(16,420)	(27,450)	(85,681)	–	–	(129,551)
Reclassification/transfer	26,358	–	74,861	(101,219)	–	–
At 30 June 2009, net of accumulated depreciation and impairment	685,363	677,503	499,468	272,296	–	2,134,630
At 1 July 2008						
Cost (gross carrying amount)	812,165	987,441	1,184,250	65,041	10,679	3,059,576
Accumulated depreciation and impairment	(137,614)	(316,883)	(739,423)	–	(10,679)	(1,204,599)
Net carrying amount	674,551	670,558	444,827	65,041	–	1,854,977
At 30 June 2009						
Cost (gross carrying amount)	839,644	1,018,705	1,290,588	272,296	10,679	3,431,912
Accumulated depreciation and impairment	(154,281)	(341,202)	(791,120)	–	(10,679)	(1,297,282)
Net carrying amount	685,363	677,503	499,468	272,296	–	2,134,630

13. Licences

	Casino Licence ⁽¹⁾ \$'000
Year ended 30 June 2010	
At 1 July 2009, net of accumulated amortisation and impairment	659,397
Amortisation expense	(7,471)
At 30 June 2010, net of accumulated amortisation and impairment	651,926
At 1 July 2009	
Cost (gross carrying amount)	774,899
Accumulated amortisation and impairment	(115,502)
Net carrying amount	659,397
At 30 June 2010	
Cost (gross carrying amount)	774,899
Accumulated amortisation and impairment	(122,973)
Net carrying amount	651,926
Year ended 30 June 2009	
At 1 July 2008, net of accumulated amortisation and impairment	666,868
Amortisation expense	(7,471)
At 30 June 2009, net of accumulated amortisation and impairment	659,397
At 1 July 2008	
Cost (gross carrying amount)	774,899
Accumulated amortisation and impairment	(108,031)
Net carrying amount	666,868

⁽¹⁾ Purchased as part of a business combination.

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 Burswood licence is perpetual and no amortisation is charged.

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

14. Other Intangible Assets

	Goodwill ⁽¹⁾ \$'000	Casino Management Agreement ⁽¹⁾ \$'000	Other \$'000	Total \$'000
Year ended 30 June 2010				
At 1 July 2009, net of accumulated amortisation and impairment	11,892	169,516	928	182,336
Amortisation expense	–	(6,946)	(20)	(6,966)
At 30 June 2010, net of accumulated amortisation and impairment	11,892	162,570	908	175,370
At 1 July 2009				
Cost (gross carrying amount)	11,892	245,279	1,025	258,196
Accumulated amortisation and impairment	–	(75,763)	(97)	(75,860)
Net carrying amount	11,892	169,516	928	182,336
At 30 June 2010				
Cost (gross carrying amount)	11,892	245,279	1,025	258,196
Accumulated amortisation and impairment	–	(82,709)	(117)	(82,826)
Net carrying amount	11,892	162,570	908	175,370
Year ended 30 June 2009				
At 1 July 2008, net of accumulated amortisation and impairment	11,892	176,461	948	189,301
Amortisation expense	–	(6,945)	(20)	(6,965)
At 30 June 2009, net of accumulated amortisation and impairment	11,892	169,516	928	182,336
At 1 July 2008				
Cost (gross carrying amount)	11,892	245,279	1,025	258,196
Accumulated amortisation and impairment	–	(68,818)	(77)	(68,895)
Net carrying amount	11,892	176,461	948	189,301

(1) Purchased as part of a business combination.

Goodwill is considered to have an indefinite life and is tested annually for impairment (see note 15).

The useful life of the Crown Melbourne casino management agreement is 34 years, and is amortised on a straight line basis.

15. 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 fair value less costs to sell. Fair value less costs to sell is calculated 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%.

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 9% and 10% was used by the Group in impairment testing, risk adjusted where applicable.

16. Trade and Other Payables

	2010 \$'000	2009 \$'000
Current – unsecured		
Trade and other payables	291,273	284,499
Deferred Income	1,010	8,270
	292,283	292,769
Non-current – unsecured		
Other	67	67
Deferred Income	–	4,030
	67	4,097

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

17. Interest-Bearing Loans and Borrowings

	2010 \$'000	2009 \$'000
Current – unsecured		
Bank Loans – unsecured	20,000	20,000
Capital Markets Debt – unsecured	114,600	–
Derivatives	636	–
	135,236	20,000
Non-current – unsecured		
Bank Loans – unsecured	300,000	500,000
Capital Markets Debt – unsecured	412,758	534,058
Derivatives	–	3,100
	712,758	1,037,158

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.

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
Bank Facilities					
Bilateral Multi Option Facility	120,000	20,000	37,471	62,529	October 2010
Syndicated Multi Option Facility	450,000	–	185,000	265,000	August 2011
Syndicated Revolving and Term Loan Facility	600,000	300,000	–	300,000	June 2013
Australian Dollar Bilateral Facilities	388,394	–	–	388,394	2012 – 2013
US Dollar Bilateral Facilities ⁽¹⁾	270,270	–	–	270,270	2012 – 2013
	1,828,664	320,000	222,471	1,286,193	
Debt Capital Markets					
Medium Term Note	114,600	114,600	–	–	March 2011
Euro Medium Term Note	174,634	174,634	–	–	July 2036
US Private Placement ⁽¹⁾	238,124	238,124	–	–	2015 – 2020
	527,358	527,358	–	–	
Total at 30 June 2010	2,356,022	847,358	222,471	1,286,193	
Total at 30 June 2009	3,334,815	1,057,158	270,478	2,007,179	

⁽¹⁾ Converted at an exchange rate of AUD \$1.00 = USD \$0.8399.

17. Interest-Bearing Loans and Borrowings *continued*

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 syndicated facilities and the bilateral facilities which are multi option in nature. For details relating to letters of credit issued, refer to note 26.

Each of the above mentioned facilities is supported by a Group guarantee from Crown and certain of its subsidiaries and impose various affirmative covenants on Crown, including 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.

18. Provisions

	Employee Entitlements \$'000	Other \$'000	Total \$'000
At 1 July 2009	122,291	42,102	164,393
Arising during the year	61,880	13,245	75,125
Utilised during the year	(69,896)	(28,790)	(98,686)
Amount reversed during the year	(6,642)	(5,533)	(12,175)
At 30 June 2010	107,633	21,024	128,657
Current 2010	98,296	15,024	113,320
Non-current 2010	9,337	6,000	15,337
At 30 June 2010	107,633	21,024	128,657
Current 2009	94,782	26,102	120,884
Non-current 2009	27,509	16,000	43,509
At 30 June 2009	122,291	42,102	164,393

19. Other Financial Liabilities

	2010 \$'000	2009 \$'000
Current		
Payables on forward exchange contracts	–	3,400
	–	3,400
Non-current		
Payables on interest rate swaps	17,100	18,300
Payables on cross currency swaps	23,500	38,300
Payables on forward exchange contracts	–	3,900
	40,600	60,500

Other financial liabilities are outlined in note 34.

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

20. Contributed Equity

	2010 \$'000	2009 \$'000
Issued share capital		
Ordinary shares fully paid	638,690	634,364
Movements in issued share capital		
Carrying amount at the beginning of the financial year	634,364	258,149
ESP proceeds	2,893	39,065
Transfer from employee equity benefits reserve	1,433	–
Shares issued ⁽¹⁾	–	337,150
Carrying amount at the end of the financial year	638,690	634,364

	2010 No.	2009 No.
Issued share capital		
Ordinary shares fully paid	758,394,185	758,394,185
Movements in issued share capital		
Balance at the beginning of the financial year	758,394,185	689,676,925
Shares issued	–	68,717,260
Balance at the end of the financial year	758,394,185	758,394,185

⁽¹⁾ In December 2008, Crown undertook an underwritten equity placement of shares to raise \$300 million in new capital. In February 2009, Crown launched a Share Purchase Plan which gave eligible shareholders the opportunity to subscribe for up to \$4,999.50 worth of new shares in Crown at \$4.95 per share. The Share Purchase Plan raised approximately \$40.2 million in additional capital.

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 2010, the Group paid dividends of \$280.6 million. The Group's dividend policy going forward is to pay the higher of 37 cents per share or 65% of normalised full year NPAT, subject to the Group's financial position.

21. Reserves and Retained Earnings

	2010 \$'000	2009 \$'000
Foreign currency translation reserve	(157,888)	(94,107)
Employee equity benefits reserve	11,327	9,392
Net unrealised gains reserve	628,532	632,593
Cash flow hedge reserve	(33,220)	(63,900)
	448,751	483,978
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.		
Balance at the beginning of the financial year	(94,107)	(280,576)
Net exchange difference on translation of foreign operations	(63,781)	186,469
Balance at the end of the financial year	(157,888)	(94,107)
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	9,392	5,712
Charged to the income statement	3,368	3,680
Transfer to contributed equity	(1,433)	–
Balance at the end of the financial year	11,327	9,392
Net Unrealised Gains Reserve		
The net unrealised gains reserve records the movement from changes in associates' equity.		
Balance at the beginning of the financial year	632,593	451,087
Change in equity accounted investments due to change in associates' equity	(4,061)	181,506
Balance at the end of the financial year	628,532	632,593
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	(63,900)	–
Movement in interest rate swaps	1,200	(18,300)
Movement in cross currency swaps	14,800	(38,300)
Movement in forward exchange contracts	7,380	(7,300)
Transfer to statement of financial position/statement of comprehensive income	7,300	–
Balance at the end of the financial year	(33,220)	(63,900)

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

21. Reserves and Retained Earnings *continued*

	2010 \$'000	2009 \$'000
Retained Earnings		
Balance at the beginning of the financial year	2,317,988	3,846,972
Net profit/(loss) after tax	292,293	(1,197,904)
Total available for appropriation	2,610,281	2,649,068
Dividends provided for or paid	(278,417)	(331,080)
Balance at the end of the financial year	2,331,864	2,317,988

22. Expenditure Commitments

(a) Capital expenditure commitments

	2010 \$'000	2009 \$'000
Estimated capital expenditure contracted for at balance date, but not provided for:		
Payable within one year	191,137	265,081
Payable after one year but not more than five years	88,743	96,641
	279,880	361,722

At 30 June 2010, the Group has capital expenditure commitments principally relating to funding various projects at Burswood and Crown Melbourne casinos.

(b) Non-cancellable operating lease commitments

	2010 \$'000	2009 \$'000
Payable within one year	1,036	993
Payable after one year but not more than five years	2,356	2,762
Payable more than five years	1,004	1,485
	4,396	5,240

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 4 years (2009: 4 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-one 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.

23. Cash Flow Statement Reconciliation

	2010 \$'000	2009 \$'000
(a) Cash balance represents:		
• cash on hand and at bank	178,395	236,774
• deposits at call	18,000	278,724
	196,395	515,498

The above closing cash balances includes \$126.7 million (2009: \$133.3 million) of cash on the company's premises and cash held in bank accounts needed to run the day to day operations of the businesses.

	2010 \$'000	2009 \$'000
(b) Reconciliation of the profit/(loss) after tax to the net cash flows from operating activities		
Profit/(loss) after tax	292,293	(1,197,904)
Depreciation and amortisation:		
• property, plant and equipment	144,137	129,551
• intangibles	18,981	18,433
(Profit)/loss on sale of property, plant and equipment	(10,455)	(102)
Unrealised foreign exchange (gain)/loss	169	(10,426)
Share of associates' net (profit)/loss	69,457	125,959
Impairment and write down of investments	–	1,357,848
Executive Share Plan expense	3,368	3,680
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(40,768)	(12,631)
(Increase)/decrease in doubtful debts	(1,254)	14,223
(Increase)/decrease in inventories	(2,826)	(4,719)
(Increase)/decrease in prepayments	139	(1,023)
(Increase)/decrease in deferred income tax asset	29,057	(3,565)
(Increase)/decrease in other assets	(4,503)	(7,074)
(Decrease)/increase in payables	33,172	6,614
(Decrease)/increase in current income tax liability	(4,025)	(16,824)
(Decrease)/increase in provisions	(31,417)	(9,553)
(Decrease)/increase in deferred income tax liability	(28,068)	(10,051)
Net cash flows from operating activities	467,457	382,436

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

23. Cash Flow Statement Reconciliation *continued*

Bank Overdraft Facilities

The consolidated entity has bank overdraft facilities available as follows:

Bank	2010	2009
ANZ Banking Group Limited	A\$10 million	A\$10 million
Citibank NA	US\$10 million	US\$10 million

There were no drawn down amounts at 30 June 2010.

24. Events After the Reporting Period

Subsequent to 30 June 2010, the directors of Crown announced a final dividend on ordinary shares in respect of the year ended 30 June 2010. The total amount of the dividends is \$144.1 million, which represents a dividend of 19 cents per share franked at 60%. The dividend has not been provided for in the 30 June 2010 financial statements.

On 24 August 2010, Consolidated Media Holdings Limited (CMH) announced that it has been advised that the Special Purpose Liquidator of One.Tel has filed proceedings and CMH has been served with some documents. CMH also announced that it will strongly defend the proceedings. The apportionment of any costs associated with the proceedings will be in accordance with the PBL Demerger Deed outlined in the PBL Scheme Booklet (75% Crown Limited, 25% CMH).

25. Executive Share Plan

Crown operates an Executive Share Plan (ESP) which was approved at the 1994 PBL Annual General Meeting. No ESP shares were issued to executives in the current financial year.

Crown ESP shares are subject to a performance condition, requiring a 7% compound annual growth in the Crown share price in order that the relevant portion of shares to vest and be released from restrictions under the ESP.

30 ESP participants hold 5,748,815 Crown ESP shares or 0.8% percent of Crown's issued capital.

	2010 No.	2009 No.
Shares at the beginning of the financial year	6,073,815	11,449,826
Forfeited	(325,000)	(5,376,011)
Shares on issue at the end of the financial year	5,748,815	6,073,815
Loans to executives at the beginning of the financial year	\$70,258,313	\$125,751,938
Loans repaid and satisfied during the year	(\$3,698,625)	(\$55,493,625)
Loans to executives at year end	\$66,559,688	\$70,258,313

25. Executive Share Plan *continued*

Methodology

In accordance with Australian Accounting Standards the ESP shares are accounted for as share based payments (see note 1(t)) and as such the loan values are not recorded in Crown's statement of financial position until they become due.

The value that forms the basis was established at the time each ESP share was granted. As ESP shares were issued prior to the demerger the valuation was performed using assumptions relevant to PBL before demerger.

External valuers have used a Monte Carlo simulation model combined with a Black Scholes option pricing model to value the ESP this year. The value per share granted for each allotment incorporates the share price growth performance conditions.

The Monte Carlo simulation is a technique used to simulate future TSRs. The assumptions that underpin Black Scholes are used in a Monte Carlo simulation. The key assumptions are:

- Share price movement conforms to a lognormal distribution;
- Market efficiency; and
- Risk neutral valuation.

Using an estimate of the future standard deviation (volatility) of returns and the risk neutral valuation assumption (allowing the use of the risk free interest rate), the share price return distribution of a company at a future date is estimated. The Monte Carlo simulation technique simulates possible share price returns conforming to that distribution. At each simulation, the share price is also simulated, meaning an equity instrument can be valued at that date.

The share price simulated at one vesting date is used to simulate the share price at the next vesting date. If the target was not met at the earlier date, the unvested portion is carried to the next vesting date in the simulation.

Non transferability of the plans

During the period from grant date to vesting, executives cannot sell their shares. However, no adjustment is made to the fair values for this, as non-transferability is due to the executive having not yet earned the right to the plan (through the provision of their services), rather than a restriction on the underlying value of the shares.

After vesting, the holders have until expiry to "exercise" the plan. Since the plan rights are not transferable, liquidity can only be obtained by exercising the plan rights and selling the underlying shares. In the case of the ESP, given the seniority of the holders and the benefit of the limited recourse feature, it is assumed the shares will be held until expiry.

Other assumptions applied by external valuer

- PBL's share price was the loan amount per share as advised by Crown to the external valuer at the grant date for the ESP;
- The risk free rate is the yield on an Australian Government Bond with a life similar to the expected life at the valuation date;
- Expected volatility was based on PBL's historical share price movement preceding the valuation date and the implied volatility on exchanged traded options; and
- The dividend yield was calculated based on the consensus broker EPS forecast divided by PBL's share price.

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

26. Contingent Liabilities and Related Matters

	2010 \$'000	2009 \$'000
(a) The Group has issued letters of credit to the State of Victoria in respect of obligations of Crown Melbourne Limited	185,000	185,000
(b) The Group has made guarantees in relation to commitments of certain of its associated entities	22,371	68,429
(c) The Group has made certain guarantees regarding contractual, performance and other commitments	15,100	17,049
Total unsecured contingent liabilities	222,471	270,478

The probability of having to meet these contingent liabilities is unlikely, and therefore it is not practicable to disclose an indication of the uncertainties relating to each amount or the timing of any outflows.

27. Auditors' Remuneration

	2010 \$'000	2009 \$'000
Amounts received, or due and receivable, by Ernst & Young (Australia) for:		
Auditing the accounts	833	887
Taxation services	2,777	3,626
Other services:		
• Assurance related	24	6
• Assurance services relating to restructuring	–	372
Amounts received, or due and receivable, by other member firms of Ernst & Young International for:		
Auditing the accounts	23	28
Other services:		
• Taxation services	537	463
• Due diligence	–	80
	4,194	5,462
Amounts received, or due and receivable, by non Ernst & Young audit firms for:		
Auditing services	271	298

28. Earnings Per Share (EPS)

	2010 \$'000	2009 \$'000
The following reflects the income and share data used in the calculations of basic and diluted EPS:		
Net profit/(loss) after tax used in calculating basic and diluted EPS	292,293	(1,197,904)
Weighted average number of ordinary shares used in calculating basic and diluted EPS ('000)	758,394	717,779
Excluding the effect of significant items:		
Net profit/(loss) after tax	292,293	(1,197,904)
Significant items after tax	–	(1,440,100)
Net profit/(loss) excluding significant items	292,293	242,196
Net profit/(loss) used in calculating basic and diluted EPS	292,293	242,196
Weighted average number of ordinary shares used in calculating basic and diluted EPS ('000)	758,394	717,779

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	Executive Chairman
John H Alexander	Executive Deputy Chairman
Benjamin A Brazil	Non Executive Director
Rowen B Craigie	Chief Executive Officer and Managing Director
Christopher D Corrigan	Non Executive Director
Rowena Danziger	Non Executive Director
Geoffrey J Dixon	Non Executive Director
Ashok Jacob	Non Executive Director
Michael R Johnston	Non Executive Director
David H Lowy	Non Executive Director (resigned 22 June 2010)
Richard W Turner	Non Executive Director

(ii) Executives

Kenneth M Barton	Chief Financial Officer – Crown Limited (commenced 9 March 2010)
Robert F E Turner	Chief Financial Officer – Crown Limited (ceased employment on 31 May 2010)
David G Courtney	Chief Executive Officer – Crown Melbourne Limited
Barry J Felstead	Chief Executive Officer – Burswood Limited

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

29. Key Management Personnel Disclosures *continued*

(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:

Remuneration by category	2010 \$'000	2009 \$'000
Short term benefits	9,956,392	8,395,253
Post employment benefits	90,075	224,389
Termination benefits	1,435,000	175,000
Long term Incentives	4,874,383	5,880,687
	16,355,850	14,675,329

Further details are contained in the Remuneration Report.

(c) Shareholdings of key management personnel

Ordinary shares held in Crown (directly and indirectly)

30 June 2010

Directors (including directors who left the Board during the year)	Balance 1 July 2009	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2010
James D Packer ⁽¹⁾	280,753,465	–	22,751,825	303,505,290
John H Alexander ⁽²⁾	607,680	–	(101,633)	506,047
Rowen B Craigie ⁽³⁾	2,341,102	–	–	2,341,102
Rowena Danziger	30,896	–	–	30,896
David H Lowy ⁽⁴⁾	137,250	–	–	137,250
Richard W Turner	29,373	–	–	29,373

Executives	Balance 1 July 2009	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2010
Robert F E Turner ⁽¹⁾	264,383	–	(1,010)	263,373
David G Courtney	700,377	–	–	700,377
Barry J Felstead	234,110	–	–	234,110

⁽¹⁾ Change is a result of an on market trade.

⁽²⁾ Change is a result of an off market trade.

⁽³⁾ All of Mr Rowen Craigie's shares are ESP shares.

⁽⁴⁾ Resigned 22 June 2010.

The Company does not have any options on issue.

29. Key Management Personnel Disclosures *continued***(c) Shareholdings of key management personnel** *continued***Ordinary shares held in Crown (directly and indirectly)****30 June 2009**

Directors (including directors who left the Board during the year)	Balance 1 July 2008	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2009
James D Packer ⁽³⁾	261,500,000	–	19,253,465	280,753,465
Christopher J Anderson ^{(1), (4) & (6)}	315,194	–	(298,990)	16,204
John H Alexander ^{(1), (2) & (4)}	1,827,133	–	(1,219,453)	607,680
Rowen B Craigie ⁽⁵⁾	2,341,102	–	–	2,341,102
Rowena Danziger ⁽²⁾	28,876	–	2,020	30,896
David H Lowy	137,250	–	–	137,250
Richard W Turner ^{(1) & (2)}	27,000	–	2,373	29,373

Executives	Balance 1 July 2008	Issued under Executive Share Plan	Other Net Change	Balance 30 June 2009
Robert F E Turner ⁽¹⁾	263,373	–	1,010	264,383
David G Courtney ^{(1) & (2)}	643,802	–	56,575	700,377
Barry J Felstead	234,110	–	–	234,110

⁽¹⁾ Change is as a result of an election to take up an entitlement to shares under Crown's Share Purchase Plan which closed on 20 March 2009.

⁽²⁾ Change is a result of an election to take up an entitlement to an offer by Consolidated Press Holdings Limited (the CPH Offer) to sell shares to shareholders who, as result of Crown's private placement announced 17 December 2008, would have had their interest diluted below their pre-placement interest. The CPH Offer was a condition of the ASX waiver allowing Consolidated Press Holdings Limited to participate in the placement.

⁽³⁾ Change is as a result of a private placement of 20,202,020 shares made to Consolidated Press Holdings Limited on 27 March 2009 and the sale of 948,555 shares made pursuant to the CPH Offer.

⁽⁴⁾ Change is the result of the partial closure of the Executive Share Plan as it related to Crown shares held by persons who had not been employed in day to day operations of Crown or one of its gaming subsidiaries or joint ventures. 300,000 of Mr Chris Anderson's shares were ESP shares and 1,300,000 of Mr John Alexander's shares were ESP shares.

⁽⁵⁾ All of Mr Rowen Craigie's shares are ESP shares.

⁽⁶⁾ Resigned 2 April 2009.

The Company does not have any options on issue.

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

30. Related Party Disclosures

(a) Parent entity

Crown 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 9.

(c) Entity with significant influence over the Group

CPH, an entity related to Mr James Packer, holds 40.02% (2009: 37.02%) of the Company's fully paid ordinary shares.

(d) Director related entities

Consolidated Media Holdings ("CMH") is an entity classified as a related party due to Crown and CMH having a number of common directors.

(e) Key management personnel

Disclosures relating to key management personnel are set out in note 29, and in the Remuneration Report.

(f) Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arms length transactions both at normal market prices and on normal commercial terms, unless otherwise stated.

(g) 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 \$0.2 million during the year (2009: \$0.2 million). In addition CPH paid costs on behalf of Crown to third parties totalling \$0.5 million during the year (2009: \$2.8 million). At 30 June 2010 there were no amounts owing to CPH (2009: \$nil).

Crown and its controlled entities provided CPH with hotel and banqueting services of \$32,000 during the year (2009: \$0.1 million).

Crown and CMH jointly engaged certain legal and other advisers in relation to certain matters arising prior to the PBL demerger. Costs of these advisers are shared in a manner consistent with Section 14 of the PBL Scheme Booklet, generally Crown – 75% and CMH – 25%. Similarly payments in relation to liabilities arising from activities prior to the PBL demerger were shared on the same basis. At 30 June 2010 \$0.1 million was owing to CMH in relation to pre-demerger matters.

(ii) Associates

Crown made no equity contributions to Melco Crown during the year (2009: \$63.6 million). Interest charged on loans previously advanced to Melco Crown was \$0.1 million for the year (2009: \$0.9 million). Crown did not provide Melco Crown hotel services (2009: \$7,000) during the year or use of IT systems (2009: \$1.1 million). Crown provided IT and related services of \$0.7 million (2009: \$2.2 million) at cost to Melco Crown during the year. Amounts receivable from Melco Crown at 30 June 2010 in relation to all charges made during the year were \$0.5 million (2009: \$1.6 million).

Melco Crown provided \$6,000 (2009: \$0.2 million) in Hotel and other services to Crown during the year. In addition Melco Crown paid costs of \$0.1 million (2009: \$0.2 million) on behalf of Crown during the year which was subsequently reimbursed in full.

Crown made no equity contributions (2009: \$3.8 million) or loans (2009: \$3.7 million) to Aspinalls during the year. Interest charged on loans previously advanced to Aspinalls was \$0.7 million for the year (2009: \$1.2 million). In addition Aspinalls paid costs of \$1.2 million (2009: \$1.5 million) on behalf of Crown during the year. At 30 June 2010 there were no amounts owing to Aspinalls (2009: \$nil).

Crown made no equity contributions (2009: \$8.4 million) or loans (2009: \$16.7 million) to Gateway during the year. No interest was charged during the year (2009: \$10.1 million) as the loan to Gateway was written down to nil at 30 June 2009. Crown also paid costs of \$0.3 million (2009: \$36,000) on behalf of Gateway during the year which has subsequently been reimbursed as at 30 June 2010. In addition Gateway has paid costs of \$48,000 (2009: \$0.1 million) on behalf of Crown during the year. Crown has subsequently reimbursed Gateway all amounts owing at 30 June 2010.

30. Related Party Disclosures *continued*

(g) Transactions with related parties *continued*

(ii) Associates *continued*

Crown made a further loan to Betfair during the year of \$4.0 million (2009: \$nil). The loan balance with Betfair at 30 June 2010 was \$11.7 million (2009: \$7.7 million). No interest is payable on the loan. Crown did not provide Betfair management services during the year (2009: \$0.2 million), but did provide Hotel and Banqueting services of \$28,000 (2009: \$0.1 million) during the year.

For the year ended 30 June 2010, 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 (2009: \$nil).

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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

31. Investment in Controlled Entities

The consolidated financial statements include the financial statements of Crown Limited and its controlled entities. Significant controlled entities and those included in a class order with the parent entity are:

	Footnote		Place of Incorporation /Residence	Beneficial Interest Held by the Consolidated Entity ⁽¹⁾	
	2010	2009		2010 %	2009 %
Crown Limited			Australia	Parent Entity	
Artra Pty Ltd			Australia	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
Crown Capital Golf Pty Ltd			Australia	100	100
Crown Cyprus Limited			Cyprus	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 Entertainment Group Holdings Pty Ltd	A	A	Australia	100	100
Crown Gateway Luxembourg Sarl			Luxembourg	100	100
Crown Group Finance Limited	A	A	Australia	100	100
Crown Group Securities Ltd	A	A	Australia	100	100
Crown Melbourne Limited			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			Australia	100	100
Crown Services (US) LLC			USA	100	100
Crown (Western Australia) Pty Ltd	A	A	Australia	100	100
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
Nine Television (Netherlands Antilles) Pty Ltd			Australia	100	100
Crown Asia Investments Limited			Australia	100	100
PBL (CI) Finance Limited			Cayman Islands	100	100
PBL Cinema Holdings Pty Ltd			Australia	100	100
PBL International Partnership			United Kingdom	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 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	
	2010 \$'000	2009 \$'000
Consolidated income statement		
Profit/(loss) before income tax	(311,533)	154,751
Income tax (expense)/benefit	55,437	2,573
Net profit/(loss) after income tax	(256,096)	157,324
Retained earnings/(accumulated losses) at the beginning of the financial year	(1,751,991)	(1,578,235)
Dividends provided for or paid	(278,418)	(331,080)
Retained earnings/(accumulated losses) at the end of the financial year	(2,286,505)	(1,751,991)

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

32. Deed of Cross Guarantee *continued*

	Closed Group	
	2010 \$'000	2009 \$'000
Consolidated balance sheet		
Current assets		
Cash and cash equivalents	114,614	232,052
Trade and other receivables	54,963	24,468
Inventories	2,840	3,344
Other current assets	9,102	6,426
Total current assets	181,519	266,290
Non-current assets		
Receivables	2,053,674	1,953,321
Investment in associates	6,158	11,829
Other financial assets	10,044,040	10,244,203
Property, plant and equipment	609,328	582,260
Licences	420,426	420,426
Other intangible assets	11,892	11,892
Deferred tax assets	68,938	84,062
Total non-current assets	13,214,456	13,307,993
Total assets	13,395,975	13,574,283
Current liabilities		
Trade and other payables	95,244	86,335
Interest-bearing loans and borrowings	135,236	20,000
Income tax payable	33,727	40,397
Provisions	50,031	59,604
Total current liabilities	314,238	206,336
Non-current liabilities		
Interest-bearing loans and borrowings	5,210,800	4,940,296
Deferred tax liability	11,317	41,396
Provisions	9,654	13,505
Other financial liabilities	42,696	56,600
Total non-current liabilities	5,274,467	5,051,797
Total liabilities	5,588,705	5,258,133
Net assets	7,807,270	8,316,150
Equity		
Contributed equity	9,680,318	10,114,805
Reserves	413,457	(46,664)
Retained earnings	(2,286,505)	(1,751,991)
Total equity	7,807,270	8,316,150

33. Parent Entity Disclosures

	Crown Limited	
	2010 \$'000	2009 \$'000
Results of the parent entity		
Profit after tax for the period	278,328	344,631
Other comprehensive income/(loss)	–	–
Total comprehensive income for the period	278,328	344,631
Financial position of the parent entity		
Current assets	–	928
Non-current assets	9,335,949	9,225,117
Total assets	9,335,949	9,226,045
Current liabilities	33,727	40,397
Non-current liabilities	2,320,504	2,210,103
Total liabilities	2,354,231	2,250,500
Total equity of the parent entity comprising of:		
Issued capital	10,119,131	10,114,805
Employee equity benefits reserve	11,327	9,392
Accumulated losses	(3,148,740)	(3,148,652)
Total equity	6,981,718	6,975,545

Contingent liabilities

There are no contingent liabilities for the parent entity at 30 June 2010 (2009: \$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 2010 (2009: \$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 note 32.

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

34. Financial Risk Management Objectives and Policies

The Group's principle financial instruments comprise receivables, payables, bank loans and capital market debt, available-for-sale 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 Treasury 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 by the Treasury Group under policies approved by the Board of Directors. The Treasury Group identifies, evaluates and hedges financial risks in accordance with approved policies. The Board are informed on a regular basis of Treasury's risk management activities.

(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.

	2010 \$'000	2009 \$'000
Financial assets		
AUD cash on hand and at bank	78,321	131,438
AUD deposits at call	18,000	29,877
USD cash on hand and at bank	167	248,847
Total financial assets	96,488	410,162
Financial liabilities		
AUD bank loans	20,000	220,000
USD bank loans	–	–
Total financial liabilities	20,000	220,000
Net exposure	76,488	190,162

As at balance date, the Group maintained floating rate borrowings of \$20.0 million (2009: \$220.0 million) that were not hedged by interest rate swaps. The associated interest rate risk is mitigated by total financial assets of \$96.5 million (2009: \$410.2 million). Under the bank loans, the Group pays the Bank Bill Swap rate (BBSW) plus a margin of 100 basis points.

Of the cash on hand and at bank \$78.3 million is interest bearing and is invested at approximately BBSW. Deposits at call of \$18.0 million are invested at approximately BBSW. The Group maintains cash and cash equivalents on hand of \$99.9 million for operational purposes and is non interest bearing (2009: \$105.3 million).

As at balance date, the Group maintained no floating rate borrowings in US dollars (2009: \$nil) and had cash and cash equivalents of \$0.2 million (2009: \$248.8 million) invested at approximately LIBOR.

34. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(i) Interest rate risk – cash flow *continued*

Group Sensitivity

The impact on the Group's post-tax-profit as a result of an increase of 150 basis points or decrease of 150 basis points in interest rates was not material at balance date.

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:

	2010 \$'000	2009 \$'000
Cash flow hedge		
Maturity 1 – 5 years	300,000	300,000
Maturity over 5 years	174,634	174,634
Closing Balance	474,634	474,634

Under the interest swap contracts maturing June 2013, the Group has the right to receive floating rate (i.e. BBSW) quarterly and pay fixed rate of 6.99% quarterly. The terms of the swap contracts are matched directly against the appropriate loan and interest expense and as such are highly effective. The fair value of the swap at balance date was negative \$17.1 million (2009: negative \$18.3 million).

Under the cross currency swap contract (maturing July 2036), the Group has the right to receive US dollar interest at a fixed rate of 4.76% (2009: 4.76%) semi-annually and pay Australian dollar interest at fixed rate of 7.05% (2009: 7.05%) quarterly. The term of the cross currency swap contract are matched directly against the appropriate loan and interest expense and as such is highly effective. The fair value of the swap at balance date was negative \$23.5 million (2009: negative \$38.3 million).

(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 \$652.7 million (2009: \$362.5 million).

As at balance date the Group had the following interest rate swap in place to hedge the medium term note issuance.

	2010 \$'000	2009 \$'000
Fair value hedge		
Maturity under 1 year	114,600	–
Maturity 1 – 5 years	–	114,600
Maturity over 5 years	–	–
Closing Balance	114,600	114,600

Under the terms of the swap contract (maturing May 2011) the Group has the right to receive a fixed rate of interest of 6% semi-annually and pay floating rate of interest (i.e. BBSW) plus a margin of 39.5 basis points. The fair value of the swap at balance date was negative \$0.6 million (2009: positive \$3.1 million).

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

34. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(ii) Interest rate risk – fair value *continued*

Group Sensitivity

The sensitivity to fair value movements through equity or profit and loss as a result of interest rates increasing by 150 basis points or decreasing by 50 basis points was not material as at balance date.

(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 100% of its foreign currency receivables and payables that are firm commitments.

As at balance date, the Group had the following foreign exchange exposures that were not designated as cash flow hedges:

	2010 \$'000	2009 \$'000
US Dollars Exposure		
Financial assets		
Cash and cash equivalents	167	248,847
Trade and other receivables	–	–
Total financial assets	167	248,847
Financial liabilities		
US Private Placement	238,124	247,924
Total financial liabilities	238,124	247,924
Net exposure	(237,957)	923

	2010 \$'000	2009 \$'000
GBP Exposure		
Financial assets		
Loans to associates	28,592	27,894
Total financial assets	28,592	27,894
Financial liabilities	–	–
Net exposure	28,592	27,894

Group sensitivity – US dollar

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the Australian dollar strengthening or weakening by 10¢ against the US dollar would be \$25.3 million higher or \$32.2 million lower (2009: not material).

The sensitivity to fair value movements through profit and loss as a result of the Australian dollar strengthening or weakening by 10¢ against the US dollar would not be material as at balance date (2009: not material).

34. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(iii) Foreign exchange risk *continued*

Group sensitivity – GBP

As a result of the Australian dollar strengthening or weakening by 5¢ against the GBP with all other variables held constant, the Group's post-tax-profit for the year would have been \$1.8 million lower and \$2.1 million higher (2009: \$1.6 million lower or \$2.0 million higher) as at balance date.

The sensitivity to fair value movements through equity as a result of the Australian dollar strengthening or weakening by 5¢ against the GBP would not be material as at balance date (2009: not material).

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 Australian dollars was:

	Notional Amounts		Average Rate	
	2010 \$'000	2009 \$'000	2010	2009
Buy USD/Sell AUD				
Maturity under 1 year	19,958	14,185	0.8912	0.7051
Maturity 1 – 5 years	–	–	–	–
Buy AUD/Sell USD				
Maturity under 1 year	–	38,615	–	0.8462
Maturity 1 – 5 years	86,467	142,844	0.7419	0.7879

The change in fair value of cash flow hedges as at balance date was positive \$7.4 million (2009: negative \$7.3 million).

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

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 available-for-sale financial assets.

Neither the Group nor the parent entity is exposed to commodity price risk.

	2010 \$'000	2009 \$'000
Shares – unlisted	106,634	86,313
Net exposure	106,634	86,313

Group sensitivity

The Group's sensitivity to price risk has been estimated using valuation techniques based on the fair value of securities held. The sensitivity to fair value movements through equity or profit and loss as a result of movement in value of the securities was not material as at balance date.

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

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.

The Group's policy is that no more than 40% or \$500 million of borrowings should mature in any 12 month period. At balance date 15.9% or \$137 million of the Group's debt will mature in less than 12 months (2009: 1.9%).

As at balance date the Group had \$1,286 million in undrawn committed bank lines.

Maturity analysis of financial assets and liabilities

The table below analyses the Group's contractual undiscounted cash flows of 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.

34. Financial Risk Management Objectives and Policies *continued***(d) Liquidity Risk** *continued*

	1 year or less		1 to 5 years		more than 5 years		Total carrying amount as per the Statement of Financial Position	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial liabilities								
Trade and other payables	292,283	292,769	67	4,097	–	–	292,350	296,866
Capital markets	114,600	–	–	114,600	412,758	422,558	527,358	537,158
Bank loans	20,000	20,000	300,000	500,000	–	–	320,000	520,000
Forward exchange contracts	19,958	52,800	86,467	142,844	–	–	–	–
Interest rate swaps	114,600	–	300,000	414,600	–	–	–	–
Cross currency interest rate swaps	–	–	–	–	174,634	174,634	–	–
Total financial liabilities	561,441	365,569	686,534	1,176,141	587,392	597,192	1,139,708	1,354,024
Financial assets								
Cash and cash equivalents	196,395	515,498	–	–	–	–	196,395	515,498
Receivables – trade	147,239	144,623	14,082	71,677	–	–	161,321	216,300
Receivables – associates	13	34	73,784	129,566	40,292	35,594	114,089	165,194
Forward exchange contracts	19,958	52,800	86,467	142,844	–	–	–	–
Interest rate swaps	114,600	–	300,000	414,600	–	–	–	–
Cross currency interest rate swaps	–	–	–	–	174,634	174,634	–	–
Total financial assets	478,205	712,955	474,333	758,687	214,926	210,228	471,805	896,992
Net maturity	(83,236)	347,386	(212,201)	(417,454)	(372,466)	(386,964)	(667,903)	(457,032)

(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.

Fair value

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.

Notes to the Financial Statements *continued*

For the year ended 30 June 2010

34. Financial Risk Management Objectives and Policies *continued*

(e) Fair value of Financial Instruments *continued*

	Valuation Technique			Total \$'000
	Quoted market price Level One \$'000	Observable inputs Level Two \$'000	Non market observable Level Three \$'000	
Year ended 30 June 2010				
Financial Assets				
<i>Derivative Instruments</i>				
Receivable on forward exchange contracts	–	7,380	–	7,380
Receivable on interest rate swap	–	636	–	636
<i>Available-for-Sale Financial Assets</i>				
Shares – unlisted (Australia)	–	–	37,132	37,132
Shares – unlisted (US)	–	–	69,502	69,502
	–	8,016	106,634	114,650
Financial Liabilities				
<i>Derivative Instruments</i>				
Payables on interest rate swaps	–	17,100	–	17,100
Payables on cross currency swaps	–	23,500	–	23,500
Payables on forward exchange contracts	–	–	–	–
	–	40,600	–	40,600
Year ended 30 June 2009				
Financial Assets				
<i>Available-for-Sale Financial Assets</i>				
Shares – unlisted (Australia)	–	–	36,728	36,728
Shares – unlisted (US)	–	–	49,585	49,585
	–	–	86,313	86,313
Financial Liabilities				
<i>Derivative Instruments</i>				
Payables on interest rate swaps	–	18,300	–	18,300
Payables on cross currency swaps	–	38,300	–	38,300
Payables on forward exchange contracts	–	7,300	–	7,300
	–	63,900	–	63,900

There have been no transfers during the financial year ended 30 June 2010.

34. Financial Risk Management Objectives and Policies *continued*

(e) Fair value of Financial Instruments *continued*

Reconciliation of Level Three fair value movements

	2010 \$'000	2009 \$'000
Opening Balance	86,313	507,489
Other Comprehensive Income	(263)	(996,508)
Purchases	20,584	575,332
Closing Balance	106,634	86,313

Shareholder Information

Substantial shareholders as at 17 September 2010:

The following information is extracted from substantial shareholder notices received by Crown.

Shareholder	Number of ordinary Shares	% of Issued Capital
Consolidated Press Holdings Limited	303,505,290	40.02
Janus Capital Management LLC	45,500,033	5.99
Perpetual Limited	38,334,103	5.05

Holders of each class of securities

Crown only has ordinary shares on issue. The total number of ordinary shares on issue is **758,394,185** held by **50,899** 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 17 September 2010:

Size of Holdings	Number of Shareholders	% of Issued Capital
1 – 1,000	33,371	1.77
1,001 – 5000	15,589	4.29
5,001 – 10,000	1,277	1.15
10,001 – 100,000	564	1.74
100,001+	98	91.06
Total	50,899	100.00
Holding less than a marketable parcel	3,211	

The 20 largest shareholders as at 17 September 2010:

Name	No. of Shares	% of Issued Capital
Bareage Pty Limited	158,486,104	20.90
Consolidated Press Holdings Limited	131,239,981	17.30
HSBC Custody Nominees (Australia) Limited	124,361,560	16.40
National Nominees Limited	69,533,744	9.17
J P Morgan Nominees Australia Limited	65,515,935	8.38
RBC Dexia Investor Services Australia Nominees Pty Limited <PIPOOLED A/C>	19,425,509	2.56
Citicorp Nominees Pty Limited	16,775,042	2.21
Cogent Nominees Pty Limited	10,375,223	1.37
Samenic Limited	10,188,370	1.34
AMP Life Limited	8,742,656	1.15
RBC Dexia Investor Services Australia Nominees Pty Limited <BKCUST A/C>	6,533,654	0.86
WIN Television NSW Pty Limited	5,528,845	0.73
ANZ Nominees Limited <CASH INCOME A/C>	5,144,993	0.68
UBS Nominees Pty Limited	3,749,042	0.49
Queensland Investment Corporation	3,715,260	0.49
JP Morgan Nominees Australia Limited <CASH INCOME A/C>	3,569,026	0.47
Cogent Nominees Pty Limited <SMP ACCOUNTS>	3,313,280	0.44
Australian Reward Investment Alliance	3,204,730	0.42
HSBC Custody Nominees (Australia) Limited – A/C 3	3,170,307	0.42
Citicorp Nominees Pty Limited <CFSIL CWLTH AUST SHS 4 A/C>	3,010,283	0.40
Total	653,583,544	86.18
Others	104,810,641	13.82

Details of unquoted equity securities

Crown has **4,838,895** shares on issue which are currently unquoted. These shares are held by participants in the Executive Share Plan (as described more fully in the Remuneration Report) and represent shares which are yet to be released from restriction in accordance with the terms of the Plan.

Additional Information

Shareholder enquiries

Shareholders may access their details by visiting the Share Registry's website at www.computershare.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.crownlimited.com, may either contact the Share Registry or lodge such instructions online at the Share Registry's website at www.computershare.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.au 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.crownlimited.com 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 *Executive Chairman*
- John H Alexander BA *Executive Deputy Chairman*
- Rowen B Craigie BEc (Hons) *Chief Executive Officer and Managing Director*
- Benjamin Brazil BCom, LLB
- Christopher D Corrigan
- Rowena Danziger BA, TC, MACE
- Geoffrey J Dixon
- David L B Gyngell
- John S Horvath AO, MB, BS (Syd), FRACP
- Ashok Jacob MBA
- Michael R Johnston BEc, CA
- Richard W Turner AM, BEc, FCA

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 Ltd
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

Stock Exchange Listing

Crown's ordinary shares are listed on the Australian Stock Exchange under the code "CWN". The home exchange is Melbourne.

Website

Visit our website www.crownlimited.com for media releases and financial information

Auditor

Ernst & Young

Banker

Australia and New Zealand Banking Group Limited

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