

# **APPENDIX 4E**

## **PRELIMINARY FINAL REPORT**



## **CROWN LIMITED**

A.B.N. 39 125 709 953

**YEAR ENDED: 30 JUNE 2009**

**PREVIOUS CORRESPONDING PERIOD: 30 JUNE 2008**

## Appendix 4E

### Financial year ended 30 June 2009

(Previous corresponding period: financial year ended 30 June 2008)

### Results for announcement to the market

				\$A'000
Revenue from operations	up	2.0%	to	2,259,181
Net loss for the period from continuing operations	down	(974.3%)	to	(1,197,904)
Net loss for the period attributable to members	down	(133.8%)	to	(1,197,904)
<b>Dividends</b>		Amount per security		Franked amount per security
Final dividend		19 cents		11.4 cents
Previous corresponding period		29 cents		11.6 cents
Record date for determining entitlements to the dividend		5 October 2009		
Final dividend payment date		26 October 2009		
<b>Net Tangible Asset Backing</b>		30 June 2009		30 June 2008
Net tangible asset backing per ordinary security		\$3.42		\$4.97
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 4E.				

## Crown Limited

### Consolidated Income Statement for the financial year ended 30 June 2009

	Note	Consolidated	
		30 June 2009 \$'000	30 June 2008 \$'000
<b>Continuing operations</b>			
Revenues	1	2,259,181	2,215,930
Other income	1	152	701
Expenses	1	(1,696,990)	(1,567,866)
Share of net profits of associates and joint ventures		(125,959)	(21,999)
<b>Profit before tax, finance costs and significant items</b>		<b>436,384</b>	<b>626,766</b>
Finance costs (excluding significant items)	1	(92,142)	(132,989)
<b>Profit before income tax and significant items</b>		<b>344,242</b>	<b>493,777</b>
Income tax expense before significant items		(102,046)	(117,608)
<b>Net profit after tax and before significant items</b>		<b>242,196</b>	<b>376,169</b>
Significant items after income tax expense	1	(1,440,100)	(239,163)
<b>Profit/(loss) for the period from continuing operations</b>		<b>(1,197,904)</b>	<b>137,006</b>
<b>Discontinued operations</b>			
Profit from discontinued operations (net of tax)	2	-	3,409,426
<b>Net profit/(loss) for the period attributable to members of the parent <sup>(1)</sup></b>		<b>(1,197,904)</b>	<b>3,546,432</b>

#### Earnings per security (EPS)

Basic EPS (cents per share) <sup>(2)</sup>	(166.89)	514.57
Diluted EPS (cents per share) <sup>(2)</sup>	(166.89)	514.57

EPS calculation is based on the weighted average number of shares on issue throughout the period.

<sup>(1)</sup> Normalised net profit after tax for the year ended 30 June 2009, as disclosed in Crown's Announcement made to the ASX on the same date as this Appendix 4E is \$280.7 million (\$370.2 million prior year). Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play, the impact of non-recurring items (where applicable), and pre-opening costs in respect of City of Dreams (where applicable).

<sup>(2)</sup> Basic/diluted EPS excluding the effect of discontinued operations and significant items is 33.74 cps (2008: 54.58 cps).

## Crown Limited

### Consolidated Balance Sheet

as at 30 June 2009

	Note	Consolidated	
		30 June 2009 \$'000	30 June 2008 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	3	515,498	2,362,964
Trade and other receivables		144,657	146,524
Inventories		15,293	11,835
Prepayments		12,335	11,253
Other assets		-	70
<b>Total Current Assets</b>		<b>687,783</b>	<b>2,532,646</b>
<b>Non-Current Assets</b>			
Receivables		236,837	443,202
Available-for-sale financial assets		36,728	507,489
Investments in associates accounted for using the equity method		1,144,735	1,130,164
Property, plant and equipment		2,134,630	1,854,977
Licences		659,397	666,868
Other intangible assets		182,336	189,301
Deferred tax assets		140,138	136,573
Prepaid casino tax		68,371	71,106
<b>Total Non-Current Assets</b>		<b>4,603,172</b>	<b>4,999,680</b>
<b>Total Assets</b>		<b>5,290,955</b>	<b>7,532,326</b>
<b>Current Liabilities</b>			
Trade and other payables		292,769	255,108
Interest-bearing loans and borrowings		20,000	20,000
Income tax payable		37,141	53,965
Provisions		120,884	105,750
Other financial liabilities		3,400	-
<b>Total Current Liabilities</b>		<b>474,194</b>	<b>434,823</b>
<b>Non-Current Liabilities</b>			
Other Payables		4,097	24,059
Interest-bearing loans and borrowings		1,037,158	2,359,234
Deferred tax liabilities		235,167	394,709
Provisions		43,509	38,157
Other financial liabilities		60,500	-
<b>Total Non-Current Liabilities</b>		<b>1,380,431</b>	<b>2,816,159</b>
<b>Total Liabilities</b>		<b>1,854,625</b>	<b>3,250,982</b>
<b>Net Assets</b>		<b>3,436,330</b>	<b>4,281,344</b>
<b>Equity</b>			
Contributed equity	7	634,364	258,149
Reserves		483,978	176,223
Retained earnings	8	2,317,988	3,846,972
<b>Total Equity</b>		<b>3,436,330</b>	<b>4,281,344</b>

## Crown Limited

### Consolidated Cash Flow Statement for the financial year ended 30 June 2009

	Consolidated	
	30 June 2009 \$'000	30 June 2008 \$'000
	Note	
<b>Cash flows from operating activities</b>		
Receipts from customers	2,209,937	2,072,949
Payments to suppliers and employees	(1,581,916)	(1,564,942)
Dividend distribution received	15	66,659
Interest received	88,335	191,725
Borrowing costs	(251,325)	(127,625)
Income tax paid	(82,610)	(68,745)
<b>Net operating cash flows</b>	<b>382,436</b>	<b>570,021</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(389,026)	(203,142)
Proceeds from sale of property, plant and equipment	128	3,486
Payment for purchases of equity investments	(587,457)	(233,072)
Net proceeds from sale of investments	76,266	828,972
Purchase of available for sale financial assets	-	(434,023)
Net proceeds from sale of held for sale investments	-	35,832
Loans to associated entities	(84,076)	(12,322)
Other (net)	(3,712)	(2,652)
<b>Net investing cash flows</b>	<b>(987,877)</b>	<b>(16,921)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	3,442,768	2,070,000
Repayment of borrowings	(5,285,054)	(10,000)
Dividends paid	(331,191)	(338,694)
Proceeds from equity raising (net of underwriting fees)	337,150	-
Proceeds from partial closure of executive share plan	39,065	-
Payment of capital reduction	-	(2,053,852)
Cash disposed from sale of group entities	-	(85,770)
<b>Net financing cash flows</b>	<b>(1,797,262)</b>	<b>(418,316)</b>
<b>Net increase / (decrease) in cash and cash equivalents held</b>	<b>(2,402,703)</b>	<b>134,784</b>
Cash and cash equivalents at beginning of period	2,362,964	2,227,657
Effects of exchange rate changes on cash <sup>(1)</sup>	555,237	523
<b>Cash and cash equivalents at end of period</b>	<b>3 515,498</b>	<b>2,362,964</b>

<sup>(1)</sup> Represents foreign exchange movements in USD cash offset by an equivalent increase in USD borrowings.

## Crown Limited

### Consolidated Statement of Recognised Income and Expense

for the financial year ended 30 June 2009

	Consolidated	
	30 June 2009 \$'000	30 June 2008 \$'000
Movement in foreign currency translation reserve	186,469	(279,548)
Movement from change in associates equity	181,506	110,624
Fair value movement on cash flow hedges	(63,900)	-
<b>Net income recognised directly in equity</b>	<b>304,075</b>	<b>(168,924)</b>
Profit/(loss) for the period	(1,197,904)	3,546,432
<b>Total recognised income and expense for the period</b>	<b>(893,829)</b>	<b>3,377,508</b>

**Notes to Appendix 4E**

for the financial year ended 30 June 2009

Consolidated	
30 June 2009 \$'000	30 June 2008 \$'000

**1. REVENUE AND EXPENSES**

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

**(i) Revenue**

Revenue from services	1,903,113	1,744,585
Revenue from sale of goods	272,188	263,737
Interest received	64,265	188,490
Dividends received	16	40
Other operating revenue	19,599	19,078
	<b>2,259,181</b>	<b>2,215,930</b>

**(ii) Other Income**

Profit on disposal of non-current assets	152	701
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**(iii) Expenses**

Cost of sales	105,386	101,829
Gaming activities	1,549,626	1,423,675
Other ordinary activities	41,978	42,362
	<b>1,696,990</b>	<b>1,567,866</b>

*Depreciation of non-current assets*

(included in Expenses above)

Buildings	43,870	42,941
Plant and equipment	85,681	72,019
	<b>129,551</b>	<b>114,960</b>

*Amortisation of non-current assets*

(included in Expenses above)

Casino licence fee and management agreement	14,417	14,436
Other assets	4,016	3,414
	<b>18,433</b>	<b>17,850</b>

Total depreciation and amortisation expense	<b>147,984</b>	<b>132,810</b>
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**(iv) Other Income and Expense Disclosures**

Finance costs expensed:		
Debt facilities	<b>92,142</b>	<b>132,989</b>

## Crown Limited

### Notes to Appendix 4E

for the financial year ended 30 June 2009

Consolidated			
30 June 2009		30 June 2008	
Pre Tax \$'000	Post Tax \$'000	Pre Tax \$'000	Post Tax \$'000

#### (v) Significant Items (Continuing Operations)

Write down of available for sale assets	561,552	561,552	181,330	181,330
Write down of investments in associates	509,855	509,855	-	-
Write down of Gateway shareholder loan	182,279	182,279	-	-
Write down of deferred debt security	31,265	31,265	13,134	13,134
Termination fee for original Cannery transaction	76,546	76,546	-	-
Termination of US dollar interest rate swaps	57,341	40,139	-	-
Net Interest attributable to funding of original Cannery transaction	54,827	38,379	-	-
Write down of LVTI	-	-	44,699	44,699
Other net significant items	(3,650)	85	-	-
	<b>1,470,015</b>	<b>1,440,100</b>	<b>239,163</b>	<b>239,163</b>

## 2. SEGMENT REPORTING

### 30 June 2009

	Gaming	Un-allocated	Crown Group pre Significant Items	Significant Items	Crown Group
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating revenue</b>					
Total	2,195,020	16	2,195,036	-	2,195,036
Intersegment	(120)	-	(120)	-	(120)
External customers	2,194,900	16	2,194,916	-	2,194,916
Other income	152	-	152	-	152
Interest revenue			64,265	40,443	104,708
<b>Total revenue</b>	<b>2,195,052</b>	<b>16</b>	<b>2,259,333</b>	<b>40,443</b>	<b>2,299,776</b>
<b>Segment result</b>					
Earnings before interest, tax, depreciation and amortisation "EBITDA"	685,394	(39,332)	646,062	-	646,062
Depreciation and amortisation	(145,354)	(2,630)	(147,984)	-	(147,984)
Earnings before interest and tax "EBIT"	540,040	(41,962)	498,078	-	498,078
Other significant items	-	-	-	(1,415,188)	(1,415,188)
Equity accounted share of associates' net profit			(125,959)	-	(125,959)
Net interest income / (expense)			(27,877)	(54,827)	(82,704)
Profit from operating activities before income tax	540,040	(41,962)	344,242	(1,470,015)	(1,125,773)
Income tax expense			(102,046)	29,915	(72,131)
<b>Profit/(loss) after tax</b>	<b>540,040</b>	<b>(41,962)</b>	<b>242,196</b>	<b>(1,440,100)</b>	<b>(1,197,904)</b>

## Crown Limited

### Notes to Appendix 4E

for the financial year ended 30 June 2009

30 June 2008

	<b>Gaming</b>	<b>Un-allocated</b>	<b>Crown Group</b>	<b>Less: Dis-continued Operations</b>	<b>Continuing Operations</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Operating revenue</b>					
Total	2,028,924	9,480	2,038,404	8,731	2,029,673
Intersegment	(2,233)	-	(2,233)	-	(2,233)
External customers	2,026,691	9,480	2,036,171	8,731	2,027,440
Other income	701	273,933	274,634	273,933	701
Interest revenue			188,490	-	188,490
<b>Total revenue</b>	<b>2,027,392</b>	<b>283,413</b>	<b>2,499,295</b>	<b>282,664</b>	<b>2,216,631</b>
<b>Segment result</b>					
Earnings before interest, tax, depreciation and amortisation "EBITDA"	632,924	(50,907)	582,017	(11,068)	593,085
Depreciation and amortisation	(130,287)	(3,866)	(134,153)	(1,343)	(132,810)
Earnings before interest and tax "EBIT"	502,637	(54,773)	447,864	(12,411)	460,275
Significant items	-	3,095,613	3,095,613	3,334,776	(239,163)
Equity accounted share of associates' net profit			35,471	57,470	(21,999)
Net interest income / (expense)			55,501	-	55,501
Profit from operating activities before income tax	502,637	3,040,840	3,634,449	3,379,835	254,614
Income tax expense			(88,017)	29,591	(117,608)
<b>Profit after tax</b>	<b>502,637</b>	<b>3,040,840</b>	<b>3,546,432</b>	<b>3,409,426</b>	<b>137,006</b>

**Notes to Appendix 4E**

for the financial year ended 30 June 2009

<b>Consolidated</b>	
<b>30 June</b>	<b>30 June</b>
<b>2009</b>	<b>2008</b>
<b>\$'000</b>	<b>\$'000</b>

**3. CASH AND CASH EQUIVALENTS**

For the purpose of the full year consolidated cash flow statement, cash and cash equivalents are comprised of the following:

Cash on hand and at bank	<b>236,774</b>	134,419
Deposits at call	<b>278,724</b>	2,228,545
	<b>515,498</b>	2,362,964

**4. DIVIDENDS PAID AND PROPOSED**

Equity dividends on ordinary shares:

(a) Dividends paid during the financial year

Final dividend for the financial year 30 June 2008:  
29 cents per share paid on 17 October 2008 40% franked  
(2007: 25 cents per share fully franked)

**200,006**      172,122

Interim dividend for the financial year ended 30 June 2009:  
18 cents per share franked at 60% paid on 30 April 2009  
(2008: 25 cents per share 40% franked)

**136,511**      172,419  
**336,517**      344,541

(b) Dividends announced and not recognised as a liability

Final dividend for the financial year 30 June 2009:  
19 cents per share franked at 60% (expected to be paid  
on 26 October 2009)  
(2008: 29 cents per share 40% franked)

**144,095**      200,006

No shareholders' dividend plans are in operation.

## Crown Limited

### Notes to Appendix 4E

for the financial year ended 30 June 2009

#### 5. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date contingent liabilities have reduced by \$84 million from \$354 million to \$270 million. This is due to a reduction in the Melco Crown letter of credit.

Contingent Liabilities related primarily to the following:	<b>\$'000</b>
Letters of credit issued to the State of Victoria	185,000
Letter of credit re contingent equity commitment under Melco Crown debt facility	47,105
Victorian Workcover	16,974
Letter of credit issued to the British Columbia Lottery Corporation	21,324
Other	75
	<u>270,478</u>

#### 6. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 30 June 2009, the directors of Crown announced a final dividend on ordinary shares in respect of the year ending 30 June 2009. The total amount of the dividend is \$144.1 million, which represents a dividend of 19.0 cents per share franked at 60%.

Consolidated	
30 June 2009 \$'000	30 June 2008 \$'000

#### 7. CONTRIBUTED EQUITY

##### ISSUED SHARE CAPITAL

Ordinary shares fully paid	634,364	258,149
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##### MOVEMENTS IN ISSUED SHARE CAPITAL

	No.	\$'000
<b>At 30 June 2008</b>	689,676,925	258,149
Shares issued	68,717,260	337,150
Partial closure of Executive Share Plan	-	39,065
<b>At 30 June 2009</b>	<u>758,394,185</u>	<u>634,364</u>

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.

**Notes to Appendix 4E**

for the financial year ended 30 June 2009

Consolidated	
30 June 2009 \$'000	30 June 2008 \$'000

**8. RETAINED EARNINGS**

Balance at the beginning of the period	<b>3,846,972</b>	3,060,042
Net profit/(loss) from continuing operations	<b>(1,197,904)</b>	137,006
Net profit from discontinuing operations	-	3,409,426
Dividend paid	<b>(331,080)</b>	(339,257)
Internal demerger distribution	-	(2,420,245)
<b>Balance at the end of the period</b>	<b>2,317,988</b>	<b>3,846,972</b>

**9. CONTROL GAINED OVER ENTITIES HAVING A MATERIAL EFFECT**

Crown has not gained control over any material entities in the current reporting period. The commentary below relates to the prior period comparatives only.

On 10 December 2007 as part of a court approved scheme of arrangement, Crown acquired 100% of the issued capital of Publishing and Broadcasting Limited. The consideration for this acquisition was 1 Crown share plus \$3 cash for each PBL share held. The total cash paid was \$2,069 million which has been treated in the December 2007 consolidated accounts as a return of capital.

**10. LOSS OF CONTROL OF ENTITIES HAVING A MATERIAL EFFECT**

**Discontinuing Operations**

No components of the entity have been disposed of, or classified as held for sale in the current reporting period. The commentary below relates to the prior period comparatives only.

Demerger of CMH

On 12 December 2007, Crown disposed of its Media businesses by way of a demerger of Consolidated Media Holdings Limited. The demerger was effected by returning 1 CMH share to shareholders for each Crown share held.

The net assets of CMH at the time of demerger were \$131.6 million. The value of CMH at the demerger date was \$2,535.1 million. A gain of \$2,403.5 million was therefore recorded on demerger. The \$131.6 million was recorded as a reduction of capital and the \$2,403.5 million was accounted for as an internal distribution in the December 2007 consolidated accounts.

As part of the demerger the following material entities were disposed:

- Consolidated Media Holdings Ltd (formally PBL)
- Windfyr Pty Ltd (and controlled entities)
- PBL Media Holdings Shareholder Pty Ltd (and controlled entities)
- PBL Pay TV Pty Ltd (and controlled entities)

## Crown Limited

### Notes to Appendix 4E

for the year ended 30 June 2009

#### PBL Media

On 10 September 2007 PBL disposed half of its 50% investment (25%) in PBL Media for proceeds of \$526.4 million. The cost base disposed by Crown relating to the share disposed was negative \$347.3 million resulting in a profit on disposal of \$873.7 million.

#### Ticketing and Events

On 17 July 2007, PBL sold its Ticketing and Events business to PBL Media for \$210.0 million in cash. PBL's cost base in the Ticketing and Events business at the time of the sale was \$50.5 million. At the time of the transaction PBL owned 50% of PBL Media, therefore 50% of these net assets and 50% of the debt funding that PBL Media used for the acquisition were transferred to PBL's investment in PBL Media (\$79.7 million). The residual 50% was disposed, resulting in a gain on disposal of \$79.7 million.

The material entities disposed as part of this transaction were:

- Ticketek Pty Limited
- Sydney Superdome Pty Limited; and
- Events Management Catering Pty Limited

#### Hoyts

On 5 December 2007 Crown sold its investment in Hoyts for \$145.4 million. Costs of \$3.2 million were incurred in relation to the sale. At the time the carrying value of Hoyts was \$147.3 million resulting in a loss on disposal of Hoyts of \$5.1 million.

#### Other Discontinued Operations

Other discontinued operations consisted of equity accounted results of entities no longer part of the Crown Group, tax adjustments, and corporate costs of businesses residing in CMH. The net profit from these other discontinued operations was \$74.7 million.

#### Summary of Discontinued Operations

In summary, Crown's gain for the year ended 30 June 2008 from discontinued operations of \$3,409.4 million consisted of the following:

	<b>\$'000</b>
Gain on demerger of CMH	2,403,458
Gain on disposal of PBL Media	873,721
Gain on disposal of Ticketing & Events	79,743
Loss on disposal of Hoyts	(5,146)
New Regency write down	(17,000)
Other discontinued operations	74,650
	<u>3,409,426</u>

**Notes to Appendix 4E**

for the year ended 30 June 2009

**11. RESTATEMENT OF COMPARATIVE FINANCIAL INFORMATION**

Subsequent to the finalisation of the prior period financial statements, the Company identified a pre demerger liability which was not previously recognised in the demerger adjustments. This adjustment had the effect of reducing the prior period's net gain from discontinued operations by \$16.8 million (from \$3,426.2 million to \$3,409.4 million) and increasing current liabilities by \$16.8 million (from \$418.0 million to \$434.8 million). Each of the effected financial statement line items for the prior period have been adjusted to reflect this.

Basic and diluted earnings per share for the prior year have been restated. The restatement for both basic and diluted earnings per share was a reduction of \$2.43 (from 517.0 cps to 514.57 cps).

**Appendix 4E - Additional Information**  
for the financial year ended 30 June 2009

**Commentary on results**

The commentary on the results is contained in Crown's Announcement made to the ASX on the same date as this Appendix 4E.

**Audit**

This report is based on accounts which are in the process of being audited. It is not considered likely any audit qualification will arise.

Sign here:



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Company Secretary

27 August 2009

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Date

Print Name:

Michael Neilson