

## Appendix 4D

### Half year ended 31 December 2010

(previous corresponding period: half year 31 December 2009)

#### Results for announcement to the market

				<b>\$'000</b>
Revenue from operations	up	<b>0.8%</b>	to	<b>1,205,844</b>
Net profit for the period attributable to members of the parent	up	<b>32.9%</b>	to	<b>153,149</b>

<b>Dividends</b>	Amount per security	Franked amount per security
Interim dividend:	<b>18.0 cents</b>	<b>10.8 cents</b>
Previous corresponding period:	<b>18.0 cents</b>	<b>10.8 cents</b>
Record date for determining entitlements to the dividend:	<b>1 April 2011</b>	
Interim dividend payment date:	<b>15 April 2011</b>	
<b>Net Tangible Asset Backing</b>	31 December 2010	31 December 2009
Net tangible asset backing per ordinary security on issue at period end:	<b>\$3.18</b>	<b>\$3.24</b>
For an explanation of any of the figures reported above, see Crown's Announcement made to the ASX on the same date as this Appendix 4D.		

# **Directors' Report**

Your directors submit their report for the half year ended 31 December 2010.

## **Directors**

The directors of Crown Limited (the "Company") in office during the half-year, and until the date of this Report are as below. Directors were in office for this entire period unless otherwise stated.

James D Packer  
John H Alexander  
Benjamin A Brazil  
Christopher D Corrigan  
Rowen B Craigie  
Rowena Danziger  
Geoffrey J Dixon  
David L Gyngell (appointed 13 September 2010, resigned 25 November 2010)  
John S Horvath (appointed 9 September 2010)  
Ashok P Jacob  
Michael R Johnston  
Harold C Mitchell (appointed 10 February 2011)  
Richard W Turner

## **Review and Results of Operations**

For the half year ended 31 December 2010 Crown reported a net profit from continuing operations of \$153.1 million (\$115.3 million last period).

Overall, the results for Crown's wholly-owned Australian casinos, Crown Melbourne and Burswood, reflected a solid performance in the non VIP businesses while the VIP results reflected the competitive impact of the two new integrated resorts in Singapore. Crown Melbourne benefited from the completion of some capital refurbishments at the property. Burswood's results were affected by the impact of the complex-wide renovations, particularly the disruption to the InterContinental hotel, the Atrium Restaurant & Lobby Lounge and the completion of the main gaming floor refurbishment.

Across the two properties, main floor gaming generated revenue growth of 6.6%.

VIP program play turnover at our Australian casinos was down 8.0% primarily due to the impact of the opening of the two new integrated resorts in Singapore.

Non-gaming revenue grew by 14.1%, benefiting from the first full period of operation for the Crown Metropol hotel in Melbourne.

Significant progress has been made on the capital expenditure programs at both local properties. This capital expenditure is expected to further enhance Crown's position as one of the leading operators of integrated resorts in the region.

The results for the period from our Macau joint venture, Melco Crown Entertainment, were pleasing and continue to improve.

## **Gaming**

Reported Gaming EBITDA for the period from Crown Melbourne and Burswood was \$322.4 million, reflecting a decline of 6.3%. A below theoretical win rate of 1.11% had a \$44.6 million adverse impact on reported EBITDA this period. Last period reflected a below theoretical win rate of 1.30% which had an adverse impact on reported EBITDA of \$11.9 million. After deducting \$17.8 million corporate costs, reported EBITDA was \$304.6 million, reflecting a decline of 7.4%. Reported revenue increased 1.0% to \$1,202.0 million with VIP Program turnover of \$21.5 billion decreasing by \$1.9 billion compared with the prior six month period. Costs increased by 4.0%, reflecting the opening of Crown Metropol in Melbourne, partially offset by lower VIP Program variable costs.

## **Investments**

The Group's reported equity accounted profit for the period was \$10.3 million, reflecting an \$11.8 million profit from Melco Crown (\$48.1 million loss last year), partially offset by a \$1.5 million loss from Betfair (\$3.5 million loss last year).

## **Cash flow**

Net operating cash flow for the period of \$175.9 million compared to last year's cash flow of \$217.2 million. After capital expenditure of \$188.4 million, dividend payments of \$143.0 million, net proceeds from borrowings of \$160.0 million, and net loans to associates of \$28.2 million, the group net debt position (excluding working capital cash of \$138.3 million) at 31 December 2010 was \$959.0 million.

## Directors' Report *continued*

For the half year ended 31 December 2010

### Dividend

The Directors have announced a dividend on ordinary shares of 18.0 cents per share franked at 60% payable on 15 April 2011 to shareholders registered at 5.00pm on 1 April 2011. No part of the unfranked portion of the dividend will consist of conduit foreign income.

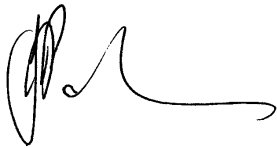
### Auditor's Independence Declaration

Attached is a copy of the auditor's independence declaration in relation to the review for the half year ended 31 December 2010. This auditor's independence declaration forms part of this Director's report.

### Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which this Class Order applies.

Signed in accordance with a resolution of the directors.



**J.D. Packer**  
Director

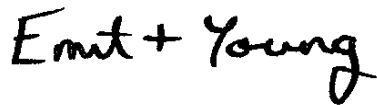


**R.B. Craigie**  
Director

Melbourne, 25<sup>th</sup> day of February, 2011.

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

In relation to our review of the financial report of Crown Limited for the half-year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst + Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Brett Kallio'.

Brett Kallio  
Partner  
25 February 2011

## Income Statement

For the half year ended 31 December 2010

	Note	31 December 2010 \$'000	31 December 2009 \$'000
<b>Continuing Operations</b>			
Revenues	4	1,205,844	1,196,588
Other income	4	214	100
Expenses	4	(994,978)	(939,734)
Share of profits / (losses) of associates and joint venture entities		10,260	(51,646)
<b>Profit before income tax and finance costs</b>		<b>221,340</b>	<b>205,308</b>
Finance costs	4	(36,939)	(44,231)
<b>Profit before income tax</b>		<b>184,401</b>	<b>161,077</b>
Income tax expense		(31,252)	(45,821)
<b>Net profit after tax <sup>(1)</sup></b>		<b>153,149</b>	<b>115,256</b>

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

	31 December 2010 Cents per share	31 December 2009 Cents per share
<b>Earnings per share (EPS)</b>		
Basic EPS	<b>20.19</b>	15.20
Diluted EPS	<b>20.19</b>	15.20
EPS calculation is based on the weighted average number of shares on issue throughout the period		
<b>Dividends per share</b>		
Current year interim dividend proposed	<b>18.00</b>	18.00
Prior year final dividend paid	<b>19.00</b>	19.00

<sup>(1)</sup> Normalised net profit after tax for the half year ended 31 December 2010, as disclosed in Crown's Announcement made to the ASX on the same date as this Appendix 4D is \$165.8 million (\$145.6 million prior year). Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play and pre-opening costs in respect of City of Dreams.

## Statement of Comprehensive Income

For the half year ended 31 December 2010

	<b>31 December 2010</b>	<b>31 December 2009</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net profit after tax<sup>(1)</sup></b>	<b>153,149</b>	<b>115,256</b>
<b>Other Comprehensive Income</b>		
Foreign currency translation <sup>(2)</sup>	(154,913)	(124,455)
Movement in cashflow hedge reserve	(31,334)	7,015
Unrealised gain / (loss) on investments in associates	264	(4,183)
<b>Other comprehensive income / (loss) for the period, net of income tax</b>	<b>(185,983)</b>	<b>(121,623)</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>(32,834)</b>	<b>(6,367)</b>

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

<sup>(1)</sup> Normalised net profit after tax for the half year ended 31 December 2010, as disclosed in Crown's Announcement made to the ASX on the same date as this Appendix 4D is \$165.8 million (\$145.6 million prior year). Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play and pre-opening costs in respect of City of Dreams.

<sup>(2)</sup> The movement in the foreign currency translation reserve is largely attributable to foreign exchange movements relating to Crown's equity accounted investment in Melco Crown.

## Statement of Financial Position

As at 31 December 2010

	Note	31 December 2010 \$'000	30 June 2010 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	5	144,561	196,395
Trade and other receivables		217,953	147,252
Inventories		19,430	16,328
Prepayments		15,753	12,197
Other financial assets		221	1,971
<b>Total current assets</b>		<b>397,918</b>	<b>374,143</b>
<b>Non-current assets</b>			
Receivables		125,641	128,158
Investments		98,682	106,634
Other financial assets		19,812	6,045
Investments in associates		871,276	1,029,669
Property, plant and equipment		2,428,783	2,320,459
Licences		668,190	651,926
Other intangible assets		171,965	175,370
Deferred tax assets		100,810	111,081
Prepaid casino tax		64,269	65,636
<b>Total non-current assets</b>		<b>4,549,428</b>	<b>4,594,978</b>
<b>Total assets</b>		<b>4,947,346</b>	<b>4,969,121</b>
<b>Current Liabilities</b>			
Trade and other payables		324,788	292,283
Interest-bearing loans and borrowings		294,572	135,236
Income tax payable		12,936	33,117
Provisions		93,689	113,320
Other financial liabilities		1,789	-
<b>Total current liabilities</b>		<b>727,774</b>	<b>573,956</b>
<b>Non-current liabilities</b>			
Other payables		38	67
Interest-bearing loans and borrowings		670,655	712,758
Deferred tax liabilities		203,316	207,098
Provisions		22,802	15,337
Other financial liabilities		71,667	40,600
<b>Total non-current liabilities</b>		<b>968,478</b>	<b>975,860</b>
<b>Total liabilities</b>		<b>1,696,252</b>	<b>1,549,816</b>
<b>Net assets</b>		<b>3,251,094</b>	<b>3,419,305</b>
<b>Equity</b>			
Contributed equity		645,475	638,690
Reserves		263,609	448,751
Retained earnings		2,342,010	2,331,864
<b>Total equity</b>		<b>3,251,094</b>	<b>3,419,305</b>

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

## Cash Flow Statement

For the half year ended 31 December 2010

	Note	31 December 2010 \$'000	31 December 2009 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		1,184,157	1,168,523
Payments to suppliers and employees		(915,790)	(862,731)
Dividends received		19	-
Interest received		2,090	3,079
Borrowing costs paid		(36,825)	(43,348)
Income tax paid		(57,732)	(48,351)
<b>Net cash flows from/(used in) operating activities</b>		<b>175,919</b>	<b>217,172</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(188,395)	(199,525)
Proceeds from sale of property, plant and equipment		214	169
Payment in respect of licences		(20,000)	-
Payment for purchases of equity investments		(15,106)	-
Net proceeds from sale of equity investments		-	75,342
Loans to associated entities		(37,119)	(4,000)
Repayment of loans from associated entities		8,951	-
Other (net)		-	(7,753)
<b>Net cash flows from/(used in) investing activities</b>		<b>(251,455)</b>	<b>(135,767)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		200,000	100,000
Repayment of borrowings		(40,000)	(100,000)
Dividends paid		(143,003)	(142,941)
ESP proceeds received		6,785	2,893
<b>Net cash flows from/(used in) financing activities</b>		<b>23,782</b>	<b>(140,048)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(51,754)</b>	<b>(58,643)</b>
Cash and cash equivalents at the beginning of the period		196,395	515,498
Effect of exchange rate changes on cash <sup>(1)</sup>		(80)	(25,429)
<b>Cash and cash equivalents at the end of the period</b>	5	<b>144,561</b>	<b>431,426</b>

<sup>(1)</sup> Prior period represents foreign exchange movements in USD cash offset by an equivalent movement in USD borrowings.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity

For the half year ended 31 December 2010

	Ordinary Shares \$'000	Retained Earnings \$'000	Net Unrealised Gains Reserve \$'000	Foreign Currency Translation Reserve \$'000	Cashflow Hedge Reserve \$'000	Employee Benefits Reserve \$'000	Total Equity \$'000
<b>31 December 2010</b>							
Balance at 1 July 2010	638,690	2,331,864	628,532	(157,888)	(33,220)	11,327	3,419,305
Profit / (loss) for the period	-	153,149	-	-	-	-	153,149
Other comprehensive income	-	-	264	(154,913)	(31,334)	-	(185,983)
Total comprehensive income for the period	-	153,149	264	(154,913)	(31,334)	-	(32,834)
Dividends paid	-	(143,003)	-	-	-	-	(143,003)
ESP proceeds received	6,785	-	-	-	-	-	6,785
Share based payments expense	-	-	-	-	-	841	841
<b>Balance at 31 December 2010</b>	<b>645,475</b>	<b>2,342,010</b>	<b>628,796</b>	<b>(312,801)</b>	<b>(64,554)</b>	<b>12,168</b>	<b>3,251,094</b>
<b>31 December 2009</b>							
Balance at 1 July 2009	634,364	2,317,988	632,593	(94,107)	(63,900)	9,392	3,436,330
Profit / (loss) for the period	-	115,256	-	-	-	-	115,256
Other comprehensive income	-	-	(4,183)	(124,455)	7,015	-	(121,623)
Total comprehensive income for the period	-	115,256	(4,183)	(124,455)	7,015	-	(6,367)
Dividends paid	-	(142,941)	-	-	-	-	(142,941)
ESP proceeds received	2,893	-	-	-	-	-	2,893
Transfers	598	-	-	-	-	(598)	-
Share based payments expense	-	-	-	-	-	1,702	1,702
<b>Balance at 31 December 2009</b>	<b>637,855</b>	<b>2,290,303</b>	<b>628,410</b>	<b>(218,562)</b>	<b>(56,885)</b>	<b>10,496</b>	<b>3,291,617</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

For the half year ended 31 December 2010

## 1. Corporate Information

The financial report of Crown Limited for the half year ended 31 December 2010 was authorised for issue, subject to final approval, in accordance with a resolution of the directors on 22 February 2011. Crown Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

## 2. Summary of Significant Accounting Policies

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full report.

The half year financial report should be read in conjunction with the annual financial report of Crown Limited as at 30 June 2010. It is also recommended that the half year financial report be considered together with any public announcements made by Crown Limited and its controlled entities during the half year ended 31 December 2010 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

### (a) Basis of preparation

The half year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half year financial report has been prepared on a historical cost basis, except for derivative financial instruments and available for sale assets that have been measured at fair value and investments in associates accounted for using the equity method. The carrying values of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The half year financial report is presented in Australian dollars. For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

Apart from the changes in accounting policies noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

### (b) Changes in accounting policies

The Group has elected to present a separate Income Statement and Statement of Comprehensive Income, as it provides greater clarity of the results of the business to the users of the financial report.

The Group has adopted the following accounting standards, which became applicable or available for early adoption from 1 July 2010:

- AASB 9 – Financial Instruments
- AASB 2009 – Further amendments to Australian Accounting Standards arising from the Annual Improvements Projects

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

The Group has early adopted AASB 9 *Financial Instruments*, with effect from 31 December 2010. The standard changes the way in which the Group's investments and their performance are presented. Adoption of this standard has no impact on the way in which the Group's investments are measured, and hence has no impact on net assets during the period.

Previously the Group was required to classify investments as 'available for sale financial assets' under AASB 139 *Financial Instruments: Recognition and Measurement*, where unrealised gains and losses were taken to the revaluation reserve through the Statement of Changes in Equity and reported as other comprehensive income. Realised gains or losses from the sale of the investment were transferred from the revaluation reserve to the Income Statement. Where there was objective evidence of impairment of an investment, and impairment charge was booked in the Income Statement, even where no loss had been realised.

Under the new standard, the Group's investments in equities that were held as at 31 December 2010 have been classified as 'fair value through profit or loss' and both realised and unrealised gains and losses are accounted for through the Income Statement.

No other Australian Accounting Standards issued during the half year, but not yet effective, have been early adopted. It is not considered early adoption of these standards would have a material impact on the results of the Group.

## Notes to the Financial Statements

For the half year ended 31 December 2010

**3. Segment Information**

The Group's operating segments have been determined based on internal management reporting structure and the nature of the products provided by the Group. They reflect the business level at which financial information is provided to management for decision making regarding resource allocation and performance assessment. The segment information presented is consistent with internal management reporting. The Group has two operating segments being Crown Melbourne and Burswood.

31 December 2010	Normalised Result <sup>(1)</sup>				Adjustment <sup>(1)</sup> \$'000	Actual Crown Group \$'000
	Crown Melbourne	Burswood	Unallocated	Crown Group		
	\$'000	\$'000	\$'000	\$'000		
<b>Operating revenue</b>						
Main floor gaming	470,786	211,180	-	681,966	-	681,966
VIP commission program play	212,478	78,349	-	290,827	(51,493)	239,334
Non Gaming	193,445	87,320	19	280,784	-	280,784
Intersegment				(102)	-	(102)
Operating revenue	876,709	376,849	19	1,253,475	(51,493)	1,201,982
Interest revenue				4,076	-	4,076
<b>Total revenue</b>	<b>876,709</b>	<b>376,849</b>	<b>19</b>	<b>1,257,551</b>	<b>(51,493)</b>	<b>1,206,058</b> <sup>(2)</sup>
<b>Segment result</b>						
Gaming taxes & commissions	(256,494)	(92,023)	-	(348,517)	6,901	(341,616)
Operating expenses	(360,545)	(177,497)	(17,776)	(555,818)	-	(555,818)
Intersegment				102	-	102
Earnings before interest, tax, depreciation and amortisation "EBITDA"	259,670	107,329	(17,757)	349,242	(44,592)	304,650
Depreciation and amortisation	(78,176)	(18,154)	(1,316)	(97,646)	-	(97,646)
Earnings before interest and tax "EBIT"	181,494	89,175	(19,073)	251,596	(44,592)	207,004
Equity accounted share of associates' net profit/(loss)				(8,342)	18,602	10,260
Net interest income/(expense)				(32,863)	-	(32,863)
Income tax benefit/(expense)				(44,630)	13,378	(31,252)
<b>Profit/(loss) after tax</b>	<b>181,494</b>	<b>89,175</b>	<b>(19,073)</b>	<b>165,761</b>	<b>(12,612)</b>	<b>153,149</b>

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

<sup>(2)</sup> Total revenue of \$1,206.1 million includes \$0.2 million of profit on disposal of non-current assets, which is not included in revenue in the Income Statement.

## Notes to the Financial Statements

For the half year ended 31 December 2010

3. Segment Information *continued*

31 December 2009	Normalised Result <sup>(1)</sup>				Adjustment <sup>(1)</sup>	Actual Crown Group
	Crown Melbourne	Burswood	Unallocated	Crown Group		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating revenue</b>						
Main floor gaming	437,018	202,557	-	639,575	-	639,575
VIP comission program play	224,776	91,458	-	316,234	(12,256)	303,978
Non Gaming	159,439	86,596	-	246,035	-	246,035
Intersegment				(70)	-	(70)
Operating revenue	821,233	380,611	-	1,201,774	(12,256)	1,189,518
Interest revenue				7,170	-	7,170
<b>Total revenue</b>	<b>821,233</b>	<b>380,611</b>	<b>-</b>	<b>1,208,944</b>	<b>(12,256)</b>	<b>1,196,688</b> <sup>(2)</sup>
<b>Segment result</b>						
Gaming taxes & commissions	(253,020)	(103,455)	-	(356,475)	319	(356,156)
Operating expenses	(324,623)	(164,956)	(14,916)	(504,495)	-	(504,495)
Intersegment				70	-	70
Earnings before interest, tax, depreciation and amortisation "EBITDA"	243,590	112,200	(14,916)	340,874	(11,937)	328,937
Depreciation and amortisation	(60,229)	(17,604)	(1,320)	(79,153)	-	(79,153)
Earnings before interest and tax "EBIT"	183,361	94,596	(16,236)	261,721	(11,937)	249,784
Equity accounted share of associates' net profit/(loss)				(29,659)	(21,987)	(51,646)
Net interest income/(expense)				(37,061)	-	(37,061)
Income tax benefit/(expense)				(49,402)	3,581	(45,821)
<b>Profit/(loss) after tax</b>	<b>183,361</b>	<b>94,596</b>	<b>(16,236)</b>	<b>145,599</b>	<b>(30,343)</b>	<b>115,256</b>

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

(2) Total revenue of \$1,196.7 million includes \$0.1 million of profit on disposal of non-current assets, which is not included in revenue in the Income Statement.

## Notes to the Financial Statements

For the half year ended 31 December 2010

**4. Revenue and Expenses**

	<b>31 December 2010 \$'000</b>	<b>31 December 2009 \$'000</b>
Profit before income tax expense includes the following revenues and expenses:		
<b>(a) Revenue from continuing operations</b>		
Revenue from services	1,019,727	1,022,987
Revenue from sale of goods	171,808	156,862
Interest received	4,076	7,170
Dividends	19	-
Other operating revenue	10,214	9,569
	<b>1,205,844</b>	<b>1,196,588</b>
<b>(b) Other income from continuing operations</b>		
Profit on disposal of non-current assets	<b>214</b>	<b>100</b>
<b>(c) Expenses from continuing operations</b>		
Cost of sales	62,932	59,401
Gaming activities	912,954	864,097
Other ordinary activities	19,092	16,236
	<b>994,978</b>	<b>939,734</b>
<b>Depreciation of non-current assets</b> <i>(included in expenses above)</i>		
Buildings	30,570	23,372
Plant and equipment	57,501	46,277
	<b>88,071</b>	<b>69,649</b>
<b>Amortisation of non-current assets</b> <i>(included in expenses above)</i>		
Casino licence fee and management agreement	7,237	7,237
Other assets	2,338	2,267
	<b>9,575</b>	<b>9,504</b>
<b>Total depreciation and amortisation expense</b>	<b>97,646</b>	<b>79,153</b>

## Notes to the Financial Statements

For the half year ended 31 December 2010

**4. Revenue and Expenses** *continued*

	<b>31 December 2010</b>	<b>31 December 2009</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(d) Other income and expense disclosures</b>		
<b>Finance costs expensed:</b>		
Debt facilities	36,939	44,231

**5. Cash and Cash Equivalents**

For the purpose of the half year condensed cash flow statement, cash and cash equivalents are comprised of the following:

	<b>31 December 2010</b>	<b>31 December 2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash on hand and at bank	126,759	178,839
Deposits on call	17,802	252,587
	<b>144,561</b>	<b>431,426</b>

The above closing cash balances includes \$138.3 million (2009: \$154.4 million) of cash on the company's premises and cash held in bank accounts (including deposits on call) needed to run the day to day operations of the businesses.

**6. Dividends Paid and Announced**

	<b>31 December 2010</b>	<b>31 December 2009</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Dividends declared and paid during the half year</b>		
<b><i>Prior year final dividend (paid 15 October 2010)</i></b>		
Paid at 19.0 cents (2009: 19 cents) per share franked at 60% (2009: 60% franked) at the Australian tax rate of 30% (2009: 30%)	144,095	144,095
<b>(b) Dividends announced and not recognised as a liability</b>		
<b><i>Current year interim dividend (expected to be paid 15 April 2010)</i></b>		
Announced at 18.0 cents (2009: 18 cents) per share and franked at 60% (2009: 60%) at the Australian tax rate of 30% (2009: 30%)	136,511	136,511

Shares issued under Crown's Executive Share Plan have been included in calculating the above dividends paid and announced.

No shareholders' dividend plans are in operation.

No part of the unfranked portion of the dividend will consist of conduit foreign income.

# Notes to the Financial Statements

For the half year ended 31 December 2010

## **7. Contingent Assets and Liabilities**

Since the last annual reporting date contingent liabilities have reduced by \$19.8 million from \$37.5 million to \$17.7 million primarily due to the cancellation of the letter of credit issued to the British Columbia Lottery Commission.

Contingent Liabilities at 31 December 2010 related to the following:

	<b>\$'000</b>
Victorian Workcover	<b>17,728</b>

## **8. Events After the Reporting Period**

Subsequent to 31 December 2010, the directors of Crown announced an interim dividend on ordinary shares in respect of the half year ending 31 December 2010. The total amount of the dividend is \$136.5 million, which represents a dividend of 18.0 cents per share franked at 60%. No part of the unfranked portion of the dividend will consist of conduit foreign income.

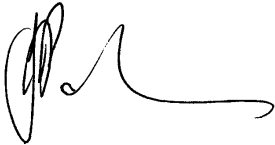
## Directors' Declaration

In accordance with a resolution of the directors of Crown Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**J.D. Packer**  
Director



**R.B. Craigie**  
Director

Melbourne, 25<sup>th</sup> day of February, 2011.

To the members of Crown Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Crown Limited (the company), which comprises the statement of financial position as at 31 December 2010, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

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

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*, and the *Corporations Regulations 2001*. As the auditor of Crown Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

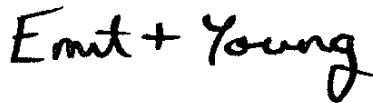
### Independence

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

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Crown Limited is not in accordance with the *Corporations Act 2001*, including:

- i giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

A handwritten signature in black ink that reads 'Ernst + Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Brett Kallio'.

Brett Kallio  
Partner  
Melbourne  
25 February 2011