



**CROWN
RESORTS**

ANNUAL REPORT 2018





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Financial Calendar

Record date for final dividend	21 September 2018
Payment of final dividend	5 October 2018
Annual General Meeting	1 November 2018
2019 half year results	February 2019

Annual General Meeting

10.00am (Perth time)
Thursday, 1 November 2018
Crown Ballroom 1
Lobby Level, Crown Towers Perth
Great Eastern Highway
Burswood, Western Australia

Executive Chairman's Message

Crown is committed to its strategy of focusing on its high quality core Australian operations and development projects as well as maximising shareholder returns.



Crown is one of Australia's largest entertainment groups and makes a major contribution to Australian tourism, employment, training and social responsibility programs.

Crown's continued investment in our Australian resorts has ensured that Crown's portfolio includes some of the most valuable current and future tourism assets in Australia across Melbourne, Perth and Sydney.

We are proud to be the largest single-site private sector employer in both Victoria and Western Australia with approximately 18,000 people working across our resorts in over 700 different roles. Crown also continues to be a significant tax payer, having incurred more than \$650 million in taxes to all levels of government in Australia in financial year 2018, representing over two thirds of Crown's profit before tax from its Australian operations.

Results

For the financial year ended 30 June 2018, Crown announced a net profit of \$326.7 million before significant items, which was up 5.8% from the previous year. This result reflects a solid performance from our Melbourne operation, with VIP program play turnover up 73.9%, partially offset by continued subdued trading in Perth.

A final dividend of 30 cents per share, franked to 60%, was declared, bringing the total dividend for the year to 60 cents per share.

Major Focus

We have maintained our strategy of focusing on our world-class Australian operations and development projects as well as maximising shareholder returns.

Our actions over the past year demonstrate our ongoing commitment to this strategy. In financial year 2018, we completed the sale of a number of significant assets including the Alon Las Vegas land for US\$300 million, our interest in CrownBet for \$150 million, our interest in Ellerston for \$62.5 million and our shares in Caesars Entertainment Corporation for US\$53.3 million. Crown's balance sheet, with a net cash position of \$221 million at 30 June 2018, is well placed to fund our Australian development project pipeline.

Consistent with our objective to increase cash returns to shareholders, in financial years 2017 and 2018 combined, Crown's capital management, which included ordinary dividends, a special dividend and two on-market share buy-backs, exceeded \$2 billion. Crown has also announced its intention to undertake a new \$400 million on-market share buy-back.

Looking forward, our focus will be to continue to improve the underlying performance of our existing businesses as well as execute on our development project pipeline.

Crown Melbourne

Normalised EBITDA from Crown Melbourne was \$645.0 million, up 9.5%. Reported EBITDA was \$586.0 million, up 2.7%, which takes into account an unfavourable variance from the theoretical VIP program play result.

Normalised revenue at Crown Melbourne was \$2,279.0 million, up 14.2%, with VIP program play up 73.9%, main floor gaming up 2.9%, driven by solid growth in table games, and non-gaming slightly down. This recovery in gaming revenues, combined with all three hotels operating at over 90% occupancy, reaffirms Crown Melbourne's position as Australia's leading integrated resort and one of the most visited tourist destinations in Australia.

Following the end of financial year 2018, the Victorian Commission for Gambling and Liquor Regulation (VCGLR) released its final report concerning the Sixth Review of the Casino Operator and Licence held by Crown Melbourne. The report concluded, among other matters, that Crown Melbourne remains a suitable person to continue to hold its licence to operate the Melbourne Casino. Crown will continue to work with the VCGLR to improve the operations of Crown Melbourne.

Crown Perth

Normalised EBITDA from Crown Perth was \$248.8 million, up 1.6%. Reported EBITDA for the period was \$221.5 million, down 13.9%. The reported EBITDA result takes into account an unfavourable variance from the theoretical VIP program play result.

Normalised revenue at Crown Perth was \$844.5 million, up 1.7%, with main floor gaming down 2.1%, VIP program play down 5.8% and non-gaming up 12.5%, primarily due to the full year impact of Crown Towers Perth, which opened in December 2016.

Despite subdued trading due to the challenging economic conditions in Western Australia, we were pleased to have maintained the level of visitation to the complex during the period with approximately 10 million local and international visits in financial year 2018.

Crown remains focused on continuing to identify opportunities to deliver improved operating performance at both Crown Melbourne and Crown Perth.

Australian Projects

Work continues on the delivery of the Crown Sydney Hotel Resort at Barangaroo, Sydney's first six-star hotel and a landmark building with views of some of Australia's most celebrated icons, the Sydney Harbour Bridge and Sydney Opera House.

The Crown Sydney Hotel Resort podium is rising on the Barangaroo foreshore and the tower core structure has been constructed to Level 12. The Crown Sydney Residences have received strong interest from both domestic and international buyers and the project remains on schedule for completion in the first half of calendar year 2021.

We believe that Crown Sydney will become an international tourism icon and will help Sydney attract high net worth travellers from all parts of the world.

In Victoria, Crown and its joint venture partner, the Schiavello Group, were granted planning approval in February 2017 to construct the proposed One Queensbridge project. The project would include a new 388 room luxury six-star hotel, which would be connected to Crown Melbourne by a sculptural pedestrian bridge. The project remains subject to financing.

Crown Digital

Crown's wagering and online social gaming operations saw strong revenue growth and improved profitability during the year, with EBITDA of \$26.9 million, up 81.8%. This includes CrownBet's consolidated result from 1 July 2017 to 28 February 2018 (during which Crown held a 62% interest in CrownBet).

The current assets and investments in Crown Digital — Betfair Australasia, DGN Games and Chill Gaming — are expected to provide a continued source of future growth for Crown.

Our Commitment to Community

Crown's Melbourne and Perth resorts are significant tourist attractions, serving millions of visitors each year with approximately 18,000 people working towards the delivery of a world-class customer experience. We are grateful to our employees for their dedication and acknowledge our responsibility to create a safe and rewarding workplace. Similarly, we recognise our responsibility to the communities in which we operate, and are proud of the employee-led community partnerships and work undertaken through the Crown Resorts Foundation.

Crown's commitment to providing strong skills-based training and leadership development to all employees has again been recognised, with Crown College Perth being named by the Tourism Council of WA as the Gold winner for Tourism Education and Training for the second year in a row. This is Crown's fifth year in a row to win this category in the combined state tourism awards, with Crown College Melbourne winning in 2013, 2014 and 2015 and receiving Hall of Fame status in 2015.

We have maintained our focus on diversity and inclusion through programs including the Indigenous Employment Program, CROWNability, Gender Equity, Crown Pride, the Family Support Network and the Cultural and Linguistic Diversity Employee Network. Through our Indigenous Employment Program, we have provided more than 775 Indigenous employment opportunities. In addition, our CROWNability program was a finalist at the National Employment Services Association Excellence Awards for Innovation.

The Crown Resorts Foundation continues to support effective programs which provide young Australians with opportunities to engage in education, the arts and culture, and continues to partner with organisations that encourage and foster social cohesion. In financial year 2018, in partnership with the Packer Family Foundation, support was provided to more than 120 programs across Australia.

On behalf of the Board, I wish to sincerely thank you, as a valued shareholder of Crown Resorts, for your support as we continue our strategy to maximise the performance of Crown Melbourne and Crown Perth and progress our Australian development projects.



John Alexander

Executive Chairman
Crown Resorts Limited

Financial Performance

The 2018 full year result reflected a solid performance from our Melbourne operation and continued subdued trading in Perth.

- Crown's Australian resorts normalised EBITDA increased by 7.2%, with normalised revenue increasing by 10.6%. This was primarily driven by normalised VIP program play revenue, which increased 54.5% across Crown Melbourne and Crown Perth combined.
- Crown reported a normalised net profit after tax (NPAT) of \$386.8 million for the full year ended 30 June 2018, up 12.7%, while reported NPAT before significant items was \$326.7 million, up 5.8%.
- Net gain from significant items of \$232.2 million includes the reversal of an impairment of the Alon Las Vegas land and an associated net foreign currency gain, as well as net gains from the sales of CrownBet and Ellerston.
- A final dividend of 30 cents per share, franked to 60%, was declared, bringing the full year dividend to 60 cents per share.

Group performance for the year ended 30 June 2018

	FY18 \$m	FY17 \$m	% change
Normalised revenue ¹	3,485.3	3,231.3	7.9%
Normalised expenditure ¹	(2,607.0)	(2,403.3)	(8.5%)
Normalised EBITDA ²	878.3	828.0	6.1%
Normalised EBIT ³	592.4	531.2	11.5%
Normalised NPAT ⁴ attributable to Crown	386.8	343.1	12.7%
Reported NPAT before significant items attributable to Crown	326.7	308.9	5.8%
Significant items attributable to Crown ⁵	232.2	1,557.2	(85.1%)
Reported NPAT after significant items attributable to Crown	558.9	1,866.1	(70.0%)

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

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

3. Normalised earnings before interest and tax.

4. Normalised net profit after tax.

5. Significant items of \$1,557.2 million in FY17 include a net gain on the sale of Crown's interest in Melco Resorts & Entertainment Limited (MRE) of \$1,745.5 million. Crown held a 27.4% interest in MRE from 1 July 2016 to 20 December 2016 and a 24.6% interest from 21 December 2016 to 31 December 2016, following which it no longer equity accounted the results of MRE. Crown completed the sale of its remaining interest in MRE on 16 May 2017 and, as a result, no longer holds an interest in MRE.

Crown's Major Focus Areas

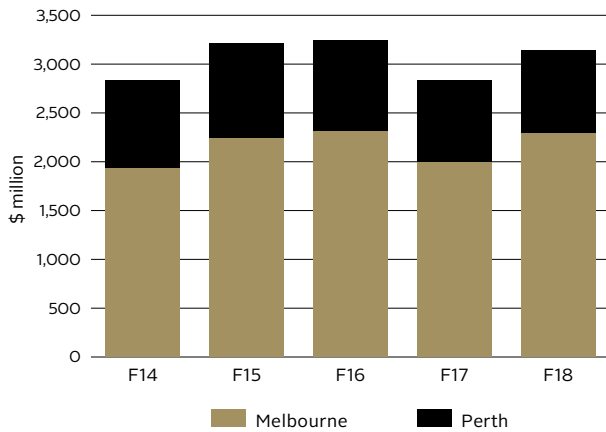
Continue to improve the underlying performance of Crown Melbourne and Crown Perth

Deliver the Crown Sydney project on time and on budget

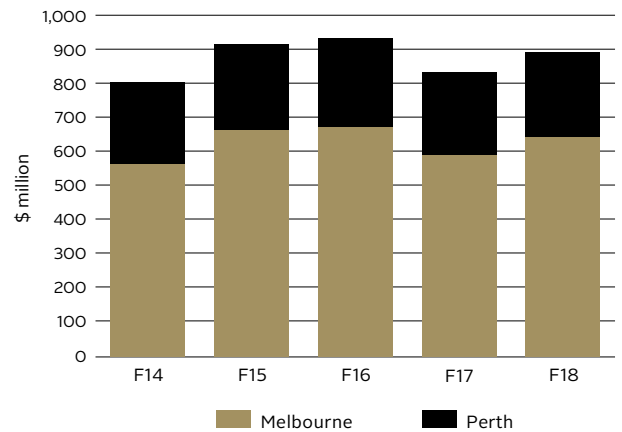
Develop a financing solution for the proposed One Queensbridge project

Continue growing Crown Digital, including wagering and online social gaming

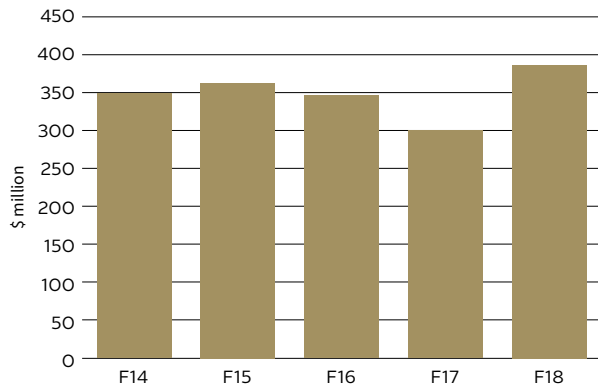
Australian Resorts Normalised Revenue



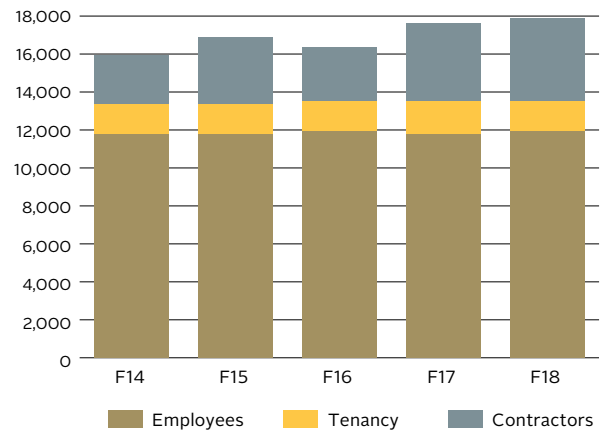
Australian Resorts Normalised EBITDA



Crown Resorts Limited Normalised NPAT¹



Australian Resorts Head Count²



1 F14 to F17 excludes Crown's share of MRE's normalised NPAT. Crown completed the sale of its interest in MRE in F17 and, as a result, no longer holds an interest in MRE.

2 F14 to F17 head count differs from previous Annual Reports mainly due to a change in the reporting of contractors.

About Crown Resorts

Crown is one of Australia's largest entertainment groups with its core businesses and investments in the integrated resorts sector.

CROWN RESORTS GROUP

Crown owns and operates two of Australia's leading integrated resorts, Crown Melbourne and Crown Perth, which together attracted approximately 31 million visits during the period.

Overseas, Crown owns and operates Crown Aspinalls in London, one of the high-end licensed casinos in the West End entertainment district.

Crown's development projects include the Crown Sydney Hotel Resort at Barangaroo on Sydney Harbour and the proposed One Queensbridge project in Melbourne.

Crown has interests in various digital businesses, including Betfair Australasia (100%), DGN Games (85%) and Chill Gaming (50%), and holds equity interests in UK-based Aspers Group (50%) and Nobu (20%).

AUSTRALIAN RESORTS

Crown Melbourne is Australia's leading integrated resort, featuring luxury accommodation and award-winning dining, world-class gaming, conferencing, shopping and entertainment facilities.

Crown Perth is one of Western Australia's largest tourist destinations, featuring three hotels, world-class convention and gaming facilities, restaurants and bars, a 2,300-seat theatre, and shopping and entertainment facilities.

AUSTRALIAN PROJECTS

Work continues on the Crown Sydney Hotel Resort at Barangaroo. Crown Sydney, which is expected to be completed in the first half of calendar 2021, will be Sydney's first six-star hotel and a landmark building with views of some of Australia's most celebrated icons, the Sydney Harbour Bridge and the Sydney Opera House.

Crown Melbourne's proposed fourth hotel, One Queensbridge, is a joint venture with the Schiavello Group. The proposed project includes a landmark luxury hotel and apartment development that received conditional planning approval from the Victorian State Government in February 2017 and was recognised as a project of State significance. The project remains subject to financing.

CROWN DIGITAL

Crown Digital comprises online betting exchange Betfair Australasia (100% owned), global online social gaming business DGN Games (85% owned) and Chill Gaming (50% owned).

During the year, Crown sold its 62% interest in online wagering business CrownBet.



ICONIC PROJECTS



EXCLUSIVE CLUBS



LUXURY SPAS



HIGH-END RETAIL



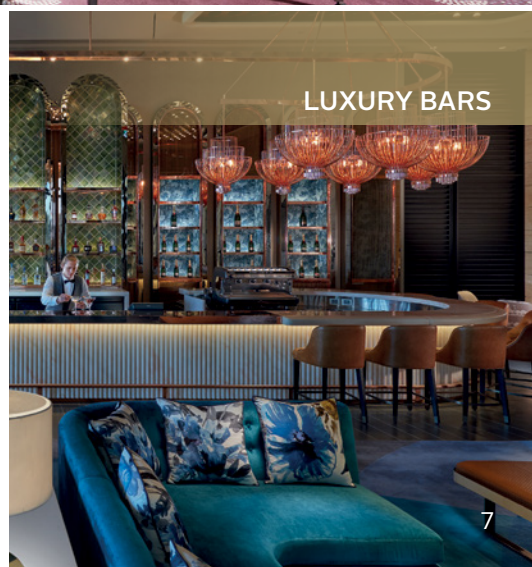
SIGNATURE RESTAURANTS



WORLD-CLASS GAMING



AWARD-WINNING HOTELS



LUXURY BARS

Crown's Resort Portfolio



Crown Melbourne

- Crown Melbourne is Australia's leading integrated resort and one of the most visited tourist destinations in Australia with its dynamic and diverse facilities.
- It is licensed to operate 2,628 gaming machines and 540 gaming tables.
- The resort currently features three hotels: Crown Towers Melbourne (481 guest rooms), Crown Metropol Melbourne (658 guest rooms) and Crown Promenade Melbourne (465 guest rooms).
- The Crown Conference Centre has 7,350 square metres of conference and meeting facilities across three floors.
- Banqueting facilities include the Palladium's 1,500-seat ballroom and The Palms' 900-seat cabaret venue.
- A broad selection of restaurants and bars are located in the resort, including many of Melbourne's finest.
- Crown Melbourne's retail precinct features prestigious designer brands and luxury retail outlets.



Crown Perth

- Crown Perth is one of Western Australia's largest tourist destinations, with an exceptional range of entertainment and tourism experiences.
- It has approval to operate 2,500 gaming machines and 350 gaming tables.
- The resort features three hotels: Crown Towers Perth (500 guest rooms), Crown Metropol Perth (397 guest rooms) and Crown Promenade Perth (291 guest rooms).
- Crown Towers Perth, which opened in December 2016, features luxury hotel rooms and suites, villas, private gaming salons, restaurants, bars, luxury retail outlets, a resort pool and spa facilities.
- Large-scale entertainment facilities include the 1,500-seat Crown Ballroom and 2,300-seat Crown Theatre Perth, along with world-class convention facilities.
- A premium selection of restaurants and bars are located across the resort in addition to casual dining options.

Australian Projects



Proposed concept render

Crown Sydney

100% owned

- Crown Sydney, located at Barangaroo on the foreshore of Sydney Harbour, will be the city's first six-star hotel and a landmark building with views of some of Australia's most celebrated icons, the Sydney Harbour Bridge and Sydney Opera House.
- Construction of Crown Sydney is progressing on schedule and the resort will include 349 hotel rooms and suites, luxury residences, signature restaurants, bars, luxury retail outlets, pool and spa facilities, conference rooms and VIP gaming facilities.
- The Crown Sydney Residences, which will be situated above the Crown Sydney Hotel Resort, has launched a marketing suite and has received strong interest from both domestic and international buyers.
- Almost all of the construction work is being undertaken by Australian businesses, creating hundreds of construction jobs and benefitting the New South Wales economy.
- Crown Sydney remains on schedule for completion in the first half of calendar year 2021 and the total gross project cost is expected to be approximately \$2.2 billion, with a net project cost of approximately \$1.4 billion.



Proposed concept render

One Queensbridge

50% equity interest

- One Queensbridge, a joint venture with the Schiavello Group, is a proposed fourth hotel development to meet tourism demand at Crown Melbourne.
- The proposed project was granted planning approval in February 2017 for a new 388 room luxury six-star hotel and approximately 700 luxury apartments located on one of the last significant development sites adjacent to the Crown Melbourne complex.
- The proposed project represents Crown's continued investment in the Southbank arts and entertainment precinct and would be connected to the Crown Melbourne complex by a sculptural pedestrian bridge spanning Queensbridge Street.
- The proposed project remains subject to financing.

Australian Resorts

Crown's Australian resorts, Crown Melbourne and Crown Perth, continue to attract approximately 31 million visits each year and are employers of choice in both Victoria and Western Australia.



Barry Felstead
CEO, Australian Resorts

Crown's Australian resorts' full year result reflected a solid performance from our local Melbourne operation, continued subdued trading in Perth and strong growth in VIP program play.

Main floor gaming revenue increased 1.5% with modest growth in Melbourne offset by softness in Perth. VIP program play turnover in Australia of \$51.5 billion (growth of 54.5%) was a pleasing outcome given the difficult trading conditions in the prior corresponding period (pcp). Normalised EBITDA increased 7.2% for Crown's Australian resorts, primarily due to strong growth in VIP program play.

Margin performance declined slightly on the prior year largely due to a change in the mix of business, with strong growth coming from lower margin VIP program play, combined with an increase in fixed costs such as energy, particularly at Crown Melbourne.

Crown's Australian resorts are some of the finest resorts in the world and continue to attract a growing share of visitors as well as prestigious industry awards. All major capital expenditure projects in Melbourne and Perth are now complete.

The Crown Rewards loyalty program rewards members with a range of offers, including invitations to special events and other unique experiences. The appeal of the Crown Rewards program is demonstrated by the ongoing growth in its membership base and Crown will continue to develop the proposition over the coming year.

Our Employees

At Crown, our aim is to create tangible career pathways for our employees. Crown College is a dedicated training facility which delivers on Crown's commitment to the learning and development of our employees. In the 2018 financial year, over 640 employees were enrolled in Certificates III, IV and Diploma level qualifications, with over 8,500 apprentices and trainees graduating since the inception of Crown College.

Our employees are instrumental in ensuring that Crown consistently delivers exceptional levels of customer service. As such, Crown is committed to continuing to provide its employees with meaningful learning and development opportunities.

Crown College International, which offers international students with vocational education and training across hospitality, tourism and management, is an expansion of our training program. Crown College International continues to grow with 100 students enrolled at 30 June 2018. The College's innovative programs create pathways for students to graduate with skills that meet industry needs.

Crown's commitment to inclusive employment practices has continued to strengthen. Crown is progressing the implementation of a Gender Action Plan and Crown Pride Action Plan, which will detail our formal commitment to Gender Equity and LGBTIQ+ inclusion. These plans are in addition to the well-established Reconciliation Action Plan and the CROWNability Action Plan. All of these programs and plans are complemented by a range of employee networks which support our people.



Indigenous Employment Program

Crown's award-winning Indigenous Employment Program (IEP) continues to make a positive impact on the lives of hundreds of Aboriginal and Torres Strait Islander people in Australia. Crown's IEP has provided over 775 Indigenous employment opportunities with a consistent focus on hiring, developing and retaining employees.

Crown's Indigenous employment efforts extend to Crown Sydney with our sponsorship of the iTradies program. Fourteen Indigenous men and women have graduated from the program with a Certificate I in construction, which allows them to pursue further opportunities in the building industry.

Developing our third Reconciliation Action Plan (RAP) was a key priority during the 2018 financial year. Our key objective is to retain 'Elevate' status, which Crown achieved through its second RAP 2015-2017. 'Elevate' status, which is the highest level of endorsement granted by Reconciliation Australia, affirms that Crown is a leader in advancing national reconciliation.

The dedicated RAP steering committees across Melbourne and Perth have determined that the third RAP will focus on identifying the strengths of Indigenous employment and championing these within the wider industry.

The 2018 financial year has welcomed numerous success stories from our Indigenous employees in relation to career development as well as personal achievements outside of the organisation. Crown will continue to work collaboratively with other businesses and external stakeholders to ensure that we achieve targets beyond direct employment, including procurement, community and cultural awareness outcomes.

CROWNability

Crown is one of Australia's most significant private sector employers dedicated to creating an accessible and inclusive environment for staff and patrons. We are

committed to transforming perceptions of disability within our organisation and the broader community.

The CROWNability program was launched in 2014 to support the employment, development and retention of people with disability at Crown. Through the program, we strive to ensure that people with disability are given the opportunity to gain employment at Crown within the diverse range of roles available. We recognise that the program is about more than just employment and, as such, members of the CROWNability program have access to Crown's various training and development opportunities. Our goal is to create a disability confident organisation.

Our CROWNability Action Plan 2018 – 2021 was launched in December 2017, which coincided with International Day of People with Disability. This is the second CROWNability Action Plan and it is strategically focused on building meaningful careers for employees with disability and ensuring access and inclusion extends well beyond their employment.

Our dedicated CROWNability team, which works proactively with industry partners and stakeholders, has successfully placed and supported over 240 candidates into meaningful careers. In total, CROWNability has provided 350 employment opportunities for people with disability, which includes contractors and employees.

Crown is proud of its continued association with Program Ambassador and Australian Paralympic Gold Medallist, Kurt Fearnley AO. In his role as Ambassador, Kurt has attended Crown Melbourne and Crown Perth to promote positive attitudes towards living and working with people with disability.

The CROWNability program has been recognised with several accolades, including atWork Australia Employer of the Year for Innovation 2017, National Employer of the Year from OCTEC Employment Services and finalist at the National Employment Services Association Excellence Awards for Innovation 2017.



Health, Safety & Employee Wellbeing

Crown remains committed to the continuous improvement of workplace health and safety outcomes.

A strategic, integrated and sustainable approach to support the health and wellbeing of our employees was developed and implemented, with recent developments in the area of mental health. The Mental Health Awareness Program, which is due to be rolled out over the next 12 months, aims to increase the capability and confidence of Crown managers when dealing with general mental health situations, whilst providing all employees with access to specialised counselling and information services.

Crown has strengthened its partnerships with local specialised medical providers to further expand its targeted pre-employment functional assessment programs. This program is aimed at delivering long-term benefits in relation to injury prevention.

In August 2017, members of Crown's executive and senior management participated in health and safety due diligence sessions aimed at reinforcing their understanding of occupational health and safety legal requirements and providing them with the tools necessary to meet these obligations. In addition, Crown has strengthened employee participation in emergency training and practice scenarios during the year.

Industrial Relations

Crown is committed to managing industrial relations through open and effective relationships with employee associations and we act in good faith in all dealings with these associations.

Crown has five collective bargaining enterprise agreements, which cover the majority of frontline staff and include some management level employees.

Crown Melbourne

Overview

Crown Melbourne is one of the region's leading integrated resorts and a key driver of international and interstate visitation to Victoria. Its reputation for luxury experiences and exceptional hotel, gaming and entertainment facilities has attracted approximately 21 million visits to Crown Melbourne during the period.

Crown Melbourne continues to strengthen its offering with property enhancements and initiatives to stimulate visitation, in line with Crown's strategic priorities. Crown Melbourne remains Victoria's largest single-site private sector employer, with almost 12,000 people working across the resort.

Property Update

Crown Melbourne continued its investment in capital improvements across the property during the 2018 financial year.

Crown Towers maintained its world-class standard with refurbishments undertaken to its premium suites and villas. A number of restaurants and outlets received upgrades, notably Rockpool Bar & Grill where significant front of house renovations were completed along with a state-of-the-art on show kitchen. At Crown Metropol, new retail tenants were introduced to the level one retail precinct.

The main gaming floor central area was enhanced, introducing a new Crown Rewards operational model which adopted the use of individual kiosks to create a more interactive patron experience.

Local Gaming

Crown Melbourne continued to invest in new technology, including the introduction of some of the latest gaming products, system upgrades and innovations. Crown Melbourne now has one of the largest installations of the popular Lightning Link and Dragon Link gaming machine products in the world. These investments, together with the Crown Rewards program, allowed us to deliver differentiated market-leading experiences to our patrons.



Crown Melbourne hosted its twenty-first Aussie Millions Poker Championship in January 2018, welcoming participants from more than 30 countries and a prize-pool of over \$20 million. Aussie Millions is a major event on the international poker circuit and, combined with Crown's enhanced digital marketing approach through the use of live streaming and social media, a new record was set for entrants into the main event.

VIP Program Play

Normalised VIP program play revenue at Crown Melbourne was \$591.8 million, up 73.9% with turnover of \$43.8 billion.

Hotels

Crown Melbourne features more than 1,600 guest rooms across three luxury hotel brands – Crown Towers, Crown Metropol and Crown Promenade. Together, the three hotels provided for more than 878,000 guests during the year, with a combined occupancy exceeding 93%.

The hotel digital strategy continued during the period with a focus on personalisation, driving increased leisure visitation to the hotels and building online brand loyalty. Crown also continued to refine its Crown Direct offering, an online portal that allows hotel customers to receive exclusive benefits when they book directly with Crown.

Crown Towers retained the prestigious Forbes Travel Guide Global 5 Star Award in 2018 and is the only hotel in Melbourne to achieve this status. Additional accolades include Best Club Lounge of the Year both with Qantas Business Travel Awards and TAA Victoria as well as Winner of TAA Victoria's Front Office Employee of the Year and Best Environment and Energy Efficiency Practice.

Crown Towers was also acknowledged in the 2018 Travel & Leisure World's Best Awards Gold List as a Finalist for Best Australian Hotel.

Food and Beverage

Crown Melbourne's award-winning restaurants and bars include world-class, distinctive culinary brands that are unrivalled in Australia. Crown's signature restaurants continue to receive favourable accolades and reviews, with Dinner by Heston Blumenthal securing Number 25 at The Australia 100 Awards in 2017.

Crown's 2018 Melbourne Food & Wine Festival activation delivered 13 innovative food experiences across our premium dining portfolio, including Dinner by Heston Blumenthal, Bistro Guillaume, Long Chim and Nobu. These events were executed both in-house and along the riverside, delivering record crowds and reaching over 15 million people through PR, traditional media and social media.

Our casual dining portfolio saw year-on-year growth driven by the 'Taste the Season' campaign, which offers gaming customers dishes crafted by our chefs using fresh seasonal ingredients.

Crown's bar offering and in-venue experience continued to evolve, delivering market-first and industry-leading customer experiences with our key beverage partners. These included the Heineken Melbourne Grand Prix, Carlton Draught Front Bar during the AFL season, the activation of the globally renowned Robokeeper with Hahn Super Dry, as well as Budweiser, Moet and Piper Heidsieck during major events including the FIFA World Cup, State of Origin, Spring Racing Carnival and the Christmas period.

This year's major live performances at The Palms included sell-out performances by Burn The Floor, Wayne Brady, Jimeoin, James Reyne, FAST LOVE – A Tribute to George Michael as well as an 11 day season of Legends in Concert, the longest running tribute show in Las Vegas.

Crown's nightclubs continued to secure top global artists and DJs including Drake, Ne-Yo, Kelly Rowland, Mario, Sean Kingston, Will Sparks, Usain Bolt, Mya and many more.



Events and Conferencing

Events and Conferencing had a challenging year due to increased competition from new entrants in the Melbourne and Sydney markets. Despite this, Crown Melbourne continued to be at the forefront of events in Australia with over 1,500 events and conferences booked for the year. The largest events included the Tertiary Education Management Conference 2017, CPA Congress 2017 Melbourne and CleanUP 2017 Conference. Key charitable events hosted at Crown Melbourne included Diamonds are a Girl's Best Friend Dinner, Australian Cystic Fibrosis Conference and Myer Stores Community Fund – Precious Metal Ball.

Crown has become a major partner with Meetings & Events Australia (MEA), the event industry's Registered Training Organisation. Crown is MEA's education partner and is working with MEA to build national professional development programs.

Crown Perth

Overview

Crown Perth is Western Australia's only fully integrated entertainment resort. Following the extensive development and renovation since its acquisition in 2004, Crown Perth has been transformed into a premium tourist destination, this year attracting approximately 10 million visits. Crown Perth remains the State's largest single-site private sector employer, with almost 6,000 people working on site.

Property Update

Following a number of years of extensive development on the property, Crown has focussed the last twelve months on enhancing the property's existing assets. A number of venues have been added or modified to optimise the property during peak customer periods.

The elegant Fusion cocktail bar has been extended to allow improved service during peak periods while retaining its luxury lounge feel during non-peak times.

The Epicurean and Merrywell alfresco areas have been enclosed to substantially increase capacity to these already successful venues. Also introduced this year was Crown Perth's first rooftop pop-up venue, Hi-Line Bar. With views of the Perth CBD, Hi-Line Bar has turned a previously vacant space into a popular destination.

A number of facilities have been introduced around the property as part of our CROWNability and Crown Pride programs. These include improved pedestrian crossings to all major car parks, Crown Perth's first LGBTIQ+ bathrooms and a new disability-friendly staff entrance.

The final stage of Crown Perth's roadworks strategy has now been completed with the introduction of a roundabout to Glenn Place and modification to the existing western car park entries. These works have considerably improved vehicle access between the main Crown Perth complex and the Crown Towers hotel and has significantly reduced peak period multilevel car park congestion, further improving customer satisfaction.

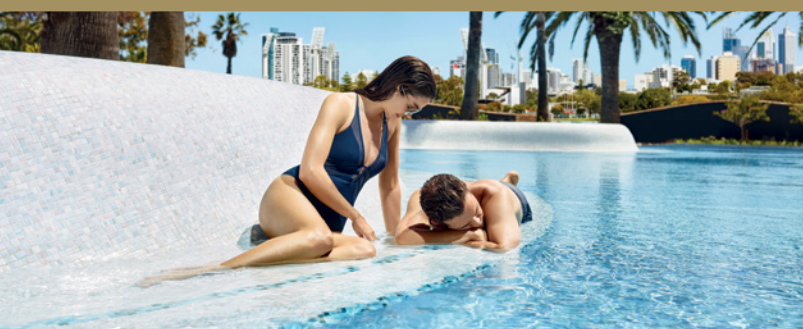
Local Gaming

Crown Perth's local gaming revenue declined by 2.1%, reflecting the subdued local economic conditions. Investment in gaming technology has provided a suite of new products to enhance the customer experience. These enhancements have provided growth in casual gaming segments, in particular electronic table games and mainstream gaming machines.

Further supporting the growth in casual gaming segments was the Value Guarantee campaign, which provides special offers for hotels, entertainment, theatre and dining at Crown Perth. This campaign resonated well in what remains a challenging market and delivered positive customer outcomes across the business.

VIP Program Play

Normalised VIP program play revenue at Crown Perth was \$103.0 million, down 5.8% with turnover of \$7.6 billion.



Hotels

Crown Towers continued to position itself as the premier destination in Perth and drew a wide range of guests attracted to the hotel's luxury elements and resort-style features. The Crown Towers brand continued to attract international guests and a number of high profile entertainment groups.

Crown Towers increased visitation to Crown Perth with the three hotels providing for approximately 575,000 guests during the year, up 30% on the prior period. Market conditions in Perth, which continued to be challenged, impacted rate performance during the year. However, Crown Perth's combined average room rates remained at an approximately 40% premium compared to the broader Perth market. Crown Perth's three hotels grew combined occupancy to 83% (up three percentage points) while occupancy rates across the Perth market declined by one percentage point to 75%.

Most recently, Crown Towers Perth was awarded Best Deluxe Accommodation Hotel and Best Accommodation Hotel Overall at the AHA 2018 Perth Airport WA Accommodation Awards for Excellence.

Food and Beverage

Crown Perth's restaurant and bar operations exceeded expectations after subdued trading conditions last year. Crown Perth's Value Guarantee campaign continued to prove popular, and the new restaurants and bars located within Crown Towers performed strongly in their first full financial year of operation since opening in December 2016.

Bar operations were enhanced with the opening of Hi-Line Rooftop Bar in February 2018 and the refurbishment of Fusion on the main gaming floor. In addition, TWR won Best Bar in the 2018 Australian Gourmet Traveller Hotel Awards.

Crown's premium restaurants received two Gold Plate Awards at the Catering Institute of Australia's 2017 Gala Ball – Silks for Licensed Chinese Restaurant and Modo Mio received the Prix D'Honneur Award (Hall of Fame). At the AHA 2017 Accommodation Awards for

Excellence, TWR received the Cocktail Bar Award and Nobu won the Premium Restaurant Award. In May 2018, The Merrywell was awarded Perth's Best Steak Sandwich by the Australian Hotels Association. Crown Perth also successfully partnered with the Good Food Guide for the first time and hosted the 2018 Good Food Guide Awards in October 2017.

Events, Conferencing and Entertainment

Events and Conferences achieved a record revenue result in the 2018 financial year.

The new Crown Towers Ballroom allowed for increased conference and event business with over 200,000 delegates attending Crown Perth's convention facilities, up 12% on the previous year. There were a number of significant residential conferences which included large scale Asia Pacific groups, including Hewlett Packard and Canals, which together attracted approximately 1,600 delegates. The activation of Crown's unique premium spaces, including the Crown Towers private pool, the Mansions and the Crystal Club, were key to the success of these events.

Crown Perth's premier event venues also secured a number of large events during the year. The key events included the 2018 Oasis Ball, RQCC Perth 2017, ASOHNS Annual Scientific Meeting, Mastercard Hopman Cup NYE Gala, Suited – The NYE Ball 2017, Classique Melbourne Cup, Ronald McDonald House Charities WA Ball, the AHA-Aon Hospitality Awards for Excellence, Variety of Chefs 2017 Ball, Altitude 2017, the AHA Accommodation Awards for Excellence & Gala Ball, Parkerville Children and Youth Care Charity Lunch, and the 2017 HIA-CSR Housing Awards.

In a first for Crown Perth, the Grand Ballroom held a very successful ticketed event for the Mayweather versus McGregor boxing match broadcast in August 2017.

Crown Theatre had several long-running shows throughout the year including seasons of Mamma Mia!, The Rocky Horror Show and The Unbelievables as well as a number of smaller shows.



International Interests

Crown Aspinalls

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

Normalised EBITDA from Crown Aspinalls was \$12.0 million, down 54.8% on the previous period. This reflects a softening in volumes across the London high-end casino market and disruption from refurbishment. Reported EBITDA for the period was \$12.4 million, an increase of \$17.9 million on the previous period.

The reported EBITDA result takes into account a favourable variance from the theoretical VIP program play result, which had a positive EBITDA impact of \$0.4 million. This compares to a negative EBITDA impact of \$32.1 million in the previous period.

Aspers Group

Crown holds a 50% equity interest in the Aspers Group, which operates four regional casinos in the United Kingdom, in Newcastle, Stratford (London), Milton Keynes and Northampton (the latter in a joint venture with Kerzner UK Limited).

Nobu

Crown holds a 20% interest in Nobu, one of the world's most recognised lifestyle hotel and restaurant brands. Nobu operates 15 owned restaurants in the US, London and Tokyo, 24 international licenced restaurants and manages eight Nobu hotels in Ibiza, Las Vegas, London, Malibu, Manila, Marbella, Miami Beach and Palo Alto. The other investors in Nobu are Nobu Matsuhisa, Robert De Niro and Meir Teper. The restaurant business has a pipeline of four new owned restaurants and ten new licensed restaurants. The managed hotels business has a pipeline of seven new hotel openings, which include Atlanta, Chicago, Los Cabos, Riyadh, Toronto, Barcelona and Sao Paulo.

Asset Sales

During the year, and consistent with our strategy to focus on our world-class core Australian operations and development projects, Crown sold the Alon Las Vegas land to Wynn Resorts, Limited for US\$300 million (Crown's share of the proceeds was approximately US\$264 million) and its 4.2 million shares in Caesars Entertainment Corporation for US\$53.3 million.



EBITDA from Crown's wagering and online social gaming operations was \$26.9 million, up 81.8% on the pcp. This includes CrownBet's consolidated result from 1 July 2017 to 28 February 2018.

During the year, Crown completed the sale of its 62% interest in CrownBet, together with loans advanced by it to CrownBet, for \$150 million and no longer holds any interest in CrownBet.

Crown's wagering and online social gaming operations now comprises Betfair Australasia (a 100% owned, online betting exchange) and DGN Games (an 85% owned, online social gaming business). In addition, Crown equity accounts its investment in Chill Gaming.

Betfair Australasia

Betfair Australasia is 100% owned by Crown and provides access for Australian and New Zealand customers to the world's leading betting exchange. In the 2018 financial year, Betfair Australasia continued to grow revenue from the core exchange product whilst delivering that product as efficiently as possible, resulting in strong EBITDA growth.

DGN Games

DGN Games is 85% owned by Crown and is a developer of online social games. DGN's online social game titles include "Old Vegas Slots", a classic 3-reel game, and "Lucky Time Slots", a 5-reel game. While both games are performing well, "Lucky Time Slots" is driving DGN's growth.

During the period, Crown increased its interest in DGN Games from 70% to 85% in exchange for an earn-out payment to the founders of US\$8.4 million

Chill Gaming

Chill Gaming is a 50/50 joint venture between Crown and New Gaming Pty Ltd, which is owned by the founders of Wymac Gaming Solutions. Chill Gaming will focus on innovation and developing new entertaining products.



Corporate Social Responsibility

Our approach to corporate social responsibility is integrated into everything we do with all initiatives developed to consider efficiency, diversity, inclusion, community and our impact on the environment.

Creating opportunities through employment

Crown's two Australian resorts are significant employers in both Melbourne and Perth, providing employment for approximately 18,000 people.

Crown is committed to creating real opportunities through employment as demonstrated by our 20 year award-winning history in the training sector, specialising in hospitality, tourism, commercial cookery and management. Crown's dedicated training facility, Crown College, is a Registered Training Organisation which enables employees to receive on-site access to world-class training and development programs.

The training that employees undertake at Crown College is relevant to their roles and is nationally recognised as it is aligned with the Australian Qualification Framework.

Crown is a leader in the tourism industry with Crown College Perth being named by the Tourism Council of WA as the Gold winner for Tourism Education and Training for the second year in a row. This is Crown's fifth year in a row to win this category in the combined state tourism awards, with Crown College Melbourne winning in 2013, 2014 and 2015 and receiving Hall of Fame status in 2015. Crown Perth also won the Training Initiative Award at the 2017 AHA Awards for Excellence.

Crown's aim is to create career pathways for its employees and, in the 2018 financial year, over 640 employees were enrolled in Certificates III, IV and Diploma level qualifications. Since its inception, over 8,500 apprentices and trainees have graduated from Crown College.

Crown's training program expanded significantly in the past financial year with the opening of Crown College International in July 2017. Crown College International provides vocational education and training, specialising in delivering qualifications in hospitality, tourism and management. The high quality and innovative programs at the college are expected to create pathways for students from all over the world who graduate job-ready to meet industry needs.

As at 30 June 2018, Crown College International reached over 100 student enrolments and has a large number of ongoing applications.

Diversity and inclusion

Crown's whole-of-business approach to diversity and inclusion ensures that our workplace remains a dynamic, positive environment where all employees feel valued in their role and comfortable and confident in bringing their whole self to work.

Our diversity and inclusion strategy encompasses several programs including the Indigenous Employment Program (IEP), CROWNability, Gender Equity, Crown Pride, the Family Support Network and the Cultural and Linguistic Diversity Employee Network.

Crown's commitment to workplace diversity and inclusion has been recognised through several external accolades, including the Moulis Legal Award for Diversity at the 2017 Property Council of Australia Awards, atWork Australia Employer of the Year for Innovation 2017 and National Employer of the Year from OCTEC Employment Services.

In the past financial year, Crown has worked diligently to progress Gender Equity, including as a member of both the national Male Champions of Change program and Western Australia's CEOs for Gender Equity. Crown also introduced a Paid Parental Leave scheme with effect from July 2017.

Gender Fitness, which was launched in December 2017, is an innovative in-house digital solution that contributes to Crown's diversity and inclusion strategy. Gender Fitness captures real-time data from meeting interactions to increase awareness of diversity and inclusion with the aim of delivering an improved gender balance across Crown.

Crown's work in Gender Equity highlighted an opportunity to expand its program to support employees in their personal lives. As such, in February 2018, the Family Support Network launched at Crown Melbourne.

Culture was also identified as a key area for expansion in Crown's diversity and inclusion program given the multicultural composition of Crown's workforce and patronage. In May 2018, the Cultural and Linguistic Diversity Employee Network launched at Crown Melbourne.



Crown's LGBTIQ+ strategy framework is currently being drafted by Crown's established LGBTIQ+ Steering Committee, which oversees the Crown Pride Committees at each property. To assist with the development of Crown Pride and the LGBTIQ+ framework, in January 2018, Crown gained membership to Pride in Diversity, the national not-for-profit employer support program for LGBTIQ+ inclusion.

Commitment to responsible gaming

Crown is committed to the responsible service of gaming at each of its resorts, engaging internally and externally to achieve socially responsible outcomes. Crown recognises that in delivering its responsible gaming programs and services, it does so as a shared responsibility as part of the gaming industry, with government, communities and individuals all working in partnership.

Mindful of developments and initiatives in social safeguards nationally and internationally, Crown ensures it actively engages in committees, working groups, conferences and think tanks. These provide the opportunity to exchange information and ideas, and allow Crown to share advances in its own programs and services via conference presentations and panel memberships. For example, Crown presented at the 2017 National Association for Gambling Studies annual conference, contributed as part of the organising committee, and was invited to participate as part of a panel at the International Association of Gaming Advisors Best Practices Institute education series in Las Vegas.

In Western Australia, Crown Perth is a member of the Problem Gambling Support Services Committee and the Gaming Community Trust Committee, as well as the Responsible Gambling Awareness Week Planning Committee.

In Victoria, Crown Melbourne is a member of the Responsible Gambling Ministerial Advisory Council and participates in the Victorian Responsible Gambling Foundation Industry Forum and the Responsible Gambling Awareness Week Reference Group. This is in addition to regular engagement with gambling help services in both states and various community groups.

Responsible gaming culture is embedded throughout Crown at each resort. This is achieved through extensive and ongoing employee training in the responsible service of gaming.

Customers and employees benefit from continuous responsible gaming awareness campaigns about Crown's responsible gaming programs and services, and the Responsible Gambling Code of Conduct. Multiple communication channels are used throughout each resort to ensure important information reaches a wide audience. Information is available in multiple languages.

Responsible Gaming Centres at each resort are the focal point for interaction with customers. Staffed by a dedicated and professional team within each resort, the Responsible Gaming Centres provide free and confidential services, programs and referrals and are available 24 hours a day, seven days a week.

A testament to Crown's commitment to responsible gaming is the Crown Resorts Limited Responsible Gaming Board Committee, chaired by independent Director, Professor John Horvath AO. This Committee is dedicated to overseeing Crown's responsible gaming initiatives and recommending policies and procedures to enhance the effectiveness of those programs.

Crown remains committed to developing new, as well as refining existing, responsible gaming programs and services, and will continue its strong engagement with stakeholders to contribute to informed delivery in the area of responsible gaming.

Progress towards environmental goals

Crown continues to work towards being a leader in sustainable business practices in the gaming and entertainment industry, focussing on three major areas: energy efficiency, water conservation and waste reduction.

During the 2018 financial year, Crown achieved a reduction in greenhouse gas emissions intensity of 2.8% per area, Crown Melbourne reported a decrease in water consumption of 4.4% and Crown Perth recorded a 2% reduction in overall electricity consumption. Crown's Recycle90 Program continues to be integral to our overall waste management strategy with approximately 70% of Crown's waste diverted from landfill.

Crown Melbourne and Crown Perth work collaboratively, aligning strategies and programs across both properties that will further reduce the environmental impact and contribute to developing more sustainable practices.



Crown's well-established, employee-led CROWNEARTH Committees were very active across both properties during the period, focussing on a number of energy, water and waste management initiatives to improve the overall sustainability performance of the business.

Crown Melbourne was excited to announce the successful installation of a 300 kilowatt PV solar power system on its Clarke Street building in February 2018. The system consists of over 900 solar panels and was recognised as the largest solar installation in the Melbourne CBD. The system has the capacity to produce over 400,000 kWh of renewable energy annually, equivalent to the power consumed by over 70 homes. It will reduce annual emissions by over 460,000 kg CO₂-e, comparable to planting approximately 12,000 trees. This project showcases Crown's commitment to sustainability, being just one of many energy conservation projects that Crown has completed over the last few years.

In 2018, Crown was pleased to launch its Sustainable Supply Chain Policy. This policy was developed to provide guidance in integrating environmental and social considerations in procurement decisions to promote a more sustainable way of doing business. Crown's vision is to contribute to environmental sustainability and community development, whilst reducing the impact of our own operations through considered procurement decisions. Crown intends to leverage its influence as a large buyer and further support its suppliers to improve their own sustainability practices.

Crown recognises that policies and systems, whilst important, are not enough. Employees need to understand and be aligned with Crown's environmental objectives, otherwise change is difficult to achieve and may be short-lived. The 2018 financial year saw a major focus on staff engagement across Crown's resorts with regular events, training and communications to ensure staff and contractors are informed of Crown's environmental objectives and progress, as well as to continue to embed sustainability as part of Crown's culture.

In addition to the internal programs, Crown continues to participate in a number of externally organised programs, including Sustainability Victoria's TAKE2 program, Clean-up Australia Day, Earth Hour, Soap Aid, National Recycling Week, Plastic Free July and the Carbon Disclosure Project (for the ninth year running).

Supporting our communities

Crown believes in supporting the communities in which it operates. Recognising our role within our communities, we, together with our employees, support many community causes and organisations through our resort-specific community partnerships, employee volunteering opportunities and the Crown Resorts Foundation.

Crown's community support comes in many different forms. At a resort level we are able to support charities through subsidising, promoting and hosting their fundraising events and providing raffle prizes. Many of our employees enthusiastically volunteer their time to support a wide range of causes.

This year, the Children's Cancer Foundation's Million Dollar Lunch was once again hosted by Crown Melbourne. Crown, with the support of its suppliers, committed to delivering the event cost-free, which significantly assisted the Children's Cancer Foundation to raise over \$2.5 million. These funds will be used to fund childhood cancer research programs, clinical care and family support.

Complementing our community partnerships are the fundraising events organised by teams throughout Crown. Operations teams across Crown organise their own fundraising events for charities such as SIDS and Kids, the Cancer Council, Oxfam and Jeans for Genes. More formal fundraising activities are organised in partnership with the Crown Resorts Foundation by the Employee Advisory Committee.

Crown's Australian Resorts CEO, Barry Felstead, participated in the St Vincent de Paul CEO Sleepout in Perth for the ninth consecutive year. To date, Barry has raised over \$860,000 for Perth's St Vincent de Paul's homeless and emergency housing services.

The Crown Resorts Foundation

\$200 million National Philanthropic Fund

The Crown Resorts Foundation continues to support effective programs which provide young Australians with opportunities to engage in education, the arts and culture, and continues to partner with organisations that encourage and foster social cohesion. Underlying these priorities are learning, accessibility and engagement outcomes for young Australians – staying engaged with school and learning is the key to long-term positive outcomes, and this is the approach and message that our program partners are delivering.



In the 2018 financial year, in partnership with the Packer Family Foundation, the Foundations provided over \$16 million in grants to more than 120 organisations across Australia. These grants ranged from smaller one-off employee nominated donations to significant annual grants which are 10 year commitments.

Over 77,500 students across Australia participated in the Arts Education programs that the Foundations support, undertaking a combined total of 750,000 hours of creative learning. This included over 90,000 hours of engagement with creative education programs for over 3,750 Aboriginal and Torres Strait Islander students and more than 88,000 hours of engagement for over 980 people with disability. In addition, over 700 teachers undertook more than 7,800 hours in teacher training programs focussed on the arts, creativity and innovation, paid for by the Foundations.

Supporting Indigenous education

Providing assistance to increase and improve the education opportunities for Aboriginal and Torres Strait Islander Australians is a priority for the Crown Resorts and Packer Family Foundations.

The Foundations partner with organisations that provide a highly supportive school environment and engage students, family and the community in the design and, where possible, the delivery of the educational program. The Foundations' Boards believe that this approach is important as these programs establish the trust and sense of security that enable children not only to benefit from a consistent school-based education but to thrive in such a setting.

This year, the Foundations undertook their second Indigenous education grant round with the successful organisations being AIME, Australian Indigenous Education Foundation, The Australian Literacy and Numeracy Foundation, Clontarf Foundation, Ganbina and National Centre of Indigenous Excellence. With the exception of Ganbina, all of these organisations had previously received multi-year grants from the Foundations.

Supporting our local communities – Crown employees lead the way

The Crown Resorts Foundation Employee Advisory Committee (EAC) continues to deliver a creative employee focussed program aimed at recognising the work our employees undertake in their community and providing opportunities for employees to engage with the Foundations' partners as well as other charities with which our employees are engaged.

The EAC has launched its CROWNversations series, a program which invites philanthropists and representatives from not-for-profit organisations to speak to employees about their programs and experiences. The EAC has also launched CROWNverteering, which enables Crown employees to volunteer for charities in their area of interest. In addition, the EAC continues to deliver employee-driven fundraising opportunities.

The Annual Crown Metropool Stair Climb has raised \$180,000 over the past three years and is mainly made up of employee donations, matched by the Crown Resorts Foundation. In December 2017, the money raised was donated to STEP BACK THINK for the prevention of social violence. The EAC again partnered with Crown's wagering businesses to organise the event, which raised \$50,000 and had more than 140 participants.

The EAC also oversees the Crown Melbourne Community Grants Program, which focusses on providing monetary support to charities and non-for-profit organisations nominated by employees. To date, over \$200,000 has been donated to organisations nominated by employees.

Supporting Australian culture

Our Western Sydney Arts Initiative and Melbourne and Perth Arts Education Initiative programs combined, will account for \$55 million of our \$200 million National Philanthropic Fund commitment. These programs, which are focussed on supporting education and promoting creativity, use art as a vehicle with which to engage participants with learning and their community.

Currently we are supporting 66 programs across Western Sydney, Melbourne and Perth within our arts education grants initiative. The programs range from violin lessons in low socio-economic primary schools provided by Symphony Orchestra members to drama and literacy programs delivered in juvenile detention centres.



Corporate Governance Statement

The Board of Crown Resorts Limited (Crown or the Company) is committed to the implementation and maintenance of good corporate governance practices. This Statement sets out the extent to which Crown has followed the ASX Corporate Governance Council's Third Edition of the Corporate Governance Principles and Recommendations (the Principles and Recommendations). This Statement is current as at 11 September 2018 and has been approved by the Board.

Principle 1: Lay solid foundations for management and oversight

Functions reserved for the Board and Senior Management

Functions reserved for the Board

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

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

Board appointments are made pursuant to formal terms of appointment.



More information

A full copy of the Crown Board Charter is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

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).

Crown Board Committees

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

Committees	Current Members
Audit and Corporate Governance Committee	Helen Coonan (Chair) Michael Johnston Antonia Korsanos
Corporate Social Responsibility Committee	Helen Coonan (Chair) John Horvath AO Harold Mitchell AC
Finance Committee	Helen Coonan (Chair) Michael Johnston Antonia Korsanos
Investment Committee	Guy Jalland (Chair) John Alexander Michael Johnston
Nomination and Remuneration Committee	Geoff Dixon (Chair) John Horvath AO Harold Mitchell AC
Occupational Health and Safety Committee	John Horvath AO (Chair) Jane Halton AO PSM Michael Johnston
Responsible Gaming Committee	John Horvath AO (Chair) John Alexander Antonia Korsanos
Risk Management Committee	Geoff Dixon (Chair) Andrew Demetriou Jane Halton AO PSM

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



More information

A full copy of each of the Crown Committee Charters is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

Director probity reviews and elections

Every appointment of a Crown Director is subject to the receipt of necessary gaming regulatory approvals.

The gaming industry is highly regulated and 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.

Officers, Directors and certain key employees of Crown and its licensed subsidiaries must file applications with relevant gaming authorities and may be required to be licensed in certain jurisdictions. These investigations generally concern the responsibility, financial stability and character of the owners, managers and persons with financial interests in gaming operations and generally include requirements to obtain police checks and credit checks.

A Director will only be formally appointed once all necessary gaming regulatory approvals have been obtained. As a separate exercise, Crown undertakes its own internal investigations on the suitability of nominated Directors as a pre-condition to a recommendation to the Board to appoint a Director.

The Company's Constitution requires that an election of Directors must take place each year. In addition, Directors appointed to fill casual vacancies during the year must retire from office at the next annual general meeting following his or her appointment but are eligible for re-election by shareholders at that time. The Notice of Meeting for an annual general meeting sets out the background for the election and re-election of Directors, informs shareholders where they can find background information on the skills and experience of the relevant Director and provides a recommendation of the Board in relation to the proposed election or re-election.

Accordingly, shareholders are provided with all material information relevant to a decision on whether or not to elect or re-elect a Director.



More information

Copies of Crown's past and present Notices of Meeting are available at: www.crownresorts.com.au under the heading Investors & Media – Annual Reports.

Director and Senior Executive agreements

Crown Directors are provided with an induction pack upon appointment which, among other things, includes a letter agreement setting out the terms of that Director's appointment. The letter agreement, which each Director must countersign, describes when the appointment commences and when it ends, sets out the Director's powers and duties and the agreed remuneration arrangements and obliges the Director to comply with all Crown Policies, Procedures and the Code of Conduct for Directors. In addition, the letter agreement requires the Director to enter into a separate undertaking to inform Crown of any interests that Director may have in Crown securities (and contracts relevant to Crown securities) so that Crown is able to comply with its disclosure requirements under Listing Rule 3.19A to provide the ASX with completed Appendices 3X, 3Y and 3Z within the time period allowed by the ASX Listing Rules.

Each senior executive of Crown has an employment contract setting out the terms of that senior executive's appointment.

Company Secretary accountability

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The decision to appoint or remove a Company Secretary must be made or approved by the Board.

The role of the Company Secretary is set out in the Crown Board Charter and includes:

- advising the Board and its committees on governance matters;
- monitoring that Board and committee policy and procedures are followed;
- coordinating the timely completion and despatch of Board and committee papers;
- ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of Directors.



More information

A full copy of the Crown Board Charter is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

Diversity Policy

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

In accordance with the policy, Crown has established the measurable objectives for achieving gender diversity as set out below:

Objective	Crown's Progress
<p>1. To require that at least one female candidate is presented on candidate short lists and at least one female from Senior Management is involved in the interview process for all Senior Management and Senior Executive positions within the group for which a recruitment process is undertaken.</p>	<p>Female candidates were shortlisted for 86% of Senior Management and Senior Executive positions within the group for which a recruitment process was undertaken during the financial year. For the positions that did not have a female candidate shortlisted, there were no female applicants.</p> <p>A female from Senior Management was involved in the interview process for all Senior Management and Senior Executive positions within the group for which a recruitment process was undertaken.</p>
<p>2. To maintain the level of female participation in leadership and development programs (which incorporate targeted mentoring/coaching elements) across the group at no less than 45% of all participants.</p>	<p>During the financial year, Crown Melbourne, Crown Perth, Aspinalls and Betfair achieved 44% female participation in leadership and development programs.</p> <p>Whilst the participation rate was slightly below the target percentage, Crown Melbourne achieved a 45% participation rate, Crown Perth achieved an improved participation rate of 41% and Aspinalls achieved a 50% participation rate. Betfair, with its smaller employee numbers, only had one participant during the financial year who was not female.</p>
<p>3. To conduct a review on an annual basis of the remuneration for key roles within the group to ascertain the existence of any gender pay gaps and to implement action plans to address any such gaps.</p>	<p>Crown has continued to apply a variety of internal and external equity testing processes in relation to remuneration decisions at various points throughout the financial year, of which gender equity has been a key feature.</p> <p>The internal testing and analysis applied has included:</p> <ul style="list-style-type: none"> • validation of salaries at the start of the recruitment process, whereby salaries of non-Enterprise Agreement roles are validated prior to approval to hire in order to remove any unintended bias; • Workplace Gender Equity Agency (WGEA) reporting requirements, where gender demographics as well as the gender pay gap is assessed; and • annual performance and remuneration review processes, whereby a detailed analysis of all salaried roles is undertaken to understand and identify 'like for like' roles and to ensure there is no gender based inequity. <p>The internal testing and analysis conducted into 'like for like' roles provided an unclear result in relation to pay parity. As a result, Crown engaged Mercer, a workforce consultancy firm, to undertake an independent external gender pay gap analysis for all salaried roles below the Business Operations Team at Crown Melbourne and Crown Perth.</p> <p>The analysis conducted by Mercer utilised a validated predictive tool to analyse the pay data with consideration of all pay drivers to pinpoint any gender pay gaps and determine where corrections may be necessary.</p> <p>The external analysis found that no meaningful gender pay gap existed for any of the salaried roles within the scope of the review.</p> <p>The results of the external analysis, which considered like for like roles, are inconsistent with the WGEA data as the WGEA data considers the average pay of all salaried roles within the group, including senior executive positions up to and including the CEO.</p>

Objective	Crown's Progress
<p>4. To participate in the Male Champions of Change program and to implement relevant actions arising out of that program.</p>	<p>Ken Barton, Crown's Chief Financial Officer and CEO Crown Digital, has continued to represent Crown in the Male Champions of Change (MCC) program.</p> <p>Crown's continued participation in a variety of discussion groups, seminars and forums hosted by the MCC program assists with increasing Crown's knowledge and understanding of best practice diversity and inclusion programs. Throughout the financial year, the following initiatives were achieved at Crown, in alignment with the MCC Action Group meetings:</p> <p>Flexible work arrangements</p> <ul style="list-style-type: none"> • Enhancements were made to Crown's online application to allow employees to arrange shift swaps and increase or reduce shifts to suit their personal circumstances. <p>Violence against women</p> <ul style="list-style-type: none"> • Crown's Family and Domestic Violence Support Policy was updated to provide paid leave entitlements to employees experiencing, or supporting someone experiencing, family violence. • A dedicated family violence support line was introduced for employees through Benestar, our Employee Assistance Provider. • Dedicated training in relation to family violence for the Crown Melbourne operational Human Resources team was introduced. • Dedicated family violence Contact Officers were appointed at Crown Melbourne. <p>Financial security for women</p> <ul style="list-style-type: none"> • A paid parental leave scheme was introduced. • The statutory qualifying periods for full-time and part-time employees taking parental leave was removed. • Financial and superannuation seminars were provided to employees with a specific focus for women. <p>Further MCC initiatives</p> <ul style="list-style-type: none"> • Crown supported the report of the MCC and Chief Executive Women – <i>Backlash and Buy-in: Responding to the Challenges in Achieving Gender Equality</i>. • Mercer, a workforce consultancy firm, was engaged to undertake an independent external gender pay gap analysis (as described in more detail above).

Objective	Crown's Progress
5. To task the Gender Equity Group to develop a Gender Action Plan for FY18 to FY21.	<p>The draft Crown Resorts Gender Action Plan for FY18 to FY21 (GAP), which has been prepared by the Gender Equity Advisory Groups, is in the process of being finalised.</p> <p>Meanwhile, a number of initiatives from the GAP have progressed including:</p> <ul style="list-style-type: none"> • each of the initiatives listed in Objective 4 above under the sub-heading <i>Financial security for women</i>; • the ability for full-time and part-time employees to accrue Long Service Leave entitlements in the first 12 months of parental leave; and • the launch of Gender Fitness at Crown in December 2017. Gender Fitness is an innovative, in-house digital solution that contributes to our diversity and inclusion strategy. The core value of the solution is to capture real-time data from meeting interactions to increase awareness of diversity and inclusion and to deliver an improved gender balance across Crown.

The proportion of women employees in the group, women in senior executive positions and women on the Board as at 30 June 2018 is as follows:

Measure	Result
Proportion of women employees in the group	There were 5,170 women in the group. This represents 42.5% of the total workforce of 12,169 employees.
Proportion of women in senior executive positions in the group	There were 18 women in senior executive positions in the group. This represents 24.3% of senior executive positions in the group. This is a 6.3% increase on FY17.
Proportion of women on the Board	There were three female Directors out of a total of ten Directors, or 30%.

For the purpose of these statistics, the term "senior executive position" refers to the Executive Team and Board members of Crown Resorts Limited, Crown Melbourne and Crown Perth as well as the most senior leaders from each operational unit therein. The Executive Team is comprised of persons with titles in the nature of, or similar to, Executive General Manager, General Manager, Chief Information Officer, Chief Marketing Officer and General Counsel together with the Chief Operating Officers, Chief Financial Officers, Chief Legal Officers and Chief Executive Officers within the group.

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

As noted above, Crown's Diversity Policy requires that Crown reviews its Gender Objectives annually to ensure that they remain relevant and appropriate for Crown. The Audit and Corporate Governance Committee formally reviewed the Gender Objectives and resolved to amend Objectives 3 to 5. In summary:

Objective 3

Objective 3 has been strengthened to require that an external validation review be undertaken every two years to ascertain the existence of any gender pay gaps and to implement action plans to address any such gaps. This is in addition to the required annual internal review. This has resulted in the existing objective improved to read as follows:

To conduct an internal review on an annual basis of the remuneration for key roles within the group, with an external validation review to be undertaken every second year, to ascertain the existence of any gender pay gaps and to implement action plans to address any such gaps.

Objective 4

Objective 4 has been amended to reflect that Crown participates in programs that promote gender equity beyond the Male Champions of Change program. This has resulted in the existing objective improved to read as follows:

To participate in local and national programs which promote gender equity and to implement relevant actions arising out of those programs.

Objective 5

Objective 5 has been updated to reflect that the Gender Action Plan for FY18 to FY21 has largely been developed and therefore, going forward, the Company should assess its progress against the Plan's objectives. This has resulted in the existing objective improved to read as follows:

To progress the objectives of the Gender Action Plan for FY18 to FY21 (the Plan) and to annually assess the progress of the Plan's objectives.

Accordingly, the Audit and Corporate Governance Committee adopted the following revised Gender Objectives with effect from 1 July 2018:

1. To require that at least one female candidate is presented on candidate short lists and at least one female from Senior Management is involved in the interview process for all Senior Management and Senior Executive positions within the group for which a recruitment process is undertaken.
2. To maintain the level of female participation in leadership and development programs (which incorporate targeted mentoring/coaching elements) across the group at no less than 45% of all participants.
3. To conduct an internal review on an annual basis of the remuneration for key roles within the group, with an external validation review to be undertaken every second year, to ascertain the existence of any gender pay gaps and to implement action plans to address any such gaps. (*Modified Objective*).
4. To participate in local and national programs which promote gender equity and to implement relevant actions arising out of those programs. (*Modified Objective*).
5. To progress the objectives of the Gender Action Plan for FY18 to FY21 (the Plan) and to annually assess the progress of the Plan's objectives. (*Modified Objective*).

A report on the progress against the revised objectives will be provided in the 2019 Corporate Governance Statement.

**More information**

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

Crown is a "relevant employer" under the *Workplace Gender Equality Act 2012* (Cth) and, in accordance with the requirements of the Act, Crown lodged its annual Public Report with the Workplace Gender Equality Agency for the 2017-2018 period which reports on the most recent "Gender Equality Indicators".

**More information**

A full copy of Crown's Workplace Gender Equality Report is available at: www.crownresorts.com.au under the heading Corporate Governance – Gender Equality.

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

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

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

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

An evaluation of the Board and its Committees took place following the end of the 2018 financial year in accordance with the processes described above.

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 2018 financial year and in accordance with the processes described in the Remuneration Report.

Principle 2: Structure the Board to add value

Nomination and Remuneration Committee

Crown has established a Nomination and Remuneration Committee. The Nomination and Remuneration Committee has adopted a formal Charter that outlines its duties and responsibilities.

The current members of the Nomination and Remuneration Committee are Geoff Dixon (Chair), Professor John Horvath AO and Harold Mitchell AC who are each independent, Non-executive Directors. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The role of the Committee is to assist the Board to develop, maintain and implement policies in relation to:

1. the selection and appointment practices for Directors; and
2. the remuneration of Directors and relevant executives.

Selection, appointment and development of Directors

The Nomination and Remuneration Committee is required to:

- review Crown's procedure for the selection and appointment of new Directors (Selection Procedure) and make appropriate recommendations to the Board in relation to the Selection Procedure;
- implement the Selection Procedure and make nomination recommendations to the Board;
- develop succession plans in order for the Board to maintain appropriate experience, expertise and diversity;
- review Crown's procedure for the evaluation of the performance of the Board, its Committees and its Directors and be primarily responsible for the implementation of the evaluation process; and
- consider implementing a plan for enhancing Director competencies and ensure that an effective induction process is in place for new Directors.

The Selection Procedure requires that, in the event that a new Director appointment is required, the Nomination and Remuneration Committee (on behalf of the Board) must adhere to procedures including the following:

- the experience and skills appropriate for an appointee, the skills of the existing Board and any likely changes to the Board will be considered;
- upon identifying a potential appointee, specific consideration will be given to that candidate's:
 - competencies and qualifications;
 - independence;
 - other directorships and time availability; and
 - the effect that the appointment would have on the overall balance and composition of the Board, including by reference to the Crown Board Skills Matrix adopted from time to time; and
- finally, all existing Board members must consent to the proposed appointment.

The Nomination and Remuneration Committee also has responsibility for reviewing the Board Skills Matrix on an annual basis to ensure it remains consistent with the objectives of Crown and existing regulatory requirements and recommendations.

Remuneration of Directors and relevant executives

The role of the Nomination and Remuneration Committee also includes:

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

Following the end of the 2018 financial year, the Committee reviewed and approved:

- the remuneration for Non-executive Directors and senior executives which will apply during the financial year ending 30 June 2019;
- the short term incentive payments made to senior executives referable to the financial year ended 30 June 2018; and
- the issue of options to a small number of senior executives under the Crown Senior Executive Incentive Plan.

A summary of current remuneration arrangements is set out in more detail 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 the performance of senior executives and their remuneration.

Board Skills Matrix

As noted above, the Selection Procedure for Director nomination requires that the Nomination and Remuneration Committee (on behalf of the Board) considers the effect that any proposed Director candidate would have on the overall balance and composition of the Board including by reference to the Crown Board Skills Matrix adopted from time to time.

The Crown Board has adopted the following Board Skills Matrix which sets out the mix of skills and diversity that the Board is looking to achieve in its membership. The Board Skills Matrix highlights the key skills and experience of the Board and the extent to which those skills are currently represented on the Board and on each of its Committees as at 11 September 2018.

Skill / Competency	Board	Audit and Corporate Governance	Corporate Social Responsibility	Finance	Investment	Nomination and Remuneration	Occupational Health and Safety	Responsible Gaming	Risk Management
Total Number of Directors	10	3	3	3	3	3	3	3	3
Executive Experience Experience in senior positions at executive levels.	10	3	3	3	3	3	3	3	3
Strategic Planning and Execution Ability to develop and implement successful strategy and deliver agreed strategic planning goals.	10	3	3	3	3	3	3	3	3
Risk Management Experience in the oversight and management of material business risk including Board Risk Management Committee membership.	10	3	3	3	3	3	3	3	3
Financial Acumen Senior executive or equivalent experience in financial accounting and reporting, capital management, industry taxation, internal financial controls and corporate financing arrangements.	9	3	2	3	3	2	2	2	3
Governance Experience with listed and other organisations subject to robust governance frameworks with an ability to assess the effectiveness of relevant governance processes.	10	3	3	3	3	3	3	3	3
Occupational Health and Safety Experience in relation to workplace health and safety.	8	3	2	3	2	2	3	3	3
Environment and Sustainability Experience in relation to environmental and social responsibility and community.	8	2	3	2	2	3	3	2	3
Legal and Regulatory Experience in legal and regulatory matters including regulatory and contractual frameworks governing gaming matters.	10	3	3	3	3	3	3	3	3
Information Technology Senior executive experience in information technology including gaming systems and data security.	5	1	1	1	1	2	1	2	2
Human Resources / Remuneration Experience in relation to remuneration practices, development of incentive plans, succession planning and director appointment processes including Board Remuneration Committee membership.	10	3	3	3	3	3	3	3	3
Capital Projects Senior executive experience in executing large scale projects with long-term investment horizons and substantial capital outlays.	8	2	1	2	3	2	2	2	3
Sales and Marketing Senior executive experience in marketing coupled with a detailed understanding of Crown's strategic direction and competitive environment.	4	0	1	0	1	2	0	1	2
Industry Experience - Gaming and Entertainment Senior executive experience in the gaming and entertainment industry.	4	1	0	1	1	1	0	2	2
Industry Experience - Hospitality and Management Senior executive experience in the hospitality, food and beverage industries.	4	1	0	1	2	1	1	1	2
Industry Experience – Tourism Senior executive experience in the tourism industry.	4	1	0	1	2	1	1	1	2
Industry Experience – Public Policy Experience in public and regulatory policy, including in relation to gaming related policy.	7	2	2	2	2	2	3	2	3

The Board Skills Matrix, albeit important, is only part of the Selection Procedure that the Board is required to follow. As noted above, the Nomination and Remuneration Committee has responsibility for reviewing the appropriateness of the Board Skills Matrix on an annual basis.

Succession planning is an important part of the responsibilities of the Nomination and Remuneration Committee as it ensures that the Board maintains appropriate experience, expertise and diversity.

Relationships affecting independence

The table below, which sets out the Crown Directors as at 11 September 2018, indicates which of those Directors are considered to be independent Directors and notes the length of service of each Director from the date of their appointment to 11 September 2018:

Name of Director	Independence Status	Length of Tenure (By years and complete months)
John H Alexander BA Executive Chairman	Non-independent	11 Years, 2 Months
The Hon. Helen A Coonan BA, LLB Non-Executive Director	Independent	6 Years, 9 Months
Andrew Demetriou BA, BEd Non-Executive Director	Independent	3 Years, 8 Months
Geoffrey J Dixon Non-Executive Director	Independent	11 Years, 2 Months
Jane Halton AO PSM, BA (Hons) Psychology, FIML, FIPAA, NAM, Hon. FAAHMS, Hon. FACHSE, Hon. DLitt (UNSW) Non-Executive Director	Independent	4 Months
Professor John S Horvath AO, MB, BS (Syd), FRACP Non-Executive Director	Independent	8 Years
Guy Jalland LLB Non-Executive Director	Non-independent	5 Months
Michael R Johnston BEc, CA Non-Executive Director	Non-independent	11 Years, 2 Months
Antonia Korsanos BEc, CA Non-Executive Director	Independent	4 months
Harold C Mitchell AC Non-Executive Director	Independent	7 Years, 7 Months

Independent Board Directors

The Crown Board is currently comprised of ten Directors, seven of whom are independent Directors. A majority of Directors are therefore independent. The independence of Directors is assessed against a list of criteria and materiality thresholds. Those criteria have been formally enshrined in the Crown Board Charter. Each Director who is listed as an independent Director complies with the relevant criteria for independence set out in the Crown Board Charter.

Board Chair independence

John Alexander is the Executive Chairman of Crown.

Departure from Recommendation 2.5: The Principles and Recommendations recommend that the chair of the Board should be an independent Director and should not be the same person as the CEO. Crown's Executive Chairman is not an independent Director. Crown's Executive Chairman is a senior executive of Crown who has assumed the responsibilities of the former Chief Executive Officer. The Board believes that Crown's Executive Chairman is well placed to act on behalf of shareholders and in their best interests as a whole.

Director professional development

The induction process for new Directors involves both formal and informal elements. As noted above, new Directors are provided with a formal induction pack which includes important information that a Director must know about the Company and their appointment terms and includes copies of relevant constitutions, Board Charters and Policies. In addition, new Directors are provided with tours of Crown's main businesses and the opportunity to spend time with various members of senior management.

The professional development program for Directors has largely consisted of presentations from time to time to the Board regarding issues including developments in accounting standards, updates on legal issues and governance processes.

In an attempt to provide more structure to Director professional development, the Nomination and Remuneration Committee has been formally delegated with responsibility for implementing a plan for enhancing Director competencies and ensuring that an effective induction process is in place for new Directors. This process involves, amongst other things, a review of the Crown Board Skills Matrix and consideration of the extent to which those skills are currently represented on the Board and on each of its Committees. Where skills are not currently adequately represented, appropriate professional development in this area will be considered.

Principle 3: Act ethically and responsibly

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.

Code of Conduct for Directors

The purpose of the Code of Conduct for Directors is to ensure that they have a clear understanding of Crown's expectations of their conduct and to reinforce the statutory duties of Directors to, among other things:

- act with proper purpose and honesty, in good faith and in the best interests of Crown as a whole;
- use due care and diligence in fulfilling the functions of office; and
- avoid improper use of information acquired as a Director, improper advantage of the position of Director and conflicts of interest.

Crown Directors have an obligation to be independent in judgement and action and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board. Directors are required to maintain the confidentiality of confidential information received in the course of the exercise of their duties and are prohibited from engaging in conduct likely to bring discredit upon Crown.

Finally, Directors are obliged to, at all times, comply with the spirit as well as the letter of the law and with the principles of the Code of Conduct and must encourage the reporting and investigating of unlawful and unethical behaviour.

Code of Conduct for Employees

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.



More information

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

Principle 4: Safeguard integrity in corporate reporting

Audit and Corporate Governance Committee

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

The current members of the Audit and Corporate Governance Committee are Helen Coonan (Chair), Michael Johnston and Antonia Korsanos. All members of the Committee are Non-executive Directors and a majority of those Committee members are independent Directors.

The Chair of the Audit and Corporate Governance Committee, Ms Coonan is an independent Director who has extensive financial experience. Ms Coonan has served as the Minister for Revenue and Assistant Treasurer and had portfolio oversight of the Australian Taxation Office and the Australian Prudential Regulation Authority.

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The Audit and 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 the Audit and Corporate Governance Committee Charter is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

CEO & CFO declarations

Before approving the financial statements for each financial period, the Board receives from the Executive Chairman and the Chief Financial Officer a declaration that, in their opinion:

- the financial records of Crown have been properly maintained;
- the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Crown; and

- the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Auditor's attendance at AGMs

Crown shareholders are provided with an opportunity at the AGM to ask questions and make comments on Crown's Annual Report and on the business and operations of the Company. Crown's Auditor is required to attend the AGM and shareholders are therefore also provided a reasonable opportunity to ask the Auditor questions about the Auditor's Report and the conduct of the audit of the Financial Report. Shareholders are informed of their opportunity to address the Auditor in the Notice of Meeting for the AGM.

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 that any information that could be market sensitive or could involve reputational or material regulatory issues or risks are communicated to the Disclosure Officer;
- the assessment of information by the Disclosure Committee and, where appropriate, the Board, and for the disclosure of material information to the market; and
- the broader publication of material information to the media, analysts and investors.



More information

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

Principle 6: Respect the rights of shareholders

Providing online information to investors

Crown has a dedicated corporate website which provides information about itself and its governance to investors. The website has a dedicated Corporate Governance tab which sets out Crown's Charters, Constitution, Policies and Codes, describes Crown's Board Committees and includes copies of current and historical Corporate Governance Statements and Remuneration Reports.

**More information**

For more information, visit: www.crownresorts.com.au under the heading Corporate Governance.

Promotion of effective communication with shareholders

The Board aims to ensure that shareholders and prospective investors are kept informed of all major developments affecting Crown.

Crown's investor relations program is designed to facilitate effective communication between shareholders, prospective investors and Crown.

Crown actively engages with shareholders and prospective investors through a program of scheduled interactions with institutional investors, sell-side and buy-side analysts and the financial media. In addition, meetings are held with shareholders and prospective investors on request and responses are provided to enquiries made from time to time.

Crown's investor relations program works in tandem with its obligations under its Continuous Disclosure Policy, a copy of which is available on Crown's website.

Crown's Chief Financial Officer regularly reports to the Board on investor relations matters.

In addition, 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.

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

**More information**

Full copies of Crown's Continuous Disclosure Policy and Communications Policy are available at: www.crownresorts.com.au under the heading Corporate Governance – Policies.

Shareholder participation at meetings

Shareholders are encouraged to both attend and participate in all meetings of shareholders. The date of Crown's AGM is advertised well in advance on its website and is separately communicated to investors via its investor relations channels.

Shareholders are informed in the formal Notice of Meeting for the AGM of their opportunity to participate in the meeting by asking questions of either Crown Directors or its Auditor.

At the AGM itself, as an introduction to the formal business of the meeting, the Chairman encourages shareholders to ask questions on each item of business and offers a further opportunity to ask general questions at the conclusion of the formal business of the meeting.

**More information**

Copies of Crown's Notices of Meeting are available at: www.crownresorts.com.au under the heading Investors and Media – Annual Reports.

Shareholder communications

Crown shareholders have the option to receive communications from Crown and to send communications to Crown electronically. Crown's share registry (on behalf of Crown) actively encourages shareholders to receive their shareholder communications electronically and provides online access to shareholder information.

Separately, the Crown website includes a "Contact Us" feature which can be used by both shareholders and others to ask questions of the Company.

Principle 7: Recognise and manage risk**Policy for oversight and management of material business risks**

Crown has established a formal Risk Management Committee to provide strategic risk management leadership, oversight and analysis to the Crown Board.

The current members of the Risk Management Committee are Geoff Dixon (Chair), Andrew Demetriou and Jane Halton AO PSM. The current Committee members are each independent, Non-executive Directors.

The Chairman of the Risk Management Committee, Mr Geoff Dixon, is an independent Director who has extensive experience in risk management having previously held a number of senior executive positions in large corporations.

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The Risk Management Committee has adopted a formal Charter that outlines its duties and responsibilities.



More information

A full copy of the Risk Management Committee Charter is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

Design and implementation of risk management and internal control systems

Crown has established a framework 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.

Management is charged with monitoring the effectiveness of Crown's 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 in a Risk Profile to the Crown Board. The Framework has been developed using the model outlined in *AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines*.

Crown's Risk Profile 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 on an ongoing basis.

Management is required to conduct an annual review of its Risk Profile to ensure that risk ratings and definitions remain appropriate for Crown, and that adequate controls are in place to manage them.

A review has been conducted during the reporting period and presented to the Risk Management Committee (and the Board). In the course of that review the current Risk Profiles of Crown's major operating businesses were taken into account and the risk environment of its investments also considered.

In addition, 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.

Disclosure of internal audit functions

Crown's major operating businesses (namely Crown Melbourne and Crown Perth) each had an internal audit function in place for the full year that meets the definition of "internal audit" under the Institute of Internal Auditor's International Professional Practices Framework.

The function is internally led and resourced at each business, with supplemental resourcing provided by specialist third parties as required.

Internal audit delivers a comprehensive audit program to provide additional comfort around significant risks, processes, systems and regulatory requirements where assurance is determined to be a priority for that period.

Internal audit coverage is determined using a structured approach. The Boards of each major operating business and management receive regular reports from internal audit on the control environment, areas for improvement and progress in addressing those areas for improvement.

To ensure independence of the function, the head of the Internal Audit department reports to the CEO – Australian Resorts. Further, the head of the department periodically meets with members of the relevant operating subsidiary's Board throughout the year.

As a holding company, Crown does not have a separate internal audit function, however its accounts are subject to third party independent audit.

Disclosure of sustainability risks

The Crown group is exposed to a number of economic, environmental and social sustainability risks.

Crown's goal is to be a leader in the entertainment and tourism industry by creating long-term value for its stakeholders across economic, social and environmental dimensions. Crown aspires to be a model corporate citizen and recognises that a company is assessed not only on its financial performance, but also by its commitment to corporate social responsibility (CSR), which includes consideration of, among others, the following factors:

- the quality of its workplace;
- its environmental footprint;
- its level of community engagement;
- the creation of a safe environment for its customers, employees and contractors; and
- the provision of employment opportunities.

Crown has established a Corporate Social Responsibility Committee to assist the Board in setting Crown's CSR policies and programs and assessing Crown's CSR performance. The Corporate Social Responsibility Committee has adopted a formal Charter that outlines its duties and responsibilities.

The current members of the Corporate Social Responsibility Committee are Helen Coonan (Chair), Professor John Horvath AO and Harold Mitchell AC. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The responsibilities of the Committee extend to:

- establishing appropriate CSR policies and programs for Crown;
- monitoring and reviewing the operation and effectiveness of Crown's CSR policies and programs;
- promoting and supporting continuous improvement in Crown's CSR performance;
- encouraging and monitoring the establishment and maintenance of relationships with key stakeholders including non-government organisations, sporting and cultural organisations and other community groups; and
- encouraging and promoting awareness of CSR related issues at Crown among Crown's staff and other stakeholders.

The Committee oversees the development and publication of Crown's Corporate Social Responsibility Report. The Corporate Social Responsibility Report brings together the elements of Crown's CSR activities and programs and identifies and addresses all material economic, environmental and social sustainability risks and Crown's processes for managing them.



More information

A full copy of the Corporate Social Responsibility Report is available at: www.crownresorts.com.au under the heading Our Contribution – Corporate Social Responsibility Reports.

Principle 8: Remunerate fairly and responsibly

Nomination and Remuneration Committee

As noted in response to Recommendation 2.1, Crown has established a formal Nomination and Remuneration Committee. The Nomination and Remuneration Committee has adopted a formal Charter that outlines its duties and responsibilities.

The current members of the Nomination and Remuneration Committee are each independent, Non-executive Directors. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

Policy for Director remuneration

A summary of current remuneration arrangements is set out in more detail in the Remuneration Report. Crown separately discloses the policies and practices regarding the remuneration of Key Management Personnel in the Remuneration Report.

Restrictions on dealing in equity based remuneration

The rules of the Senior Executive Incentive Plan specifically provide that a participant must not transfer, encumber, dispose of or have a Security Interest issued over Plan Shares, or any beneficial interest in Plan Shares, unless all restrictions on the transfer, encumbrance or disposal of the Plan Shares have been met or waived by the Board or the Board has provided prior written consent. A Security Interest is defined to include any mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature. The rules of the Senior Executive Incentive Plan also require participants to comply with Crown's Securities Trading Policy at all times.

Directors' Statutory Report

Company Information

Principal Activities

Crown is one of Australia's largest entertainment groups with its core businesses and investments in the integrated resorts sector.

In Australia, Crown owns and operates two of Australia's leading integrated resorts – Crown Melbourne and Crown Perth. Overseas, Crown owns and operates Crown Aspinalls in London, one of the high-end licensed casinos in the West End entertainment district.

Crown's development projects include the Crown Sydney Hotel Resort at Barangaroo on Sydney Harbour and the proposed One Queensbridge project in Melbourne.

Crown has interests in various digital businesses, including Betfair Australasia (100%), DGN Games (85%) and Chill Gaming (50%), and holds equity interests in UK-based Aspers Group (50%) and Nobu (20%).

Significant changes in state of affairs

Some of the significant changes in the state of affairs of the consolidated group since 1 July 2017 include:

Significant Transactions

- In December 2017, Crown completed the on-market sale of its approximately 4.2 million shares in Caesars Entertainment Corporation for US\$53.3 million.
- On 29 January 2018, Crown announced that its majority owned subsidiary, Alon Las Vegas Resort, LLC, had completed the sale of its interest in a 34.6 acre vacant site on Las Vegas Boulevard to a subsidiary of Wynn Resorts, Limited for US\$300 million. Crown's share of the proceeds (after taking into account minority interests) was approximately US\$264 million.
- On 2 February 2018, Crown completed the sale of its interest in part of the property and operations at Ellerston in the Hunter Valley for \$62.5 million. While Crown no longer holds an interest in Ellerston, Crown has ongoing access rights to the golf course and other facilities at Ellerston in line with its commitment to the NSW Government.
- On 28 February 2018, Crown announced that it had completed the sale of its 62% interest in CrownBet, together with loans advanced by it to CrownBet, for \$150 million.

Capital Management Initiatives

- On 4 August 2017, Crown announced its intention to buy back up to approximately 29.3 million of its ordinary shares. The share buy-back expired on 22 August 2018, with 1,426,628 shares having been bought back at a total consideration of approximately \$18.7 million.

- On 29 June 2018, Crown announced the cancellation of the buy-back of the Subordinated Notes listed on the ASX under the code "CWNHA" (CWNHA Notes) with a total of 1,342,270 CWNHA Notes bought back.

Board Changes

- On 3 August 2017, Crown announced that the appointment of James Packer as a Director of Crown had become effective following the receipt of all necessary consents and approvals. On 21 March 2018, Crown announced the resignation of James Packer as a Director of Crown.
- On 16 April 2018, Crown announced that the appointment of Guy Jalland as a Director of Crown had become effective following the receipt of all necessary regulatory approvals.
- On 2 May 2018, Crown announced the appointment of John Poynton AO as a Director of Crown subject to the receipt of all necessary regulatory approvals.
- On 23 May 2018, Crown announced that the appointment of Jane Halton AO PSM and Antonia Korsanos as Directors of Crown had become effective following the receipt of all necessary regulatory approvals.

Significant events after Balance Date

- On 19 July 2018, Crown announced its election to redeem all of the outstanding CWNHA Notes on the first call date of 14 September 2018 in accordance with the terms of the CWNHA Notes.
- On 3 August 2018, the Victorian Commission for Gambling and Liquor Regulation released its final report concerning the Sixth Review of the Casino Operator and Licence held by Crown Melbourne Limited (Crown Melbourne), a subsidiary of Crown, which concluded that:
 - Crown Melbourne remains a suitable person to continue to hold its licence to operate the Melbourne Casino;
 - Crown Melbourne is complying with relevant legislation and agreements; and
 - it is in the public interest that the licence should continue in force.

The report made 20 recommendations in relation to the operations of Crown Melbourne which Crown Melbourne has accepted, subject to the matters set out in Crown Melbourne's response to the report.

- On 9 August 2018, Crown announced its intention to undertake a new on-market share buy-back of approximately \$400 million worth of shares.
- Subsequent to year end, the Directors of Crown declared a final dividend on ordinary shares of 30 cents per share in respect of the financial year ended 30 June 2018. The final dividend will be 60% franked with the unfranked component of the dividend declared to be

conduit foreign income. The final dividend has not been provided for in the 30 June 2018 financial statements.

Environmental Regulation

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

Key features of the NGER Act include:

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

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

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

Operating and Financial Review

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

Crown reported a consolidated net profit after tax (NPAT) attributable to the parent of \$558.9 million and a normalised NPAT¹ of \$386.8 million for the 12 months ended 30 June 2018. Crown Melbourne and Crown Perth normalised EBITDA increased by 7.2%, and normalised revenue increased by 10.6%, predominantly due to the increase in normalised VIP program play revenue which was up 54.5%.

Performance for the year ended

30 June 2018

\$m

Normalised revenue ¹	3,485.3
Normalised expenditure ¹	(2,607.0)
Normalised EBITDA ²	878.3
Normalised EBIT ³	592.4
Normalised NPAT attributable to Crown	386.8
Reported NPAT before significant items attributable to Crown	326.7
Significant items attributable to Crown ⁴	232.2
Reported NPAT attributable to Crown	558.9

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

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

3 Normalised earnings before interest and tax.

4 Relates to the reversal of an impairment of the Alon Las Vegas land and an associated net foreign currency gain, as well as net gains from the sales of CrownBet and Ellerston, partially offset by restructuring and other expenses, equity accounted investments, tax amounts in significant items and non-controlling interests.

Review of Operations

Crown's full year result reflects a solid performance from the Melbourne operation and continued subdued trading in Perth. Total normalised revenue across Crown's Australian resorts increased by 10.6% on the prior comparable period (pcp). Main floor gaming revenue increased by 1.5%, with modest growth in Melbourne offset by softness in Perth. VIP program play turnover in Australia of \$51.5 billion (up 54.5%) was a pleasing outcome, particularly at Crown Melbourne (up 73.9%), given the difficult trading conditions in the pcp.

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

Crown Melbourne

Normalised EBITDA from Crown Melbourne was \$645.0 million, up 9.5% on the pcp. Reported EBITDA for the period was \$586.0 million, up 2.7% on the pcp. The reported EBITDA result takes into account an unfavourable variance from the theoretical VIP program play result which had a negative EBITDA impact of \$59.0 million. This compares to a negative EBITDA impact of \$18.2 million in the pcp.

Normalised revenue of \$2,279.0 million was up 14.2% on the pcp. During the period, main floor gaming revenue was \$1,217.0 million, up 2.9% on the pcp, and non-gaming revenue declined 0.3% to \$470.2 million.

Main floor gaming revenue comprises table games (non-program play) revenue of \$767.1 million, up 4.6% on the pcp, and gaming machine revenue of \$449.9 million, up 0.2% on pcp.

Normalised VIP program play revenue was \$591.8 million, up 73.9% on the pcp with turnover of \$43.8 billion.

Crown Towers Melbourne hotel occupancy was 96.3% with an average room rate of \$384. Crown Metropol Melbourne achieved hotel occupancy of 93.8% with an average room rate of \$262. Crown Promenade Melbourne hotel occupancy was 94.1% with an average room rate of \$234. These high occupancy rates reflect the very strong demand for luxury hotel accommodation in Melbourne.

The overall normalised operating margin decreased from 29.5% to 28.3%. The decline in margin is largely due to a change in the mix of business and the impact of higher fixed costs, including energy.

Crown Perth

Normalised EBITDA from Crown Perth was \$248.8 million, up 1.6% on the pcp. Reported EBITDA for the period was \$221.5 million, down 13.9% on the pcp. The reported EBITDA result takes into account an unfavourable variance from the theoretical VIP program play result which had a negative EBITDA impact of \$27.3 million. This compares to a positive EBITDA impact of \$12.5 million in the pcp.

Normalised revenue of \$844.5 million was up 1.7% on the pcp. During the period, main floor gaming revenue was \$463.9 million, down 2.1% on the pcp, and non-gaming revenue grew 12.5% to \$277.6 million, primarily due to the full year impact of Crown Towers Perth, which opened in December 2016.

Main floor gaming revenue comprises table games (non-program play) revenue of \$198.8 million, down 4.1% on the pcp, and gaming machine revenue of \$265.1 million, down 0.6% on the pcp.

Normalised VIP program play revenue was \$103.0 million, down 5.8% on the pcp with turnover of \$7.6 billion.

Crown Towers Perth hotel occupancy was 76.9% with an average room rate of \$312. Crown Metropol Perth hotel occupancy was 86.1% with an average room rate of \$235. Hotel occupancy at Crown Promenade Perth was 89.8% with an average room rate of \$182.

The overall normalised operating margin was flat at 29.5%. This reflects the additional operating costs of the expanded property following the completion of Crown Towers Perth, offset by a favourable mix of business.

Crown Aspinalls

Normalised EBITDA from Crown Aspinalls was \$12.0 million, down 54.8% on the pcp. This reflects a softening in volumes across the London high-end casino

market and disruption from refurbishment. Reported EBITDA for the period was \$12.4 million, an increase of \$17.9 million on the pcp. The reported EBITDA result takes into account a favourable variance from the theoretical VIP program play result which had a positive EBITDA impact of \$0.4 million. This compares to a negative EBITDA impact of \$32.1 million in the pcp.

Crown Digital

EBITDA from Crown's wagering and online social gaming operations was \$26.9 million, up 81.8% on the pcp. This includes CrownBet's consolidated result from 1 July 2017 to 28 February 2018.

On 28 February 2018, Crown announced it had completed the sale of its 62% interest in CrownBet, together with loans advanced by it to CrownBet, for \$150 million. Crown no longer holds any interest in CrownBet.

Crown's wagering and online social gaming operations now comprises Betfair Australasia (a 100% owned, online betting exchange) and DGN Games (an 85% owned, online social gaming business). During the period, Crown increased its interest in DGN Games from 70% to 85% in exchange for an earn-out payment to the founders of US\$8.4 million.

Cash Flow and Debt

Net operating cash flow for the period of \$731.7 million compared to net operating cash flow of \$465.7 million in the pcp. After taking into account the net proceeds received from the sale of investments of \$256.0 million, net capital expenditure of \$55.1 million, net repayment of borrowings of \$428.5 million, dividend payments of \$413.4 million and share buy-back payments of \$18.8 million, the Group's net cash position at 30 June 2018 was \$221.0 million (excluding working capital cash of \$130.9 million). This consisted of total debt of \$1,492.7 million and cash (excluding working capital cash) of \$1,713.7 million.

At 30 June 2018, total liquidity (excluding working capital cash of \$130.9 million) was \$1,889.8 million. This consisted of \$1,713.7 million in available cash and \$176.1 million in committed undrawn bank facilities.

Normalised net interest expense for the year was \$46.0 million, \$55.6 million below the pcp, which reflects lower net debt levels.

Significant items

During the period, there were events or transactions arising that were unusual in terms of both their size and their nature, which have been classified as significant items. Significant items for the year included a net asset impairment reversal of \$122.3 million predominately relating to assets held by Crown's majority owned

subsidiary, Alon Las Vegas, and a \$76.9 million foreign currency gain on the subsequent disposal of the Alon Las Vegas assets (previously recorded in reserves). Crown also disposed of its interest in CrownBet and Ellerston resulting in gains on disposal of \$87.5 million and \$5.9 million respectively. During the period, Crown also recognised \$15.5 million in significant item expenses, predominately relating to restructuring costs.

Business Strategies

Crown's strategy is to continue focusing on its world-class Australian operations and development projects as well as maximising shareholder returns.

Crown's actions over the past year demonstrate its ongoing commitment to this strategy. In financial year 2018, Crown completed the sale of a number of significant assets including the Alon Las Vegas land for US\$300 million, its interest in CrownBet for \$150 million, its interest in Ellerston for \$62.5 million and its shares in Caesars Entertainment Corporation for US\$53.3 million. Crown's balance sheet, which shows a net cash position of \$221 million at 30 June 2018, is well placed to fund its Australian development project pipeline.

Business Risks

Crown has established a framework 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.

Management is charged with monitoring the effectiveness of Crown's risk management systems and is required to report to the Board through the Crown Risk Management Committee which administers Crown's Risk Management Policy.

Crown's Risk Profile 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 on an ongoing basis.

Crown is committed to operating in a manner that is sustainable into the future. Crown is working towards aligning its strategies and activities in line with this commitment.

Likely developments

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

Dividends and distributions

Interim Dividend: Crown paid an interim dividend of 30 cents per ordinary share on 4 April 2018. The dividend was 60% franked.

Final Dividend: The Directors of Crown have declared a final dividend of 30 cents per ordinary share to shareholders registered as at 21 September 2018.

The final dividend will be 60% franked. The unfranked portion of the final dividend has been declared to be conduit foreign income.

In summary:	Dividend per share	\$
Interim Dividend paid	30.0 cents per share	\$206,654,347
Final Dividend declared	30.0 cents per share	\$206,226,358 ¹
Total	60.0 cents per share	\$412,880,705

¹ Dollar value based on the total number of shares on issue as at the date of declaration of the 2018 final dividend.

Crown paid shareholders a final dividend in respect of the 2017 financial year of \$206.7 million.

Directors and officers

Director details

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

Name	Date Appointed	Date Ceased
John Henry Alexander	6 July 2007	
The Hon. Helen Anne Coonan	2 December 2011	
Rowena Danziger	6 July 2007	26 October 2017
Andrew Demetriou	29 January 2015	
Geoffrey James Dixon	6 July 2007	
Jane Halton AO PSM	23 May 2018	
Professor John Stephen Horvath AO	9 September 2010	
Guy Jalland	16 April 2018	
Michael Roy Johnston	6 July 2007	
Antonia Korsanos	23 May 2018	
Harold Charles Mitchell AC	10 February 2011	
James Douglas Packer	3 August 2017	21 March 2018

On 2 May 2018, the Board approved the appointment of Mr John Poynton AO as a Director, subject to the receipt of all necessary regulatory approvals. Mr Poynton's appointment will only become effective once the necessary approvals have been received.

At Crown's 2017 Annual General Meeting, Andrew Demetriou and Harold Mitchell AC stood for re-election as Directors. Both Directors were re-elected at that meeting.



John H Alexander, BA
Executive Chairman

John Alexander is the Executive Chairman of Crown and is also a Director of a number of companies, including Seven West Media Limited. Mr Alexander is also Chairman of the Crown Melbourne Limited and Burswood Limited Boards.

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

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

Board Committee memberships:

- Member of the Investment Committee
- Member of the Responsible Gaming Committee

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

- Seven West Media Limited from May 2013 to current



The Honourable Helen A Coonan, BA, LLB
Non-executive Director

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

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

In Parliament, Ms Coonan served as the Deputy Leader of the Government in the Senate. She was appointed to Cabinet as the former Minister for Communications, Information Technology and the Arts and was shareholder Minister for Telstra Corporation and Australia Post. She also served as the Minister for Revenue and Assistant Treasurer and had portfolio oversight of the Australian Taxation Office and the Australian Prudential Regulation Authority. She is the recipient of a Centenary Medal for service to the Australian Parliament.

Ms Coonan is the inaugural Chair of the Australian Financial Complaints Authority (AFCA). She is a Non-executive Director of Snowy Hydro Limited and is Chair of Snowy Hydro Retail Board Committee. She is Chair of Place Management NSW (formerly the Sydney Harbour Foreshore Authority), Chair of Supervised Investments Australia Limited, a member of the J.P. Morgan Advisory Council and is Co-Chair of GRACosway (a subsidiary of the Clemenger Group). She is a Non-executive Director of Obesity Australia Limited and of the Australian Children's Television Foundation. She is a consultant to Samsung Electronics Australia and Chairs the Advisory Board of Allegis Partners.

Ms Coonan serves on the Corporate Council of the European Australian Business Council and the Australia-Israel Chamber of Commerce Advisory Council. She is also a member of Chief Executive Women.

Ms Coonan is an Ambassador for the Menzies School of Health Research and of the GUT Foundation. She serves on the Advisory Council of the National Breast Cancer Foundation and is also a mentor at start up fintech hub Stone and Chalk.

Ms Coonan is Chair of the Crown Resorts Foundation.

Board Committee memberships:

- Chair of the Audit and Corporate Governance Committee
- Chair of the Corporate Social Responsibility Committee
- Chair of the Finance Committee



Andrew Demetriou, BA, BEd
Non-executive Director

Andrew Demetriou was Chief Executive Officer of the Australian Football League (AFL) from 2003 until June 2014.

Prior to becoming Chief Executive Officer, Mr Demetriou served as AFL General Manager – Football Operations for three years, overseeing all aspects of the AFL competition. This followed a stint as head of the AFL Players Association when he was instrumental in establishing programs to look after players both during and after their playing careers.

Following an AFL playing career of 106 games, Mr Demetriou was the Managing Director of the Ruthinium Group, a business importing acrylic teeth, growing the business significantly by expanding manufacturing and exports to 70 countries worldwide and he currently remains a Board member.

Mr Demetriou is a Director of the Melbourne Sports Marketing firm, Bastion Group, Co-Chair of the National Basketball League (NBL) Advisory Board, Chairman and Non-Executive Director of Capitol Health Limited and Transitional Chairman of Cox Architecture.

Mr Demetriou also served as Non-executive Chairman of the Baxter Group, a waste management group listed on ASX in 2003 with a market capitalisation of \$40 million – the company was later sold to Transpacific for \$260 million – and is a former Chairman of the Australian Multicultural Advisory Council. He recently completed a two year term on the Australian Referendum Council for Indigenous recognition in the Constitution.

Board Committee memberships:

- Member of the Risk Management Committee

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

- Capitol Health Limited from November 2014 to current



Geoffrey J Dixon
Non-executive Director

Geoff Dixon is an experienced and successful corporate executive with a background in the media, mining, aviation and tourism industries.

Mr Dixon was Managing Director and Chief Executive Officer of Qantas Airways for eight years until 2008 – joining Qantas in 1994, he also served as Chief Commercial Officer and, for two years, as Deputy Managing Director.

Mr Dixon was Chairman of the Australian Government's principal tourism authority, Tourism Australia, for six years until 2014 and Chairman of the Garvan Medical Research Foundation for 10 years until 2018.

He has served on a number of public companies and not-for-profit boards including Leighton Holdings, Adslot Limited, the Business Council of Australia, the Museum of Contemporary Art Australia and is a long time Ambassador for the Australian Indigenous Education Foundation.

Board Committee memberships:

- Chair of the Nomination and Remuneration Committee
- Chair of the Risk Management Committee

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

- Adslot Limited from December 2013 to December 2016



Jane Halton, AO, PSM, BA (Hons) Psychology, FIML, FIPAA, NAM, Hon. FAAHMS, Hon. FACHSE, Hon. DLitt (UNSW)

Non-executive Director

Jane Halton's 33 year career in the public service includes the positions of Secretary of the Australian Department of Finance, Secretary of the Australian Department of Health, Secretary for the Department of Health and Ageing and Executive Co-ordinator (Deputy Secretary) of the Department of the Prime Minister and Cabinet.

Ms Halton is a current Director of Australia and New Zealand Banking Group Limited and Clayton Utz, is the current Chair of Vault Systems and Council on the Ageing Australia and is the Chair and a Director of Coalition of Epidemic Preparedness Innovations (Norway).

Ms Halton's other roles include Member of the Executive Board of the Institute of Health Metrics and Evaluation at the University of Washington, Adjunct Professor of the University of Sydney and the University of Canberra and Council Member of Australian Strategic Policy Institute.

Ms Halton brings to the Board extensive experience in finance, risk management, information technology, human resources and public policy.

Board Committee memberships:

- Member of the Occupational Health and Safety Committee
- Member of the Risk Management Committee

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

- Australia and New Zealand Banking Group Limited from October 2016 to current



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

Professor John Horvath was the Australian Government Chief Medical Officer from 2003 to 2009 and principal Medical Consultant to the Commonwealth Department until January 2016. He is currently continuing to advise the Department of Health and the School of Medicine, University of Sydney, and holds the position of Honorary Professor of Medicine.

Professor Horvath is a Fellow of the Royal Australasian College of Physicians and is a distinguished practitioner, researcher and teacher. Professor Horvath previously sat on the Board of the Garvan Research Foundation and was a Governor of the Centenary Institute of Medical Research until January 2016. He was a member of the Advisory Council to the Australian Organ and Tissue Donation Agency. He is a member of the Finance and Administration Committee of the School of Medicine at the University of Sydney. Professor Horvath was a member of the Ministerial Advisory Council to the Minister of Health.

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

Professor Horvath is currently the Global Strategic Medical Advisor to the Chief Executive Officer of Ramsay Health Care and a Director of the Ramsay Hospital Medical Research Institute.

Professor Horvath sits on the Crown Melbourne Limited and the Crown Resorts Foundation Boards.

Board Committee memberships:

- Chair of the Occupational Health and Safety Committee
- Chair of the Responsible Gaming Committee
- Member of the Corporate Social Responsibility Committee
- Member of the Nomination and Remuneration Committee



Guy Jalland, LLB
Non-executive Director

Guy Jalland is the Chief Executive Officer of Consolidated Press Holdings Pty Limited (CPH), having worked in the Consolidated Press Holdings and Publishing & Broadcasting Limited (PBL) groups since 1998.

In the past, Mr Jalland has held the role of Group General Counsel and Joint Company Secretary of CPH and PBL.

He has represented CPH as a Director on the boards of Consolidated Media Holdings Limited, Foxtel and Fox Sports.

Board Committee memberships:

- Chair of the Investment Committee



Michael R Johnston, BEc, CA
Non-executive Director

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

Prior to his appointment with the CPH Group, Mr Johnston was a senior partner in the Australian member firm of Ernst & Young. He 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.

Board Committee memberships:

- Member of the Audit and Corporate Governance Committee
- Member of the Finance Committee
- Member of the Investment Committee
- Member of the Occupational Health and Safety Committee



Antonia Korsanos, BEc, CA
Non-executive Director

Antonia Korsanos was the Chief Financial Officer (2009 to 2018) and Company Secretary (2011 to 2018) of Aristocrat Leisure Limited. She has over 20 years' experience in financial and general management at companies including Kellogg's Australia and New Zealand, Goodman Fielder Limited and Coopers & Lybrand in Sydney.

Mrs Korsanos brings to the Board extensive experience in the gaming industry and experience in the areas of technology, finance, strategy, mergers and acquisitions, risk management and financial and regulatory compliance.

Mrs Korsanos has a Bachelor of Economics (Accounting & Finance) from Macquarie University and is a Member of the Institute of Chartered Accountants. Mrs Korsanos is also a Member of Chief Executive Women and a Non-Executive Director of Webjet Limited, Ardent Leisure Limited and Ardent Leisure Management Limited.

Mrs Korsanos is a Director of Crown Melbourne Limited.

Board Committee memberships:

- Member of the Audit and Corporate Governance Committee
- Member of the Finance Committee
- Member of the Responsible Gaming Committee.

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

- Webjet Limited from June 2018 to current
- Ardent Leisure Limited and Ardent Leisure Management Limited from July 2018 to current



Harold C Mitchell, AC
Non-executive Director

Harold Mitchell is the founder of Mitchell & Partners and until August 2013 was Executive Chairman of Aegis Media, Australia and New Zealand. Since he started Mitchell & Partners in 1976, the company has evolved to become the largest media and communications group in Australia today.

In December 2000, Mr Mitchell launched the Harold Mitchell Foundation which distributes funds between health and the arts.

Mr Mitchell holds a large number of community roles including Chairman of Art Exhibitions Australia, Board member of Tennis Australia, Chairman of The Florey Institute of Neuroscience and Mental Health, Board member of New York Philharmonic, Chairman of Australia-Indonesia Centre and Chairman of FreeTV Australia.

Previously Mr Mitchell was Chairman of the Melbourne Symphony Orchestra, TVS and University of Western Sydney's television service for Greater Sydney and, in June 2015, Mr Mitchell was appointed Chairman of the Victorian Premier's Job and Investment Panel.

In 2003, Mr Mitchell delivered the Andrew Olle Memorial Lecture on Media. In January 2004, he was awarded the Officer of the Order of Australia for his services as a benefactor and fundraiser in support of artistic and cultural endeavour.

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

In December 2011, Mr Mitchell was awarded an Honorary Doctorate – Doctor of Business Honoris Causa, by RMIT University.

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

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

In December 2014, Melbourne University conferred on him an honorary degree of Doctor of Laws.

Mr Mitchell sits on the Crown Resorts Foundation Board.

Board Committee memberships:

- Member of the Corporate Social Responsibility Committee
- Member of the Nomination and Remuneration Committee

Company secretary details



Mary Manos, LLB (Hons), BCom, GAICD
General Counsel and Company Secretary

Mary Manos is Crown's General Counsel and Company Secretary. Ms Manos is also Secretary of Crown Melbourne Limited, Burswood Limited and Crown Resorts Foundation Limited.

Ms Manos was formerly Senior Legal Counsel for Crown and joint Company Secretary. Ms Manos was appointed joint Company Secretary in April 2008.

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 holds Bachelor of Laws (Hons) and Bachelor of Commerce degrees from the University of Melbourne.

She is also a Graduate of the Australian Institute of Company Directors.

Other officer details



Kenneth M Barton, BEc
*Chief Financial Officer
CEO Crown Digital*

Ken Barton has been Chief Financial Officer of Crown Resorts Limited since March 2010 and CEO Crown Digital since February 2017. Mr Barton also sits on the Crown Melbourne Limited, Burswood Limited and Crown Resorts Foundation Boards.

He was previously Chief Financial Officer of Boral Limited for seven years having also held roles at Pioneer International and Arthur Andersen.

Mr Barton holds a Bachelor of Economics degree from the University of Sydney, is an Associate of the Institute of Chartered Accountants in Australia and a Fellow of the Financial Services Institute of Australia. He also joined the Male Champions of Change program in 2017.



Barry Felstead
*Chief Executive Officer -
Australian Resorts*

Barry Felstead has been Chief Executive Officer – Australian Resorts since August 2013. Mr Felstead sits on the Crown Melbourne Limited and Burswood Limited Boards.

Prior to August 2013, Mr Felstead was Chief Executive Officer of Crown Perth (formerly Burswood) since March 2007, after holding the position of Chief Operating Officer – Gaming of Crown Perth from 2005. Mr Felstead has held multiple management positions at Crown Melbourne.

Mr Felstead is Chairman of FutureNow, a Board member of Burswood Park Board, Alumni of Celebrate WA and a Board Member of Australasian Gaming Council (AGC).



W Todd Nisbet, BSc
*Executive Vice President -
Strategy and Development*

Todd Nisbet joined the Crown Resorts team in October 2007. In his role as Executive Vice President – Strategy and Development, Mr Nisbet is responsible for all project development and construction operations of Crown Resorts.

From August 2000 through to July 2007, Mr Nisbet held the position of Executive Vice President – Project Director for Wynn Design and Development, a development subsidiary of Wynn Resorts Limited. Serving this role with Wynn Resorts Limited, he was responsible for all project development and construction operations undertaken by Wynn Resorts. Prior to joining Wynn, Mr Nisbet was the Vice President of Operations for Marnell Corrao Associates. During his 14 years at Marnell Corrao (1986 to 2000), he was responsible for managing various aspects of the construction of some of Las Vegas' most elaborate and industry-defining properties.

Mr Nisbet holds a Bachelor of Science degree in Finance from the University of Nevada, Las Vegas.

Relevant interests of Directors

Details of relevant interests of current Directors in Crown shares as at 30 June 2018¹ were as follows:

Director	Total number of ordinary shares	Total number of options
John Alexander	399,557	5,000,000
The Hon. Helen Coonan	-	-
Andrew Demetriou	-	-
Geoff Dixon	-	-
Jane Halton AO PSM	948	-
Professor John Horvath AO	-	-
Guy Jalland	-	-
Michael Johnston	-	-
Antonia Korsanos	-	-
Harold Mitchell AC	114,887	-

¹ For more information on relevant interests of current Directors, please see the Remuneration Report.

Other than in connection with Crown's 2017 Senior Executive Incentive Plan which is described in the Remuneration Report, no Crown Director 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 2018 financial year together with each Director's attendance details.

	Board Meetings		Audit and Corporate Governance Committee Meetings		Corporate Social Responsibility Committee Meetings		Investment Committee Meetings		Nomination and Remuneration Committee Meetings		Occupational Health and Safety Committee Meetings		Responsible Gaming Committee Meetings		Risk Management Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
J H Alexander ¹	11	11					1	1					6	6	4	4
H A Coonan	11	11	3	3	2	2										
R Danziger ²	4	4	2	2							1	1	2	2		
A Demetriou ³	11	11	1	1											4	4
G J Dixon	11	11							7	7					4	3
J Halton AO PSM ⁴	1	1									0	0			0	0
J S Horvath AO ⁵	11	11			2	2	1	1	7	7	5	5	6	6		
G Jalland ⁶	2	2														
M R Johnston ⁷	11	9	3	3			1	1			5	5				
A Korsanos ⁸	1	1	0	0									0	0		
H C Mitchell AC ⁹	11	9			2	1			7	7						
J D Packer ¹⁰	7	5														

1. Mr Alexander ceased as a member of the Risk Management Committee on 20 June 2018.
2. Mrs Danziger ceased as a Director of Crown, as member of the Crown Audit and Corporate Governance, Responsible Gaming and Risk Management Committees and as Chair of the Crown Occupational Health and Safety Committee on 26 October 2017.
3. Mr Demetriou was appointed as a member of the Risk Management Committee on 25 October 2017. Mr Demetriou was appointed as a member of the Audit and Corporate Governance Committee on 29 January 2018 and ceased as a member of that Committee on 20 June 2018.
4. Ms Halton AO PSM was appointed as a Director of Crown on 23 May 2018 and was subsequently appointed as a member of the Occupational Health and Safety and Risk Management Committees on 20 June 2018.
5. Professor Horvath AO was appointed as Chair of the Crown Occupational Health and Safety Committee on 13 December 2017.
6. Mr Jalland was appointed as a Director of Crown and as Chair of the Crown Investment Committee on 16 April 2018.
7. Mr Johnston was ineligible to attend two meetings of the Crown Board that considered related party transactions.
8. Mrs Korsanos was appointed as a Director of Crown on 23 May 2018 and was subsequently appointed as a member of the Crown Audit and Corporate Governance, Finance and Responsible Gaming Committees on 20 June 2018.
9. Mr Mitchell AC was ineligible to attend one meeting of the Crown Board that considered a related party transaction.
10. Mr Packer was appointed as a director of Crown on 3 August 2017 and ceased as a director of Crown on 21 March 2018. Mr Packer was ineligible to attend two meetings of the Crown Board that considered related party transactions.

Under Crown's Constitution and 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). The Board assented to seven written resolutions and the Investment Committee assented to three written resolutions in the 2018 financial year. The Finance Committee did not formally meet in the 2018 financial year.

Shares and Options

As at the date of this Report, Crown has 21.175 million unquoted options on issue (as set out below). Each option is granted over one fully paid ordinary share in Crown.

In April 2017, Crown issued 14 million options under the 2017 Senior Executive Incentive Plan to John Alexander and a small number of senior executives. The options, with an expiry date of 22 February 2021, were granted with an initial exercise price of \$11.43. The exercise price of \$11.43 per option may be varied over the life of the Plan to take into account the value of any capital returns and special dividends.

In August 2018, Crown issued an additional 7.175 million options under the 2017 Senior Executive Incentive Plan to a small number of senior executives, none of which were members of Crown's key management personnel. 540,000 of the options were issued to Mr Karl Bitar – the Executive Vice President – Group Marketing & Brand Strategy. The options, with an

expiry date of 8 August 2022, were granted with an initial exercise price of \$13.35. The exercise price of \$13.35 per option may be varied over the life of the Plan to take into account the value of any capital returns and special dividends.

If Crown undertakes a bonus issue of Crown shares during the term of the options, holders are entitled, upon exercise of an option, and without payment of any further consideration, to the number of Crown shares the holder would have received under that bonus issue. If Crown undertakes a pro rata issue of Crown shares during the term of the options, then the exercise price of each option will be reduced in accordance with the 2017 Senior Executive Incentive Plan Rules.

For all holders of the options, other than a Director of Crown, at Crown's election, the options can be settled by the issue of new Crown fully paid ordinary shares, the transfer of shares acquired by Crown from the market or by paying cash, equivalent to the difference between the exercise price of the options and the market price of the shares at the time of exercise. For John Alexander, a Director of Crown, any shares to be acquired on the vesting and exercise of the options must be purchased on-market and cannot be settled by the issue of new Crown shares.

No shares or interests have been issued during the year or since year end as a result of option exercise.

Indemnity and Insurance of Officers and Auditors

Director and officer indemnities

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

Directors' and officers' insurance

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

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

Indemnification of auditors

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

Auditor Information

Auditor details

Ernst & Young has been appointed Crown's auditor. Mr Michael Collins was the Ernst & Young partner responsible for the audit of Crown's accounts for the year ended 30 June 2018.

Non-audit services

Details of the amounts paid or payable to Ernst & Young for non-audit services provided during the year by the auditor are outlined in note 25 of the Financial Report. Crown acquired non-audit services from Ernst & Young, largely in respect of taxation matters relating to:

- the sale of Crown's interest in CrownBet and Ellerston;
- the sale of Crown's interest in Melco Resorts & Entertainment Limited;
- proposed developments; and
- ongoing taxation matters.

The ratio of non-audit to audit services provided by Ernst & Young to Crown at the conclusion of the 2018 financial year was approximately 3.3:1.

Based on advice received from the Audit and Corporate Governance Committee, the Directors are satisfied that the provision of non-audit services during the 2018 financial year by Ernst & Young is compatible with, and did not compromise, the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth) for the following reasons:

- all non-audit services have been reviewed by the Audit and Corporate Governance Committee to ensure that they did not impact the impartiality and objectivity of the auditor; and
- none of the services involved reviewing or auditing the auditor's own work or acting in a management decision-making capacity for the Company.

Rounding

The amounts contained in this Report and in the Financial Report have been rounded to the nearest hundred thousand dollars unless otherwise stated under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Crown is an entity to which this Instrument applies.

Remuneration Report

This Remuneration Report for the year ended 30 June 2018 outlines the Director and executive remuneration arrangements of Crown in accordance with the requirements of the *Corporations Act 2001* (Cth) (Corporations Act) and the *Corporations Regulations 2001* (Cth). 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 Crown Resorts Limited.

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

1. Introduction
2. Overview of Remuneration Policy
3. Summary of Senior Executive Remuneration Structure
 - Fixed Remuneration
 - Performance Based Remuneration
4. Details of Performance Based Remuneration Elements
 - Short Term Incentives
 - Long Term Incentives: 2014 Crown Long Term Incentive Plan and 2017 Senior Executive Incentive Plan
5. Relationship between Remuneration Policy and Company Performance
 - Remuneration linked to performance
 - Policy on entering into transactions in associated products which limit economic risk
6. Remuneration details for Non-executive Directors
7. Remuneration details for Senior Executives
8. Key Management Personnel Disclosures

Introduction

Persons to whom report applies

The remuneration disclosures in this Report cover the following persons:

Non-executive Directors

- The Hon. Helen A Coonan
- Rowena Danziger (until 26 October 2017)
- Andrew Demetriou
- Geoffrey J Dixon
- Jane Halton AO PSM (from 23 May 2018)
- Professor John S Horvath AO
- Guy Jalland (from 16 April 2018)
- Michael R Johnston
- Antonia Korsanos (from 23 May 2018)
- Harold C Mitchell AC
- James D Packer (from 3 August 2017 until 21 March 2018)

Executive Directors

- John H Alexander (Executive Chairman)

Other Company Executives

- Kenneth M Barton (Chief Financial Officer and CEO Crown Digital)
- Barry Felstead (Chief Executive Officer – Australian Resorts)
- W Todd Nisbet (Executive Vice President – Strategy and Development)

In this Report, the group of persons comprised in the categories of Executive Directors and Other Company Executives (listed above) are collectively referred to as “Senior Executives”.

This Report contains a similar level of disclosure to the 2017 Remuneration Report. There has been no material change to the Company’s remuneration policy during the period and much of the description of the Company’s remuneration policy in this Report is therefore unchanged from last year other than in relation to the 2014 Crown Long Term Incentive Plan. As the 2014 Crown Long Term Incentive Plan has now expired and no Plan Year Bonus was paid in respect of the financial year ended 30 June 2018, an abbreviated summary of the terms of the 2014 Crown Long Term Incentive Plan is included in this Report.

Overview of Remuneration Policy

Philosophy

Crown is a company that provides outstanding customer service and, to remain competitive, Crown must continue to enhance the experience of all customers who visit Crown’s land-based properties and digital assets. As a result, the performance of the Crown group is highly dependent upon the quality of its Directors, senior executives and employees. Crown seeks to attract, retain and motivate skilled Directors and senior executives in leadership positions of the highest calibre. Crown’s remuneration philosophy is to ensure that remuneration packages properly reflect a person’s duties and responsibilities, that remuneration is appropriate and competitive both internally and as against comparable companies and that there is a direct link between remuneration and performance. Crown has differing remuneration structures in place for Non-executive Directors and Senior Executives.

Non-executive Directors

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

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

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

No performance based fees are paid to Non-executive Directors. Non-executive Directors are not entitled to participate in Crown's incentive plans (described more fully below). Non-executive Directors are not provided with retirement benefits other than statutory superannuation at the rate prescribed under the *Superannuation Guarantee (Administration) Act 1992* (Cth) (Superannuation Legislation).

Senior Executives

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

Crown's key strategies and business focusses which are taken into consideration as part of performance based remuneration, are set out on page 5 of the Annual Report.

Summary of Senior Executive Remuneration Structure

Fixed remuneration

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

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

Fixed remuneration typically includes base salary and superannuation at the rate prescribed under the Superannuation Legislation, mobile telephone costs, complimentary privileges at Crown Melbourne and Crown Perth and may include, at the election of the Senior Executive, other benefits such as a motor vehicle, additional contributions 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 Executive Chairman) is reviewed annually by the Executive Chairman 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 Executive Chairman is reviewed by the Nomination and Remuneration Committee following their consideration of his performance against his annual KPOs.

The KPOs for Senior Executives, including the Executive Chairman, are closely aligned with the objectives set out in Crown's Four Year Financial Plan.

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 pages 64 to 67 of this Report.

Performance based remuneration

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

- Short Term Incentives; and
- Long Term Incentives (the 2014 Crown Long Term Incentive Plan and the 2017 Senior Executive Incentive Plan).

A key focus of the Crown Board is the achievement of the Crown group's annual business plan and budget and the long term financial plan. In order to provide incentives to executives, each of the Short Term Incentives and the 2014 Crown Long Term Incentive Plan link back to key elements of the business plan and budget and long term financial plan. The 2017 Senior Executive Incentive Plan is based on an alignment of the relevant Senior Executive's reward to the appreciation of Crown's share price and is contingent on continued employment with the Crown group.

Details of Performance Based Remuneration Elements

Short Term Incentives (STI)

The remuneration of Senior Executives is linked to Crown's short term annual performance through a cash-based STI. Senior Executives have a potential or target STI, which is subject to the Crown group's performance and the achievement of the Senior Executive's KPOs established at the beginning of each financial year. In summary, the typical KPO structure might comprise the following elements:

Financial Performance Objectives	<ul style="list-style-type: none"> • Performance against budgeted normalised EBITDA¹ and/or net profit after tax.
Typical Non-Financial Objectives	<ul style="list-style-type: none"> • Progress on Crown Sydney, including project management, realisation of apartment proceeds and preparation for the commencement of operations. • Management of major capital expenditure and investment programs to ensure projects are delivered on time and on budget, while minimising disruption at relevant Australian properties as well as the subsequent delivery of anticipated benefits from those capital programs. • Successful execution of strategic initiatives including the sale of non-core assets and businesses. • Reinforcement and delivery of outstanding customer experiences through continuous improvement in Crown's service culture. • Successful management of Crown stakeholders, including government, media, trade unions and community organisations, to achieve targeted outcomes. • Achievement of successful expansion of customer base for Crown properties and digital businesses through marketing or other relevant activities. • Growth in engagement levels of employees across Crown. • Achievement of margin improvement targets through the implementation of approved programs aimed at reducing costs and increasing asset yield. • Achievement (or maintenance) of improvements in key occupational health and safety statistics. • Management of, and responding to, regulatory and compliance matters.

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

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

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 those set out in the table above) are also included in a Senior Executive's KPOs where they are within that Senior Executive's sphere of influence and are relevant to the Senior Executive's area of work. These metrics are aligned with the achievement of Crown's Annual Business Plan and Budget.

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

The Executive Chairman reviews performance based remuneration entitlements and recommends the STI bonuses, subject to final approval by the Nomination and Remuneration Committee and the Board.

The Executive Chairman's eligibility for an STI bonus is determined by the Nomination and Remuneration Committee on behalf of the Board.

For a more detailed commentary on financial year 2018 STI bonuses see page 68.

Long Term Incentives

During the year, Crown had the following two long term incentive plans in place:

- the 2014 Crown Long Term Incentive Plan; and
- the 2017 Senior Executive Incentive Plan.

This section of the Report describes these two Plans.

2014 Crown Long Term Incentive Plan (2014 Crown LTI)

The 2014 Crown LTI, which expired on 30 June 2018, was made available to selected senior executives with effect from 1 July 2014.

As the 2014 Crown LTI has now expired and no Plan Year Bonus was paid in respect of the financial year ended 30 June 2018, an abbreviated summary of the terms of the 2014 Crown LTI follows.

A detailed description, including all permutations under the 2014 Crown LTI, is set out in the 2015, 2016 and 2017 Annual Reports.

Operation of the 2014 Crown LTI

The award of a long term incentive bonus under the 2014 Crown LTI was dependent on Crown achieving certain earnings per share hurdles (EPS Hurdles) in respect of, or in relation to, the four financial years ended 30 June 2015, 30 June 2016, 30 June 2017 and 30 June 2018 (each a Plan Year).

The 2014 Crown LTI rules provided that the earnings per share (EPS) target would exclude the contribution from Melco Resorts & Entertainment Limited (MRE) (formerly

Melco Crown Entertainment Limited) and would be calculated in accordance with the following formula:

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

where:

Crown Profit means, in respect of a Plan Year, the normalised net profit after tax of the group for that Plan Year (excluding the contribution made by MRE and significant items). Normalised net profit excludes the impact of any variance from the theoretical win rate on VIP program play. For the purposes of both the EPS Hurdles and actual EPS, a theoretical win rate of 1.4% is applied; and

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

How EPS Hurdles were derived

The EPS Hurdles adopted in the 2014 Crown LTI were derived directly from EPS forecasts put in place in respect of the 2014 Four Year Financial Plan (each an EPS Target). Accordingly, the 2014 Crown LTI was specifically designed to provide an incentive to senior executives participating in the 2014 Crown LTI (Participants) to ensure the Four Year Financial Plan from financial year 2015 to financial year 2018 was met.

The EPS Hurdles in financial year 2015, financial year 2016 and financial year 2017 were 98% of the EPS Target for the relevant year in the Four Year Financial Plan. The EPS Hurdle in financial year 2018 was 100% of the EPS Target for the relevant year in the Four Year Financial Plan.

How bonuses accrued

If an EPS Hurdle was achieved in respect of a Plan Year, a Participant became entitled to a portion of the potential maximum bonus (Maximum Bonus) which may have been achieved under the 2014 Crown LTI in accordance with the following table:

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

The Plan rules provided that bonuses would only ultimately be paid at the end of financial year 2018 either by way of the transfer of shares acquired under the 2014 Crown LTI or the payment of cash. See below for further details.

Effect of achieving an EPS Hurdle

If an EPS Hurdle was met in respect of a Plan Year, the 2014 Crown LTI provided that Crown would calculate the dollar value of the bonus in respect of the relevant Plan Year (Plan Year Bonus) by multiplying the Maximum Bonus for the Participant by the relevant percentage applicable to that Plan Year (as set out in the table above).

If the Plan Year was Plan Year 1, Plan Year 2 or Plan Year 3, the 2014 Crown LTI provided that Crown would pay the Plan Year Bonus earned by the Participant to the nominated Trustee and with an instruction that the Trustee apply that Plan Year Bonus to acquire Crown shares on market (Participant Shares), to be held on trust for the benefit of the Participant until the end of Plan Year 4 (at which time the shares could be transferred to the Participant).

In respect of Plan Year 4, the 2014 Crown LTI provided that Crown would pay that Plan Year Bonus to the Participant in cash and also advise the Trustee, who would arrange for any shares held in trust to be transferred to the relevant Participant. The Plan Year Bonus for Plan Year 4 was designed to be paid in cash because the Participant would be required to pay tax on the Bonus at that time.

The EPS Hurdles for Plan Year 1 and Plan Year 2 were met, however the EPS Hurdles for Plan Year 3 and Plan Year 4 were not met.

As previously disclosed, participants received their Plan Year Bonuses in respect of Plan Year 1 and Plan Year 2 in Crown shares. Participants did not receive any Plan Year Bonus for Plan Year 3 and Plan Year 4.

The Trustee will therefore be instructed to transfer the shares held in trust in respect of Plan Year 1 and Plan Year 2 to the relevant participants.

What happened to dividends earned on Crown shares acquired under the 2014 Crown LTI?

All dividends received on shares held in trust were passed through to the Participant.

What happened if an executive's employment with Crown ceased?

If a Participant's employment with Crown ceased, then the Participant was not entitled to any part of his or her 2014 Crown LTI bonus, except where the Participant's employment was terminated by Crown without cause, in which case the Participant would be entitled to any tranche (in the form of shares held on trust) which had vested prior to the date of termination.

Review of EPS Hurdles

After 30 June 2018, the Crown Nomination and Remuneration Committee conducted a review of the 2014 Crown LTI EPS Hurdles to consider whether the EPS Hurdles had been achieved.

Having conducted its review of the 2014 Crown LTI and the EPS Hurdles, the Nomination and Remuneration Committee concluded that the EPS Hurdles for the 2018 financial year were not met and, accordingly, no part of the 2014 Crown LTI vested for financial year 2018.

Disclosure of EPS Targets

Set out below are the EPS Targets and EPS Hurdles which applied for financial years 2015, 2016, 2017 and 2018 together with Crown's actual EPS for financial years 2015, 2016, 2017 and 2018.

	EPS Target (2014 Four Year Financial Plan)	EPS Target Growth (2014 Four Year Financial Plan)	EPS Hurdle (Crown LTI)*	Actual EPS	Actual EPS Growth (from previous year)	Tranche Vested?
FY15	51.5 cents	N/A	50.5 cents	53.0 cents	N/A	Yes
FY16	57.6 cents	11.8%	56.4 cents	57.1 cents	7.7%	Yes
FY17	60.9 cents	5.7%	59.7 cents	42.5 cents	(25.6%)	No
FY18	70.6 cents	15.9%	70.6 cents	58.0 cents	36.5%	No

* In financial year 2015, financial year 2016 and financial year 2017, the EPS Hurdle was 98% of the 2014 Four Year Financial Plan EPS Target. In financial year 2018, the EPS Hurdle was 100% of the EPS Target for the relevant year in the Four Year Financial Plan.

All references in the above table to "EPS" exclude the contribution made by MRE and significant items and Crown's actual EPS also excludes the impact of certain unanticipated events as described in previous Annual Reports.

Details of Participation of Senior Executives in 2014 Crown LTI

All the Senior Executives named in this Report participated in the 2014 Crown LTI. Details of potential 2014 Crown LTI bonuses were as follows:

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

As noted in the tables above, in financial years 2017 and 2018, Crown did not meet the relevant EPS Hurdle and accordingly, no entitlement to the EPS Bonus for financial years 2017 and 2018 vested, being 65% of the Maximum Value over the four year period.

Set out below are the vested bonus amounts for the above participants in respect of financial years 2015, 2016, 2017 and 2018:

Senior Executive	Vested in relation to the financial year ended 30 June 2015	Vested in relation to the financial year ended 30 June 2016	Vested in relation to the financial year ended 30 June 2017	Vested in relation to the financial year ended 30 June 2018
	\$	\$	\$	\$
John Alexander	675,000	900,000	Nil	Nil
Ken Barton	607,500	810,000	Nil	Nil
Barry Felstead	945,000	1,260,000	Nil	Nil
Todd Nisbet	945,000	1,260,000	Nil	Nil

2017 Senior Executive Incentive Plan (2017 Incentive Plan)**Outline of the Plan and the Offer**

The 2017 Incentive Plan seeks to assist in the reward, retention and motivation of relevant Senior Executives, to link the reward to shareholder value creation and to align the interests of relevant Senior Executives with shareholders.

The 2017 Incentive Plan accommodates the offer and issue of 'Awards' which may be in the form of Options, Performance Rights or Share Appreciation Rights. All Awards may, under the Plan, be settled with Crown shares or cash.

The Awards that have been granted to the Senior Executives are Options which have a four year term from their agreed date of issue. The Options were agreed to be issued on 22 February 2017. The Options are not quoted on the ASX or on any other financial market.

For all participants, other than a Director of Crown, at Crown's election, the Options can be settled by the issue of new Crown shares, the transfer of shares acquired by Crown from the market or by paying cash, equivalent to the difference between the Exercise Price of the Options and the market price of the shares at the time of exercise. For John Alexander, a Director of Crown, any Crown shares to be acquired on the vesting and exercise of the Options must be purchased on-market and cannot be settled by the issue of new Crown shares.

In addition to the physical settlement of Awards, Awards may be bought back by the agreement of Crown and the participant or, at the instigation of Crown, at Market Value.

The Options that have been issued are styled as 'European' Options, meaning that they are only exercisable on a single day being Monday, 22 February 2021 starting at midnight and ending at 11.59pm Melbourne time on that day (the Expiry Date).

Option Participants

Options have been granted to the following Senior Executives:

Senior Executive	Number of Options
John Alexander	5,000,000
Ken Barton	3,000,000
Barry Felstead	3,000,000
Todd Nisbet	3,000,000

Key Features of the 2017 Incentive Plan

The key features of the 2017 Incentive Plan are set out below:

Feature	Description
Options	The Awards are Options which have a four year term from their agreed date of issue. The Options expire on the Expiry Date (i.e. 22 February 2021).
Option Exercise Price	The Options have an Exercise Price of \$11.43 per Option.
Options Issued for Value	Participants were required to pay value for their Options. The Options were not free.
Consideration for the Issue of Options	Each participant was required to pay a Fee equal to the market value of the Options through an Acquisition Loan advanced by Crown.
Vesting Condition	The Options are subject to a single Vesting Condition, being the continued employment of the relevant participant for four years after the grant date, or the classification of the Senior Executive as a good leaver at the expiry date.
Malus and Board Discretion	<p>The Board may deem all unvested Options to have lapsed where a participant acts fraudulently or dishonestly, or wilfully breaches their duties.</p> <p>All unvested Options will automatically be forfeited where a participant is considered a 'bad leaver' which extends to serious and wilful misconduct, material breach of the terms of the employment contract, gross negligence or other conduct justifying termination without notice.</p> <p>A participant will also be considered a 'bad leaver' if the participant resigns from his or her employment or office.</p>
Board discretion to buy back at any time	The Board may cause the company to buy back Options held by a participant at any time, for the Market Value of the Options without the agreement of a participant.
Dividend and Voting Rights	No ordinary dividend or voting rights attach to the Options unless and until Crown shares are delivered on exercise.
Adjustments to the Exercise Price	Any special dividends (but not ordinary dividends) or capital returns are reflected as adjustments to the Exercise Price of the Options.
Shareholder Approval Not Required	Shareholder approval was not required for the 2017 Incentive Plan or the issue of Options under the Plan.

Set out below is a description of how a selection of these features apply and why Crown considers these features to be appropriate for Crown.

Option Exercise Price

An initial Exercise Price of \$11.43 per Option was determined by reference to the volume weighted average price (VWAP) of Crown shares at the time that the Crown Board approved the offer of Options at its February 2017 meeting.

The Exercise Price of each Option of \$11.43 may be varied over the life of the Plan to take into account the value of any capital returns and special dividends.

Options are Issued for Value – Senior Executives Pay for Options

The 2017 Incentive Plan differs from many similar option-based incentive plans in that it requires participants to pay value for their Options. The Options are not free.

Senior Executives participating in the 2017 Incentive Plan were invited to acquire Options for a Fee equal to the market value of those Options.

The market value was based on the option valuation methodology under the *Income Tax Assessment Regulations 1997* (Cth) (Regulations).

Under the Regulations, having regard to the market price of a Crown share at grant and the Exercise Price of the Option, a four year Option is valued at 6.2% of the market value of the underlying share.

Options were therefore issued to participants for a Fee equal to the market value at the date they were agreed to be issued, being 22 February 2017, of \$0.71 per Option (Fee) (i.e. 6.2% of the initial exercise price of \$11.43).

On the day the Options were issued, the value to the participants was therefore nil. The value of the incentives to the participants will arise only where Crown's share price exceeds the Exercise Price of the Options plus the Fee (i.e. \$12.14), the vesting condition is met and the Options are exercisable.

Consideration for the Payment of Options – Acquisition Loan

Each participant paid the Fee for the issue of the Options through an Acquisition Loan advanced by Crown.

The Acquisition Loan is repayable on the exercise, lapse, cancellation or forfeiture of the Options financed by the Acquisition Loan. No interest is payable on the Loan.

The repayment amount of the Acquisition Loan is the lesser of the outstanding amount of the Acquisition Loan and:

- the market value of the Crown shares to be delivered on exercise; or
- in the case of a buy-back, the market value of the Option; or
- in the case of lapse, cancellation or forfeiture, nil.

Single Vesting Condition of Continued Employment

The Options are subject to a single Vesting Condition being the continued employment of the relevant Senior Executive for four years after the grant date, or the classification of the Senior Executive as a good leaver at the Expiry Date.

The Board considered that, following the restructure announced in February 2017, the Senior Executives that remained should be given the opportunity to benefit from the increase in the value of Crown shares over the following four years. Further, the 2017 Incentive Plan seeks to reward and retain those Senior Executives who have primary responsibility for delivering Crown's key strategic priorities over the coming years.

The Options have an implicit performance hurdle in that the Options have no value upon vesting unless the Crown

share price exceeds the Exercise Price of the Options plus the Fee (i.e. \$12.14). This creates alignment with shareholders through share price appreciation and motivates the performance and retention of Senior Executives.

Malus and Board Discretion

The 2017 Incentive Plan provides that where, in the opinion of the Board, a participant acts fraudulently or dishonestly, or wilfully breaches their duties, then the Board may deem all unvested Options of that participant to have lapsed.

In addition, all unvested Options will automatically be forfeited where a participant is considered a 'bad leaver'. Circumstances in which a participant would be considered a 'bad leaver' include where a participant's employment is terminated or a participant is dismissed due to serious and wilful misconduct, material breach of the terms of the employment contract, gross negligence or other conduct justifying termination without notice. A participant will also be considered a 'bad leaver' if the participant resigns from his or her employment or office.

Voting Rights and Rights to Dividends

No ordinary dividend or voting rights attach to the Options unless and until Crown shares are delivered on exercise.

Any special dividends (but not ordinary dividends) or capital returns will be reflected as adjustments to the Exercise Price of the Options.

Shareholder Approval Not Required

The terms of the 2017 Incentive Plan specifically provide that, upon vesting and exercise of the Options, Directors of Crown may only receive Crown shares that have been purchased on-market. The issue of such Options to Directors of Crown will therefore not be dilutive of existing shareholders and the shares delivered to Option holders will reflect the market value of the shares at the time. As a result, shareholder approval was not required under the ASX Listing Rules for the 2017 Incentive Plan or any Options issued under the 2017 Incentive Plan. Neither the letter nor the spirit of the ASX Listing Rules requires such approval, which would therefore not serve any purpose. As a condition of the fact that the 2017 Incentive Plan was not approved by shareholders, new Crown shares must not be issued to a Director of Crown under the terms of the 2017 Incentive Plan.

Accounting Valuation of Options and Reporting

The Options constitute remuneration for the purposes of this Report.

For the purposes of reporting, a determination of the "fair value" (for accounting purposes) of each Option was undertaken.

As there is a limited recourse Acquisition Loan associated with the Options with an obligation to repay Crown (in the event the Options are exercised) the Fee of \$0.71 per Option, from an accounting perspective, the Acquisition Loan has been treated as an addition to the Exercise Price of the Option and the Option has been re-valued accordingly, without having further regard to the amount outstanding under the Acquisition Loan.

Based on this approach, from an accounting perspective, the Options have been valued using an assumed “exercise price” of \$12.14 and assumes that there is no Acquisition Loan.

The fair value of the Options was determined at the commencement of the Plan to be \$0.53 per Option (equivalent to approximately 4.6% of the actual Exercise Price of the Options).

The outcome of this valuation approach (using the Black Scholes valuation model) and the accounting implications are shown below:

Number of Options		14,000,000
Exercise Price*	\$	11.43
Total Face value	\$	160,020,000
Valuation %*		4.6%
Valuation \$	\$	7,360,920
Value per Option	\$	0.53
Annual impact on Crown reported results (over four years)	\$	1,840,230

* While the contracted Exercise Price of each Option is \$11.43, from an accounting perspective, the valuation of each Option is determined assuming an exercise price of \$12.14. For the purposes of the Black Scholes Valuation model, a volatility measure of 18% has been used representing the historical volatility of Crown shares.

Based on the above, the annual value of the 2017 Incentive Plan which has been attributed to each Senior Executive participant is as follows:

	Number of Options	Accounting Value per Option	Annual Impact \$
John Alexander	5,000,000	53 cents	657,225
Ken Barton	3,000,000	53 cents	394,335
Barry Felstead	3,000,000	53 cents	394,335
Todd Nisbet	3,000,000	53 cents	394,335
Total	14,000,000		1,840,230

Disclosures in line with the above have been included in the Senior Executive Remuneration Table set out later in this Report.

Relationship between remuneration policy and company performance

Remuneration linked to performance

As detailed above in the sections on Fixed Remuneration and Performance Based Remuneration, various elements of Crown’s remuneration policy are linked to company performance, in particular, the achievement of Crown’s Board approved Annual Budget and Business Plan (in the case of STI), Crown’s Board approved Four Year Financial Plan (in the case of the expired 2014 Crown LTI) and an increase in the value of Crown shares (in the case of the 2017 Incentive Plan).

The Crown Board has sought to achieve this link by requiring the achievement of an annual level of normalised EBITDA and net profit after tax (in the case of STI), predetermined EPS Targets (in the case of the expired 2014 Crown LTI) or an increase in the value of Crown shares over the following four years (in the case of the 2017 Incentive Plan).

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

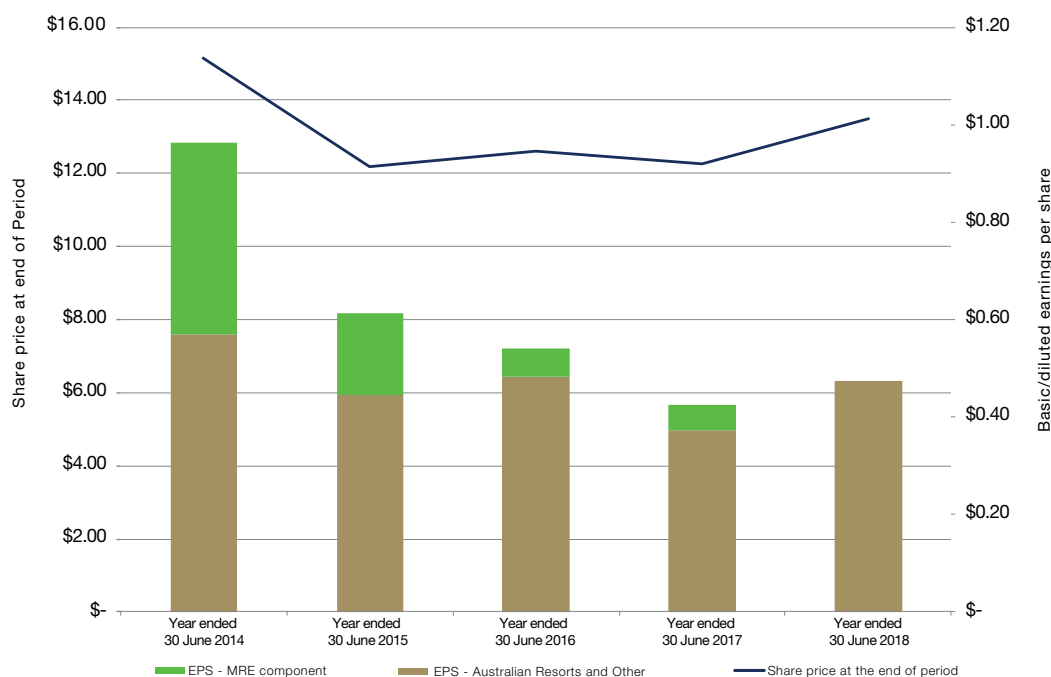
- an STI bonus may be payable if Crown achieves its budgeted financial objectives and where an individual achieves his or her annual KPOs, assessed using a combination of financial and non-financial measures;
- the 2014 Crown LTI was linked to predetermined EPS Hurdles in financial year 2015, financial year 2016, financial year 2017 and financial year 2018; and
- an increase in the value of Crown shares over the four years of the 2017 Incentive Plan may result in a benefit to participants.

This year, normalised EBITDA generated by Crown Melbourne and Crown Perth, Crown's wholly owned Australian casinos, grew by 7.2%. The compound annual normalised EBITDA growth for Crown Melbourne and Crown Perth for the five year period to 30 June 2018 was 2.6% per annum. Normalised Crown group NPAT was up by 12.7% in financial year 2018. The compound annual normalised NPAT growth (including NPAT from MRE until financial year 2017) for the Crown group for the five year period to 30 June 2018 was negative 4.0% per annum.

The table and graph below set out information about movements in shareholder wealth for the financial years ended 30 June 2014 to 30 June 2018.

	Year Ended 30 June 2014	Year Ended 30 June 2015	Year Ended 30 June 2016	Year Ended 30 June 2017	Year Ended 30 June 2018
Share price at start of period	\$12.11	\$15.12	\$12.20	\$12.61	\$12.28
Share price at end of period	\$15.12	\$12.20	\$12.61	\$12.28	\$13.50
Full year dividend	37.0 cents ¹	37.0 cents ²	72.5 cents ³	143.0 cents ⁴	60.0 cents ⁵
Basic/diluted earnings per share ⁶ :					
<i>Australian resorts and other</i>	<i>56.95 cps</i>	<i>44.53 cps</i>	<i>48.18 cps</i>	<i>37.34 cps</i>	<i>47.44 cps</i>
<i>MRE component</i>	<i>39.49 cps</i>	<i>16.75 cps</i>	<i>5.86 cps</i>	<i>5.21 cps</i>	<i>-</i>
Total basic/diluted earnings per share	96.44 cps	61.28 cps	54.04 cps	42.55 cps	47.44 cps

- 1 Franked to 50% with none of the unfranked component comprising conduit foreign income.
- 2 Franked to 50% with all of the unfranked component of the final dividend comprising conduit foreign income.
- 3 Interim dividend franked to 50% and final dividend franked to 70% with all of the unfranked components comprising conduit foreign income.
- 4 Franked to 60% with none of the unfranked component comprising conduit foreign income. This amount includes a special dividend paid to shareholders in March 2017 of 83 cents per share.
- 5 Franked to 60% with none of the unfranked component of the interim dividend comprising conduit foreign income and all of the unfranked component of the final dividend comprising conduit foreign income.
- 6 Excluding the effect of significant items.



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

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

The rules of the 2017 Incentive Plan specifically provide that a participant must not transfer, encumber, dispose of or have a Security Interest issued over Plan Shares, or any beneficial interest in Plan Shares, unless all restrictions on the transfer, encumbrance or disposal of the Plan Shares have been met or waived by the Board or the Board has provided prior written consent. A Security Interest is defined to include a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.

In addition, Crown's Securities Trading Policy provides that restricted persons who hold Crown shares (defined as Crown shares or other securities which may be issued from time to time by Crown) under an incentive plan offered by Crown from time to time, must not, without the prior consent in writing of Crown, sell, create a security interest in, or otherwise dispose or deal with their Crown shares or any of their interests in any of those Crown shares.

The rules of the 2017 Incentive Plan also require participants to comply with Crown's Securities Trading Policy at all times.

Remuneration Details for Non-executive Directors

Non-executive Directors

Non-executive Directors are entitled to a base fee 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 in respect of that service. Prior to the sale of Crown's interest in CrownBet in February 2018, Crown's nominee on the CrownBet Board was entitled to an annual fee in respect of that service.

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 and Corporate Governance Committee, the Corporate Social Responsibility Committee, the Occupational Health and Safety Committee, the Nomination and Remuneration Committee, the Responsible Gaming Committee or the Risk Management Committee).

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

Non-executive Directors' fees which applied during the financial year ended 30 June 2018 were as follows:

Base Board Fees:	\$150,000
Active Board Committees:	
- Chair	\$25,000
- Member	\$15,000
Crown Melbourne Board:	\$60,000
CrownBet Board:	\$75,000

In accordance with Crown's constitution, Non-executive Directors' fees were within the aggregate Non-executive Directors' Fee cap of \$2,500,000 per annum.

Set out below is a table showing Non-executive Director remuneration for financial years 2018 and 2017.

Remuneration table – Non-executive Directors

	Financial Year	Short Term Benefits			Long Term Incentives				Total
		Salary & Fees	Non Monetary	Other	Post - employment Benefit - Superannuation	Cash Based	Equity Based	Termination Benefits	
Helen Coonan	2018	200,000	-	-	19,000	-	-	-	219,000
Non-executive Director	2017	161,041	-	-	15,299	-	-	-	176,340
Rowena Danziger^{1,2}	2018	130,833	-	-	10,079	-	-	-	140,912
Non-executive Director	2017	256,666	-	-	19,616	-	-	-	276,282
Andrew Demetriou³	2018	218,620	-	-	20,769	-	-	-	239,389
Non-executive Director	2017	208,333	-	-	19,616	-	-	-	227,949
Geoffrey Dixon	2018	200,000	-	-	19,000	-	-	-	219,000
Non-executive Director	2017	180,000	-	-	17,100	-	-	-	197,100
Jane Halton AO PSM⁴	2018	16,304	-	-	1,549	-	-	-	17,853
Non-executive Director	2017	-	-	-	-	-	-	-	-
John Horvath AO^{2,5}	2018	285,516	-	-	20,049	-	-	-	305,565
Non-executive Director	2017	256,666	-	-	19,616	-	-	-	276,282
Guy Jalland^{6,7}	2018	-	-	-	-	-	-	-	-
Non-executive Director	2017	-	-	-	-	-	-	-	-
Michael Johnston⁷	2018	-	-	-	-	-	-	-	-
Non-executive Director	2017	-	-	-	-	-	-	-	-
Antonia Korsanos⁸	2018	16,304	-	-	1,549	-	-	-	17,853
Non-executive Director	2017	-	-	-	-	-	-	-	-
Harold Mitchell AC	2018	180,000	-	-	17,100	-	-	-	197,100
Non-executive Director	2017	160,000	-	-	15,200	-	-	-	175,200
James Packer^{7,9}	2018	-	-	-	-	-	-	-	-
Non-executive Director	2017	-	-	-	-	-	-	-	-
2018 TOTALS		1,247,577	-	-	109,095	-	-	-	1,356,672
2017 TOTALS¹⁰		1,222,706	-	-	106,447	-	-	-	1,329,153

- Mrs Danziger ceased as a Director of Crown, as member of the Crown Audit and Corporate Governance, Responsible Gaming and Risk Management Committees and Chair of the Crown Occupational Health and Safety Committee on 26 October 2017.
- Mrs Danziger and Professor Horvath AO each received Directors' fees at a rate of \$60,000 per annum for their participation on the Crown Melbourne Limited Board.
- Mr Demetriou was appointed as a member of the Risk Management Committee on 25 October 2017. Mr Demetriou was appointed as a member of the Audit and Corporate Governance Committee on 29 January 2018 and ceased as a member of that Committee on 20 June 2018. Mr Demetriou also received Directors' fees at a rate of \$75,000 per annum for his participation on the CrownBet Pty Ltd and CrownBet Holdings Pty Ltd Boards from 1 July 2017 up to and including 27 February 2018.
- Ms Halton AO PSM was appointed as a Director of Crown on 23 May 2018 and was subsequently appointed as a member of the Crown Occupational Health and Safety and Risk Management Committees on 20 June 2018.
- Professor Horvath AO was appointed as Chair of the Crown Occupational Health and Safety Committee on 13 December 2017.
- Mr Jalland was appointed as a Director of Crown on 16 April 2018.
- Messrs Jalland, Johnston and Packer did not receive remuneration from Crown for their services to Crown.
- Mrs Korsanos was appointed as a Director on 23 May 2018 and was subsequently appointed as a member of the Crown Audit and Corporate Governance and Responsible Gaming Committees on 20 June 2018.
- Mr Packer was appointed as a Director of Crown on 3 August 2017 and ceased as a Director of Crown on 21 March 2018.
- Total Non-executive Director remuneration for the 2017 financial year excludes remuneration of \$130,031 for the Non-executive Directors who ceased in the 2017 financial year.

Remuneration details for Senior Executives

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

- an annual review of the Senior Executive's fixed remuneration, with any increases requiring approval of the Executive Chairman (except in relation to the Executive Chairman) and the Nomination and Remuneration Committee and dependent on Crown's financial performance, the individual's KPO performance and market changes;
- competitive performance based incentive payments annually and in the long term, dependent upon Crown achieving its objectives and the Senior Executive achieving his or her KPOs;
- a provision that Crown may ask the Senior 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 a period following termination and a requirement that the Senior Executive maintains licences required and issued by relevant regulatory authorities (such as the Victorian Commission for Gambling and Liquor Regulation, Western Australian Gaming and Wagering Commission and the New South Wales Independent Liquor and Gaming Authority);
- where post-employment restraints apply, a restraint covering, amongst other things, competitive activities to those of the Crown group. Restraint periods vary and have been noted in each instance;
- where an employment agreement is terminated by Crown, a provision that notice may be given in writing or payment may be made (wholly or partly) in lieu of notice;
- a provision that all contracts may be terminated without notice by Crown for serious misconduct; and
- all Senior Executives are entitled to complimentary privileges at Crown Melbourne and Crown Perth facilities.

Specific details of each Senior Executive's contract of employment which applied at the end of the 2018 financial year are summarised in the tables on the following pages.

Summary of Contracts of Employment Applicable at 30 June 2018

John H Alexander				
Current Position	Executive Chairman (commenced 1 February 2017) (previously Executive Deputy Chairman): Mr Alexander's current employment agreement with Crown Resorts Limited has no fixed term.			
Fixed Remuneration				
Base salary:	\$3,501,826 per annum.			
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$20,049 per annum.			
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.			
Performance based remuneration				
STI:	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Alexander may receive an STI payment of up to \$500,000.			
LTI:	Mr Alexander participated in the 2014 Crown LTI and participates in the 2017 Incentive Plan. Refer to pages 54 to 59.			
2018 Percentage breakdown of remuneration	Fixed remuneration (Includes voluntary and compulsory superannuation)	STI	2014 Crown LTI	2017 Incentive Plan
	75%	11%	0%	14%
Post-employment benefits	Nil			
Post-employment restraint	Crown may impose a restraint for various periods up to 12 months.			
Termination				
By Senior Executive:	12 months' notice.			
By Crown:	12 months' notice without cause; without notice for breach or misconduct.			
Termination benefits	Nil			
Payments made prior to commencement	Nil			
Directors' Fees	Nil			

Kenneth M Barton

Current Position	Chief Financial Officer (commenced 9 March 2010) and CEO Crown Digital (from 1 February 2017): Mr Barton's employment agreement with Crown Resorts Limited will expire on 30 September 2018.			
Fixed Remuneration				
Base salary:	\$1,813,752 per annum.			
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$20,049 per annum.			
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. Until Mr Barton relocates to Melbourne, Crown will meet the weekly travel costs of his Melbourne/Sydney commuting and will provide hotel accommodation while in Melbourne.			
Performance based remuneration				
STI:	Mr Barton's annual target STI is \$500,000 and payment depends on meeting agreed personal KPOs. The STI may, at the discretion of the Nomination and Remuneration Committee, be increased to a maximum of \$750,000 if Mr Barton exceeds his KPOs and Crown also achieves its performance objectives.			
LTI:	Mr Barton participated in the 2014 Crown LTI and participates in the 2017 Incentive Plan. Refer to pages 54 to 59.			
2018 Percentage breakdown of remuneration	Fixed remuneration (Includes voluntary and compulsory superannuation)	STI	2014 Crown LTI	2017 Incentive Plan
	62%	25%	0%	13%
Post-employment benefits	Nil			
Post-employment restraint	Nil			
Termination				
By Senior Executive:	6 months' notice.			
By Crown:	6 months' notice without cause; one month's notice for performance issues (following at least 3 months' notice to improve); 3 months' notice for incapacity.			
Termination benefits	Nil			
Payments made prior to commencement	As previously disclosed, a sign on payment was made in 2010 to compensate Mr Barton for unvested incentives forfeited on cessation of employment with his previous employer.			
Directors' Fees	Nil			

Barry Felstead				
Current Position	Chief Executive Officer – Australian Resorts (from 1 August 2013): Mr Felstead’s current employment agreement with Crown Resorts Limited has no fixed term.			
Fixed Remuneration				
Base salary:	\$2,272,202 per annum.			
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$20,049 per annum.			
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. Mr Felstead is entitled to a travel allowance of \$50,000 per annum.			
Performance based remuneration				
STI:	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Felstead’s annual target STI is 40% of his TEC.			
LTI:	Mr Felstead participated in the 2014 Crown LTI and participates in the 2017 Incentive Plan. Refer to pages 54 to 59.			
2018 Percentage breakdown of remuneration	Fixed remuneration (Includes voluntary and compulsory superannuation)	STI	2014 Crown LTI	2017 Incentive Plan
	64%	25%	0%	11%
Post-employment benefits	Nil			
Post-employment restraint	Crown may impose various restraint periods up to a period of 12 months post-employment.			
Termination				
By Senior Executive:	12 months’ notice.			
By Crown:	12 months’ notice without cause; one month’s notice for performance issues; three months’ notice due to incapacity.			
Termination benefits	Nil			
Payments made prior to commencement	Nil			
Directors’ Fees	Nil			

W Todd Nisbet

Current Position Executive Vice President – Strategy and Development (from 9 August 2010): Mr Nisbet's fixed term employment agreement with Crown Resorts Limited expired on 31 December 2015 and is continuing on the same terms and conditions except as to term, which is now no longer fixed.

Fixed Remuneration

Base salary: \$2,272,202 per annum.

Superannuation: Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$20,049 per annum.

Non-monetary benefits and other: Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. During Mr Nisbet's employment with Crown, he is also entitled to additional customary expatriate benefits for himself and his family. Upon cessation of employment, Mr Nisbet will be entitled to relocation benefits for him and his family to Las Vegas.

Performance based remuneration

STI: Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Nisbet's annual target STI is 50% of his base salary.

LTI: Mr Nisbet participated in the 2014 Crown LTI and participates in the 2017 Incentive Plan. Refer to pages 54 to 59.

2018 Percentage breakdown of remuneration	Fixed remuneration (Includes voluntary and compulsory superannuation)	STI	2014 Crown LTI	2017 Incentive Plan
	66%	25%	0%	9%

Post-employment benefits Nil

Post-employment restraint Crown may impose various restraint periods up to a period of 12 months post-employment.

Termination

By Senior Executive: 12 months' notice.

By Crown: 12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.

Termination benefits Nil

Payments made prior to commencement Nil

Directors' Fees Nil

Remuneration table for Senior Executives

Commentary

The structure of Senior Executive remuneration has been described in detail in this Report, both generically and specifically in relation to each named Senior Executive. In addition, a table summarising all remuneration to be attributed to each Senior Executive for the financial years ended 30 June 2018 and 30 June 2017 is set out on the following pages.

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

In addition, a separate table has been provided which details the remuneration that was received, or vested by each Senior Executive during the year.

Fixed Remuneration

Messrs Alexander, Barton, Felstead and Nisbet received an increase to their fixed remuneration of 1.5% for the 2018 Financial Year, in the case of Mr Alexander, on a pro rata basis.

Short Term Incentives (STI)

Senior Executives have a potential or target STI bonus, which is subject to Crown group's performance and the achievement of the Senior Executive's KPOs established at the beginning of each financial year. In the 2018 financial year, the Group's financial performance objectives were met.

The performance of each Senior Executive against the non-financial KPOs (described earlier) was reviewed by the Executive Chairman, having regard to the operational performance of the business and the function in which the Senior Executive is involved.

The Executive Chairman's recommended STI bonus was approved by the Nomination and Remuneration Committee on behalf of the Board.

STI bonuses at Crown Melbourne, Crown Perth and Crown Resorts were generally paid at 100% of target STI bonuses. However, individual STI bonuses were adjusted to reflect the extent to which non-financial objectives were achieved. Messrs Alexander, Barton, Felstead and Nisbet received their maximum STI bonus entitlement.

Long Term Incentives (LTI)

As summarised earlier, each Senior Executive participated in the 2014 Crown LTI. The Plan Year 4 EPS Hurdle adopted under the 2014 Crown LTI was not achieved. In the 2017 financial year, Crown amended its provisioning in relation to the 2014 Crown LTI resulting in a reversal of amounts previously expensed. As such, no disclosure is required for the 2018 financial year as this was accounted for in the 2017 financial year.

As summarised earlier, the Senior Executives also participated in the 2017 Incentive Plan.

In accordance with relevant accounting standards, the 2017 Incentive Plan is included in the remuneration for each Senior Executive to the extent that it is considered more likely than not at the date of this Report that the performance condition and service condition will eventuate over the life of the 2017 Incentive Plan.

An amount has been attributed to each participant in the 2017 Incentive Plan based on the methodology noted earlier in this Report.

Remuneration Table – Statutory

Financial Year	Short Term Benefits					Long Term Incentives					Total
	Salary & Fees	Non Monetary ¹	Other ¹	STI target	% of STI	Post-employment Benefits - Superannuation ²	Cash Based	Equity Based - 2014 Crown LTI	Senior Executive Incentive Plan - 2017 ³	Termination Benefits	
John Alexander Executive Chairman	2018 3,501,826	14,240	2,728	500,000	100%	20,049	-	-	657,225	-	4,696,068
	2017 2,313,717	76,229	68,561	125,000	25%	19,616	-	(675,000)	275,000	-	2,203,123
Ken Barton Chief Financial Officer & CEO Digital	2018 1,808,801	62,081	-	750,000	150%	25,000	-	-	394,335	-	3,040,217
	2017 1,787,084	59,671	-	335,000	67%	19,616	-	(607,706)	165,000	-	1,758,665
Barry Felstead Chief Executive Officer - Australian Resorts	2018 2,272,202	132,727	-	916,900	100%	20,049	-	-	394,335	-	3,736,213
	2017 2,238,759	126,699	-	270,000	30%	19,616	-	(945,000)	165,000	-	1,875,074
Todd Nisbet Executive Vice President - Strategy & Development	2018 2,272,202	348,597	366,212	1,146,126	100%	20,049	-	-	394,335	-	4,547,521
	2017 2,238,759	265,496	366,927	335,000	30%	19,616	-	(945,000)	165,000	-	2,445,798
2018 TOTALS	9,855,031	557,645	368,940	3,313,026		85,147	-	-	1,840,230	-	16,020,019
2017 TOTALS⁴	8,578,319	528,095	435,488	1,065,000		78,464	-	(3,172,706)	770,000	-	8,282,660

1 Refer to the summaries of employment for each Senior Executive for a description of the short term benefits to which each individual is entitled to receive. The Non Monetary short term benefits also include fringe benefits tax paid in relation to benefits received by the Senior Executives.

2 Long service leave accrued balances have increased during the financial year ended 30 June 2018 for the following Senior Executives: Mr Alexander \$58,510, Mr Barton \$30,466, Mr Felstead \$38,802 and Mr Nisbet \$38,802.

3 The 2017 Senior Executive Incentive Plan has been included in total remuneration on the basis that it is considered more likely than not that, at the date of this Report, the vesting condition will occur.

4 Total Senior Executive remuneration for the 2017 financial year excludes remuneration of \$7,015,235 for the Senior Executive who ceased in the 2017 financial year.

Remuneration Table – Remuneration Received / Vested

The statutory table above is prepared in accordance with the requirements of the Corporations Act and the Australian Accounting Standards and does not reflect amounts actually received by the Senior Executives during the financial year. The following table sets out the remuneration which was received by, or vested during, the relevant financial year for each Senior Executive. This is comprised of salary and fees, the STI referable to the previous financial year, but which was received after the end of the financial year and the actual portion of the 2014 Crown LTI which vested during the financial year. The value of the 2017 Incentive Plan has not been included in the following table. This information is provided as it is considered to be of interest to the users of this Report.

Financial Year	Salary & Fees	Non Monetary ¹	Other ¹	STI	Super-annuation	Vested Component of Equity Based - 2014 Crown LTI	Termination Benefits	Total
John Alexander								
2018	3,501,826	14,240	2,728	125,000	20,049	-	-	3,663,843
2017	2,313,717	76,229	622,579	-	19,616	-	-	3,032,141
Ken Barton								
2018	1,808,801	62,081	-	335,000	25,000	-	-	2,230,882
2017	1,787,084	59,671	-	710,000	19,616	-	-	2,576,371
Barry Felstead								
2018	2,272,202	132,727	-	270,000	20,049	-	-	2,694,978
2017	2,238,759	126,699	-	1,000,000	19,616	-	-	3,385,074
Todd Nisbet								
2018	2,272,202	348,597	366,212	335,000	20,049	-	-	3,342,060
2017	2,238,759	265,496	366,927	1,000,000	19,616	-	-	3,890,798
2018 TOTALS	9,855,031	557,645	368,940	1,065,000	85,147	-	-	11,931,763
2017 TOTALS	8,578,319	528,095	989,506	2,710,000	78,464	-	-	12,884,384

¹ Refer to the summaries of contracts of employment for each Senior Executive for a description of the short term benefits to which each individual is entitled to receive.

Key Management Personnel Disclosures

Shareholdings of Key Management Personnel

Set out below is a summary of equity instruments held directly, indirectly or beneficially by KMPs, close family or controlled entities.

30 June 2018

Crown Directors

Directors (including Directors who left the Board during the year)	Balance 1 July 2017	Issued under 2014 Crown LTI	Other net change	Balance 30 June 2018
John Alexander	399,557	-	-	399,557
Rowena Danziger	30,896	-	-	30,896 ¹
Jane Halton AO PSM	948 ²	-	-	948
Harold Mitchell AC	114,887	-	-	114,887
James Packer	342,527,795 ³	-	(25,599,493)	316,928,302 ⁴

- Mrs Danziger ceased as a director on 26 October 2017. As required by the ASX Listing Rules, Mrs Danziger provided Crown with an Appendix 3Z detailing her interests in Crown shares on the date of her resignation. The interests in respect of Mrs Danziger are therefore as at 26 October 2017.
- Ms Halton AO PSM was appointed as a director on 23 May 2018. As required by the ASX Listing Rules, Ms Halton provided Crown with an Appendix 3X detailing her interests in Crown shares on the date of her appointment. The interests in respect of Ms Halton are therefore as at 23 May 2018.
- Mr Packer was appointed as a director on 3 August 2017. As required by the ASX Listing Rules, Mr Packer provided Crown with an Appendix 3X detailing his interests in Crown shares on the date of his appointment. The interests in respect of Mr Packer are therefore as at 3 August 2017.
- Mr Packer ceased as a director on 21 March 2018. As required by the ASX Listing Rules, Mr Packer provided Crown with an Appendix 3Z detailing his interests in Crown shares on the date of his resignation. The interests in respect of Mr Packer are therefore as at 21 March 2018.

Crown Executives

Executives	Balance 1 July 2017	Issued under 2014 Crown LTI	Other net change	Balance 30 June 2018
Ken Barton	143,128	-	-	143,128
Barry Felstead	178,374	-	-	178,374
Todd Nisbet	229,531	-	-	229,531

30 June 2017

Crown Directors

Directors (including Directors who left the Board during the year)	Balance 1 July 2016	Issued under 2014 Crown LTI	Other net change	Balance 30 June 2017
John Alexander	333,768	65,789	-	399,557
Rowen Craigie	225,556	131,579	-	357,135 ¹
Rowena Danziger	30,896	-	-	30,896
Harold Mitchell AC	114,887	-	-	114,887

- Mr Craigie ceased as a director on 28 February 2017. As required by the ASX Listing Rules, Mr Craigie provided Crown with an Appendix 3Z detailing his interests in Crown shares on the date of his resignation. The interests in respect of Mr Craigie are therefore as at 28 February 2017.

Crown Executives

Executives	Balance 1 July 2016	Issued under 2014 Crown LTI	Other net change	Balance 30 June 2017
Ken Barton	83,898	59,230	-	143,128
Barry Felstead	86,269	92,105	-	178,374
Todd Nisbet	137,426	92,105	-	229,531

Senior Executive Option Holdings

Set out below is a summary of Options held directly, indirectly or beneficially by KMPs, close family or controlled entities.

Senior Executives	Balance 1 July 2017	Options granted	Options exercised	Other net change	Balance 30 June 2018	Options vested during year
John Alexander	5,000,000	-	-	-	5,000,000	-
Ken Barton	3,000,000	-	-	-	3,000,000	-
Barry Felstead	3,000,000	-	-	-	3,000,000	-
Todd Nisbet	3,000,000	-	-	-	3,000,000	-

Loans to Key Management Personnel

As noted above, Options under the 2017 Incentive Plan were issued to the Senior Executives for a Fee equal to the market value at the date they were originally agreed to be issued, being 22 February 2017, of \$0.71 per Option (Fee). Each relevant Senior Executive paid the Fee for the issue of the Options through an Acquisition Loan advanced by Crown.

The Acquisition Loan is repayable on the exercise, lapse, cancellation or forfeiture of the Options financed by the Acquisition Loan. No interest is payable on the Loan.

The repayment amount of the Acquisition Loan is the lesser of the outstanding amount of the loan and:

- the market value of the Crown shares to be delivered on exercise; or
- in the case of a buy-back, the market value of the Option; or
- in the case of lapse, cancellation or forfeiture, nil.

The Senior Executives who have been granted an Acquisition Loan and the value of that Acquisition Loan are as follows:

Senior Executives	Acquisition Loan Value
John Alexander	\$3,543,300
Barry Felstead	\$2,125,980
Todd Nisbet	\$2,125,980
Ken Barton	\$2,125,980

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

Transactions entered into with Key Management Personnel

Other than as has been disclosed in Note 28 of the Financial Report, there have been no transactions entered into during the reporting period between the Company or any of its subsidiaries and KMPs, close family and controlled entities.

Signed in accordance with a resolution of the Directors.



J H Alexander
Executive Chairman

Melbourne, 11 September 2018

Auditor's Independence Declaration



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

As lead auditor for the audit of Crown Resorts Limited for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Crown Resorts Limited and the entities it controlled during the financial year.

Ernst & Young

Michael Collins
Partner
Melbourne
11 September 2018

Independent Auditor's Report



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Independent Auditor's Report to the Members of Crown Resorts Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Crown Resorts Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying value of trade receivables

Why significant	How our audit addressed the key audit matter
<p>The Group is required to regularly assess the recoverability of its trade receivables. The recoverability of trade receivables was significant to our audit due to the value of amounts aged greater than the credit terms extended to customers.</p> <p>The Group applies Australian Accounting Standard - AASB 9 Financial Instruments in calculating the provision for doubtful debts, applying a forward-looking expected loss impairment model. This involves judgement as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money.</p> <p>The Group's disclosures are included in Note 1.5 and Note 6 of the financial report, which outlines the accounting policy for determining the allowance for doubtful debts and details of the period on period movement in gross and net trade receivables.</p>	<p>In assessing the carrying value of trade receivables, we:</p> <ul style="list-style-type: none"> ▶ tested the ageing of trade receivables for a sample of customer transactions; ▶ evaluated receipts after year-end to determine any remaining exposure at the date of the financial report; ▶ considered the Group's assessment of individual customers debtor circumstances along with other information available relating to customers; ▶ evaluated whether the expected credit loss impairment model was calculated in accordance with AASB 9 and tested the mathematical accuracy of the calculations; ▶ compared the Group's provisioning rates against historical collection data; ▶ assessed whether the time value of money was considered in the impairment model; ▶ assessed the effectiveness of relevant controls in relation to the granting of credit facilities, including credit checks; and ▶ assessed the adequacy of the Group's disclosures in relation to trade receivables included in the financial report.

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2. Impairment testing of indefinite lived intangibles assets

Why significant	How our audit addressed the key audit matter
<p>The Group has goodwill of \$338.4 million and licence intangible assets of \$1,080.6 million held on the consolidated statement of financial position at 30 June 2018. The Group performs an impairment assessment on an annual basis to support the carrying value of goodwill and other indefinite life intangible assets. In addition, an impairment assessment is performed when there is an impairment indicator present.</p> <p>The impairment assessment is complex and judgemental, as it includes modelling a range of assumptions and estimates that are affected by expected future performance and market conditions such as cash flow forecasts, growth rates, discount rates and terminal value assumptions. Accordingly, the Group's impairment assessment was considered to be a key audit matter.</p> <p>Key assumptions, judgements and estimates used in the Group's assessment of impairment of intangibles assets are set out in Note 13 of the financial report. In addition licenses are disclosed in Note 11 and Goodwill in Note 12 of the financial report.</p>	<p>We evaluated the cash flow forecasts, which supported the value-in-use impairment models for goodwill and other indefinite lived intangible assets.</p> <p>We compared the forecasts to the Board approved budgets and long term financial plan. We also considered the historical reliability of the Group's cash flow forecasting process.</p> <p>We involved our valuation specialists to assess whether the methodology applied was in accordance with Australian Accounting Standards and to evaluate the key assumptions applied in the impairment models. These included the discount rates and terminal value assumptions.</p> <p>We tested whether the models used were mathematically accurate.</p> <p>We performed sensitivity analysis around the key assumptions to ascertain the extent of change in those assumptions that would either individually or collectively result in an impairment charge. In addition, we assessed the sensitivity analysis performed by the Group.</p> <p>We assessed the adequacy of the disclosures included in Notes 11, 12 and 13 of the financial report.</p>



Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2018 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 51 to 72 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Crown Resorts Limited for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.



Responsibilities

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.

Ernst & Young

Michael Collins
Partner
Melbourne
11 September 2018

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Statement of Profit or Loss

For the year ended 30 June 2018

	Note	2018 \$m	2017 \$m
Revenues	3	3,493.0	3,344.1
Other income	3	172.5	1,835.4
Expenses	3	(2,851.8)	(3,143.3)
Share of profits of associates and joint venture entities	2,9	6.6	39.2
Profit before income tax and finance costs		820.3	2,075.4
Finance costs	3	(76.1)	(143.6)
Profit before income tax		744.2	1,931.8
Income tax expense	2,5	(171.0)	(106.8)
Net profit after tax		573.2	1,825.0
Attributable to:			
Equity holders of the Parent		558.9	1,866.1
Non-controlling interests		14.3	(41.1)
		573.2	1,825.0

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

	Note	2018 Cents per share	2017 Cents per share
Earnings per share (EPS)			
Basic EPS	26	81.16	257.03
Diluted EPS	26	81.16	257.03
EPS calculation is based on the weighted average number of shares on issue throughout the period			
Dividends per share			
Current year final dividend declared	4	30.00	30.00
Current year interim dividend paid	4	30.00	113.00

Statement of Comprehensive Income

For the year ended 30 June 2018

	2018	2017
	\$m	\$m
Net profit after tax	573.2	1,825.0
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation	7.6	(33.5)
Movement in cash flow hedge reserve	1.4	18.0
<i>Items reclassified to profit or loss:</i>		
Foreign currency translation	(76.9)	(88.8)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Employee benefits reserve	-	(3.2)
Other comprehensive income / (loss) for the period, net of income tax	(67.9)	(107.5)
Total comprehensive income / (loss) for the period	505.3	1,717.5
Attributable to:		
Equity holders of the Parent	491.7	1,759.5
Non-controlling interests	13.6	(42.0)
	505.3	1,717.5

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

Statement of Financial Position

As at 30 June 2018

	Note	2018 \$m	Restated ⁽¹⁾ 2017 \$m
Current assets			
Cash and cash equivalents	22	1,844.6	1,771.2
Trade and other receivables	6	172.3	225.3
Inventories		17.3	17.5
Prepayments		32.8	35.4
Other financial assets	7	9.2	9.4
Total current assets		2,076.2	2,058.8
Non-current assets			
Receivables	6	143.0	145.7
Other financial assets	7	23.3	21.9
Investments	8	-	64.8
Investments in associates	9	187.8	235.5
Property, plant and equipment	10	3,880.7	3,959.2
Intangible assets - licences	11	1,080.6	1,097.3
Other intangible assets	12	462.8	562.7
Deferred tax assets	5	266.9	354.7
Other assets	14	50.4	52.0
Total non-current assets		6,095.5	6,493.8
Total assets		8,171.7	8,552.6
Current liabilities			
Trade and other payables	15	427.5	453.0
Interest-bearing loans and borrowings	16	25.7	350.1
Income tax payable		165.3	118.2
Provisions	17	225.1	210.8
Total current liabilities		843.6	1,132.1
Non-current liabilities			
Other payables	15	287.6	274.0
Interest-bearing loans and borrowings	16	1,467.0	1,594.9
Deferred tax liabilities	5	380.9	377.4
Provisions	17	32.6	51.8
Other financial liabilities		2.1	2.7
Total non-current liabilities		2,170.2	2,300.8
Total liabilities		3,013.8	3,432.9
Net assets		5,157.9	5,119.7
Equity			
Contributed equity	18	(71.9)	(53.2)
Treasury shares	18	(15.7)	(19.4)
Reserves	19	(60.5)	14.4
Retained earnings	19	5,306.0	5,153.1
Equity attributable to equity holders of the Parent		5,157.9	5,094.9
Non-controlling interest		-	24.8
Total equity		5,157.9	5,119.7

(1) Certain amounts have been restated, refer note 20

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

Cash Flow Statement

For the year ended 30 June 2018

	Note	2018 \$m	2017 \$m
Cash flows from operating activities			
Receipts from customers		3,676.8	3,352.5
Payments to suppliers and employees		(2,815.0)	(2,685.1)
Dividends received		9.1	70.6
Interest received		28.8	6.3
Borrowing costs paid		(108.7)	(170.7)
Income tax paid		(59.3)	(107.9)
Net cash flows from/(used in) operating activities	22b	731.7	465.7
Cash flows from investing activities			
Purchase of property, plant and equipment		(393.7)	(404.5)
Proceeds from sale of property, plant and equipment		338.6	56.4
Investment in equity accounted associates		(6.9)	(5.9)
Proceeds from disposal of investments		70.7	39.0
Net proceeds from sale of equity investments		62.5	3,134.1
Net payment for the acquisition of subsidiaries		(10.6)	-
Net proceeds from the disposal of subsidiaries		141.8	-
Loans to associated entities		(1.5)	(2.0)
Net cash flows from/(used in) investing activities		200.9	2,817.1
Cash flows from financing activities			
Proceeds from borrowings		79.7	270.1
Repayment of borrowings		(508.2)	(614.5)
Dividends paid		(413.4)	(1,110.8)
Payments for share buy-back		(18.8)	(499.9)
Net cash flows from/(used in) financing activities		(860.7)	(1,955.1)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		1,771.2	449.7
Effect of exchange rate changes on cash		1.5	(6.2)
Cash and cash equivalents at the end of the financial year	22a	1,844.6	1,771.2

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 2018

	Ordinary Shares \$m	Shares Held in Trust \$m	Retained Earnings \$m	Reserves \$m	Total \$m	Non- Controlling Interest \$m	Total Equity \$m
Year ended 30 June 2018							
Balance at 1 July 2017 - Restated ⁽¹⁾	(53.2)	(19.4)	5,153.1	14.4	5,094.9	24.8	5,119.7
Profit for the period	-	-	558.9	-	558.9	14.3	573.2
Other comprehensive income/(loss)	-	-	-	(67.2)	(67.2)	(0.7)	(67.9)
Total comprehensive income for the period	-	-	558.9	(67.2)	491.7	13.6	505.3
Dividends paid	-	-	(413.4)	-	(413.4)	-	(413.4)
Transactions with non-controlling interests	-	-	-	-	-	(37.0)	(37.0)
Share buy-back	(18.7)	-	-	-	(18.7)	-	(18.7)
Transfers	-	-	7.4	(7.4)	-	-	-
Movement in non-controlling interest put option	-	-	-	(2.1)	(2.1)	(1.4)	(3.5)
Share based payments	-	3.7	-	1.8	5.5	-	5.5
Balance at 30 June 2018	(71.9)	(15.7)	5,306.0	(60.5)	5,157.9	-	5,157.9
Year ended 30 June 2017 - Restated⁽¹⁾							
Balance at 1 July 2016	446.8	(8.9)	3,767.7	634.8	4,840.4	80.3	4,920.7
Profit for the period	-	-	1,866.1	-	1,866.1	(41.1)	1,825.0
Other comprehensive income/(loss)	-	-	-	(106.6)	(106.6)	(0.9)	(107.5)
Total comprehensive income for the period	-	-	1,866.1	(106.6)	1,759.5	(42.0)	1,717.5
Dividends paid	-	-	(1,110.8)	-	(1,110.8)	-	(1,110.8)
Share buy-back	(500.0)	-	-	-	(500.0)	-	(500.0)
Transfers	-	-	630.1	(630.1)	-	-	-
Movement in non-controlling interest put option	-	-	-	115.4	115.4	0.3	115.7
Share based payments	-	(10.5)	-	0.9	(9.6)	-	(9.6)
Change in ownership of subsidiary	-	-	-	-	-	(13.8)	(13.8)
Balance at 30 June 2017	(53.2)	(19.4)	5,153.1	14.4	5,094.9	24.8	5,119.7

(1) Certain amounts have been restated, refer note 20.

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 2018

1. Significant Accounting Policies

1.1 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, contingent consideration and investments that have been measured at fair value and investments in associates accounted for using the equity method.

The amounts contained in this report and in the financial report have been rounded to the nearest hundred thousand dollars unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Crown is an entity to which this Instrument applies.

The financial report of Crown Resorts Limited and its controlled entities (the Group) for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on 11 September 2018 subject to final approval by a subcommittee. Crown is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

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.

1.2 Changes in accounting policies

The Group has adopted the following accounting standards, which became applicable from 1 July 2017:

- AASB 2016-1 *Amendments to Australian Accounting Standards-Recognition of Deferred Tax Assets for Unrealised Losses*
- AASB 2016-2 *Amendments to Australian Accounting Standards-Disclosure Initiative: Amendments to AASB 107*

The adoption of these standards did not have a material effect on the financial position or performance on the Group during the period.

1.3 Standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the reporting period ended 30 June 2018 which may impact the entity in the period of initial application are outlined below:

AASB 15 Revenue from Contracts with Customers (applicable to the Group from 1 July 2018)

This standard specifies the accounting treatment for revenue arising from contracts with customers providing a framework for determining whether, when and how much revenue should

be recognised. The standard requires an entity to recognise revenue when it transfers promised goods or services to customers at the transaction price, at an amount that reflects what it expects to be entitled to receive in exchange for the goods or services. It also requires more detailed disclosures to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Group will adopt the new standard on 1 July 2018 on a full retrospective basis, which will be reflected in future financial statements.

Under the new standard, certain commission arrangements will be reclassified out of operating expenses and will be recognised as a reduction to revenue. Upon retrospective application on 1 July 2018, Crown estimates that the revenues and operating expenses for amounts previously reported for the year ended 30 June 2018 will decrease by approximately \$409.9 million. Promotional allowances provided to customers were previously netted against the revenue of the relevant complimentary privilege provided. Under the new standard, the majority of such promotional allowances will be allocated against revenue from services. This change will primarily result in a reclassification of revenue between revenue from services and revenue from sale of goods with no net impact on total revenue. The adoption of this standard is not expected to have a material impact on the net profit or cash flows of the Group.

This standard also imposes additional disclosure requirements. The Group is continuing to assess the impact of these requirements.

AASB 16 Leases (applicable to the Group from 1 July 2019)

This standard has a number of key features included requiring the recognition of assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Assets and liabilities arising from a lease are initially measured on a present value basis. For Lessor accounting, AASB 16 substantially carries forward the accounting requirements in AASB 117.

Depending on the Group's lease arrangements in place when the standard becomes effective, the standard may have a material impact on its financial position, as the Group will recognise a right-of-use-asset and a corresponding liability in respect of its operating leases. Currently, the Group is not expecting a material impact to financial performance, however there will be a change of classification between expenses. On adoption of the new standard, the Group is expecting an increase in EBITDA, offset by higher depreciation and interest expense.

The full impact on the financial statements from the new standard will be dependent on the Group's lease arrangements in place when the standard becomes effective from 1 July 2019.

Crown will continue to assess the impact the application of this standard will have on the Group.

1. Significant Accounting Policies *continued*

1.3 Standards issued but not yet effective *continued*

Standards and Interpretations not expected to be material

Certain other new Accounting Standards and Interpretations have been published that are not mandatory for the 30 June 2018 reporting period. The Group has assessed the impact of these new Accounting Standards and Interpretations that are relevant to the Group, and does not expect any material impact on net assets, net profit, presentation or disclosures when these standards become effective and are adopted.

1.4 Basis of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Crown Resorts Limited (the parent entity) and all entities that Crown Resorts Limited controlled from time to time during the year and at reporting date (the Group). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Information from the financial statements of subsidiaries is included from the date the parent entity obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent entity has control. Change of ownership interest of a subsidiary without the loss of control is accounted for as an equity transaction.

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.

The accounting policies adopted have been applied consistently throughout the two reporting periods.

1.5 Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on judgements, estimates and assumptions of future events. The key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of non-financial assets

The Group determines whether goodwill and intangibles 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 intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in note 13.

Fair value of financial instruments

In accordance with accounting standards the Group uses the Level Three method in estimating the fair value of certain financial assets. Accordingly, the fair value is estimated using inputs for the asset that are not based on observable market data.

Contingent consideration, resulting from business combinations is valued at fair value at the acquisition date as part of the business combination. When contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. Refer note 15 for further details.

Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Doubtful debts

An allowance for doubtful debts is recognised based on the expected credit loss from the time the financial instrument is initially recognised.

The allowance for doubtful debts is based on a provision matrix that reflects the Group's historical credit loss experience, adjusted for management's knowledge of specific customers' circumstances, as well as current collection trends and business conditions.

Put option liability

Crown entered into an agreement with the DGN minority shareholders, which contained put options and call options over the remaining non-controlling interest. Crown has recognised a financial liability to reflect the carrying amount of the put option. In arriving at the carrying value of the put option liability, management estimated the future expected cash outflow upon exercise of the put option by the counterparty, discounted to present value using an appropriate discount rate.

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

1. Significant Accounting Policies *continued*

1.5 Significant accounting judgements, estimates and assumptions *continued*

Significant items

Significant items are transactions or events that fall outside the ordinary course of business. Significant items are disclosed separately to allow users of the financial report to see the performance of the Group in a comparable form to that of the comparative period.

1.6 Summary of significant accounting policies

(a) 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 tax is provided on most temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred 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 tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable

future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred 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 tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not the Statement of Profit or Loss.

(b) 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.

(c) Foreign currency translation

Both the functional and presentation currency of Crown Resorts Limited and its Australian subsidiaries is Australian dollars.

Each foreign entity in the Group determines its own functional currency and items included in the financial statements of each foreign entity are measured using that functional currency, which is translated to the presentation currency for Group reporting purposes.

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

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies

continued

(c) Foreign currency translation *continued*

rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of overseas subsidiaries are translated into the presentation currency of Crown Resorts Limited at the rate of exchange ruling at the reporting date and the profit or loss is translated at the weighted average exchange rates for the period. The exchange differences arising on the retranslation are recognised through Other Comprehensive Income (OCI) and accumulated in the foreign currency translation reserve in equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in the foreign currency translation reserve relating to that particular foreign operation is recognised in the Statement of Profit or Loss.

(d) 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.

(e) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is recognised based on the expected credit loss from the time the financial instrument is initially recognised. 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.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Inventories which include food, beverages and other consumables are costed on a weighted average basis; and

- net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(g) Investments in associates

The financial statements of the associates are used by the Group to apply the equity method. Where associates apply different accounting policies to the Group, adjustments are made upon application of the equity method.

Investments in associates are carried in the Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The Statement of Profit or Loss reflects the Group's share of the results of operations of the associates.

Where there has been a change in the associates' OCI or 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.

(h) Investments and other financial assets

Financial assets are classified based on:

- The objective of the entity's business model for managing the financial assets; and
- The characteristics of the contractual cash flow.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. An irrevocable election is made by instrument to determine if the instrument is measured at fair value either through OCI or in the Statement of Profit or Loss.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets at fair value through OCI, directly attributable transaction costs.

The best evidence of fair value is quoted prices in an active market. The fair value of the investments and other financial assets that do not have a price quoted in an active market have been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. The fair value is reassessed each reporting period.

If the fair value through Statement of Profit or Loss approach is adopted, increments and decrements on the fair value of the financial asset at each reporting date are recognised in the Statement of Profit or Loss.

If the fair value through OCI approach is adopted, increments and decrements on the fair value are recognised in OCI, without recycling of gains and losses between the Statement of Profit or Loss and OCI, even on disposal of the investment.

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies

continued

(h) Investments and other financial assets *continued*

Dividends in respect of these investments that are a return on investment are recognised in the Statement of Profit or Loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(i) 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:

- Buildings - 40 to 75 years;
- Fixtures and Fitting in buildings - 4 to 20 years; and
- Plant and equipment - 2 to 20 years.

The asset's residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Profit or Loss in the period the item is derecognised.

(j) 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 licences 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 to 2050. The Crown Perth licence is assessed as having an indefinite useful life and, as such, no amortisation is charged. The Crown Perth licence is subject to an annual impairment assessment. Amortisation will commence on the Crown Sydney licence once the property is operational.

Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest and any previous interest held over the net identifiable assets acquired and liabilities assumed. 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 Profit or Loss.

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies

continued

(j) Intangible assets *continued*

Other intangible assets *continued*

Intangible assets created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists, and annually in the case of intangible assets with indefinite lives, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

(k) Recoverable amount of non-financial 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 of disposal 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 inflows 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.

(l) 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.

(m) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs

Borrowing costs directly associated with qualifying assets are capitalised, including any other associated costs directly attributable to the borrowing. The capitalisation rate to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's outstanding borrowings during the year, in this case 6.0% (2017: 6.2%).

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

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) to make a future sacrifice of economic benefits to other entities as a result of past transactions or other events, it is probable that a future sacrifice of economic benefit will be required and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for dividends is not recognised as a liability unless the dividends are declared, or publicly recommended on or before the reporting date.

(o) 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 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 2018

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies

continued

(p) Leases

Group as lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense in the Statement of Profit or Loss on a straight-line basis over the lease term.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(q) 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.

(r) Derivative financial instruments and hedging

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair value of forward exchange contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair values of interest rate swaps are determined by reference to market values for similar instruments.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss. For fair value

hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged and the derivative is remeasured to fair value. Gains and losses from both are taken to profit or loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

(ii) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability that is a firm commitment and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the Statement of Profit or Loss.

Amounts taken to through OCI are accumulated in the cash flow hedge reserve in 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 the hedging relationship is discontinued, amounts previously recognised in equity remain in equity until the forecast transaction occurs.

(s) Put options over non-controlling interests

Put options granted to holders of non-controlling interests ('NCI puts') at the date of acquiring control of a subsidiary (or after gaining control) gives rise to a financial liability.

When the Group does not have a present ownership interest in the shares subject to the NCI put, the Group applies the partial recognition of NCI approach. Under this approach, the following accounting method is applied at the end of each reporting period:

- The Group determines the amount that would have been recognised for the NCI, including an update to reflect allocations of profit or loss, allocations of changes in other comprehensive income and dividends declared for the reporting period;
- The Group derecognises the NCI as if it was acquired at that date;
- The Group recognises a financial liability and continues to re-assess the liability at the present value of the amount payable on exercise of the NCI put; and
- The Group accounts for the difference between the NCI derecognised and the financial liability recognised as an equity transaction.

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies

continued

(s) Put options over non-controlling interests *continued*

If the NCI put is exercised, the same treatment is applied up to the date of exercise. The amount recognised as the financial liability at that date is extinguished by the payment of the exercise price.

If the NCI put expires unexercised, the position is unwound so that the NCI is recognised at the amount it would have been, as if the NCI put had never been granted. The financial liability is derecognised as an equity transaction.

(t) Contributed equity

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

(u) 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:

Rendering of services

Gaming revenue is the net difference between gaming wins and losses.

Revenue from exchange betting represents commission and other charges earned on betting activity.

Hotel, entertainment and other operating revenues are recognised as services are performed.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered to have passed to the buyer at the time of delivery of the goods to the customer.

Food and beverage revenue is recognised as the goods are provided.

Leases

Lease revenue is recognised on a time proportion basis over the lease term. Contingent lease revenue is recognised in the period in which it is earned.

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.

(v) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (reserves), over the period in which the service is fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired.

If the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(w) Earnings per share (EPS)

Basic EPS is calculated as net profit after tax, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit after tax, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies

continued

(x) Segment Information

The Group's operating segments have been determined based on geographic location, management reporting structure and the nature of the products and services offered by the Group. Crown has identified the Board of Directors as its chief operating decision maker that allocates resources and assesses the performance of the operating segments. The segment information presented below is consistent with internal management reporting.

The Group has four operating segments being Crown Melbourne, Crown Perth, Crown Aspinalls and Wagering & Online.

(y) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred.

For each business combination the group elects whether to measure the non-controlling interest in the acquiree at the fair value or at the proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 9 in the Statement of Profit or Loss. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

2. Segment Information

30 June 2018

	Normalised Result ⁽¹⁾							Actual Crown Group \$m
	Crown Melbourne \$m	Crown Perth \$m	Crown Aspinalls \$m	Wagering & Online \$m	Unallocated \$m	Crown Group \$m	Adjust- ment ⁽¹⁾ \$m	
Operating revenue								
Main floor tables	767.1	198.8	-	-	-	965.9	-	-
Main floor machines	449.9	265.1	-	-	-	715.0	-	-
VIP program play ⁽⁴⁾	591.8	103.0	63.4	-	-	758.2	(18.3)	-
Wagering & Non gaming	470.2	277.6	1.0	293.0	4.5	1,046.3	-	-
Intersegment						(2.0)	-	-
Operating revenue	2,279.0	844.5	64.4	293.0	4.5	3,483.4	(18.3)	-
Interest revenue						30.1	-	-
Total revenue	2,279.0	844.5	64.4	293.0	4.5	3,513.5	(18.3)	-
Segment result								
Operating expenses ⁽⁴⁾	(1,634.0)	(595.7)	(52.4)	(266.1)	(58.9)	(2,607.1)	(67.6)	-
Intersegment						2.0	-	-
Earnings before interest, tax, depreciation and amortisation "EBITDA"	645.0	248.8	12.0	26.9	(54.4)	878.3	(85.9)	-
Depreciation and amortisation	(177.5)	(87.0)	(1.9)	(14.8)	(4.7)	(285.9)	-	-
Earnings before interest and tax "EBIT"	467.5	161.8	10.1	12.1	(59.1)	592.4	(85.9)	-
Net asset (impairment)/reversal						-	-	122.3
Net foreign currency gain on disposal of foreign operations						-	-	76.9
Net gain on CrownBet disposal						-	-	87.5
Net gain on Ellerston disposal						-	-	5.9
Restructuring & other significant expenses						-	-	(15.5)
Equity accounted share of associates' net profit/(loss)						9.3	-	6.6
Net interest income/(expense)						(46.0)	-	(46.0)
Income tax benefit/(expense)						(170.1)	25.8	(26.7)
Profit/(loss) after tax						385.6	(60.1)	247.7
Non-controlling interest						1.2	-	(15.5)
Profit/(loss) attributable to equity holders of the Parent						386.8	(60.1)	232.2

(1) Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth and Crown Aspinalls) and significant items. The theoretical win rate is the expected hold percentage on VIP program play over time. Accordingly, the normalised result gives rise to adjustments to VIP program play revenue, gaming taxes, commissions & other expenses and income tax expense. Normalised results are a non-IFRS measure.

(2) Total revenue of \$3,495.2 million includes \$2.2 million of profit on disposal of non-current assets, which is not included in revenue in the Statement of Profit or Loss.

(3) Significant items of \$232.2 million consist of a net asset impairment reversal predominately relating to Alton, a net gain on CrownBet disposal, a net gain on Ellerston disposal and a net foreign currency gain on disposal of foreign operations (previously recorded in reserves), partially offset by restructuring & other significant expenses and significant items relating to Crown's equity accounted interests.

(4) Operating expenses of \$2,674.7 million includes VIP program play commission expense of \$409.9 million which will be reclassified out of operating expenses and will be a reduction to revenue from the reporting period commencing 1 July 2018 in accordance with AASB 15 Revenue from Contracts with Customers.

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

2. Segment Information *continued*

30 June 2017

	Normalised Result ⁽¹⁾						Adjustment ⁽¹⁾ \$m	Significant Items ⁽³⁾ \$m	Actual Group \$m
	Crown Melbourne \$m	Crown Perth \$m	Crown Aspinalls \$m	Wagering & Online \$m	Unallocated \$m	Crown Group \$m			
Operating revenue									
Main floor tables	733.5	207.3	-	-	-	940.7	-	940.7	
Main floor machines	449.2	266.8	-	-	-	716.0	-	716.0	
VIP program play	340.3	109.4	98.8	-	-	548.5	56.8	605.3	
Wagering & Non gaming	471.8	246.7	1.0	303.3	3.3	1,026.1	-	1,074.7	
Intersegment						(1.1)	-	(1.1)	
Operating revenue	1,994.8	830.1	99.8	303.3	3.3	3,230.2	56.8	3,335.6	
Interest revenue						9.6	-	9.6	
Total revenue	1,994.8	830.1	99.8	303.3	3.3	3,239.8	56.8	3,345.2⁽²⁾	
Segment result									
Operating expenses	(1,406.0)	(585.3)	(73.2)	(288.5)	(50.3)	(2,403.3)	(94.5)	(2,497.8)	
Intersegment						1.1	-	1.1	
Earnings before interest, tax, depreciation and amortisation "EBITDA"	588.8	244.8	26.6	14.8	(47.0)	828.0	(37.7)	790.3	
Depreciation and amortisation	(188.6)	(79.6)	(0.9)	(22.3)	(5.4)	(296.8)	-	(296.8)	
Earnings before interest and tax "EBIT"	400.2	165.2	25.7	(7.5)	(52.4)	531.2	(37.7)	493.5	
Net gain on sale of MRE								1,745.5	
Net foreign currency gain on disposal of foreign operations								88.8	
MRE special dividend								48.6	
Net asset (impairment)/reversal								(260.2)	
Restructuring & other significant expenses								(89.6)	
Equity accounted share of associates' net profit/(loss)						43.7	(4.5)	39.2	
Net interest income/(expense)						(101.6)	-	(134.0)	
Income tax benefit/(expense)						(135.1)	8.0	(106.8)	
Profit/(loss) after tax						338.2	(34.2)	1,825.0	
Non-controlling interest						4.9	-	41.1	
Profit/(loss) attributable to equity holders of the Parent						343.1	(34.2)	1,866.1	

(1) Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth, Crown Aspinalls and MRE) and significant items. The theoretical win rate is the expected hold percentage on VIP program play over time. Accordingly, the normalised result gives rise to adjustments to VIP program play revenue, gaming taxes, commissions & other expenses, income tax expense and equity accounted share of associates' results. Normalised results are a non-IRS measure.

(2) Total revenue of \$3,345.2 million includes \$1.1 million of profit on disposal of non-current assets, which is not included in revenue in the Statement of Profit or Loss.

(3) Significant items of \$1,557.2 million consist of a net gain on sale of MRE shares, a special dividend from MRE and a net foreign currency gain on disposal of foreign operations (previously recorded in reserves), partially offset by restructuring costs, early debt retirement costs and net asset impairments, predominately relating to Alon.

3. Revenue and Expenses

	2018	2017
	\$m	\$m
Profit before income tax expense includes the following revenues and expenses:		
(a) Revenue		
Revenue from services	2,989.5	2,837.9
Revenue from sale of goods	435.5	415.0
Interest	30.1	9.6
Dividends	1.7	51.9
Other operating revenue	36.2	29.7
	3,493.0	3,344.1
(b) Other income		
Profit on disposal of non-current assets	2.2	1.1
Net gain on sale of MRE	-	1,745.5
Net gain on CrownBet disposal	87.5	-
Net gain on Ellerston disposal	5.9	-
Net foreign currency gain on disposal of foreign operations	76.9	88.8
	172.5	1,835.4
(c) Expenses		
Cost of sales	159.1	153.6
Operating activities	2,736.0	2,584.2
Net asset impairment/(reversal)	(122.3)	260.2
Restructuring & other expenses	15.5	89.6
Other expenses	63.5	55.7
	2,851.8	3,143.3
Depreciation of non-current assets		
<i>(included in expenses above)</i>		
Buildings	95.4	96.3
Plant and equipment	162.6	170.5
	258.0	266.8
Amortisation of non-current assets		
<i>(included in expenses above)</i>		
Casino licence fee and management agreement	20.3	20.3
Other assets	7.6	9.7
	27.9	30.0
Total depreciation and amortisation expense	285.9	296.8
(d) Other income and expense disclosures		
Finance costs expensed:		
Debt facilities	106.4	151.2
Capitalised interest	(30.3)	(40.0)
	76.1	111.2
Early debt retirement costs	-	32.4
	76.1	143.6
Operating leases	7.6	8.0
Superannuation expense	67.8	64.8
Other employee benefits expense	923.5	940.0
Net foreign currency (gains)/losses	(8.1)	(2.8)

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

3. Revenue and Expenses *continued*

	2018 \$m	2017 \$m
(e) Significant items - income / (expense)		
Net asset (impairment)/reversal	122.3	(260.2)
Net foreign currency gain on disposal of foreign operations	76.9	88.8
Net gain on CrownBet disposal	87.5	-
Net gain on Ellerston disposal	5.9	-
Restructuring & other significant expenses	(15.5)	(89.6)
Associates significant items	(2.7)	-
Net gain on sale of MRE	-	1,745.5
MRE special dividend	-	48.6
Early debt retirement costs	-	(32.4)
Tax amounts in significant items	(26.7)	20.3
	247.7	1,521.0

4. Dividends Paid and Declared

	2018 \$m	2017 \$m
(a) Dividends declared and paid during the financial year		
Prior year final dividend (paid 6 October 2017)		
Paid at 30.0 cents (2016: 39.5 cents) per share franked at 60% (2016: 70% franked) at the Australian tax rate of 30% (2016: 30%)	206.7	287.7
Current year interim dividend (paid 4 April 2018)		
Paid at 30.0 cents (2017: 113.0 cents) per share franked at 60% (2017: 60% franked) at the Australian tax rate of 30% (2017: 30%)	206.7	823.1
Total dividends appropriated	413.4	1,110.8
(b) Dividends declared and not recognised as a liability		
Current year final dividend (expected to be paid 5 October 2018)		
Declared at 30.0 cents (2017: 30.0 cents) per share and franked at 60% (2017: 60% franked) at the Australian tax rate of 30% (2017: 30%)	206.2 ⁽¹⁾	206.7
(c) Franking credits		
The tax rate at which the final dividend will be franked is 30% (2017: 30%). The franking account disclosures have been calculated using the franking rate applicable at 30 June 2018.		
The amount of franking credits available for the subsequent financial year:		
Franking account balance as at the end of the financial year at 30% (2017: 30%)	34.7	91.2
Franking credits/(debits) that will arise from the payment/(receipt) of income taxes payable/(refundable) as at the end of the financial year	13.2	(18.2)
Total franking credits	47.9	73.0
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	(53.0)	(53.1)
Total franking credits available for future reporting periods	(5.1)	19.9

(1) Dollar value based on the total number of shares on issue as at the date of declaration of the 2018 final dividend.

5. Income Tax

	2018	2017
	\$m	\$m
(a) Income tax expense		
The prima facie tax expense, using the Australian tax rate multiplied by profit differs from income tax provided in the financial statements as follows:		
Profit before income tax	744.2	1,931.8
Prima facie income tax expense on profit at the Australian rate of 30% (2017: 30%)	223.2	579.5
Tax effect of:		
Non deductible depreciation and amortisation	1.7	1.7
Share of associates' net losses/(profits)	(2.0)	(11.7)
Differences in foreign tax rates	(1.6)	-
Deferred tax balances not previously brought to account	(3.8)	8.6
Income tax (over)/under provided in prior years	2.4	(11.5)
Non-deductible/(non-assessable) significant items	(56.4)	(470.5)
Revenue losses not brought to account	0.4	4.2
Other items - net	7.1	6.5
Income tax expense	171.0	106.8
Income tax expense comprises:		
Current expense	84.3	103.1
Deferred expense/(benefit)	57.6	35.5
Adjustments for current income tax of prior periods	2.4	(11.5)
Tax on significant items	26.7	(20.3)
	171.0	106.8
(b) Deferred income taxes		
Deferred income tax assets	266.9	354.7
Deferred income tax liabilities	(380.9)	(377.4)
Net deferred income tax assets/(liabilities)	(114.0)	(22.7)

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

5. Income Tax *continued*

	Statement of Financial Position		Statement of Profit or Loss	
	2018 \$m	2017 \$m	2018 \$m	2017 \$m
(c) Deferred income tax assets and liabilities at the end of the financial year				
The balance comprises temporary differences attributable to:				
Doubtful debt provision	113.3	99.1	(14.8)	(11.5)
Employee benefits provision	38.6	37.2	(2.9)	(1.4)
Losses available for offsetting against future taxable income	25.9	52.3	11.0	(6.1)
Other receivables	1.8	3.0	1.2	1.4
Other provisions	54.6	64.8	(1.1)	(10.9)
Prepaid casino tax	(14.5)	(14.9)	(0.4)	(0.4)
Licences and intangibles	(226.6)	(229.6)	(2.5)	(1.4)
Land and buildings	(139.7)	(120.5)	19.3	33.1
Property, plant & equipment	18.9	5.5	(10.7)	4.6
Revaluation of investment to fair value	18.4	88.6	70.2	19.8
Other	(4.7)	(8.2)	(4.7)	(7.8)
Deferred income tax expense/(income)			64.6	19.4
Net deferred income tax assets/(liabilities)	(114.0)	(22.7)		
			2018 \$m	2017 \$m
(d) Movements in deferred income tax assets and liabilities during the financial year				
Carrying amount at the beginning of the year			(22.7)	4.4
Tax income / (expense) during the period recognised in profit or loss			(57.6)	(35.5)
Tax income / (expense) during the period recognised in profit or loss - significant items			(6.9)	16.1
Exchange differences			(0.1)	-
Tax income / (expense) - derivatives			(0.6)	(7.7)
Disposal of subsidiaries			(26.1)	-
Carrying amount at the end of the year			(114.0)	(22.7)
(e) Tax losses not brought to account, as the realisation of the benefits represented by these balances is not considered to be probable				
Tax losses arising in Australia for offset against future capital gains			489.8	515.5
Foreign income tax losses for offset against future foreign profits			637.7	608.2
Total tax losses not brought to account			1,127.5	1,123.7
Potential tax benefit at respective tax rates			280.9	361.4

5. Income Tax *continued*

(f) Unrecognised temporary differences

At 30 June 2018, there is no recognised or unrecognised deferred income tax liability (2017: \$nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or joint ventures, as the Group has no liability for additional taxation should such amounts be remitted.

(g) Tax consolidation

Crown Resorts Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 July 2007. Crown Resorts Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing arrangement with Crown Resorts Limited in order to allocate income tax expense between Crown Resorts Limited and the wholly owned subsidiaries. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date the possibility of default is remote.

(h) Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current and deferred taxes to members of the tax consolidated group in accordance with their taxable income for the period. The allocation of taxes under the tax funding agreement is recognised as an increase / decrease in the subsidiaries inter-company accounts with the tax consolidated group head company, Crown Resorts Limited.

6. Trade and Other Receivables

	2018 \$m	2017 \$m
Current		
Trade receivables	580.8	581.9
Provision for doubtful debts (a)	(425.7)	(367.6)
	155.1	214.3
Other receivables	17.2	11.0
	172.3	225.3
Non-current		
Other receivables	143.0	145.7
	143.0	145.7

(a) Allowance for Doubtful Debts

Trade receivables are non-interest bearing and are generally 30 day terms.

An allowance for doubtful debts is recognised based on the expected credit loss model from the time the financial instrument is initially recognised.

	2018 \$m	2017 \$m
Allowance for doubtful debts at the beginning of the year	(367.6)	(319.6)
Net doubtful debt expense ⁽¹⁾	(67.2)	(57.3)
Disposal of subsidiaries	1.7	-
Net Amounts written off	12.8	5.0
Exchange differences	(5.4)	4.3
	(425.7)	(367.6)

(1) Amounts are included in other expenses.

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

6. Trade and Other Receivables *continued*

(a) Allowance for Doubtful Debts *continued*

Ageing analysis of trade receivables	0-30 days \$m	>30 days \$m	Total \$m
2018 - consolidated			
Current	94.0	-	94.0
Past due not impaired	-	61.1	61.1
Considered impaired	-	425.7	425.7
	94.0	486.8	580.8
2017 - consolidated			
Current	92.7	-	92.7
Past due not impaired	-	121.6	121.6
Considered impaired	3.2	364.4	367.6
	95.9	486.0	581.9

7. Other Financial Assets

	2018 \$m	2017 \$m
Current		
Receivable on foreign exchange contracts	9.2	9.4
	9.2	9.4
Non-current		
Receivable on cross currency swaps	23.3	21.9
	23.3	21.9

Details of the Group's exposure to interest rate risk and foreign currency changes are provided in note 32.

8. Investments

	2018 \$m	2017 \$m
At fair value		
Shares - listed (USA)	-	64.8
	-	64.8

Crown disposed of its interest in Caesar's Entertainment Corporation during the period.

9. Investments in Associates

	2018 \$m	2017 \$m
Investment details:		
Associated entities - unlisted shares	187.8	235.5
Total investments in associates	187.8	235.5
Share of profits of associates		
Melco Resorts & Entertainment Ltd ⁽¹⁾	-	37.9
Nobu Group	7.2	6.4
Aggregate share of profit from non material associates	(0.6)	(5.1)
	6.6	39.2

(1) Crown's share of MRE's profits relates to the period from 1 July 2016 to 31 December 2016. From 1 January 2017, Crown ceased equity accounting MRE, which was fully divested during the year ended 30 June 2017.

9. Investments in Associates *continued*

Investments in Associates	Reporting Date	Principal Activity	Principal Place of Business	% Interest	
				30 June 2018	30 June 2017
Nobu Group	31 Dec ⁽¹⁾	Restaurants/Hotels	USA	20.0	20.0
Aspers Holdings (Jersey) Ltd	30 June	Casino and gaming machine operator	UK	50.0	50.0
Chill Gaming Pty Ltd	30 June	Gaming software developer	Australia	50.0	50.0
Zengaming Inc	31 Dec ⁽¹⁾	eSports	USA	36.9	30.0
Draftstars Pty Ltd	30 June	Daily fantasy sports	Australia	-	50.0
Ellerston Leisure Pty Ltd	30 June	Accommodation/Recreation	Australia	-	50.0

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

The associates outlined above are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of each of the Group's material associates is set out below.

	2018 \$m	2017 \$m
Carrying amount of investment - Nobu Group:		
Balance at the beginning of the financial year	130.4	135.5
Share of associates' net profit/(loss) for the year	7.2	6.4
Foreign exchange movements	5.0	(4.2)
Dividends received	(7.4)	(7.3)
Carrying amount of investment in the Nobu Group at the end of the financial year	135.2	130.4

10. Property, Plant and Equipment

	Freehold land & buildings \$m	Buildings on leasehold land \$m	Plant & equipment \$m	Construction work in progress \$m	Leased plant & equipment \$m	Total property, plant & equipment \$m
Year ended 30 June 2018						
At 1 July 2017, net of accumulated depreciation and impairment	1,964.8	872.2	646.5	345.7	130.0	3,959.2
Additions	0.9	13.9	95.9	321.2	-	431.9
Disposals	(265.0)	(6.7)	(31.5)	(4.6)	(30.0)	(337.8)
Depreciation expense	(44.6)	(50.8)	(158.4)	-	(4.2)	(258.0)
Impairment reversal	89.1	-	-	-	-	89.1
Exchange differences	(6.3)	0.7	1.9	-	-	(3.7)
Reclassification/ transfer	2.8	0.4	109.9	(17.3)	(95.8)	-
At 30 June 2018, net of accumulated depreciation and impairment	1,741.7	829.7	664.3	645.0	-	3,880.7
At 30 June 2018						
Cost (gross carrying amount)	2,182.7	1,598.1	2,437.8	645.0	-	6,863.6
Accumulated depreciation and impairment	(441.0)	(768.4)	(1,773.5)	-	-	(2,982.9)
Net carrying amount	1,741.7	829.7	664.3	645.0	-	3,880.7

During the period, a majority owned subsidiary of Crown, Alon Las Vegas Resort, LLC, entered into an agreement with a subsidiary of Wynn Resorts, Limited to sell its interest in a 34.6 acre vacant site on Las Vegas Boulevard for US\$300 million. The transaction was completed in January 2018. Crown's share of the proceeds (after taking into account minority interests) was approximately US\$264 million.

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

10. Property, Plant and Equipment *continued*

As a result of the sale agreement, prior to disposal, Crown reassessed the recoverable amount of the Alon land and related intangibles, resulting in an \$89.1 million impairment reversal to land and a \$36.5 million impairment reversal to Other intangible assets (refer note 12). These amounts have been included as asset impairment reversals in the Statement of Profit or Loss.

	Freehold land & buildings \$m	Buildings on leasehold land \$m	Plant & equipment \$m	Construction work in progress \$m	Leased plant & equipment \$m	Total property, plant & equipment \$m
Year ended 30 June 2017						
At 1 July 2016, net of accumulated depreciation and impairment	1,578.4	914.7	613.1	839.2	123.6	4,069.0
Additions	36.5	17.7	89.1	304.5	25.3	473.1
Disposals	(0.1)	-	(57.9)	-	-	(58.0)
Depreciation expense	(37.9)	(58.3)	(156.6)	-	(13.9)	(266.7)
Impairment	(241.5)	-	(1.0)	-	(5.0)	(247.5)
Exchange differences	(9.4)	(0.9)	(0.4)	-	-	(10.7)
Reclassification/ transfer	638.8	(1.0)	160.2	(798.0)	-	-
At 30 June 2017, net of accumulated depreciation and impairment	1,964.8	872.2	646.5	345.7	130.0	3,959.2
At 30 June 2017						
Cost (gross carrying amount)	2,604.5	1,607.6	2,303.3	345.7	158.4	7,019.5
Accumulated depreciation and impairment	(639.7)	(735.4)	(1,656.8)	-	(28.4)	(3,060.3)
Net carrying amount	1,964.8	872.2	646.5	345.7	130.0	3,959.2

11. Intangible Assets - Licences

	2018 \$m	2017 \$m
Balance at the beginning of the financial year	1,097.3	1,114.0
Amortisation expense	(16.7)	(16.7)
Balance at the end of the financial year	1,080.6	1,097.3
Cost (gross carrying amount)	1,297.0	1,297.0
Accumulated amortisation and impairment	(216.4)	(199.7)
Net carrying amount	1,080.6	1,097.3

The casino licences are carried at cost and amortised on a straight line basis over their useful lives.

The Crown Melbourne licence is being amortised until 2050. The Crown Perth licence (\$440.4 million) is assessed as having an indefinite useful life, as it has no fixed term, and therefore no amortisation is charged. Amortisation will commence on the Crown Sydney licence once the property is operational.

12. Other Intangible Assets

	Goodwill ⁽¹⁾	Casino Management Agreement ⁽¹⁾	Other	Total
	\$m	\$m	\$m	\$m
Year ended 30 June 2018				
At 1 July 2017, net of accumulated amortisation and impairment	346.5	122.7	93.5	562.7
Additions	-	-	2.0	2.0
Impairment reversal ⁽²⁾	-	-	36.5	36.5
Exchange differences	6.1	-	(2.6)	3.5
Amortisation expense	-	(3.7)	(6.0)	(9.7)
Disposals	(14.2)	-	(118.0)	(132.2)
At 30 June 2018, net of accumulated amortisation and impairment	338.4	119.0	5.4	462.8
At 30 June 2018				
Cost (gross carrying amount)	338.4	245.3	20.5	604.2
Accumulated amortisation and impairment	-	(126.3)	(15.1)	(141.4)
Net carrying amount	338.4	119.0	5.4	462.8
Year ended 30 June 2017				
At 1 July 2016, net of accumulated amortisation and impairment	459.5	126.3	154.8	740.6
Additions	-	-	1.6	1.6
Impairment	(110.3)	-	(49.4)	(159.7)
Exchange differences	(2.7)	-	(5.3)	(8.0)
Amortisation expense	-	(3.6)	(8.2)	(11.8)
At 30 June 2017, net of accumulated amortisation and impairment	346.5	122.7	93.5	562.7
At 30 June 2017				
Cost (gross carrying amount)	456.8	245.3	166.1	868.2
Accumulated amortisation and impairment	(110.3)	(122.6)	(72.6)	(305.5)
Net carrying amount	346.5	122.7	93.5	562.7

(1) Purchased as part of business combinations. Disposal of goodwill relates to Crown's disposal of its interest in CrownBet.

(2) Impairment reversal relates to intangible assets associated with the Alon land, which was subsequently disposed. Refer note 10 for further details.

Goodwill is considered to have an indefinite life and is tested annually for impairment (see note 13). The goodwill balance at 30 June 2018 is allocated to Crown Melbourne \$26.9 million (2017: \$26.9 million), Crown Perth \$144.0m (2017: \$144.0 million), Crown Aspinalls \$52.5 million (2017: \$49.7 million) and Wagering & Online \$115.0 million (2017: \$125.9 million).

The useful life of the Crown Melbourne casino management agreement is amortised on a straight line basis to 2050.

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

13. Impairment Testing of Intangible Assets

Intangible assets deemed to have indefinite lives are allocated to the Group's cash generating units (CGUs) identified according to 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.

The allocation of goodwill and other intangible assets with indefinite useful lives to the Group's CGUs are outlined in Note 11 and Note 12.

The recoverable amount of a CGU is determined based on a value in use calculation using a discounted cash flow methodology covering a specified period, with an appropriate residual value at the end of that period, for each CGU. The methodology utilises cash flow forecasts that are based primarily on business plans presented to and approved by the Board.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of intangible assets.

(a) Cash flow forecasts

Cash flow forecasts are based on past performance and expectations for the future using a five year cash flow period, risk adjusted where applicable.

(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 CGU held at 30 June 2018, based on the nature of the products and industries in which each CGU operates. The implied terminal growth rates beyond the five year period do not exceed the forecasted long term Australian inflation rate of 2.25% (2017: 3.0%). The exception to this is DGN, which has an implied terminal growth rate of 2.9% based on the start-up nature of the business and the industry in which the CGU operates. This implied terminal growth rate does not exceed the long-term average forecast and historical growth rates for the products and industry in which DGN operates.

(d) Discount rates

A weighted average cost of capital (after tax) of between 8% and 10% (2017: 8% and 11%) was used by the Group in impairment testing, risk adjusted where applicable.

(e) Outcome of impairment tests for intangible assets

Based on the valuation techniques performed, no impairment loss has been recorded against the Group's intangible assets during the year.

In the prior period, an impairment loss of \$159.7 million was recorded against the Group's intangible assets, of which \$110.3 million related to DGN goodwill and \$49.4 million related to Alon finite life intangible assets. The balance of DGN goodwill at 30 June 2018 was \$95.1 million (2017: \$91.6 million)

(f) Sensitivity analysis

The key estimates and assumptions used to determine the value in use of a CGU are based on management's current expectations based on past experience, future plans and external market information. They are considered to be reasonably achievable, however significant changes in any of the key estimates and assumptions may result in a CGU's carrying value exceeding its recoverable value, resulting in an impairment charge.

It is not considered that any reasonable possible change in any of the above assumptions would cause the carrying value of any CGU to materially exceed its recoverable amount.

In relation to Crown Perth and DGN, it is noted that a negative terminal growth rate for Crown Perth and a terminal growth rate less than 1% for DGN respectively could give rise to an impairment. An impairment charge for DGN could also impact on the carrying value of the contingent consideration on the acquisition of Winners Club Limited. The remaining contingent consideration as at 30 June 2018 is due in December 2020, based on the 2020 earnings of the DGN Group. A significant increase (decrease) in the future earnings of the DGN Group would result in a higher (lower) fair value of the contingent consideration liability.

The Group will continue to monitor the performance of all CGUs going forward, and consider the impact on the respective CGUs' impairment testing assumptions and carrying value.

14. Other Assets

	2018	2017
	\$m	\$m
Non-current		
Prepaid casino tax at cost	100.8	100.8
Accumulated amortisation	(52.5)	(51.0)
	48.3	49.8
Other prepayments	2.1	2.2
	50.4	52.0

15. Trade and Other Payables

	2018	2017 ⁽¹⁾
	\$m	\$m
Current - unsecured		
Trade and other payables	425.9	451.0
Other	1.6	2.0
	427.5	453.0
Non-current - unsecured		
Casino licence payable ⁽²⁾	163.0	158.5
Contingent consideration	47.0	45.3
Other ⁽³⁾	77.6	70.2
	287.6	274.0

(1) Certain amounts have been restated, refer note 20.

(2) Net present value of the \$250.0 million payment due in 2033 relating to the Crown Melbourne Casino licence.

(3) Includes put option relating to DGN, refer note 20.

16. Interest-Bearing Loans and Borrowings

	2018	2017
	\$m	\$m
Current		
Bank Loans - unsecured	25.7	38.4
Capital Markets Debt - unsecured	-	300.0
Finance Lease - secured ⁽²⁾	-	11.7
	25.7	350.1
Non-current		
Bank Loans - unsecured	28.9	20.0
Capital Markets Debt - unsecured ⁽¹⁾	1,437.1	1,444.0
Other loans - unsecured	1.0	-
Finance Lease - secured ⁽²⁾	-	130.9
	1,467.0	1,594.9

(1) On 19 July 2018, Crown announced its election to redeem all of the outstanding Subordinated Notes listed on the ASX under the code "CWNHA" (the "Notes") on the first call date of 14 September 2018 in accordance with the terms of the Notes. This is expected to reduce Crown's gross debt by approximately \$400 million.

(2) During the period, Crown provided early termination notices in relation to its outstanding finance leases, which were terminated in September 2017.

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

16. Interest-Bearing Loans and Borrowings *continued*

Fair Value Disclosures

Details of the fair value disclosures of the Group's interest bearing liabilities are set out in note 32.

Financial Risk Management

Information about the Group's exposure to interest rate and foreign currency changes is provided in note 32.

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 \$m	Drawn Amount \$m	Letters of Credit Issued \$m	Available \$m	Expiry Dates
Bank Facilities					
Bilateral Multi Option Facilities	170.0	45.7	28.5	95.8	Feb 19 / Nov 19
GBP Syndicated Facility	89.2	8.9	-	80.3	Aug 2020
Letter of Credit Facilities	312.5	-	312.5	-	Jan 20 - Jan 22
	571.7	54.6	341.0	176.1	
Debt Capital Markets					
Euro Medium Term Notes	174.6	174.6	-	-	Jul 2036
Australian Medium Term Notes	259.1	259.1	-	-	Nov 2019
AUD Subordinated Notes ⁽¹⁾	1,003.4	1,003.4	-	-	Sep 72 / Apr 75
	1,437.1	1,437.1	-	-	
Other					
Other Loans	1.0	1.0	-	-	Jun 2021
Total at 30 June 2018	2,009.8	1,492.7	341.0	176.1	
Total at 30 June 2017	2,647.5	1,802.4	430.3	414.8	

(1) On 19 July 2018, Crown announced its election to redeem all of the outstanding Subordinated Notes listed on the ASX under the code "CWNHA" (the "Notes") on the first call date of 14 September 2018 in accordance with the terms of the Notes. This is expected to reduce Crown's gross debt by approximately \$400 million.

The bank facilities are provided on an unsecured basis by domestic and international banks. Refer note 32(a)(i) for further details regarding interest rates.

The debt capital markets drawn amounts represent unsecured notes issued to domestic and international debt investors.

Crown is able to make advances and issue letters of credit under the letter of credit facility, syndicated facilities and the bilateral facilities which are multi option in nature.

Each of the above mentioned facilities is issued by or supported by a Group guarantee from Crown and certain subsidiaries and impose various affirmative covenants on Crown, which may include compliance with certain financial ratios and negative covenants, including restrictions on encumbrances, and customary events of default, including a payment default, breach of covenants, cross-default and insolvency events.

During the current and prior year, there were no defaults or breaches on any of the loans or borrowings.

Refer to note 22(c) for a summary of Crown's overdraft facilities.

17. Provisions

	Employee Entitlements	Other	Total
	\$m	\$m	\$m
At 1 July 2017	198.0	64.6	262.6
Arising during the year	154.4	20.2	174.6
Utilised during the year	(143.8)	(28.6)	(172.4)
Disposal of subsidiaries	(6.9)	(0.2)	(7.1)
At 30 June 2018	201.7	56.0	257.7
Current 2018	186.3	38.8	225.1
Non-current 2018	15.4	17.2	32.6
At 30 June 2018	201.7	56.0	257.7
Current 2017	161.3	49.5	210.8
Non-current 2017	36.7	15.1	51.8
At 30 June 2017	198.0	64.6	262.6

18. Contributed Equity

	2018	2017
	\$m	\$m
Issued share capital		
Ordinary shares fully paid	(71.9)	(53.2)
Movements in issued share capital		
Carrying amount at the beginning of the financial year	(53.2)	446.8
Share buy-back, inclusive of costs	(18.7)	(500.0)
Carrying amount at the end of the financial year	(71.9)	(53.2)
Shares held in Trust		
Balance at beginning of the financial year	(19.4)	(8.9)
Shares transferred under the Crown Long Term Incentive Plan	3.7	(10.5)
Balance at the end of the financial year	(15.7)	(19.4)
	2018	2017
	No.	No.
Issued share capital		
Ordinary shares fully paid	687,421,194	688,847,822
Movements in issued share capital		
Balance at the beginning of the financial year	688,847,822	728,394,185
Share buy-back	(1,426,628)	(39,546,363)
Balance at the end of the financial year	687,421,194	688,847,822

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

18. Contributed Equity *continued*

During the year, the Group carried out an on-market share buy-back as an element of its capital management program. For the year ended 30 June 2018, shares to a value of \$18.7 million (2017: \$500.0 million) have been purchased.

Subsequent to 30 June 2018, Crown announced its intention to undertake a new on-market share buy-back of approximately \$400 million of shares (the "New Share Buy-Back"). Crown may, at its discretion, vary, suspend or terminate the New Share Buy-Back at any time.

Due to share buy-backs being undertaken at higher prices than the original subscription prices, the balance of contributed equity is reflected as a negative balance, which shows the excess value of shares bought over the original amount of subscribed capital. Refer note 31 for details of the Parent Entity's share capital, which has significant paid up 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 2018, the Group paid dividends of \$413.4 million (2017: \$1,110.8 million). The Group's dividend policy is to pay 60 cents per share on a full year basis, subject to Crown's financial position.

19. Reserves and Retained Earnings

	2018	2017
	\$m	\$m
Foreign currency translation reserve	(42.5)	26.1
Employee equity benefits reserve	15.6	13.8
Net unrealised gains reserve	(54.9)	(45.4)
Cash flow hedge reserve	21.3	19.9
	(60.5)	14.4
Foreign Currency Translation Reserve		
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations. It is also used to recognise gains and losses on hedges of the net investment in foreign operations.		
Balance at the beginning of the financial year	26.1	147.5
Net foreign exchange translation	7.6	(33.5)
Net foreign exchange gain reclassified to profit or loss	(76.9)	(88.8)
Non-controlling interest	0.7	0.9
Balance at the end of the financial year	(42.5)	26.1
Employee Equity Benefits Reserve		
The employee equity benefits reserve is used to record share based remuneration obligations to executives in relation to ordinary shares.		
Balance at the beginning of the financial year	13.8	16.1
Movement for the period	1.8	(2.3)
Balance at the end of the financial year	15.6	13.8
Net Unrealised Gains Reserve ⁽¹⁾		
The net unrealised gains reserve records the movement from changes in ownership interests in a subsidiary, investments and associates equity, which do not impact control.		
Balance at the beginning of the financial year	(45.4)	469.3
Transfer to retained earnings	(7.4)	(630.1)
Movement in non-controlling interest put option	(2.1)	115.4
Balance at the end of the financial year	(54.9)	(45.4)
(1) Certain amounts have been reinstated, refer to note 20		
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	19.9	1.9
Movement in interest rate swaps	0.5	13.5
Movement in cross currency swaps	1.0	5.8
Movement in forward exchange contracts	(0.1)	(1.3)
Balance at the end of the financial year	21.3	19.9

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

19. Reserves and Retained Earnings *continued*

	2018 \$m	2017 \$m
Retained Earnings		
Balance at the beginning of the financial year	5,153.1	3,767.7
Transfer from unrealised gains reserve ⁽¹⁾	7.4	630.1
Net profit after tax attributable to equity holders of the parent	558.9	1,866.1
Total available for appropriation	5,719.4	6,263.9
Dividends provided for or paid	(413.4)	(1,110.8)
Balance at the end of the financial year	5,306.0	5,153.1

(1) On disposal of CrownBet, balances relating to CrownBet in the unrealised gains reserve were transferred to retained earnings. The prior period transfer from unrealised gains reserve relates to Crown's disposal of MRE.

20. Restatement of Prior Period Balances

	As restated \$m	As Previously Reported \$m	Impact of Restatement \$m
As of 1 July 2016			
Statement of Financial Position			
Other payables - non-current	510.9	339.5	171.4
Reserves	634.8	796.6	(161.8) ^
Non-Controlling Interest	80.3	89.8	(9.5) ^
As of 30 June 2017			
Statement of Financial Position			
Trade and other payables - current	453.0	446.5	6.5
Other payables - non-current	274.0	224.8	49.2
Reserves	14.4	60.8	(46.4) ^
Non-Controlling Interest	24.8	34.1	(9.3) ^

^ Also reflected in the Statement of Changes in Equity.

As part of the purchase agreement of DGN in 2015, Crown entered into an agreement with the DGN minority shareholders, which contained two put options and two call options over the remaining non-controlling interest in two instalments of 15% each. As at the acquisition date, Crown did not recognise the put option liability in its financial statements. In its current year financial statements Crown has restated its comparative information to reflect the carrying value of the put option, resulting in adjustments as described in this note. This has impacted the Statement of Financial Position and the Statement of Changes in Equity. There has been no impact on the Statement of Profit or Loss, the Statement of Comprehensive Income or the Statement of Cash Flows.

Upon acquisition during the financial year ended 30 June 2016, Crown should have recognised a financial liability for the put option and a corresponding reduction in non-controlling interest and reserves. As at 1 July 2016, the carrying value of the put option liability amounted to \$171.4 million.

For the year ended 30 June 2017, the carrying value of the put option was re-measured to \$55.7 million, resulting in a reduction of \$115.7 million in Other payables with a corresponding decrease in Reserves and Non-Controlling Interest. In addition, given the first put option was exercisable within twelve months of balance date, \$6.5 million has been classified as current Trade and other payables.

21. Lease and Expenditure Commitments

(a) Capital expenditure commitments

	2018 \$m	2017 \$m
Estimated capital expenditure contracted for at balance date, but not provided for:		
Payable within one year	425.9	220.0
Payable after one year but not more than five years	420.8	813.9
	846.7	1,033.9

(b) Non-cancellable operating lease commitments – Group as lessee

	2018 \$m	2017 \$m
Payable within one year	7.3	15.0
Payable after one year but not more than five years	16.3	48.5
Payable more than five years	9.8	503.1
	33.4	566.6

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 6 years (2017: 6 years) excluding the land lease detailed below. 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.

During the period, Crown, through its majority owned subsidiary, Alon, disposed of the leasehold portion of the land in Las Vegas. The prior period comparative included the lease commitment on this land which would have expired in 2097.

In addition, in 1993 Crown Melbourne entered into a ninety-nine year lease agreement for the site upon which Crown Melbourne Entertainment Complex is located. For years one to forty inclusive the annual rent payable by the parent entity is one dollar per annum. For years forty-one to ninety-nine inclusive the annual rent payable will be the then current market rent for the site. The aggregate lease expenditure contracted for at balance date but not provided for which is disclosed in this report does not include an estimate for the rent payable for years forty-one to ninety-nine inclusive due to the uncertainty of these amounts.

(c) Non-cancellable finance lease commitments – Group as lessee

	2018 \$m	2017 \$m
Payable within one year	-	11.7
Payable after one year but not more than five years	-	75.1
Payable more than five years	-	55.8
	-	142.6

(d) Non-cancellable operating lease commitments – Group as lessor

	2018 \$m	2017 \$m
Payable within one year	22.4	21.5
Payable after one year but not more than five years	52.6	66.6
Payable more than five years	14.6	13.6
	89.6	101.7

The Group has entered into operating leases for retail tenancies within its Crown Melbourne and Crown Perth properties. The leases have terms between 3 and 25 years. The total contingent rent recognised as income during the year is \$5.7 million (2017: \$5.9 million).

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

22. Cash Flow Statement Reconciliation

	2018	2017
	\$m	\$m
(a) Cash balance represents:		
Cash on hand and at bank	355.8	331.0
Deposits at call	1,488.8	1,440.2
	1,844.6	1,771.2

The above closing cash balances includes \$130.9 million (2017: \$134.7 million) of cash on the company's premises and cash held in bank accounts needed to run the day to day operations of the businesses and cash (including deposits on call) of \$1,713.7 million (2017: \$1,636.5 million) for other purposes. All deposits at call are with approved counterparties with investment grade ratings. Refer note 32(c) for further details.

	2018	2017
	\$m	\$m
(b) Reconciliation of the profit/(loss) after tax to the net cash flows from operating activities		
Profit after tax	573.2	1,825.0
Non cash items and items dealt with separately:		
- Depreciation and amortisation	285.9	296.8
- Asset impairment/(reversal)	(122.3)	260.2
- Share of associates' net (profit)/loss	(6.6)	(39.2)
- Net foreign exchange (gain)/loss	(8.1)	(2.8)
- Net foreign exchange gain on disposal of foreign operations	(76.9)	(88.8)
- Net mark-to-market (gain)/loss on investments	(4.7)	(16.2)
Cash items not included in profit after tax:		
- Dividends received from associates	7.4	18.7
Items classified as investing/financing activities:		
- (Profit)/loss on sale of property, plant and equipment	(2.2)	(1.1)
- Net gain on disposal of subsidiaries and associates	(93.4)	(1,745.5)
Working Capital changes:		
- (Increase) / decrease in trade receivables and other assets	60.4	(36.3)
- (Increase) / decrease in inventories	0.2	(1.2)
- (Decrease) / increase in tax provisions	138.4	6.6
- (Decrease) / increase in trade and other payables, accruals and provisions	(19.6)	(10.5)
Net cash flows from operating activities	731.7	465.7

(c) Bank Overdraft Facilities

The Group has bank overdraft facilities available as follows:

Bank	2018	2017
ANZ Banking Group Limited	A\$20 million	A\$20 million
Citibank NA	US\$10 million	US\$10 million
Royal Bank of Scotland PLC	£20 million	£20 million

As at 30 June 2018 there were no drawn down amounts on the overdraft facilities (2017: nil).

23. Events After the Reporting Period

On 19 July 2018, Crown announced its election to redeem all of the outstanding Subordinated Notes listed on the ASX under the code "CWNHA" (the "Notes") on the first call date of 14 September 2018 in accordance with the terms of the Notes. This is expected to reduce Crown's gross debt by approximately \$400 million.

Subsequent to 30 June 2018, Crown announced its intention to undertake a new on-market share buy-back of approximately \$400 million of shares (the "New Share Buy-Back"). Crown may, at its discretion, vary, suspend or terminate the New Share Buy-Back at any time.

Subsequent to 30 June 2018, the directors of Crown declared a final dividend on ordinary shares in respect of the year ending 30 June 2018. The total amount of the dividend is expected to be \$206.2 million, which represents a dividend of 30.0 cents per share franked at 60%. The unfranked portion of the dividend has been declared to be conduit foreign income.

24. Contingent Liabilities and Related Matters

On 15 February 2016 Crown was issued with amended assessments and notices of penalty by the Australian Taxation Office ("ATO") for a total of approximately \$362 million which comprise primary tax, interest and penalties. The amended assessments are in respect of income tax paid for the financial years ended 30 June 2009 to 30 June 2014 (inclusive) and relate to the tax treatment of some of the financing for Crown's investment in Cannery Casino Resorts ("Cannery") in North America. Crown formally objected to the amended assessments and notices of penalty, but those objections were disallowed in full by the ATO. On 10 July 2018 Crown lodged applications for an appeal against the objection decisions relating to the amended assessments in the Federal Court. On 7 September 2018 Crown applied to the Administrative Appeals Tribunal for a review of the objection decisions relating to the notices of penalty.

Crown was issued with further amended assessments and notices of penalty dated 31 August 2018 in respect of the financial years ended 30 June 2014 to 30 June 2016 (inclusive). The further amended assessments and notices of penalty have been issued for a total of approximately \$34 million which comprise primary tax, interest and penalties, and similarly relate to some of the financing for Crown's investment in Cannery.

Crown considers that it has paid the correct amount of tax in respect of these matters and intends to continue to pursue all available avenues of objection.

As announced by Crown on 4 December 2017, Maurice Blackburn Lawyers have commenced a class action proceeding against Crown in the Federal Court of Australia. The proceeding has been filed on behalf of persons who acquired an interest in Crown shares between 6 February 2015 and 16 October 2016. Crown has announced that it intends to vigorously defend the proceeding.

In addition to the above matters, entities within the group are defendants from time to time in legal proceedings arising from the conduct of their business. The group does not consider that the outcome of any proceedings ongoing at balance date, either individually or in aggregate, is likely to have a material effect on its financial position. Where appropriate, provisions have been made.

The group has no other material contingent liabilities at 30 June 2018.

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

25. Auditors' Remuneration

	2018 \$	2017 \$
Amounts received, or due and receivable, by Ernst & Young (Australia) for:		
Auditing the accounts	1,100,926	1,045,386
Taxation services	3,411,650	8,180,666
Consulting and assurance related services	256,097	1,440,858
Amounts received, or due and receivable, by other member firms of Ernst & Young International for:		
Auditing the accounts	161,080	1,885,599
Taxation services	507,335	286,677
	5,437,088	12,839,186
Amounts received, or due and receivable, by non Ernst & Young audit firms for:		
Auditing services	-	64,230

26. Earnings Per Share (EPS)

	2018	2017
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 (\$m)	558.9	1,866.1
Weighted average number of ordinary shares used in calculating basic and diluted EPS (\$m)	688.7	726.0

During the year, Crown undertook an on-market share buy-back to a value of \$18.7 million (2017: \$500.0 million). Following the completion of the buy-back, Crown's shares on issue reduced by approximately 1.4 million to approximately 687.4 million.

27. Key Management Personnel Disclosures

(a) Details of key management personnel

(i) Directors

John H Alexander	Executive Chairman
The Hon. Helen A Coonan	Non-Executive Director
Rowena Danziger	Non-Executive Director (resigned 26 October 2017)
Andrew Demetriou	Non-Executive Director
Geoffrey J Dixon	Non-Executive Director
Jane Halton AO PSM	Non-Executive Director (appointed 23 May 2018)
Professor John S Horvath AO	Non-Executive Director
Guy Jalland	Non-Executive Director (appointed 16 April 2018)
Michael R Johnston	Non-Executive Director
Antonia Korsanos	Non-Executive Director (appointed 23 May 2018)
Harold C Mitchell AC	Non-Executive Director
James D Packer	Non-Executive Director (appointed 3 August 2017, resigned 21 March 2018)

27. Key Management Personnel Disclosures *continued*

Prior to 30 June 2018, the Board approved the appointment of Mr John Poynton AO as a director, subject to the receipt of all necessary consents and regulatory approvals. Mr Poynton's appointment will only become effective once the necessary approvals have been received.

(ii) Executives

Kenneth M Barton	Chief Financial Officer & Chief Executive Officer – Crown Digital
Barry Felstead	Chief Executive Officer – Australian Resorts
W Todd Nisbet	Executive Vice President – Strategy and Development

(b) Remuneration of key management personnel

Total remuneration for key management personnel for the Group and Parent Entity during the financial year are set out below:

	2018	2017
	\$m	\$m
Remuneration by category		
Short term benefits	15.4	14.1
Post employment benefits	0.2	0.2
Long term incentives	1.8	(3.8)
Termination benefits	-	6.3
	17.4	16.8

Further details regarding key management personnel and detailed disclosures of share based payment arrangements are contained in the Remuneration Report.

28. Related Party Disclosures

(a) Parent entity

Crown Resorts Limited is the ultimate parent entity of the Group.

(b) Controlled entities, associates and joint ventures

Interests in significant controlled entities are set out in note 29.

Investments in associates and joint ventures are set out in note 9.

(c) Entity with significant influence over the Group

Based on a substantial shareholder notice dated 7 March 2018 lodged by Consolidated Press Holdings Group ("CPH"), comprising Consolidated Press Holdings Pty Limited and its related corporations, a group related to Mr James Packer, at the balance date, CPH had a relevant interest in 316,928,302 of the Company's fully paid ordinary shares. This equates to 46.10% of the Company's fully paid ordinary shares (2017: 49.72%) based on the total number of shares on issue at the balance date.

(d) Key management personnel

Disclosures relating to key management personnel are set out in note 27, and in the Remuneration Report.

(e) Terms and conditions of transactions with related parties

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

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

28. Related Party Disclosures *continued*

(f) Transactions with related parties

The Group had the following transactions with related parties:

(i) Director related entities and entities with significant influence over the Group

CPH provided management services in accordance with a Services Agreement, in addition to corporate secretarial and administrative services of \$4.0 million during the year (2017: \$4.0 million). CPH paid costs on behalf of Crown to third parties totalling \$1.0 million during the year (2017: \$2.2 million). At 30 June 2018 there was \$2.2 million owing to CPH (2017: \$4.2 million).

Crown and its controlled entities provided CPH with hotel and banqueting services of \$22,000 during the year (2017: \$0.1m). At 30 June 2018 there were no amounts owing from CPH (2017: \$nil).

On 14 December 2017, Crown agreed to sell its interest (through certain security holdings) in part of the property and operations at Ellerston in the Hunter Valley for \$62.5 million to Consolidated Press Holdings Pty Limited and an entity associated with Ms Gretel Packer. The sale was approved by Crown's independent directors and was completed in February 2018. Following completion of the sale, Crown continues to have ongoing access rights to the golf course and other facilities at Ellerston for an annual fee of \$1.0 million, in line with its commitment to the NSW Government.

Crown entered into an agreement with Mr James Packer to sell two floors of the Crown Sydney Residences at the Crown Sydney Hotel Resort to Mr Packer for \$60 million. The floors are located above the mid-levels of the Crown Sydney Hotel Resort. The sale documentation is on the same, or materially the same, terms as the documents entered into with other purchasers. The sale was approved by Crown's independent directors.

During the year, Crown entered into an agreement with a company controlled by Mr Harold Mitchell AC, a Director of Crown, in relation to the sale of its interest in an aircraft (a 16 year old Bombardier Global Express) for US\$4.35 million. The disposal of the aircraft was approved by Crown's independent directors. Prior to the sale, Mr Mitchell was provided with access to the aircraft for which he was charged \$0.2 million. These amounts were charged at normal market prices.

(ii) Associates

During the period, Crown paid the Nobu Group \$2.6 million (2017: \$2.5 million) in license and management fees relating to restaurants at Crown Melbourne and Crown Perth.

29. Investment in Controlled Entities

The consolidated financial statements include the financial statements of Crown Resorts Limited and its controlled entities. Significant controlled entities and those that are party to a Deed of Cross Guarantee with the parent entity are set out below:

	Footnote		Country of Incorporation	Beneficial Interest Held by the Consolidated Entity ⁽¹⁾	
	2018	2017		2018 %	2017 %
Crown Resorts Limited			Australia	Parent Entity	
ALON Las Vegas Financeco, LLC			USA	88	88
ALON Las Vegas Holdings, LLC			USA	88	88
ALON Las Vegas Resort, LLC			USA	88	88
Artra Pty Ltd			Australia	100	100
Aspinall's Club Limited			United Kingdom	100	100
Betfair Pty Ltd	A	A	Australia	100	100
Betfair Australasia Pty Ltd	A	A	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
Capital Club Pty Ltd			Australia	100	100
Club Gaming Pty Ltd			Australia	100	100
Crown Asia Investments Limited	A	A	Australia	100	100
Crown Australia Pty Ltd	A	A	Australia	100	100
Crown Capital Golf Pty Ltd			Australia	100	100
Crown Cyprus Limited			Australia	100	100
Crown CCR Group Holdings One Pty Ltd	A	A	Australia	100	100
Crown CCR Group Holdings Two Pty Ltd			Australia	100	100
Crown CCR Group Holdings General Partnership			USA	100	100
Crown CCR Group Investments One LLC			USA	100	100
Crown CCR Group Investments Two LLC			USA	100	100
Crown CCR Holdings LLC			USA	100	100
Crown CPS Holdings Pty Ltd	A	A	Australia	100	100
Crown (Ellerston Leisure) Holdings Pty Ltd			Australia	-	100
Crown Entertainment Group Holdings Pty Ltd	A	A	Australia	100	100
Crown (Gaming Technology) Holdings Pty Ltd			Australia	100	100
Crown Gateway Luxembourg Pty Ltd			Australia	100	100
Crown Group Finance Limited	A	A	Australia	100	100
Crown Group Securities Ltd	A	A	Australia	100	100
Crown International Holdings Ltd			Bahamas	100	100
Crown Investment Holdings LLC			USA	100	100
Crown Management Holdings Pty Ltd	A	A	Australia	100	100
Crown Management Pty Ltd	A	A	Australia	100	100
Crown Melbourne Limited	A	A	Australia	100	100
Crown North America Holdings One Pty Ltd			Australia	100	100
Crown North America Investments LLC			USA	100	100
Crown Overseas Investments Pty Ltd	A	A	Australia	100	100
Crown Queensbridge Development Pty Ltd			Australia	100	100
Crown Queensbridge Holdings Pty Ltd			Australia	100	100

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

29. Investment in Controlled Entities *continued*

	Footnote		Country of Incorporation	Beneficial Interest Held by the Consolidated Entity ⁽¹⁾	
	2018	2017		2018 %	2017 %
Crown Queensbridge Property (Hotel) Pty Ltd			Australia	100	100
Crown Queensbridge Property (Residential) Pty Ltd			Australia	100	100
Crown Sydney Pty Ltd			Australia	100	100
Crown Sydney Gaming Pty Ltd			Australia	100	100
Crown Sydney Holdings Pty Ltd	A		Australia	100	100
Crown Sydney Property Pty Ltd	A		Australia	100	100
Crown Training Pty Ltd			Australia	100	100
Crown US Investments LLC			USA	100	100
Crown UK Investments Ltd			United Kingdom	100	100
Crown (Western Australia) Pty Ltd	A	A	Australia	100	100
Crown (Western Australia) Finance Holdings Pty Ltd	A	A	Australia	100	100
Crown (Western Australia) Finance Pty Ltd	A	A	Australia	100	100
CrownBet Pty Ltd			Australia	-	62
CrownBet Holdings Pty Ltd			Australia	-	62
DGN Games LLC			USA	85	70
Flienn Pty Ltd			Australia	100	100
Jade West Entertainment Pty Ltd			Australia	100	100
Jemtex Pty Ltd	A	A	Australia	100	100
Melbourne Golf Academy Pty Ltd			Australia	100	100
PBL Overseas (CI) Pty Ltd	A	A	Australia	100	100
PBL (CI) Finance Pty Ltd			Australia	100	100
Pennwin Pty Ltd			Australia	100	100
Publishing and Broadcasting (Finance) Ltd	A	A	Australia	100	100
Renga Pty Ltd			Australia	100	100
Royal Gaming Pty Ltd			Australia	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 dated 21 June 2017 with the parent entity under ASIC Instrument 2016/785 - the "Closed Group" (refer note 30).

29. Investment in Controlled Entities *continued***CrownBet Sale**

On 28 February 2018, Crown announced that it had completed the sale of its 62% interest in CrownBet, together with loans advanced by it to CrownBet, for \$150 million. The purchaser was an entity associated with other shareholders in CrownBet, including the CrownBet management team led by Matthew Tripp, or its nominee. The net gain generated on the sale amounted to \$87.5 million.

Financial information related to the sale of CrownBet is set out in the table below.

CrownBet Sale	\$m
Total proceeds	150.0
Loans repaid	(71.8)
Proceeds attributable to the sale of the business	78.2
The assets and liabilities at the date of disposal were:	
	\$m
Cash and cash equivalents	8.2
Trade and other receivables	5.3
Prepayments	4.6
Property, plant and equipment	42.8
Other intangible assets	20.3
Deferred tax assets	29.3
Other non-current assets	7.1
	117.6
Trade and other payables	119.2
Provisions	7.1
Deferred tax liabilities	3.2
Other non-current liabilities	9.9
	139.4
Minority Interest	8.3
Crown's Share of net asset / (liabilities)	(13.5)
Profit on disposal	91.7
Transaction costs	(4.2)
Net Gain on Sale of CrownBet	87.5

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

30. Deed of Cross Guarantee

Crown Resorts Limited and certain controlled entities, as detailed in note 29, are parties to a Deed of Cross Guarantee dated 21 June 2017 under which each company in the Closed Group guarantees the payment in full of all debts of the other entities in the Closed Group in the event of their winding up.

By entering into the Deed, pursuant to ASIC Instrument 2016/785, certain controlled entities of Crown have been granted relief from the Corporations Act 2001 requirements for preparation, audit and reporting of financial reports and directors' reports.

The consolidated Statement of Profit or Loss and Statement of Financial Position of the entities which are members of the Closed Group are detailed below.

	Closed Group	
	2018	2017
Consolidated Statement of Profit or Loss	\$m	\$m
Profit / (loss) before income tax	485.5	1,391.7
Income tax (expense) / benefit	(166.3)	(98.5)
Net profit / (loss) after income tax	319.2	1,293.2
Retained earnings / (accumulated losses) at the beginning of the financial year	5,186.1	4,116.2
Retained earnings / (accumulated losses) of entities entering Closed Group	(12.9)	34.5
(Retained earnings) / accumulated losses of entities removed from Closed Group	-	222.9
Transfer from reserves	-	630.1
Dividends provided for or paid	(413.4)	(1,110.8)
Retained earnings / (accumulated losses) at the end of the financial year	5,079.0	5,186.1

	Closed Group	
	2018	2017
Consolidated Statement of Financial Position	\$m	\$m
Current assets		
Cash and cash equivalents	1,822.0	1,667.2
Trade and other receivables	86.9	170.8
Inventories	16.3	16.5
Prepayments	29.9	30.1
Other financial assets	9.2	5.6
Total current assets	1,964.3	1,890.2
Non-current assets		
Receivables	885.0	1,650.5
Other financial assets	1,839.9	1,933.7
Investment in associates	46.3	39.0
Property, plant and equipment	3,782.0	3,331.8
Intangible assets - licences	980.6	997.3
Other intangible assets	315.3	320.6
Deferred tax assets	243.8	233.8
Other assets	50.4	52.0
Total non-current assets	8,143.3	8,558.7
Total assets	10,107.6	10,448.9
Current liabilities		
Trade and other payables	391.7	351.1
Interest-bearing loans and borrowings	25.7	350.1
Income tax payable	164.8	113.3
Provisions	204.3	188.8
Total current liabilities	786.5	1,003.3

30. Deed of Cross Guarantee *continued*

	Closed Group	
	2018	2017
	\$m	\$m
Consolidated Statement of Financial Position		
Non-current liabilities		
Other payables	191.8	166.0
Interest-bearing loans and borrowings	1,989.1	2,038.5
Deferred tax liability	380.1	352.0
Provisions	48.3	62.3
Other financial liabilities	2.1	2.8
Total non-current liabilities	2,611.4	2,621.6
Total liabilities	3,397.9	3,624.9
Net assets	6,709.7	6,824.0
Equity		
Contributed equity	1,611.4	1,630.1
Treasury shares	(15.7)	(19.4)
Reserves	35.0	27.2
Retained earnings	5,079.0	5,186.1
Total equity	6,709.7	6,824.0

31. Parent Entity Disclosures

	Crown Resorts Limited	
	2018	2017
	\$m	\$m
Results of the parent entity		
Profit after tax for the period	428.8	1,166.8
Other comprehensive income/(loss)	-	-
Total comprehensive income for the period	428.8	1,166.8
Financial position of the parent entity		
Current assets	44.9	5.4
Non-current assets	14,700.3	14,597.4
Total assets	14,745.2	14,602.8
Current liabilities	241.9	178.5
Non-current liabilities	5,212.7	5,130.6
Total liabilities	5,454.6	5,309.1
Total equity of the parent entity comprising of:		
Issued capital	9,408.6	9,427.2
Employee equity benefits reserve	13.0	13.0
Accumulated losses	(131.0)	(146.5)
Total equity	9,290.6	9,293.7

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

31. Parent Entity Disclosures *continued*

Contingent liabilities

There are no other contingent liabilities for the parent entity at 30 June 2018 (2017: \$nil), other than those disclosed in note 24.

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 2018 (2017: \$nil).

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a deed of cross guarantee as well as bank and capital market debt facilities with the effect that the Company guarantees debts in respect of its subsidiaries. Further details of the deed of cross guarantee and the subsidiaries subject to the deed, are set out in notes 29 and 30 and further details on bank and capital market debt facilities are set out in note 16.

32. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, bank loans, capital market debt, cash and short term deposits and derivatives.

The Group's business activities expose it to the following risks; market risks (interest rate and foreign exchange), credit risk and liquidity risk. For each of these risks, the Group considers the counterparties, geographical area, currency and markets as applicable to determine whether there are concentrations of risk. Other than as described in this note, the Group is satisfied that there are no material concentrations of risk.

The Group has policies in place to manage different types of risks to which it is exposed. Policies include monitoring the level of interest rate and foreign exchange risk and assessments of market forecasts for interest rates and foreign exchange rates. Ageing analysis of and monitoring of exposures to counterparties is undertaken to manage credit risk. Liquidity risk is monitored through the employment of rolling cash flow forecasts.

Financial risk management is carried out under policies approved by the Board of Directors. The Group identifies, evaluates and hedges financial risks in accordance with approved policies. The Board are informed on a regular basis of risk management activities.

(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 16.

32. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

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

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.

	2018	2017
	\$m	\$m
Financial assets		
AUD cash on hand and at bank	128.6	122.4
AUD deposits at call	1,487.1	1,435.6
GBP cash on hand and at bank	8.8	20.7
EUR cash on hand and at bank	-	0.1
USD cash on hand and at bank	87.5	53.0
USD deposits at call	1.7	4.7
Total financial assets	1,713.7	1,636.5
Financial liabilities		
AUD bank loans	20.0	20.0
GBP bank loans	8.9	-
AUD capital market debt	803.4	810.3
Finance lease liability	-	142.6
HKD bank loans	25.7	38.4
Total financial liabilities	858.0	1,011.3
Net exposure	855.7	625.2

As at balance date, the Group maintained floating rate liabilities of \$858.0 million (2017: \$1,011.3 million) that were not hedged by interest rate swaps. The associated interest rate risk is mitigated by total financial assets of \$1,713.7 million (2017: \$1,636.5 million). Under the financial liabilities outstanding, for AUD facilities, the Group pays the Bank Bill Swap rate (BBSW) plus a margin of between 140 and 500 basis points, for GBP facilities the Group pays GBP LIBOR plus a margin of 70 basis points, and for HKD facilities, the Group pays HIBOR plus a margin of 55 basis points.

Of the AUD cash on hand and at bank \$128.6 million is interest bearing and is invested at approximately BBSW. Deposits at call of \$1,487.1 million are invested at approximately BBSW. The Group maintains cash and cash equivalents on hand of \$130.9 million for operational purposes and is non interest bearing (2017: \$134.7 million).

As at balance date, the Group maintained floating rate borrowings in GBP of \$8.9 million (2017: \$nil) and had cash and cash equivalents of \$8.8 million (2017: \$20.7 million) which is interest bearing and accrues at the UK daily cash rate.

As at balance date, the Group maintained floating rate borrowings in HKD of \$25.7 million (2017: \$38.4 million) and had minimal interest earning cash and cash equivalents (2017: minimal).

As at balance date, the Group had USD cash on hand and at bank of \$87.5 million which is interest bearing and is invested at approximately US LIBOR (2017: \$53.0 million). In addition, the Group had USD deposits at call of \$1.7 million, which is invested at approximately US LIBOR (2017: \$4.7 million). The Group maintained no floating rate borrowings in USD (2017: \$nil).

Group Sensitivity

As a result of an increase in interest rates of 50 basis points the Group's post-tax-profit for the year would have increased by \$3.0 million (2017: \$2.3 million). As a result of a decrease in interest rates of 50 basis points the Group's post-tax-profit for the year would have decreased by \$3.0 million (2017: \$2.2 million).

The Group, where appropriate, uses interest rate swaps to manage the risk of adverse movements in interest rates for its long term floating rate borrowings which are subject to variable rates.

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

32. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

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

Group Sensitivity *continued*

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:

	2018 \$m	2017 \$m
Cash flow hedge		
Maturity under 1 year	-	-
Maturity 1 -5 years	200.0	200.0
Maturity over 5 years	174.6	174.6
Closing Balance	374.6	374.6

As at balance date the key terms of the interest rate swap contracts were as follows:

Hedge Type	Maturity Date	Interest Rate Received	Interest Rate Paid	Fair Value of Swap Contract \$m
Year Ended 30 June 2018				
Interest Rate Swap Contract	December 2020	BBSW	2.55%	(2.1)
Cross Currency Swap Contract	June 2036	USD 4.91%	AUD 7.05%	23.3
Year Ended 30 June 2017				
Interest Rate Swap Contract	December 2020	BBSW	2.55%	(2.7)
Cross Currency Swap Contract	June 2036	USD 4.91%	AUD 7.05%	21.9

The terms of each of the swap contracts are matched directly against the appropriate loan and interest expense and as such are highly effective.

(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 \$634.7 million (2017: \$933.7 million). The Group pays between 4.5% and 8.5% (2017: 4.5% and 7.2%) on fixed rate debt. As at balance date, the carrying amounts of the Group's fixed rate debt were not materially different from the fair values (2017: not material).

As at balance date the Group had no interest rate swaps in place to hedge fixed rate debt issuances (2017: nil).

(iii) Foreign exchange risk

The Group has currency exposure as a result of capital expenditure and investments/sales in currencies other than the functional currency of the relevant entity.

The Group uses forward exchange contracts and cash flow hedges to minimise the currency exposure on any significant receivables or payables as is deemed appropriate.

All forward exchange contracts must be in the same currency as the firm commitment and the Group negotiates the terms of the hedges to exactly match the underlying commitment to maximise hedge effectiveness. As at balance date, the Group had hedged the majority of its foreign currency receivables and payables that are firm commitments.

32. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(iii) Foreign exchange risk *continued*

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

	2018	2017
	\$m	\$m
USD Exposure		
Financial assets		
Cash and cash equivalents	6.0	7.7
Total financial assets	6.0	7.7
Net exposure	6.0	7.7
GBP Exposure		
Financial assets		
Cash and cash equivalents	7.9	7.4
Total financial assets	7.9	7.4
Net exposure	7.9	7.4
HKD Exposure		
Financial assets		
Cash and cash equivalents	4.0	5.8
Trade and other receivables	27.1	43.8
Total financial assets	31.1	49.6
Financial liabilities		
Trade and other payables	9.6	7.6
HKD Debt Facilities	25.7	38.4
Total financial liabilities	35.3	46.0
Net exposure	(4.2)	3.6

Group sensitivity – USD

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 10c against the USD would not be material as at balance date (2017: not material).

The sensitivity to fair value movements through profit or loss as a result of the AUD strengthening or weakening by 10c against the USD would be \$0.9 million higher or \$0.7 million lower (2017: \$1.2 million higher or \$0.9 million lower).

Group sensitivity – GBP

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 5c against the GBP would not be material as at balance date (2017: not material).

The sensitivity to fair value movements through profit or loss as a result of the AUD strengthening or weakening by 5c against the GBP would be \$0.8 million higher or \$0.7 million lower (2017: \$0.7 million higher or \$0.6 million lower).

Group sensitivity – HKD

Based on the financial instruments held at balance date, the sensitivity to fair value movements through equity as a result of the AUD strengthening or weakening by 50c against the HKD would not be material as at balance date (2017: not material).

The sensitivity to fair value movements through profit or loss as a result of the AUD strengthening or weakening by 50c against the HKD would be \$0.3 million higher or \$0.4 million lower (2017: \$0.3 million higher or \$0.3 million lower).

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

32. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(iii) Foreign exchange risk *continued*

Foreign Exchange Contracts

The Group uses derivative instruments such as forward exchange contracts to manage the currency risks arising from the Group's operations and its sources of finance.

Derivatives are exclusively used for hedging purposes and not as trading or other speculative instruments. These derivatives qualify for hedge accounting and are based on limits set by the Board.

Cash flow hedges

At balance date details of outstanding cash flow hedges denominated in AUD was:

	Notional Amounts		Average Rate	
	2018 \$m	2017 \$m	2018	2017
Buy USD/Sell AUD				
Maturity under 1 year	76.2	100.0	0.8294	0.8402
Closing Balance	76.2	100.0		

The cash flow hedges 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 recognised through OCI and accumulated in the cash flow hedge reserve in equity.

(b) Price Risk

(i) Equity Securities Price Risk

Neither the Group nor the parent entity is exposed to equity securities risk.

(ii) Commodity Price Risk

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

(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.

32. Financial Risk Management Objectives and Policies *continued*

(c) Credit Risk *continued*

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.

In assessing the doubtful debts provisioning for trade receivables, the Group has measured credit risk using the 'Simplified Approach'. The simplified approach requires the recognition of lifetime expected credit losses at all times. The Group has elected to use a provision matrix utilising historical default rates, as well as taking into account current conditions and forecasts of future economic conditions. If the Group becomes aware of circumstances relevant to an individual or group of debtors that results in the matrix not being an appropriate basis for provisioning, then management discretion will be applied.

(d) Liquidity Risk

It is the Group's objective to maintain a balance between continuity of funding and flexibility through the use of cash reserves, committed bank lines and capital markets debt in order to meet its financial commitments in a timely manner.

At balance date 1.7% or \$25.7 million of the Group's interest bearing liabilities will mature in less than 12 months (2017: 18.0% or \$350.1 million).

As at balance date the Group had \$176.1 million in undrawn committed bank lines and \$1,844.6 million in cash and cash equivalents to mitigate the maturing liabilities (2017: \$414.8 million and \$1,771.2 million respectively).

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

32. Financial Risk Management Objectives and Policies *continued*

(d) Liquidity Risk *continued*

Maturity analysis of financial assets and liabilities

The table below analyses the Group's contractual undiscounted cash flows of financial assets and financial liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	1 year or less		1 to 5 years		More than 5 years		Total	
	2018	2017 ⁽¹⁾	2018	2017 ⁽¹⁾	2018	2017 ⁽¹⁾	2018	2017 ⁽¹⁾
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Financial assets								
Cash and cash equivalents	1,844.6	1,771.2	-	-	-	-	1,844.6	1,771.2
Receivables - trade	172.3	225.3	17.6	20.3	-	-	189.9	245.6
Receivables - other	-	-	125.4	125.4	-	-	125.4	125.4
Forward exchange contracts receivable	-	78.1	-	-	-	-	-	78.1
Cross currency interest rate swaps receivable	8.4	8.1	33.5	32.3	117.3	112.9	159.2	153.3
Total financial assets	2,025.3	2,082.7	176.5	178.0	117.3	112.9	2,319.1	2,373.6
Financial liabilities								
Trade and other payables	427.5	453.0	124.6	115.5	163.0	158.5	715.1	727.0
Finance lease and other loan liabilities	-	11.7	1.0	130.9	-	-	1.0	142.6
Capital markets	-	300.0	259.1	259.1	1,178.0	1,184.9	1,437.1	1,744.0
Bank loans	25.7	38.4	28.9	20.0	-	-	54.6	58.4
Forward exchange contracts payable	-	72.6	-	-	-	-	-	72.6
Interest rate swaps payable	0.8	1.6	1.1	3.9	-	-	1.9	5.5
Cross currency interest rate swaps payable	12.3	12.3	49.2	49.2	160.1	172.4	221.6	233.9
Total financial liabilities	466.3	889.6	463.9	578.6	1,501.1	1,515.8	2,431.3	2,984.0
Net maturity	1,559.0	1,193.1	(287.4)	(400.6)	(1,383.8)	(1,402.9)	(112.2)	(610.4)

(1) Certain amounts have been restated, refer note 20.

32. Financial Risk Management Objectives and Policies *continued***(e) Fair Value of Financial Instruments**

The fair value of the Group's financial assets and financial liabilities approximates the carrying value as at balance date.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level One – the fair value is calculated using quoted prices in active markets;
- Level Two – the fair value is estimated using inputs other than quoted prices included in Level One that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level Three – the fair value is estimated using inputs for the asset or liability that are not based on observable market data, including cash flow forecasts, implied growth rates and implied discount rates.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	Valuation Technique			Total \$m
	Quoted market price Level One \$m	Observable inputs Level Two \$m	Non market observable Level Three \$m	
Year ended 30 June 2018				
Financial Assets				
Foreign exchange contracts	-	9.2	-	9.2
Cross currency swap contracts	-	23.3	-	23.3
	-	32.5	-	32.5
Financial Liabilities				
Contingent consideration	-	-	47.0	47.0
Interest rate swap contracts	-	2.1	-	2.1
	-	2.1	47.0	49.1
Year ended 30 June 2017				
Financial Assets				
Foreign currency forward contracts	-	9.4	-	9.4
Cross currency swap contracts	-	21.9	-	21.9
Equity instruments	64.8	-	-	64.8
	64.8	31.3	-	96.1
Financial Liabilities				
Contingent consideration	-	-	45.3	45.3
Interest rate swap contracts	-	2.8	-	2.8
	-	2.8	45.3	48.1

There have been no transfers between fair value measurement levels during the financial year ended 30 June 2018.

Notes to the Financial Statements *continued*

For the year ended 30 June 2018

32. Financial Risk Management Objectives and Policies *continued*

(e) Fair Value of Financial Instruments *continued*

Reconciliation of Level Three fair value movements:

	2018 \$m	2017 \$m
Financial Assets		
Opening balance	-	2.0
Profit and Loss	-	38.1
Distributions received	-	(40.1)
Closing Balance - Financial Assets	-	-
Financial Liabilities		
Opening balance	45.3	154.1
Profit and Loss	-	(104.1)
Other Comprehensive Income	1.7	(4.7)
Closing Balance - Financial Liabilities	47.0	45.3

(f) Changes in liabilities arising from financing activities

	Bank Loans - Unsecured \$m	Capital Markets Debt - Unsecured \$m	Finance Leases - Secured \$m	Other Loans - Unsecured \$m	Derivatives \$m	Total Liabilities from Financing Activities \$m
Year ended 30 June 2018						
At 1 July 2017	58.4	1,744.0	142.6	-	2.7	1,947.7
Cash flows	(3.8)	(307.6)	(118.1)	1.0	-	(428.5)
Foreign exchange variations	-	-	0.5	-	-	0.5
Movement in fair value	-	-	-	-	(0.6)	(0.6)
Other	-	0.7	(25.0)	-	-	(24.3)
At 30 June 2018	54.6	1,437.1	-	1.0	2.1	1,494.8
Year ended 30 June 2017						
At 1 July 2016	75.5	2,058.0	127.8	-	22.1	2,283.4
Cash flows	(17.3)	(317.5)	(9.6)	-	-	(344.4)
Foreign exchange variations	0.2	-	(0.6)	-	-	(0.4)
Movement in fair value	-	-	-	-	(4.8)	(4.8)
Other	-	3.5	25.0	-	(14.6)	13.9
At 30 June 2017	58.4	1,744.0	142.6	-	2.7	1,947.7

Directors' Declaration

1. In the opinion of the Directors:
 - a. the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* (Cth), including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 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* (Cth);
 - b. the financial statements and notes also comply with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in Note 1 of the Financial Report; and
 - c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. 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* (Cth) for the financial year ended 30 June 2018.
3. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 29 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.

Signed in accordance with a resolution of the Directors.



John Alexander

Executive Chairman

Melbourne, 11 September 2018

Shareholder Information

Substantial shareholders as at 3 September 2018

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

Shareholder	Date Received	Number of ordinary Shares	% of Issued Capital*
Consolidated Press Holdings Pty Limited	7 March 2018	316,928,302	46.10%
Schroder Investment Management Australia Limited	20 November 2017	34,732,148	5.05%

* Percentage of Issued Capital based on the total number of ordinary shares on issue at 3 September 2018.

Holders of each class of securities as at 3 September 2018

Crown has 687,421,194 ordinary shares on issue held by 54,605 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:

- (a) on a show of hands, every member present has one vote; and
- (b) on a poll, every member present has:
 - (i) one vote for each fully paid share held by the member and in respect of which the member is entitled to vote; and
 - (ii) 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 amounts paid and payable on the share.

Distribution of shareholders as at 3 September 2018

Size of Holdings	Number of Shareholders	% of Issued Capital
1 – 1,000	37,311	2.11
1,001 – 5,000	15,324	4.77
5,001 – 10,000	1,373	1.42
10,001 – 100,000	544	1.70
100,001 and over	53	90.00
Total	54,605	100.00

The number of shareholders holding less than a marketable parcel of ordinary shares is 1,376 (based on a closing market price of ordinary shares on 3 September 2018).

On-market buy-back

Crown lodged an Appendix 3C with the Australian Securities Exchange on 9 August 2018.

The 20 largest shareholders as at 3 September 2018

Name	No. of Shares	% of Issued Capital
1. CPH CROWN HOLDINGS PTY LTD	304,700,000	44.33
2. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	137,637,069	20.02
3. J P MORGAN NOMINEES AUSTRALIA LIMITED	83,818,752	12.19
4. CITICORP NOMINEES PTY LIMITED	33,142,336	4.82
5. NATIONAL NOMINEES LIMITED	12,870,061	1.87
6. BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	7,626,715	1.11
7. CONSOLIDATED PRESS HOLDINGS PTY LIMITED	6,000,000	0.87
8. BNP PARIBAS NOMS PTY LTD <DRP>	5,113,880	0.74
9. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,868,844	0.56
10. ARGO INVESTMENTS LIMITED	2,609,184	0.38
11. CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,270,662	0.33
12. IOOF INVESTMENT MANAGEMENT LIMITED <IPS SUPER A/C>	2,035,082	0.30
13. UBS NOMINEES PTY LTD	1,401,416	0.20
14. AUST EXECUTOR TRUSTEES LTD <CROWN EMPLOYEE SHARE PLAN>	1,282,736	0.19
15. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	1,182,446	0.17
16. AMP LIFE LIMITED	1,157,134	0.17
17. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	959,106	0.14
18. BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	795,564	0.12
19. BNP PARIBAS NOMS (NZ) LTD <DRP>	744,368	0.11
20. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	677,008	0.10
Total	609,892,363	88.72

Additional Information

Shareholder enquiries

Shareholders may access their details by visiting the website of the Company's Share Registry, Computershare, at www.investorcentre.com. For security reasons, shareholders will be required to enter their Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode to access personal information. Security holding information may be updated online at any time. Alternatively, shareholders can update their details by phone or by writing to the Share Registry. Shareholders with queries about their shareholdings should contact the Share Registry either online at www.investorcentre.com, by phone on 1300 659 795 (within Australia) or on +61 3 9415 4000 (outside Australia) or by writing to: Computershare Investor Services, GPO Box 2975, Melbourne, Victoria 3001.

Electronic shareholder communications

The Company encourages shareholders to elect to receive shareholder communications electronically instead of by post as it enables shareholders to:

- receive important shareholder and company information faster;
- reduce the impact on the environment;
- securely store important shareholder documents online, reducing clutter in your home or office; and
- access all documents conveniently 24/7.

Shareholders who wish to receive email alerts with copies of the Annual Report, Notice of Meeting, Issuer Holding Statements, Payment Advices and other company related information may update their communication preferences online at www.investorcentre.com or by contacting the Share Registry.

Change of address

Issuer sponsored shareholders should immediately update their details online at www.investorcentre.com or by contacting the Share Registry. 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 should update their payment instructions online at www.investorcentre.com or by contacting the Share Registry prior to the dividend record date.

Tax File Numbers

Crown is obliged to deduct tax at the top marginal tax rate plus the 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 update your details online at www.investorcentre.com or by contacting the Share Registry.

Consolidation of multiple holdings

If you have multiple holdings which you wish to consolidate, please advise the Share Registry. If your holdings are broker sponsored, please contact the sponsoring broker directly.

Crown's website

Crown has a dedicated corporate website at www.crownresorts.com.au which includes Crown's Annual Reports, Notices of Meeting and other Explanatory Memoranda and disclosures made to the ASX.

Investment warning

All information provided in the Annual Report is provided as at the date stated or otherwise as at the date of this Report. This 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 to seek independent professional advice.

Corporate Information

Directors

- **John H Alexander**, BA, Executive Chairman
- **The Honourable Helen A Coonan**, BA, LLB
- **Andrew Demetriou**, BA, BEd
- **Geoffrey J Dixon**
- **Jane Halton**, AO, PSM, BA (Hons) Psychology, FIML, FIPAA, NAM, Hon. FAAHMS, Hon. FACHSE, Hon. DLitt (UNSW)
- **Professor John S Horvath**, AO, MB, BS (Syd), FRACP
- **Guy Jalland**, LLB
- **Michael R Johnston**, BEc, CA
- **Antonia Korsanos**, BEc, CA
- **Harold C Mitchell**, AC

Company Secretary

Mary Manos, LLB (Hons), BCom, GAICD

Crown's registered office and principal corporate office

Level 3
Crown Towers
8 Whiteman Street
Southbank VIC 3006
Australia
Phone: +61 3 9292 8824

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
Phone: 1300 659 795 (within Australia)
+61 3 9415 4000 (outside Australia)
Fax: +61 3 9473 2500
Website: www.computershare.com.au

Securities Exchange Listing

Crown's ordinary shares are listed on the Australian Securities Exchange under the code "**CWN**".
Crown's Subordinated Notes II are listed on the Australian Securities Exchange under the code "**CWNHB**".
The home exchange is Melbourne.

Website

www.crownresorts.com.au

Auditor

Ernst & Young

Banker

Australia and New Zealand Banking Group Limited



**CROWN
RESORTS**