



**ASX / MEDIA RELEASE  
FOR IMMEDIATE RELEASE  
12 MAY 2009**

**CROWN MELBOURNE SECURES INCREASED GAMING CAPACITY AND AGREES TO AN INCREASED TAXATION RATE ON ELECTRONIC GAMING MACHINES**

**MELBOURNE: Crown Limited (ASX: CWN):** announced today that its wholly owned subsidiary, Crown Melbourne Limited, the owner and operator of the Crown Entertainment Complex in Melbourne, had reached agreement with the Victorian State Government to increase the number of table games and to expand the size of the casino floor. Crown Melbourne has also agreed to a phased increase in the rate of tax on electronic gaming machines (“EGMs”) at the Melbourne casino.

Crown Melbourne’s tax arrangements are set out in Part 4 of the Casino Management Agreement between the Victorian Government and Crown Melbourne. Changes to these tax arrangements can only occur with the agreement of both Crown Melbourne and the Government. A comparable situation also applies at Burswood Casino in Western Australia. By contrast, in New South Wales and Queensland the respective State Governments have the explicit unilateral power to determine casino taxation rates. Accordingly, the Crown Melbourne and Burswood licences offer greater regulatory certainty.

Under the newly agreed arrangements with the Victorian Government, Crown Melbourne’s casino licence will be amended to increase the maximum permitted number of table games. In addition, fully automated multi station table games will be permitted under these new table games arrangements.

In summary the new limits will allow Crown to increase the number of traditional table games (blackjack, roulette, baccarat etc) by about 100 tables and to also increase the number of poker tables by about 50 tables compared to current levels (see attached media releases from the Victorian Government and Crown Melbourne for more details).

Agreement has also been reached to provide for an expansion of the gaming floor within the existing Crown complex to accommodate the increased gaming capacity.

Given this expansion, Crown Melbourne has agreed that the tax on EGMs will be increased by 1.72% each year for six years from 2009-10 resulting in a total tax rate increase of 10.32% by 2014-15. The Health Benefit Levy (currently \$4,333 per EGM per annum) will no longer be payable from 1 July 2012.

The Victorian Government has committed to a policy that no further tax or levy amendments will be initiated before 30 June 2022 (ie 13 years hence).

Crown’s Executive Chairman, Mr James Packer, welcomed the new agreement and said, “Crown Melbourne’s gaming capacity has long been constrained by its licence restrictions. These new arrangements now allow us to expand and improve the gaming floor in line with recent and future expansions to Crown’s hotels, restaurants, retail and carparking.”

“The expansion of the casino will be integrated into the major refurbishment program currently underway at Crown Melbourne and will complement the west end redevelopment of the complex which includes the new third hotel and associated restaurants and retail facilities. This will assist us to maintain the Crown Entertainment Complex as one of the world’s great casino/hotel complexes and a major tourism asset for Victoria,” Mr Packer said

**ENDS**

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# MEDIA RELEASE

## CROWN MELBOURNE AND THE STATE GOVERNMENT AGREE NEW CASINO ARRANGEMENTS

12 May, 2009

Crown Melbourne today announced that it had reached agreement with the State Government on a range of issues including an increase in the number of gaming tables and a new tax regime for electronic gaming machines (EGMs).

The CEO of Crown Melbourne, David Courtney, also announced a further enhancement and expansion program for the casino including an exciting redevelopment of the west end of the Entertainment Complex.

Mr. Courtney said Crown proposed to spend an additional \$46 million upgrading facilities to accommodate the new tables plus a range of additional enhancements to increase business capacity.

He welcomed the agreement with the Victorian Government and said it reaffirmed a strong and constructive working relationship between Crown and the State.

Mr. Courtney said he was particularly pleased that the new expansion program and the addition of new table game capacity at Crown would result in approximately 300 additional jobs over the next few years in gaming, hospitality and food and beverage. All new employees would be trained on site at the new Crown College complex to be opened next year.

Crown currently directly employs 6100 staff across the Complex. There are an additional 2000 people employed in Crown's tenancies and 3500 contractors service the Crown site.

Key features of the new agreement include:

- An increase in the maximum permitted number of table games from the current limit of 350 tables to a new limit of 400 tables (excluding poker tables).
- Up to 200 terminals/screens for fully automated multi-station table games will be permitted within this new table game limit (equivalent to approximately 20 fully automated tables).
- In addition to the limit of 400 traditional tables (black jack, roulette, baccarat etc) up to 100 poker tables will also be permitted. Crown currently has approximately 50 poker tables within its current maximum table limit of 350 tables.
- In summary these new increased table limits will allow Crown to increase the number of traditional table games (roulette, blackjack, baccarat, etc) by up to 100 tables and to increase the number of poker tables by up to 50 tables resulting in a new total limit of 500 tables.
- An expansion of the licensed casino area within the existing Crown complex to accommodate the additional gaming capacity.
- The Victorian Commission for Gambling Regulation (VCGR) to approve the expansion of the casino licence and the casino boundary.



# MEDIA RELEASE

- The tax rate on EGMs will be increased by 1.72% each year for six years from 2009-10 resulting in a total tax rate increase of 10.32% from 2014-15. The current tax rate on EGMs at the casino is 21.25%.
- The current Health Benefit Levy will be abolished from 1 July 2012.
- No further amendments in casino taxes or levies until the end of 2022.

Mr. Courtney said the Government recognised that Crown was currently spending \$340 million on the construction of a major new hotel and convention centre, \$80 million on the refurbishment of the iconic Crown Towers hotel and \$140 million on a general upgrading of the gaming floor.

“These facilities provide Melbourne with valuable tourist infrastructure and increase its attractiveness as an international tourist destination,” Mr. Courtney said.

He said the additional enhancements on top of the program already underway would ensure Crown remains at the forefront of world class entertainment venues.

Mr. Courtney said the expansion plans recognised that the casino currently experienced periods of maximum capacity and there was clearly unmet demand at times.

He said it had been ten years since Crown last increased its gaming capacity and that business development was being hampered by the present limits.

Mr. Courtney particularly welcomed the expansion in the number of poker tables.

“Poker is a world wide phenomenon and Crown has gained an international reputation for excellence in the poker market. Players from around the world come to Melbourne to be part of the Aussie Millions and other rich poker tournaments,” he said.

Mr. Courtney said that under the new arrangements Crown would maintain its strong and competitive position against the best casinos in the world.

Crown Melbourne’s tax arrangements are set out in Part 4 of the Casino Management Agreement between the Victorian Government and Crown Melbourne. Changes to these tax arrangements can only occur with the agreement of both Crown Melbourne and the Government. A comparable situation also applies at Burswood Casino in Western Australia. By contrast, in New South Wales and Queensland the respective State Governments have the explicit unilateral power to determine casino taxation rates. Accordingly, the Crown Melbourne and Burswood licences offer greater regulatory certainty.

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For a copy of Crown Limited’s ASX announcement go to [www.crownlimited.com](http://www.crownlimited.com)

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The Place To Be

# Media release

From the Minister for Gaming

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Tuesday, 12 May, 2009

## **TAX RATES CLOSELY ALIGNED ACROSS VICTORIAN GAMING MACHINE INDUSTRY**

The Brumby Government today announced a broad package of changes to Crown Casino's licence conditions, including a progressive increase in the tax rate on the Casino's gaming machines, reflecting the maturing of the business and virtually equalising gaming taxes for Crown and gaming venue operators.

Gaming Minister Tony Robinson said the new agreement on the casino gaming machine tax rate would see the rate rise from 22.25 per cent to 32.57 per cent in 2014-15.

"This reform will result in tax rates being virtually equal for Crown Casino and other gaming venues," he said.

"In an agreement struck with the previous government, Crown benefited from comparatively lower gaming machine tax rates than those available in clubs and hotels so that it could establish itself in the Victorian gaming market.

"This new agreement reflects that Crown has very successfully consolidated its position as a world class tourist destination."

Mr Robinson said tax revenue from the casino would continue to fund vital government services including health.

Other changes to Crown Casino's licence conditions include an expansion and reconfiguration of approved table games, subject to the approval of the Victorian Commission for Gambling Regulation (VCGR). This means:

- An increase in the maximum number of table games (such as roulette and blackjack) from 350 to 400, including a limited number of fully automated table games; and
- Allowance for up to a further 100 poker tables.

As a result of this agreement, the VCGR will need to consider consequential changes to the configuration of the casino's gaming areas.

The Brumby Government also committed to make no further changes to casino taxes and levies until the end of 2022.

Mr Robinson said the gambling industry had matured and Crown Casino needed to be able to restructure its gaming operations to remain internationally competitive.

"These changes will give Crown Casino more flexibility and capacity to develop its business, so it can maintain its status as a world class casino and entertainment facility," he said.

"Around the world, more and more people are interested in playing and watching poker.

"With additional tables, Crown Casino will be able to host international poker tournaments like the World Series of Poker, won by Melbourne Joe Hachem in 2005, and compete with venues in Las Vegas and Macau as the site for international poker events.

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“Attracting these high calibre international events to Melbourne would provide a significant boost for tourism, building on the success of the Aussie Millions tournament.”

Crown Melbourne is Victoria’s leading tourist destination, attracting more than 16 million visitors each year.

Crown is also Victoria’s largest single-site employer. It currently has more than 6,000 direct employees and 3,500 contractors service the site. There are an additional 2,000 people employed in Crown’s tenancies.

Mr Robinson said the VCGR monitors and reports on Crown Casino’s operations to ensure it continues to provide a responsible gambling environment.