



Crown Resorts Limited
ABN 39 125 709 953

PROSPECTUS

Crown Subordinated Notes II

Prospectus for the issue of
Crown Subordinated Notes II
to be listed on ASX

Crown Subordinated Notes II are subordinated notes due for repayment in April 2075, subject to Crown's right to redeem the notes at any time from July 2021 (or earlier in certain circumstances). Holders will be entitled to receive quarterly interest payments at a rate equal to the Bank Bill Rate plus a margin (subject to payments being deferred in certain circumstances).

**JOINT STRUCTURING
ADVISERS AND JOINT
LEAD MANAGERS**

UBS
Deutsche Bank

JOINT LEAD MANAGERS

ANZ Securities
Commonwealth Bank
National Australia Bank
Westpac Institutional Bank

CO-MANAGERS

JBWere
Wilson HTM

Important notices

This Prospectus

This Prospectus is issued by Crown Resorts Limited (ABN 39 125 709 953) ("Crown").

This Prospectus is dated and was lodged with the Australian Securities and Investments Commission ("ASIC") and with the New Zealand Companies Office ("NZCO") on 17 March 2015. This Prospectus expires on the date which is 13 months after 17 March 2015 ("Expiry Date") and no Crown Subordinated Notes II (or "Notes II") will be issued on the basis of this Prospectus after the Expiry Date.

None of ASIC, NZCO or ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. This Prospectus is only available to investors and Eligible Securityholders within Australia and New Zealand in electronic form at www.crownresorts.com.au/notes. The Offer constituted by this Prospectus in electronic form is available only to persons accessing and downloading or printing the electronic copy of the Prospectus within Australia or Eligible Securityholders within Australia and New Zealand and is not:

- available to persons in New Zealand other than under the Institutional Offer until after the expiry of the Exposure Period; and
- available to persons in any other jurisdictions (including the United States) without the prior approval of Crown and the Joint Lead Managers. Persons in Australia or Eligible Securityholders within Australia and New Zealand having received a copy of this Prospectus in its electronic form may, during the Offer Period, obtain a paper copy of this Prospectus (free of charge) by telephoning the Crown Notes II Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday—8:30am to 5:30pm (Sydney time)).

Applications for Notes II may only be made on an Application Form that is attached to or accompanying this Prospectus following the opening of the Offer. A printable version of this Prospectus may be downloaded in its entirety from www.crownresorts.com.au/notes. If you access an electronic copy of this Prospectus, then you should read "Electronic access to this Prospectus" in Section 6.1 for further information.

Important Information for New Zealand investors

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law.

In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations.

In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

This Offer and the content of the Offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the Offer must be made.

There are differences in how securities are regulated under Australian law.

For example, the disclosure of fees for collective investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities. Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint. The taxation treatment of Australian securities is not the same as for New Zealand securities. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

Offer

The Offer contained in this Prospectus is an initial public offering of \$400 million of Notes II at \$100 per Note II with the ability to raise more or less. Refer to Section 1 for further information.

Restrictions on distribution

This Prospectus does not constitute an offer of Notes II or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Refer to Section 6.3.2 for further information.

Notes II have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities

Act. Notes II are being offered and sold outside the United States only in reliance on Regulation S of the U.S. Securities Act ("Regulation S").

Exposure Period

In accordance with the Corporations Act, this Prospectus is subject to an exposure period of seven days from the date of lodgement of this Prospectus with ASIC during which the Corporations Act prohibits the processing of applications for Notes II ("Exposure Period"). This period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of certain deficiencies in this Prospectus in which case any application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on applications received during the Exposure Period.

Financial information and forward looking statements

Section 4 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is also set out in Section 4.

All financial amounts contained in this Prospectus are expressed in Australian dollars and are rounded to the nearest million unless otherwise stated. Any discrepancies between totals and the sum of components in tables contained in this Prospectus are due to rounding.

This Prospectus contains forward looking statements which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties.

Any forward looking statements are subject to various risk factors that could cause Crown's actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with the other information in this Prospectus, in particular the risk factors as set out in Section 5.

Defined terms

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary in Appendix B of this Prospectus and in Clause 17.2 of the Terms in Appendix A. If there is any inconsistency in definitions between the Prospectus and the Terms, the definitions in the Terms prevail.

Time

Unless otherwise stated or implied, references to times in this Prospectus are to Sydney time.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. You should rely only on information in this Prospectus.

Except as required by law, and only to the extent so required, neither Crown nor any other person warrants or guarantees the future performance of Crown, or any return on any investment made pursuant to this Prospectus.

Website

Crown maintains a website at www.crownresorts.com.au. Information contained in, or otherwise accessible through, this or a related website is not a part of this Prospectus.

Further queries

If you are considering applying for Notes II under the Offer, this Prospectus is important and should be read in its entirety.

If you have any questions in relation to the Offer, please call the Crown Notes II Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday—8:30am to 5:30pm (Sydney time)).

ASIC has published guidance for retail investors who are considering investing in hybrid securities (such as Notes II). You can find this guidance by searching "hybrid securities" at www.moneysmart.gov.au. Retail investors can also call ASIC on 1300 300 630 for further information. ASIC's information on hybrid securities describes, in general terms, potential features of hybrid securities. Investors should carefully assess the specific terms of Notes II as described in this Prospectus, which may differ from the general terms described on the ASIC website.

The information provided in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs as an investor. You should carefully read the whole of this Prospectus and consider all of the risk factors that could affect the performance of Notes II or Crown in light of your personal circumstances (including financial and taxation issues). Some of the risk factors that you should consider are set out in Section 5. If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Notes II, it is recommended that you seek professional guidance from an independent and appropriately licensed or authorised professional adviser before deciding whether to invest.

Contents

	How to apply for Crown Subordinated Notes II	2
	Key dates	3
	Chairman's letter	4
SECTION 1	Investment overview	5
SECTION 2	About Crown Subordinated Notes II	27
SECTION 3	About Crown	45
SECTION 4	Financial information	57
SECTION 5	Investment risks	69
SECTION 6	About the Offer	81
SECTION 7	Australian taxation summary	95
SECTION 8	Key people, interests and benefits	103
SECTION 9	Additional information	113
APPENDIX A	Terms of Issue	121
APPENDIX B	Glossary	141

How to apply for Crown Subordinated Notes II

1. Read this Prospectus in full	<ul style="list-style-type: none">• This Prospectus is important and should be read in its entirety.• You should have particular regard to the:<ul style="list-style-type: none">– “Important notices” at the front of this Prospectus;– “Investment overview” in Section 1 and “About Crown Subordinated Notes II” in Section 2;– “Investment risks” in Section 5; and– Terms of Notes II in Appendix A.• In considering whether to apply for Notes II, it is important that you consider all risks and other information regarding an investment in Notes II in light of your particular investment objectives and circumstances.
2. Speak to your professional adviser	<ul style="list-style-type: none">• If you are unsure whether to apply for Notes II, you should seek professional guidance from an independent and appropriately licenced professional adviser before deciding whether to invest.
3. Consider ASIC guidance for retail investors	<ul style="list-style-type: none">• ASIC has published guidance on its MoneySmart website which may be relevant to your consideration of Notes II. You can find this guidance by searching ‘hybrid securities’ at www.moneysmart.gov.au.• The guidance includes a series of questions you should ask before you invest in hybrid securities, as well as a short quiz to check your understanding of how hybrids work, their features and risks.
4. Complete and submit your Application Form and application monies (as necessary)	<ul style="list-style-type: none">• The application process varies depending on whether you participate in the Institutional Offer, Broker Firm Offer, Securityholder Offer or General Offer.• If you have decided to apply for Notes II under the Securityholder Offer or General Offer, you need to apply using the Application Form (either electronic or paper) attached to or accompanying this Prospectus. Your application monies (and paper Application Form, if paying by cheque or money order) must be received by the Closing Date for the Securityholder Offer and General Offer, expected to be 5:00pm (Sydney time) on 14 April 2015.• If you are applying under the Broker Firm Offer, you should contact your Syndicate Broker. Your application must be received by the Closing Date for the Broker Firm Offer, expected to be 5:00pm (Sydney time) on 21 April 2015.• The Offer may close early so you are encouraged to consider submitting your application as soon as possible after the Opening Date.• See Section 6 for more details on how to apply for Notes II.

Key dates

Key dates for the Offer		Date
Lodgement of this Prospectus with ASIC		17 March 2015
Bookbuild to determine the Margin		24 March 2015
Announcement of the Margin		24 March 2015
Lodgement of the Replacement Prospectus with ASIC		25 March 2015
Opening Date for the Offer		25 March 2015
Closing Date for the Securityholder Offer and General Offer	5:00pm (Sydney time) on 14 April 2015	
Closing Date for the Broker Firm Offer	5:00pm (Sydney time) on 21 April 2015	
Issue Date		23 April 2015
Notes II begin trading on ASX (on a deferred settlement basis)		24 April 2015
Holding Statements despatched by Registry		28 April 2015
Notes II begin trading on ASX (on a normal settlement basis)		29 April 2015
Key dates for Crown Subordinated Notes II		Date
First Interest Payment Date ¹		15 June 2015
First Call Date		23 July 2021
Step-up Date		23 July 2041
Maturity Date		23 April 2075

DATES MAY CHANGE

The key dates for the Offer are indicative only and may change without notice.

Crown and the Joint Lead Managers may agree to vary the timetable, including extending any Closing Date, closing the Offer early without notice or accepting late applications, whether generally or in particular cases, or withdrawing the Offer at any time before Notes II are issued.

If you wish to apply for Notes II, you are encouraged to apply as soon as possible after the Opening Date.

1. Interest Payments are scheduled to be paid quarterly in arrears on the Interest Payment Dates being each 14 March, 14 June, 14 September and 14 December each year unless deferred in accordance with the Terms. If any Interest Payment Date is not a Business Day, then the Interest Payment Date will occur on the next Business Day. The first Interest Payment Date, 14 June 2015, is not a Business Day and will therefore occur on the next Business Day, 15 June 2015. Refer to Section 2.2.7 for further information.

Chairman's letter



17 March 2015

Dear investor

On behalf of the Board, I am pleased to offer you the opportunity to invest in Crown Subordinated Notes II (or "Notes II").

Notes II are subordinated notes due for repayment in April 2075, subject to Crown's right to redeem the notes at any time from July 2021 (or earlier in certain circumstances). Notes II are intended to be listed on ASX.

Holders will be entitled to receive quarterly interest payments at a rate equal to the Bank Bill Rate plus a margin (subject to payments being deferred in certain circumstances). The margin is to be determined under the Bookbuild and is expected to be in the range of 4.00% to 4.20% per annum. Notes II will mature on 23 April 2075, unless redeemed earlier. Crown has the right to redeem Notes II from 23 July 2021 or earlier in certain circumstances, but is not obliged to do so.

Crown intends to raise \$400 million through the offer of Notes II, with the ability to raise more or less. The Offer forms part of Crown's ongoing capital management strategy and the proceeds will be used for general corporate purposes including financing Crown Sydney, Crown Towers Perth and other anticipated growth projects.

This Prospectus contains information about Crown and the Offer. You should read this Prospectus carefully before deciding whether to invest in Notes II and, in particular, you should consider the risk factors set out in Section 5 before deciding whether to apply for Notes II.

If, after reading this Prospectus, you have any questions about the Offer or how to apply for Notes II, please call the Crown Notes II Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday—8:30am to 5:30pm (Sydney time)) or contact your broker. If you are uncertain whether Notes II are a suitable investment, you should consult an independent and appropriately licensed or authorised professional adviser.

On behalf of the Board, I invite you to consider this investment opportunity.

Yours faithfully

A handwritten signature in black ink, appearing to be "JP", with a long, sweeping horizontal line extending to the right.

James Packer
Chairman
Crown Resorts Limited

Section 1

Investment overview



1. Investment overview

This Section provides a summary of information that is key to a decision as to whether to invest in Notes II.

1.1 KEY FEATURES OF THE OFFER

Topic	Summary	Further information
Who is the issuer?	<ul style="list-style-type: none"> Crown Resorts Limited, being an S&P/ASX 50 company listed on ASX with a market capitalisation of approximately \$10.0 billion as at 13 March 2015. 	Section 3
What are Crown Subordinated Notes II?	<ul style="list-style-type: none"> Crown Subordinated Notes II (or "Notes II") are subordinated notes due for repayment in April 2075, subject to Crown's right to redeem the notes at any time from July 2021 (or earlier in certain circumstances). Holders will be entitled to receive quarterly interest payments at a rate equal to the Bank Bill Rate plus a margin (subject to payments being deferred in certain circumstances). 	Section 2
What are the key Offer details?	<ul style="list-style-type: none"> Offer size is \$400 million, with the ability to raise more or less. Issue Price is \$100 per Note II. This is also the Face Value. 	Section 2.1
What is the purpose of the Offer?	<ul style="list-style-type: none"> The Offer forms part of Crown's ongoing capital management strategy. The proceeds will be used for general corporate purposes including financing Crown Sydney, Crown Towers Perth and other anticipated growth projects. 	Section 2.1
Are Notes I and Notes II the same?	<ul style="list-style-type: none"> No. Notes I and Notes II are different securities. Notes I and Notes II are both issued by Crown and have substantially the same terms, however, there are differences including, among other things, different interest rates and different maturity dates. Due to the different interest rates and different maturity dates, it is likely that Notes I and Notes II will trade at different prices on ASX. Notes II will rank equally with Notes I, however, Notes I will mature before Notes II. This means that Crown will need to repay Notes I before Notes II are due to be repaid. 	Section 2
Important matters to be aware of	<p>60 year term</p> <ul style="list-style-type: none"> While Crown may redeem Notes II in certain circumstances before 23 April 2075, their Maturity Date in 60 years, it is not obliged to do so. Crown intends to utilise hybrid securities that are ascribed Equity Credit by Rating Agencies (such as Notes II) as a component of its capital structure going forward. Holders have no rights to request early redemption of Notes II except in very limited circumstances. <p>ASX listed</p> <ul style="list-style-type: none"> Holders may seek to sell Notes II on ASX but there is no guarantee they will be able to do so, or do so at an acceptable price. This may particularly be the case if Notes II remain outstanding for a long period and Crown's financial position or performance, or broader economic or market conditions, materially deteriorate. <p>Interest Payments may be deferred</p> <ul style="list-style-type: none"> While Interest Payments are cumulative, Crown may, in its sole discretion, defer Interest Payments, potentially until the Maturity Date of Notes II. In certain circumstances, Crown may be required to mandatorily defer Interest Payments. However, Crown has an intention, but is not obligated, to pay any Deferred Interest Payments within five years of the deferral of the then longest outstanding Deferred Interest Payment (or earlier in certain circumstances if permitted by the Terms). 	

Topic	Summary	Further information
Important matters to be aware of (cont.)	<ul style="list-style-type: none"> • The ability to defer Interest Payments as permitted by the Terms until the Maturity Date in April 2075 will not be an Event of Default under the Terms and Holders will have no ability to compel payment of Deferred Interest Payments. If Interest Payments are deferred or deferred for an extended period, the price at which Notes II will trade on ASX is likely to be adversely impacted. • Crown's intention to pay Deferred Interest Payments within the five year timeframe referred to above may change (e.g. due to a change in its financial position or another reason). If Crown's intention to make these payments within that five year timeframe does change, Holders will not be paid any such Deferred Interest Payments during that time unless Crown elects to make such payments at its discretion or is otherwise required to make such payments in accordance with the Terms. • Any payment of deferred interest by Crown (including in accordance with Crown's intention to pay within five years of deferral) will include an amount of accumulated additional compound interest. At the time of payment of those deferred interest amounts, any such payment may cause Crown's financial position to deteriorate further from that prevailing prior to the time of payment. • Where Interest Payments are deferred, Australian tax resident Holders who are subject to the Taxation of Financial Arrangements rules should generally be required to include the interest (including the Deferred Interest Payments and interest compounding on Deferred Interest Payments) in their assessable income on a compounding accruals basis. However, various other elective tax timing methods are potentially available, depending on the elections (if any) made, which may change the timing of assessability. New Zealand tax resident Holders who are subject to the New Zealand Financial Arrangement rules may be required to include the interest (including the Deferred Interest Payments and interest compounding on Deferred Interest Payments) in their taxable income. <p>No conversion or voting right</p> <ul style="list-style-type: none"> • Notes II are not convertible into Ordinary Shares (or any other securities) and have no rights to vote. <p>Seek professional advice</p> <ul style="list-style-type: none"> • If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Notes II, you should seek professional guidance from an independent and appropriately licensed or authorised professional adviser before deciding whether to invest. 	Section 1.3, Section 1.5 and Section 5

1. Investment overview

1.2 KEY TERMS OF CROWN SUBORDINATED NOTES II

Topic	Summary	Further information
Interest Payments	<ul style="list-style-type: none"> Interest Payments are amounts of floating rate, cumulative interest payments payable quarterly in arrears, subject to deferral according to the Terms. The Interest Rate applicable to Interest Payments will be equal to the Bank Bill Rate plus the Margin. The Initial Margin is to be determined under the Bookbuild and is expected to be in the range of 4.00% to 4.20% per annum. Interest is to be paid by direct credit or, at Crown's option, by cheque. The Margin will increase by 1.00% (this is referred to as the "Step-up Margin") on 23 July 2041, the Step-up Date. Interest Payments will not have any franking credits attached to them. 	Section 2.2 Clauses 3 and 5.1 of the Terms
Deferral of Interest Payments	<ul style="list-style-type: none"> Crown may defer an Interest Payment at its sole discretion. In certain circumstances, Crown may be required to mandatorily defer Interest Payments. Deferred Interest Payments are cumulative and compounding. Optionally Deferred Interest Payments may be paid on any Interest Payment Date (except in the limited circumstances described in Section 2.3). Mandatorily Deferred Interest Payments may be paid in the circumstances described in the Terms (as summarised below). Crown intends (but is not obliged) to pay any Deferred Interest Payments by no later than the Interest Payment Date immediately following the Interest Payment Date falling five years after the deferral of the then longest outstanding Deferred Interest Payment (or earlier in certain circumstances). Crown's intention to pay Deferred Interest Payments within the five year timeframe referred to above may change (e.g. due to a change in its financial position or another reason). If Crown is unable to make these payments within that five year timeframe or its intention to do so changes, Holders will not be paid any such Deferred Interest Payments during that time unless Crown elects to make such payments at its discretion or is otherwise required to make such payments in accordance with the Terms. In certain circumstances described in the Terms (including on the Maturity Date), Crown must pay Deferred Interest Payments. 	Section 2.3 Clauses 3.4, 3.5, 3.6, 3.7 and 3.8 of the Terms

Topic	Summary	Further information
Deferral of Interest Payments (cont.)	<ul style="list-style-type: none"> • Except in limited circumstances, while any Optionally Deferred Interest Payments are outstanding and provided that no Mandatory Deferral Event (as described below) has occurred which is continuing, Crown is restricted from declaring or paying dividends, interest or distributions on, or redeeming, reducing, cancelling, purchasing or buying back, any Equal Ranking Obligations (including any Notes I), Subsidiary Equal Ranking Obligations, Junior Ranking Obligations or Ordinary Shares (and must procure that its Subsidiaries do not do any of these things). • Crown must defer payment of all Interest Payments until payment is permitted in accordance with the Terms if, on any day which is eight Business Days prior to any Interest Payment Date: (i) a Mandatory Deferral Event exists; (ii) Crown has a solicited rating from the Relevant Rating Agency; and (iii) where the Notes II, in the period from (and including) the Issue Date to (but excluding) the First Call Date, have at all times received the same or a higher category of equity credit from the Relevant Rating Agency as was attributed to the Notes II by the Relevant Rating Agency at the Issue Date. A Mandatory Deferral Event will exist if the Interest Cover Ratio is less than the Minimum Level (being 2.5 times) in relation to a Testing Date, or if the Leverage Ratio is above the Maximum Level (being 5.0 times) in relation to two consecutive Testing Dates. • The Interest Cover Ratio was 8.6 times as at 30 June 2014 and 8.8 times as at 31 December 2014 (on a pro forma basis). The Leverage Ratio was 1.9 times as at 30 June 2014 and 2.5 times as at 31 December 2014 (on a pro forma basis). The Interest Cover Ratio in future periods will depend on the Normalised EBITDA and Relevant Net Interest Paid in each future period. The Leverage Ratio in future periods will depend on the Relevant Gross Debt and Normalised EBITDA in each future period. The Interest Cover Ratio and the Leverage Ratio may deteriorate in future periods for various reasons including the financing of Crown Sydney, Crown Towers Perth and other anticipated growth projects. See Section 4.7 for further information and a sensitivity analysis. • Any payment of deferred interest by Crown (including in accordance with Crown's intention to pay within five years of deferral) will include an amount of accumulated additional compound interest. At the time of the payment of those deferred interest amounts, any such payment may cause Crown's financial position to deteriorate from that prevailing prior to the time of payment and is likely to increase the amount of Net Interest Paid for the purposes of the Interest Cover Ratio calculation. • In the event that Crown's financial profile materially deteriorates in advance of breaching the Interest Cover Ratio or Leverage Ratio, Crown intends (without thereby assuming a legal obligation) to take one or more measures to restore its credit profile (see page 66). 	

1. Investment overview

Topic	Summary	Further information
Maturity Date	<ul style="list-style-type: none"> 23 April 2075 (60 years after the Issue Date), unless redeemed earlier. Crown is not obliged to redeem Notes II before the Maturity Date (unless an Event of Default occurs and is subsisting, and the requisite proportion of Holders specified in the Terms directs or requests the Trustee to notify Crown that Notes II are to be redeemed). The circumstances in which Crown may redeem Notes II before the Maturity Date are described below. 	Section 2.1 Clauses 4.1 and 9.1 of the Terms
Crown's redemption rights	<ul style="list-style-type: none"> Crown may redeem all Notes II on 23 July 2021 (the First Call Date) or on any Interest Payment Date thereafter. Crown may redeem all Notes II at any time if a Change of Control Event, Tax Event, Capital Event or Accounting Event occurs. 	Section 2.4 Clauses 4.2 and 4.3 of the Terms
Holdings' redemption rights	<ul style="list-style-type: none"> Holdings do not have a right to request redemption of Notes II, unless an Event of Default occurs and is subsisting, in which case the requisite proportion of Holdings specified in the Terms may, in summary, direct or request the Trustee to: <ul style="list-style-type: none"> notify Crown that Notes II are to be redeemed (in which case the total Redemption Amount will immediately become due and payable); and institute proceedings for the winding-up of Crown and/or claim in the liquidation of Crown, for the amount payable under the Terms. If this were to occur (and, for example, a liquidator is appointed to wind up Crown), Notes II held by the Holdings will effectively rank as if they were the most junior class of Crown preference shares on issue at that time, that is: <ul style="list-style-type: none"> ahead of Ordinary Shares and Junior Ranking Obligations; equal with any Equal Ranking Obligations (including any Notes I); and behind all other creditors of Crown (other than holders of Equal Ranking Obligations and holders of Junior Ranking Obligations). Deferral of Interest Payments in accordance with the Terms does not constitute an Event of Default. 	Section 2.4.6 Clause 9.1 of the Terms
Step-up Date	<ul style="list-style-type: none"> 23 July 2041. After this date, unless Notes II have been redeemed, the Margin will increase by 1.00% (this is referred to as the "Step-up Margin"). 	Section 2.2 Clauses 3.2 and 17.2 of the Terms
Change of Control Event	<ul style="list-style-type: none"> The Margin will increase by 5.00% if a Change of Control Event occurs and Crown does not elect to redeem all Notes II by the 15th Business Day following that event. 	Section 2.4 Clause 3.9 of the Terms
Security	<ul style="list-style-type: none"> Notes II are unsecured, meaning repayment is not secured by a mortgage, charge or other security over any of Crown's assets. 	Section 2.5 Clause 1.1 of the Terms

Topic	Summary	Further information															
Illustration of ranking of Crown's obligations in respect of existing debt instruments and equity	<ul style="list-style-type: none"> Notes II will effectively rank in an Event of Insolvency (e.g. if a liquidator is appointed to wind up Crown) as if they were the most junior class of Crown preference shares on issue at that time, that is: <ul style="list-style-type: none"> ahead of Ordinary Shares and Junior Ranking Obligations; equal with any Equal Ranking Obligations (including any Notes I); and behind all other creditors of Crown (other than holders of Equal Ranking Obligations and holders of Junior Ranking Obligations). The table below illustrates how Notes II would rank upon a liquidation of Crown and Crown's obligations in respect of existing debt facilities, debt instruments and equity. This is a simplified capital structure and does not specifically identify every type of security issued or which may be issued by Crown, or every potential claim against Crown in a liquidation. 	Section 2.5 Clause 2.1 of the Terms															
	<table border="1"> <thead> <tr> <th></th> <th>Existing debt instruments, hybrid instruments and equity</th> <th>Amount drawn / on issue²</th> </tr> </thead> <tbody> <tr> <td>Higher ranking</td> <td>Bank debt, capital market debt (EMTN, A\$ MTN and US PP)</td> <td>\$2,152 million</td> </tr> <tr> <td></td> <td>Preference shares³</td> <td>Nil⁴</td> </tr> <tr> <td></td> <td>Crown Subordinated Notes I and Crown Subordinated Notes II</td> <td>\$532 and \$400⁵ million</td> </tr> <tr> <td>Lower ranking</td> <td>Ordinary Shares</td> <td>\$4,330 million</td> </tr> </tbody> </table>		Existing debt instruments, hybrid instruments and equity	Amount drawn / on issue ²	Higher ranking	Bank debt, capital market debt (EMTN, A\$ MTN and US PP)	\$2,152 million		Preference shares ³	Nil ⁴		Crown Subordinated Notes I and Crown Subordinated Notes II	\$532 and \$400⁵ million	Lower ranking	Ordinary Shares	\$4,330 million	
	Existing debt instruments, hybrid instruments and equity	Amount drawn / on issue ²															
Higher ranking	Bank debt, capital market debt (EMTN, A\$ MTN and US PP)	\$2,152 million															
	Preference shares ³	Nil ⁴															
	Crown Subordinated Notes I and Crown Subordinated Notes II	\$532 and \$400⁵ million															
Lower ranking	Ordinary Shares	\$4,330 million															
Listing	<ul style="list-style-type: none"> Application will be made for Notes II to be quoted on ASX under the code "CWNHB". 	Section 2.1															

2. As at 31 December 2014.

3. This does not include the Notional Preference Shares described in Clause 2.1 of the Terms.

4. Currently Crown does not have any preference shares on issue.

5. Assumes \$400 million is raised through the Offer as at 31 December 2014.

1. Investment overview

1.3 COMPARISON BETWEEN ORDINARY SHARES, CROWN SUBORDINATED NOTES I, CROWN SUBORDINATED NOTES II AND BONDS ISSUED BY CROWN

There are differences between Ordinary Shares, Notes I, Notes II and bonds issued by Crown. You should consider these differences in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) before deciding whether to invest in Notes II.

The following comparison is a summary only, and does not encompass all of Crown's funding sources. For further information about Crown's funding sources and capital management strategy, refer to Section 4.8.

	Ordinary Shares	Crown Subordinated Notes I	Crown Subordinated Notes II	Bonds
Legal form	Shares	Notes	Notes	Notes or debentures
Security	Not applicable	Unsecured	Unsecured	Typically unsecured
Ranking⁶	Rank behind all other securities and obligations	Rank ahead of Ordinary Shares and Junior Ranking Obligations, equally with Equal Ranking Obligations (including Notes II) and behind all unsubordinated creditors and all other creditors mandatorily preferred by law	Rank ahead of Ordinary Shares and Junior Ranking Obligations, equally with Equal Ranking Obligations (including Notes I) and behind all unsubordinated creditors and all other creditors mandatorily preferred by law	Bonds are typically unsubordinated, meaning that they rank ahead of all subordinated creditors and all classes of shares
Term	Perpetual (unless bought back)	60 years (maturity date 14 September 2072)	60 years (maturity date 23 April 2075)	Typically three to 15 years
Distribution Rate	Variable	Floating, Bank Bill Rate +5.00% p.a.	Floating, Bank Bill Rate +4.00% to 4.20% p.a.	Typically fixed
Call date(s)	Not applicable	From 14 September 2018 (or earlier in certain circumstances)	From 23 July 2021 (or earlier in certain circumstances)	Typically none
Payments	Dividends, payable at the absolute discretion of the Board	Interest Payments, deferrable at the absolute discretion of Crown, and in certain circumstances must be deferred	Interest Payments, deferrable at the absolute discretion of Crown, and in certain circumstances must be deferred	Interest payments, typically payable on a compulsory basis with no discretion to defer or cancel payments
Payment amounts	Based on Crown's level of profitability and the Board's prevailing dividend policy (though ultimately at the absolute discretion of the Board)	Based on a floating interest rate equal to the sum of the Bank Bill Rate plus 5.00% per annum	Based on a floating interest rate equal to the sum of the Bank Bill Rate plus the applicable Margin	Typically based on a floating or fixed interest rate

6. See Section 2.5.4 for an illustration of the ranking of Crown's obligations in respect of existing debt instruments, with both debt and equity features (hybrids) and equity.

	Ordinary Shares	Crown Subordinated Notes I	Crown Subordinated Notes II	Bonds
Payment accumulation	None	Any deferred interest payments are cumulative and compounding	Any Deferred Interest Payments are cumulative and compounding	Any unpaid interest payments are typically cumulative and compounding
Participation in Crown's profits on a winding up	Yes	No	No	No
Rights to be repaid at end of term	Not applicable	Yes	Yes	Yes
Voting rights at a general meeting of Crown shareholders	Yes	No	No	No
Transferability	Yes, quoted on ASX as "CWN"	Yes, quoted on ASX as "CWNHA"	Yes, expected to be quoted on ASX as "CWNHB"	Yes, although typically not quoted

1. Investment overview

1.4 OVERVIEW OF CROWN

Topic	Summary	Further information
Overview of Crown	<ul style="list-style-type: none"> • Crown is one of Australia's largest entertainment and gaming groups with businesses and investments in Australia, Asia, the United Kingdom and the United States. • Crown has plans to develop Crown Sydney, an iconic six star hotel resort, including VIP gaming facilities, at Barangaroo South, Sydney. • In addition, Crown has announced plans to develop a casino resort in Las Vegas and a five star hotel and apartment complex on the site adjacent to Crown Melbourne. Crown together with its consortium partner, Greenland Holdings Group, has also lodged a response to the Queensland Government's Request for Detailed Proposals for the Queen's Wharf Brisbane site. • Crown is an S&P/ASX 50 company listed on ASX with a market capitalisation of approximately \$10.0 billion as at 13 March 2015. 	Section 3
A leading operator and developer of integrated resorts and entertainment facilities	<ul style="list-style-type: none"> • Crown wholly owns and operates the Crown Entertainment Complex in Melbourne, Victoria ("Crown Melbourne") and the Crown Perth Entertainment Complex in Perth, Western Australia ("Crown Perth"), which are two of Australia's leading integrated resorts. • Crown Melbourne comprises a casino, three hotels, function rooms, award winning restaurants and world-class shopping and entertainment facilities <ul style="list-style-type: none"> – licensed to operate 2,628 gaming machines and 540 table games; – casino licence extends to 2050; – award winning VIP facilities; – attracts significant patronage from overseas, particularly from the Asian region; and – caters to both high-end and mass market customers. • Crown Perth comprises a casino, two hotels (with a third under construction), a state of the art convention centre and award winning food and beverage outlets <ul style="list-style-type: none"> – currently has approval to operate 2,300 gaming machines and 295 table games; – casino licence effectively extends to 2060; – attracts significant patronage from overseas, particularly from the Asian region; and – caters to both high-end and mass market customers. 	

Topic	Summary	Further information
A leading operator and developer of integrated resorts and entertainment facilities (cont.)	<ul style="list-style-type: none"> • Crown also wholly owns and operates Crown Aspinall's in Mayfair, London <ul style="list-style-type: none"> – high-end London casino; and – one of only five licensed high-end casinos in the prime West End entertainment district. • Crown has plans to develop Crown Sydney, an iconic six star hotel resort, including VIP gaming facilities, at Barangaroo South, Sydney. Crown's plan includes 350 hotel rooms and suites, luxury apartments, signature restaurants, bars, retail outlets, pool and spa facilities, conference rooms and VIP gaming facilities. • In addition, Crown has announced plans to develop a casino resort in Las Vegas and a five star hotel and apartment complex on the site adjacent to Crown Melbourne. Crown together with its consortium partner, Greenland Holdings Group, has also lodged a response to the Queensland Government's Request for Detailed Proposals for the Queen's Wharf Brisbane site. 	Section 3.2
Holder of a significant interest in Melco Crown Entertainment Limited ("Melco Crown" or "MCE")	<ul style="list-style-type: none"> • Crown holds a 34.3% equity interest in Melco Crown⁷. • Melco Crown is a developer, owner and operator of integrated resorts in Macau and the Philippines. • Melco Crown is one of six companies granted regulatory concessions or sub-concessions to operate casinos in Macau. Melco Crown's properties in Macau include City of Dreams, Altira Macau and the Mocha Clubs. Melco Crown also has a 60% equity interest in Macau Studio City, an integrated resort project being developed jointly by MCE and New Cotai Holdings, LLC. The Macau gaming market is experiencing weak trading conditions. Gross gaming revenue across the Macau market has been significantly lower than in the prior year. See sections 4 and 5.3.20. • In the Philippines, Melco Crown, through its 68.8% owned subsidiary Melco Crown (Philippines) Resorts Corporation, has an interest in a consortium that operates City of Dreams Manila, which conducted a successful grand opening in February 2015. • Melco Crown is dual listed on NASDAQ and Stock Exchange of Hong Kong with a market capitalisation of US\$11.6 billion as at 13 March 2015. MCE is in the process of seeking the necessary approvals to de-list from SEHK. 	Sections 3.2.4, 4 and 5.3.20

7. As at January 2015.

1. Investment overview

Topic	Summary	Further information
Investments in other assets that complement Crown's businesses	<ul style="list-style-type: none"> • Crown also holds interests in online wagering through: <ul style="list-style-type: none"> – Betfair: an online betting exchange (100.0% interest); and – CrownBet: an online sports book business (67.0% interest). • Crown has investments in: <ul style="list-style-type: none"> – Aspers Holdings (Jersey) Limited: a regional casino business in the United Kingdom (50.0% interest); and – Cannery Casino Resorts LLC: an operator of casinos in Pittsburgh and Las Vegas, catering to local and regional customers (24.5% interest). 	Section 3.2.5
Strong financial profile and performance	<ul style="list-style-type: none"> • In the financial year ended 30 June 2014, Crown generated revenue of \$3,094 million and Statutory Profit of \$656 million and in the half year ended 31 December 2014, Crown generated revenue of \$1,707 million and Statutory Profit of \$202 million. • Crown has consistently paid a dividend every year since listing on ASX in 2007 (post the PBL demerger). 	Section 4
Experienced and proven management team	<ul style="list-style-type: none"> • Crown's management team is experienced in developing and operating integrated resorts and entertainment complexes, catering to both high-end and mass market clientele, as well as in providing other leisure services and facilities. • Crown has a track record of successfully delivering large scale and complex projects. 	Section 8.2

1.5 KEY RISKS ASSOCIATED WITH CROWN SUBORDINATED NOTES II

Topic	Summary	Further information
Notes II are subordinated obligations	<ul style="list-style-type: none"> There may be a shortfall of funds to pay all amounts ranking senior to and equally with Notes II in an Event of Insolvency. This would result in Holders not receiving any payment if claims ranking senior to Notes II were not satisfied in full, or otherwise not receiving a full return of capital or any interest due but unpaid at that time. 	Section 5.1.1
Interest Payments may be deferred	<ul style="list-style-type: none"> A deferral of Interest Payments will mean that Holders will not receive payment of an amount of interest for a period of time. Crown may in its sole discretion defer Interest Payments at any time. Crown must defer payment of all Interest Payments until payment is permitted in accordance with the Terms if, on any day which is eight Business Days prior to any Interest Payment Date: (i) a Mandatory Deferral Event exists; (ii) Crown has a solicited rating from the Relevant Rating Agency; and (iii) where the Notes II, in the period from (and including) the Issue Date to (but excluding) the First Call Date, have at all times received the same or a higher category of equity credit from the Relevant Rating Agency as was attributed to the Notes II by the Relevant Rating Agency at the Issue Date. A Mandatory Deferral Event will exist if the Interest Cover Ratio⁸ is less than the Minimum Level (being 2.5 times) in relation to a Testing Date, or if the Leverage Ratio⁸ is above the Maximum Level (being 5.0 times) in relation to two consecutive Testing Dates. Crown's Interest Cover Ratio was 8.6 times as at 30 June 2014 and 8.8 times as at 31 December 2014 (on a pro forma basis). Crown's Leverage Ratio was 1.9 times as at 30 June 2014 and 2.5 times as at 31 December 2014 (on a pro forma basis). The Interest Cover Ratio in future periods will depend on the Normalised EBITDA and Relevant Net Interest Paid in each future period. The Leverage Ratio in future periods will depend on the Relevant Gross Debt and Normalised EBITDA in each future period. The Interest Cover Ratio and the Leverage Ratio may deteriorate in future periods for various reasons including the financing of Crown Sydney, Crown Towers Perth and other anticipated growth projects. See Section 4.7 for further information and a sensitivity analysis. Crown may also be prevented from making Interest Payments by the terms of other securities (such as Notes I) if an interest payment or other distribution has not been paid on those securities. If such a constraint applies, Crown may not be able to make Interest Payments on Notes II without the approval of the holders of those other securities. A deferral of Interest Payments may have negative consequences for Holders, including, but not necessarily limited to, deferring for an extended period of time the date on which Interest Payments are received by Holders. This may have an adverse effect on the financial position of Holders. Deferral of Interest Payments may also have an adverse effect on the market price of Notes II. 	Sections 2.3.1, 2.3.5 and 5.1.2

8. Interest Cover Ratio and Leverage Ratio are defined in the Terms and discussed in further detail in Section 4.7.

1. Investment overview

Topic	Summary	Further information
Interest Payments may be deferred (cont.)	<ul style="list-style-type: none"> • If there is a material deterioration in the business or financial performance of Crown (including in relation to the Interest Cover Ratio or the Leverage Ratio) this may increase the risk of an Interest Payment being deferred (or the expectation that Interest Payments may be deferred) and this may have an adverse effect on the market price of Notes II. • As a result, the market price of Notes II may be more volatile than the market prices of other debt securities that are not subject to such payment deferral rights. 	
Australian taxation risk of Deferred Interest Payments	<ul style="list-style-type: none"> • Notes II should be “traditional securities” and not “qualifying securities” for taxation purposes. Generally, the Taxation of Financial Arrangements rules should not apply to: <ul style="list-style-type: none"> – individuals; – superannuation funds and managed investment funds with assets of less than \$100 million; – authorised deposit-taking institutions and securitisation vehicles with aggregated turnover of less than \$20 million; and – other entities with aggregated turnover of less than \$100 million, financial assets of less than \$100 million and assets of less than \$300 million, <p>unless they have elected for those rules to apply. However, if the Commissioner of Taxation takes the view that Notes II are “qualifying securities”, and that view ultimately prevails, Holders of the above type of entities would be subject to the Taxation of Financial Arrangements rules.</p> • Where Interest Payments are deferred, Australian tax resident Holders who are subject to the Taxation of Financial Arrangements rules should generally be required to include the interest (including the Deferred Interest Payments and interest compounding on Deferred Interest Payments) in their assessable income on a compounding accruals basis. However, various other elective tax timing methods are potentially available, depending on the elections (if any) made, which may change the timing of assessability. 	Sections 5.1.3 and 7
Notes II are long-dated securities	<ul style="list-style-type: none"> • Notes II will mature on 23 April 2075 (the Maturity Date). Although Crown may redeem Notes II in certain circumstances prior to the Maturity Date, Crown is under no obligation to do so unless an Event of Default occurs and is subsisting and the requisite proportion of Holders specified in the Terms directs or requests the Trustee to notify Crown that Notes II are to be redeemed. • Holders should be aware that they may be required to bear financial risks associated with an investment in long-dated securities. 	Section 5.1.4
Changes in Interest Rate	<ul style="list-style-type: none"> • The Interest Rate is calculated by reference to the Bank Bill Rate, which is influenced by a number of factors and may fluctuate over time. • The Interest Rate may become less attractive over time compared to rates of return available on other securities. 	Section 5.1.5

Topic	Summary	Further information
Crown may redeem Notes II under certain circumstances	<ul style="list-style-type: none"> The Redemption Amount may be less than the current market value of Notes II at the time of redemption. The timing of redemption of Notes II may not accord with a Holder's individual financial circumstances or tax position. 	Section 5.1.6
No rights for Holders to request or require redemption	<ul style="list-style-type: none"> Holders have no right to request or require redemption of Notes II before 23 April 2075 (the Maturity Date), unless an Event of Default occurs and is subsisting, and other conditions are met. Deferral of Interest Payments in accordance with the Terms will not constitute an Event of Default. Unless redeemed by Crown, Holders can only realise their investment in Notes II by a sale on ASX or a private sale or on the Maturity Date. There is a risk that the sale price on ASX or under private sale will be less than the Issue Price or market value of Notes II. Brokerage fees may also be payable if Notes II are sold through a broker. 	Section 5.1.7
No limitation on issuing senior or equal ranking securities	<ul style="list-style-type: none"> Subject to applicable laws, there is no limitation on Crown issuing senior or equal ranking securities. The issue of senior or equal ranking securities or the incurrence of any such other debt obligations may reduce the amount (if any) recoverable by Holders in an Event of Insolvency, increase the likelihood of a deferral of Interest Payments under Notes II and/or adversely affect the market price of Notes II. 	Section 5.1.8
New Zealand investors' currency and tax risk	<ul style="list-style-type: none"> Amounts payable for, or in respect of, Notes II will be in Australian dollars. This may involve a currency exchange risk for a New Zealand tax resident Holder which may be subject to tax in New Zealand where the New Zealand Financial Arrangement rules apply to the New Zealand tax resident Holder. For New Zealand tax resident Holders, to whom the New Zealand Financial Arrangement rules apply, interest should be included in their assessable income (including the Deferred Interest Payments and interest compounding on Deferred Interest Payments). Subject to the comments on Australian withholding tax contained in Section 7, Interest Payments will be received gross, without any reduction for any Australian withholding tax. New Zealand investors should seek their own advice as to the tax treatment in respect of the Notes II having regard to their circumstances. 	Section 5.1.11
Risks related to the market for Crown Subordinated Notes II generally	<ul style="list-style-type: none"> The market price of Notes II may fluctuate and trade below the Issue Price due to various factors, including investor perceptions, economic conditions, interest rates and credit spreads. The market for Notes II is likely to be less liquid than the market for Ordinary Shares. Holders who wish to sell their Notes II may be unable to do so at an acceptable price, if at all. 	Section 5.2
More information about these and other risks associated with Notes II	<ul style="list-style-type: none"> More information about these and other risks associated with Notes II and the market for Notes II generally is contained in Sections 5.1 and 5.2. 	Sections 5.1 and 5.2

1. Investment overview

1.6 KEY RISKS ASSOCIATED WITH CROWN

Topic	Summary	Further information
Regulatory risks	<ul style="list-style-type: none"> • Crown operates in the gambling industry which is highly regulated. • Changes in laws and regulations may adversely affect Crown's operations, financial performance and future prospects. • Regulatory risks include changes in legislation relating to gambling activities, casino licensing and taxation. • Further regulatory risks are detailed in Sections 5.3.1 and 5.3.2. 	Sections 5.3.1 and 5.3.2
Volatility of VIP operations	<ul style="list-style-type: none"> • Crown's VIP operations experience volatility due to the large maximum bet limits and the nature of gambling turnover associated with VIP customers. • Actual financial results from VIP gambling can vary significantly in the short term depending on wins and losses from large bets. • The volatility in the VIP business can result in financial losses. 	Section 5.3.3
Smoking restrictions	<ul style="list-style-type: none"> • Crown's properties are subject to smoking restrictions. • Crown has certain exemptions for its VIP gaming areas from smoking restrictions. • The removal of these exemptions or the introduction of further smoking restrictions may reduce patronage to Crown's properties and negatively impact financial performance. 	Section 5.3.4
Reliance on a limited number of properties	<ul style="list-style-type: none"> • Crown has two major properties in Australia, being Crown Melbourne and Crown Perth, which contribute the majority of Crown's earnings. • Both properties are large and expansive sites and have extensive risk management processes and systems to mitigate the risk of fire, crowd control issues and other risks associated with large venues. • However, there can be no certainty that either of these properties will not be impacted by a catastrophic event which causes significant disruption to Crown's operations and results in financial losses to Crown. • While Crown maintains a level of insurance cover, Crown's insurance policies may not provide coverage for all losses related to Crown's business, including disruption to Crown's operations, and the occurrence of losses, liabilities or damage not covered by such insurance policies could negatively impact Crown's operations and financial performance. 	Section 5.3.5
Brand reputation	<ul style="list-style-type: none"> • The Crown brand is important in attracting customers, including international VIP customers. • Negative publicity associated with Crown may damage Crown's brand reputation, potentially reducing patronage to Crown's properties. 	Section 5.3.6

Topic	Summary	Further information
Competition	<ul style="list-style-type: none"> The worldwide integrated resort industry in which Crown operates is highly competitive. There are a number of Asian jurisdictions which are developing or considering developing integrated resorts that may attract VIP business away from Crown. The casino licences at both Crown Melbourne and Crown Perth are not exclusive and the issue of further casino licences to third parties may have a negative impact on Crown's operations, market share and financial performance. Crown also competes in Melbourne to some extent with the local clubs and pubs that operate gaming machines. 	Section 5.3.7
Development and construction	<ul style="list-style-type: none"> Crown regularly undertakes development and construction activity at its properties. Crown is also undertaking large-scale development projects, including Crown Sydney and in Las Vegas. Development and construction activity is inherently risky and there is no guarantee that adequate returns from capital investment will be achieved. 	Section 5.3.8
Major criminal activity	<ul style="list-style-type: none"> Major criminal activity such as fraud, cheating and money laundering is a risk to Crown's operations. While Crown has extensive counter measures, including anti-counterfeit systems and ongoing engagement with relevant law enforcement bodies, there can be no certainty that major criminal activity does not occur in one of Crown's properties. The occurrence of any such activity could negatively impact Crown's operations and financial performance. 	Section 5.3.17
Key management	<ul style="list-style-type: none"> Crown is dependent on its ability to retain and attract key management and operating personnel. The unexpected loss of any key resources, or the inability to attract personnel with appropriate experience, could negatively impact Crown's operations and financial performance. 	Section 5.3.19
Melco Crown—Macau	<ul style="list-style-type: none"> Crown has a material investment in Melco Crown which operates in the gaming and entertainment sector, exposing it to similar risks that Crown is exposed to. There are also specific risk factors associated with Macau, being a foreign jurisdiction, including, without limitation, travel restrictions imposed by the Chinese Government, changes in laws relating to taxation and gaming, the broadening of smoking restrictions and the occurrence of natural disasters. These risks have the potential to negatively impact Melco Crown's operations which may reduce the value of Crown's investment in Melco Crown. The Macau gaming market is experiencing weak trading conditions. There can be no certainty that trading conditions in the Macau gaming market will improve or that the financial performance of Melco Crown does not deteriorate further which would negatively impact Crown and its financial performance. 	Section 5.3.20
More information about these and other risks associated with Crown	<ul style="list-style-type: none"> More information about these and other risks associated with Crown is contained in Section 5.3. 	Section 5.3

1. Investment overview

1.7 FURTHER INFORMATION ABOUT THE OFFER

Topic	Summary	Further information
When is the Offer Period?	<ul style="list-style-type: none"> The key dates, including details of the Offer Period, are set out on page 3. Further details are included in Section 6. 	Key dates and Section 6
Is there a minimum amount to be raised?	<ul style="list-style-type: none"> No. The Offer is for the issue of Notes II to raise \$400 million, with the ability to raise more or less. 	
Is the Offer underwritten?	<ul style="list-style-type: none"> No. 	
What is the pro forma balance sheet of Crown following the Offer?	<ul style="list-style-type: none"> Refer to Section 4.5, which sets out the pro forma historical consolidated statement of financial position. 	
How is the Offer structured and who can apply?	<ul style="list-style-type: none"> The Offer comprises: <ul style="list-style-type: none"> – an Institutional Offer to Institutional Investors; – a Broker Firm Offer made to eligible clients of Syndicate Brokers; – a Securityholder Offer made to Eligible Securityholders; and – a General Offer made to members of the general public who are resident in Australia or New Zealand. 	Sections 6.1 and 6.2
Who is an Eligible Securityholder?	<ul style="list-style-type: none"> A registered holder of Ordinary Shares or Notes I with a registered address in Australia or New Zealand at 7:00pm (Sydney time) on 13 March 2015 and who is resident in Australia or New Zealand. 	Section 6.2
How can I apply?	<ul style="list-style-type: none"> Broker Firm Applicants should contact their Syndicate Broker. Securityholder Applicants and General Applicants should complete an electronic or paper copy of the Application Form and pay the application monies either electronically or by cheque or money order. 	Section 6.2
What is the allocation policy?	<ul style="list-style-type: none"> The allocation policy for Broker Firm Applicants will be determined by the Syndicate Brokers. Allocations for Securityholder Applicants and General Applicants will be determined by Crown and the Joint Lead Managers after the Closing Date. In the event of any scale back, Securityholder Applicants will be entitled to an allocation of Notes II in priority to General Applicants. Crown will endeavour to provide Securityholder Applicants with an allocation under the Securityholder Offer of at least 50 Notes II. However, Crown does not guarantee any minimum allocation under the Securityholder Offer and the extent of any allocation will ultimately depend on the total level of applications under the Offer. 	Section 6.2
Is there a minimum application size?	<ul style="list-style-type: none"> Your application must be for a minimum of 50 Notes II (\$5,000). If your application is for more than 50 Notes II, then you must apply in incremental multiples of 10 Notes II—that is, in incremental multiples of \$1,000. 	Section 6.2

Topic	Summary	Further information
Is brokerage, commission or stamp duty payable?	<ul style="list-style-type: none"> No brokerage, commission or stamp duty is payable by you on your application. You may be required to pay brokerage if you sell your Notes II on ASX after Notes II have been quoted on ASX. 	Section 6.1
What are the tax implications of investing in Notes II?	<ul style="list-style-type: none"> A general description of the Australian taxation consequences of investing in Notes II is set out in Section 7. That discussion is in general terms and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, investors should seek independent advice in relation to their individual tax position. 	Section 7
When will I receive confirmation that my application has been successful?	<ul style="list-style-type: none"> If you are an applicant in the Securityholder Offer, General Offer or Broker Firm Offer, you will be able to call the Crown Notes II Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday—8:30am to 5:30pm (Sydney time)) from 23 April 2015 to confirm your allocation. Applicants under the Broker Firm Offer will also be able to confirm their allocation of Notes II through the Syndicate Broker from whom they received their allocation. 	Section 6.2
When will Notes II be issued?	<ul style="list-style-type: none"> Crown expects that Notes II will be issued on 23 April 2015. 	Key dates
When will Notes II begin trading?	<ul style="list-style-type: none"> Crown expects that Notes II will begin trading on 24 April 2015 on a deferred settlement basis. 	Key dates
When will Holding Statements be despatched?	<ul style="list-style-type: none"> Crown expects that Holding Statements will be despatched by 28 April 2015. 	Key dates
Where can I find more information about the Offer?	<ul style="list-style-type: none"> If you have any questions in relation to the Offer, please call the Crown Notes II Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday—8:30am to 5:30pm (Sydney time)). If you are a Broker Firm Applicant, you should also contact your Syndicate Broker. 	Section 6

1. Investment overview

1.8 KEY INFORMATION ABOUT PEOPLE, INTERESTS AND BENEFITS

Topic	Summary	Further information
Who are the Crown directors?	<ul style="list-style-type: none"> James D Packer (Chairman) John H Alexander (Executive Deputy Chairman) Benjamin A Brazil The Honourable Helen A Coonan Rowen B Craigie (Chief Executive Officer and Managing Director) Rowena Danziger AM Andrew Demetriou Geoffrey J Dixon Professor John S Horvath AO Michael R Johnston Harold C Mitchell AC <p>In February 2015, Crown announced that its Board resolved to appoint Mr Robert Rankin as a Director, subject to receipt of all necessary gaming regulatory approvals.</p>	Section 8.1
Who are the senior management team?	<ul style="list-style-type: none"> Rowen B Craigie (Chief Executive Officer and Managing Director) Kenneth M Barton (Chief Financial Officer) Barry J Felstead (Chief Executive Officer, Australian Resorts) W Todd Nisbet (Executive Vice President–Strategy & Design) 	Section 8.2
What significant benefits and interests are payable to Directors and other persons associated with the Offer or Crown?	<p>Interest or benefit:</p> <ul style="list-style-type: none"> Directors—Director’s fees. Management—remuneration. Advisers and other service providers—fees for services. Syndicate Brokers – a selling fee of up to 1.00% of the value of Notes II allocated to Syndicate Brokers in the Bookbuild. Participation in the Offer <ul style="list-style-type: none"> Directors (and their associates) may participate in the issue of Notes II. James D Packer and Michael R Johnston are directors of one of Crown’s major shareholders, Consolidated Press Holdings. Consolidated Press Holdings has indicated its intention to Crown to participate in the Securityholder Offer in respect of \$50 million of Notes II, subject to the successful completion of the Bookbuild and the Margin being set within the indicative Bookbuild range of 4.00% to 4.20%. Any application by Consolidated Press Holdings into the General Offer or Securityholder Offer is subject to the allocation policy set out in Section 6.2. 	Section 8.3
How will the expenses of the Offer be paid?	<ul style="list-style-type: none"> The total expenses of the Offer will be paid out of the proceeds of the Offer. 	Section 8.4

1.9 WHAT SHOULD YOU DO?

Topic	Summary
Read this Prospectus in full	<ul style="list-style-type: none"> • If you are considering applying for Notes II under the Offer, this Prospectus is important and should be read in its entirety.
Determine if you are eligible to apply	<ul style="list-style-type: none"> • The Offer is being made to: <ul style="list-style-type: none"> – Institutional Investors; – Broker Firm Applicants who are invited to apply under the Broker Firm Offer; – Eligible Securityholders, who may apply under the Securityholder Offer; and – members of the general public who are resident in Australia or New Zealand, who may apply under the General Offer.
Consider and consult	<ul style="list-style-type: none"> • Consider all risks and other information regarding an investment in Notes II in light of your particular investment objectives and circumstances. • If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Notes II, it is recommended that you seek professional guidance from an independent and appropriately licensed or authorised professional adviser before deciding whether to invest. • ASIC has published guidance for retail investors who are considering investing in hybrid securities (such as Notes II). You can find this guidance by searching 'hybrid securities' at www.moneysmart.gov.au. Retail investors can also call ASIC on 1300 300 630 for further information. ASIC's information on hybrid securities describes, in general terms, potential features of hybrid securities. Investors should carefully assess the specific terms of Notes II as described in this Prospectus, which may differ from the general terms described on the ASIC website.
Complete and submit your Application Form	<ul style="list-style-type: none"> • The application process varies depending on whether you participate in the Institutional Offer, Broker Firm Offer, Securityholder Offer or General Offer. • See Section 6 for more details. • The Offer may close early so, if you wish to apply for Notes II, you are encouraged to consider submitting your application as soon as possible after the Opening Date.

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Section 2

About Crown Subordinated Notes II



2. About Crown Subordinated Notes II

This Section provides information about Notes II.

2.1 GENERAL

Topic	Summary	Further information
2.1.1 What are Notes II?	<ul style="list-style-type: none"> Notes II are subordinated notes due for repayment in April 2075, subject to Crown's right to redeem the notes at any time from July 2021 (or earlier in certain circumstances). Notes II entitle Holders to receive quarterly interest payments at a rate equal to the Bank Bill Rate plus a margin (subject to payments being deferred in certain circumstances). Notes II are not convertible into Ordinary Shares or any other securities. 	Clauses 1.1, 2 and 3 of the Terms Section 2.2
2.1.2 What is the Offer?	<ul style="list-style-type: none"> The Offer is for the issue of Notes II to raise \$400 million, with the ability to raise more or less. 	Section 6
2.1.3 What am I required to pay?	<ul style="list-style-type: none"> The Issue Price is \$100 per Note. This is also the Face Value. Applications must be for a minimum of 50 Notes II (\$5,000). If your application is for more than 50 Notes II, then you must apply in incremental multiples of 10 Notes II—that is, incremental multiples of \$1,000. 	Clause 1.2 of the Terms Section 6.2
2.1.4 Why is Crown issuing Notes II of this nature?	<ul style="list-style-type: none"> The Offer forms part of Crown's ongoing capital management strategy and the proceeds will be used for general corporate purposes including financing Crown Sydney, Crown Towers Perth and other anticipated growth projects. Crown expects Notes II to be ascribed an Equity Credit classification for quantitative purposes until 23 July 2021 from the Relevant Rating Agency (Equity Credit is explained in Section 2.1.5). After that date, Crown expects that Notes II will continue to provide some qualitative support in the Relevant Rating Agency's assessment of Crown's credit profile until redemption, having regard to Notes II's subordinated ranking, long tenor and coupon deferral features. Crown also expects that Notes II will provide an amount of Equity Credit for quantitative purposes up to the Maturity Date from the Ratings Agencies (excluding the Relevant Rating Agency). Crown believes that hybrid securities that are ascribed an Equity Credit classification by Rating Agencies (such as Notes II) are an effective capital management tool and intends to utilise such instruments as a component of its capital structure going forward. The issue of Notes II will help support Crown's credit profile by optimising its cost of capital, diversifying its funding sources, improving financial flexibility and extending its debt maturity profile. In Crown's financial statements, Notes II will be classified as debt until redemption. 	Section 4.7
2.1.5 What is Equity Credit?	<ul style="list-style-type: none"> The Equity Credit classification of an instrument provides an indication of the extent to which Rating Agencies treat an instrument as equity rather than as debt when evaluating the quantitative aspects of an issuer's corporate credit rating. An Equity Credit classification is not a credit rating. 	

Topic	Summary	Further information
2.1.5 What is Equity Credit? (cont.)	<ul style="list-style-type: none"> • Crown expects the Relevant Rating Agency to initially ascribe an Intermediate Equity Credit classification to Notes II. In addition, the other Rating Agencies are expected to initially ascribe an Equity Credit classification to Notes II. • Under the Relevant Rating Agency’s methodology as at the date of this Prospectus, instruments that are ascribed an Intermediate Equity Credit classification are treated 50% as equity and 50% as debt in the Relevant Rating Agency’s assessments of Crown’s credit profile. 	
2.1.6 What is the term and maturity of Notes II?	<ul style="list-style-type: none"> • 60 years (maturing on 23 April 2075 (the “Maturity Date”)), unless redeemed before that date. The circumstances in which Crown may redeem Notes II before 23 April 2075 are described in Section 2.4. • In particular, Crown may elect to redeem Notes II at its option on 23 July 2021 (or, if that day is not a Business Day, the next Business Day) or any Interest Payment Date thereafter, but is not obliged to do so. • Crown intends (without thereby assuming a legal obligation) to retain Notes II in its capital structure in circumstances where Crown’s credit profile is materially worse than as at the date of this Prospectus, unless it elects to replace Notes II via a redemption under Clause 4.2 of the Terms from 23 July 2021 (or, if that day is not a Business Day, the next Business Day) onwards with a new issue of hybrid or other securities which are ascribed at least the same Equity Credit from the Relevant Rating Agency. • Holders do not have a right to request redemption of Notes II, unless an Event of Default occurs and is subsisting, in which case the requisite proportion of Holders specified in the Terms may, in summary, direct or request the Trustee to: <ul style="list-style-type: none"> – notify Crown that Notes II are to be redeemed (in which case the total Redemption Amount will immediately become due and payable); and – institute proceedings for the winding-up of Crown and/or claim in the liquidation of Crown, for the amount payable under the Terms. • If this were to occur (and, for example, a liquidator is appointed to wind up Crown), Notes II held by the Holders will effectively rank as if they were the most junior class of Crown preference shares on issue at that time, that is: <ul style="list-style-type: none"> – ahead of Ordinary Shares and Junior Ranking Obligations; – equal with any Equal Ranking Obligations (including any Notes I); and – behind all other creditors of Crown (other than holders of Equal Ranking Obligations and holders of Junior Ranking Obligations). 	Section 2.4 Clauses 4.1, 4.2 and 9 of the Terms
2.1.7 Will Notes II be quoted on ASX?	<ul style="list-style-type: none"> • Crown will apply for Notes II to be quoted on ASX and are expected to trade under ASX code “CWNHB”. 	Section 6.3

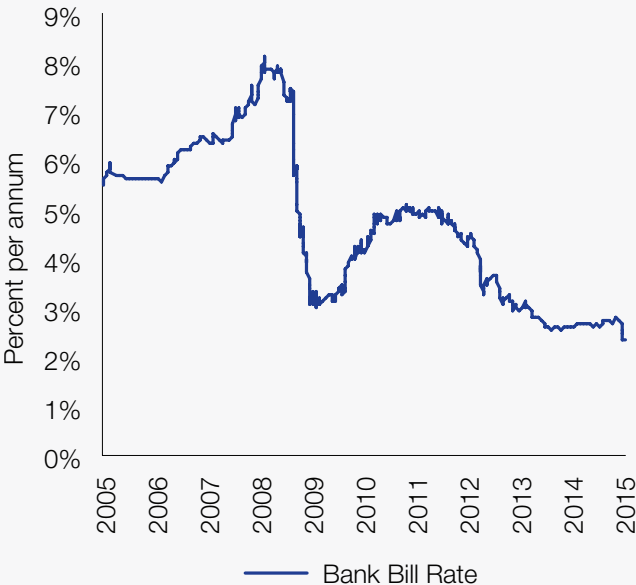
2. About Crown Subordinated Notes II

2.2 INTEREST PAYMENTS

Topic	Summary	Further information								
2.2.1 What are Interest Payments?	<ul style="list-style-type: none"> Interest Payments are amounts of floating rate, cumulative interest payments payable quarterly in arrears, and are subject to deferral. 	Clause 3 of the Terms								
2.2.2 Will Interest Payments be franked or unfranked?	<ul style="list-style-type: none"> Unfranked. Interest Payments will not have any franking credits attached to them. 	Section 7								
2.2.3 How will the Interest Rate be calculated?	<ul style="list-style-type: none"> The Interest Rate will be calculated as the Bank Bill Rate plus the Margin (subject to the step-up described below). The Interest Rate will be calculated as follows until the Step-up Date (see below): <p style="text-align: center;">Interest Rate = Bank Bill Rate + Margin</p> <p>where:</p> <p>Bank Bill Rate means the Bank Bill Rate (expressed as a percentage per annum) on the first Business Day of the Interest Period; and</p> <p>Margin will be determined under the Bookbuild and is expected to be in the range of 4.00% to 4.20% per annum.</p> As an example, assuming the Bank Bill Rate for the first Interest Period is 2.32% per annum and the Margin is 4.00% per annum: <table style="margin-left: 20px; border-collapse: collapse;"> <tr> <td style="padding-right: 20px;">Bank Bill Rate</td> <td>2.32% per annum</td> </tr> <tr> <td>Plus Margin</td> <td>4.00% per annum</td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black; padding-top: 5px;">Illustrative Interest Rate</td> </tr> <tr> <td></td> <td>6.32% per annum</td> </tr> </table> The Margin will increase by 1.00% (Step-up Margin) from the Step-up Date 23 July 2041 or, if that day is not a Business Day, the next Business Day) if Notes II have not been redeemed before that date. 	Bank Bill Rate	2.32% per annum	Plus Margin	4.00% per annum	Illustrative Interest Rate			6.32% per annum	Clause 3.2 of the Terms
Bank Bill Rate	2.32% per annum									
Plus Margin	4.00% per annum									
Illustrative Interest Rate										
	6.32% per annum									

Topic	Summary	Further information										
2.2.4 How will Interest Payments be calculated for each Interest Period?	<ul style="list-style-type: none"> Interest Payments scheduled to be paid on each Interest Payment Date will be calculated using the following formula: $\frac{\text{Interest Rate} \times \text{Face Value} \times \text{N}}{365}$ <p>where:</p> <p>Interest Rate means the rate (expressed as a percentage per annum) calculated as set out in Section 2.2.3;</p> <p>Face Value means \$100 per Note II; and</p> <p>N means the number of days in the Interest Period calculated as set out in the Terms.</p> Following the formula above, if the Interest Rate was 6.32% per annum, then the Interest Payment on each Note for the first Interest Period would be calculated as follows: <table border="1" data-bbox="576 913 1230 1182"> <tbody> <tr> <td>Illustrative Interest Rate</td> <td>6.32% per annum</td> </tr> <tr> <td>Multiplied by the Face Value</td> <td>X \$100.00</td> </tr> <tr> <td>Multiplied by the number of days in the Interest Period</td> <td>X 91</td> </tr> <tr> <td>Divided by 365</td> <td>÷ 365</td> </tr> <tr> <td>Illustrative Interest Payment for the first Interest Period per Note II</td> <td>\$1.58</td> </tr> </tbody> </table> The above example is for illustrative purposes only and does not indicate, guarantee or forecast the actual Interest Payment for the first or any subsequent Interest Period. Actual Interest Payments may be higher or lower than this example. The Interest Rate for the first Interest Period will be set on the Issue Date and will include the Initial Margin to be determined under the Bookbuild. 	Illustrative Interest Rate	6.32% per annum	Multiplied by the Face Value	X \$100.00	Multiplied by the number of days in the Interest Period	X 91	Divided by 365	÷ 365	Illustrative Interest Payment for the first Interest Period per Note II	\$1.58	Clause 3.3 of the Terms
Illustrative Interest Rate	6.32% per annum											
Multiplied by the Face Value	X \$100.00											
Multiplied by the number of days in the Interest Period	X 91											
Divided by 365	÷ 365											
Illustrative Interest Payment for the first Interest Period per Note II	\$1.58											
2.2.5 How will Interest Payments be paid to Holders?	<ul style="list-style-type: none"> Interest Payments will be paid in Australian dollars by direct credit into an account denominated in Australian dollars at a financial institution notified by the Holder to the Registry no later than the Record Date or at Crown's option by cheque sent by prepaid post to the address of the Holder in the Register. Where a payment cannot be made by Crown, for example, where a Holder has not provided account details, or because of another reason described in the Terms, the amount of the uncompleted payment will be held in a non-interest bearing special purpose account maintained by Crown or the Registry and applied in accordance with the Terms. 	Clause 5.1 of the Terms										

2. About Crown Subordinated Notes II

Topic	Summary	Further information
2.2.6 What is the Bank Bill Rate?	<ul style="list-style-type: none"> The Bank Bill Rate is a benchmark interest rate for the Australian money market commonly used by major Australian financial institutions to lend cash to each other over a 90 day period. This rate changes to reflect the supply and demand within the cash market. The graph below illustrates the movement in the Bank Bill Rate over the last 10 years. The rate on 13 March 2015 was 2.32% per annum.  <ul style="list-style-type: none"> The above graph is for illustrative purposes only and does not indicate, guarantee or forecast the actual Bank Bill Rate. The actual Bank Bill Rate for the first and any subsequent Interest Periods may be higher or lower than the rates in the above graph. 	Clause 3.2 of the Terms
2.2.7 When are the Interest Payment Dates?	<ul style="list-style-type: none"> Interest Payments are scheduled to be paid quarterly in arrears on the Interest Payment Dates, being each 14 March, 14 June, 14 September, 14 December in each year, unless deferred in accordance with the Terms. If any of these dates are not Business Days, then the Interest Payment Date will occur on the next Business Day. The first Interest Payment Date, 14 June 2015, is not a Business Day and will therefore occur on the next Business Day, 15 June 2015. 	Clauses 3.1, 3.3 and 17.2 of the Terms

2.3 DEFERRAL OF INTEREST PAYMENTS

Topic	Summary	Further information
2.3.1 Is Crown permitted to defer Interest Payments at its discretion?	<ul style="list-style-type: none"> • Yes. Crown may, at its sole discretion, defer any Interest Payment. If any Optionally Deferred Interest Payments remain outstanding five years after the deferral of the then longest outstanding Optionally Deferred Interest Payment, Crown intends (but is not obliged) to make those payments on the next following Interest Payment Date. However, Crown's intention to pay Optionally Deferred Interest Payments within the five year timeframe referred to above may change (e.g. due to a change in its financial position or another reason). If Crown is unable to make these payments within that five year timeframe or its intention to do so changes, Holders will not be paid any such Optionally Deferred Interest Payments during that time unless Crown changes its intention or is otherwise required to make such payments in accordance with the Terms. • Crown must notify the Holders and the Trustee of any such optional deferral, not less than 16 Business Days prior to the relevant Interest Payment Date. 	Clauses 3.4 and 3.6 of the Terms
2.3.2 Is Crown permitted to pay any outstanding Optionally Deferred Interest Payments at any time?	<ul style="list-style-type: none"> • Yes, Crown may pay any outstanding Optionally Deferred Interest Payments at its discretion, unless a Mandatory Deferral Event exists. 	Clause 3.6(a) of the Terms
2.3.3 Is Crown required to pay Optionally Deferred Interest Payments in any circumstances?	<ul style="list-style-type: none"> • All Optionally Deferred Interest Payments must be paid if any of the following occur: <ul style="list-style-type: none"> – any dividend, distribution or interest is paid on any Equal Ranking Obligations (including any Notes I), Junior Ranking Obligations, Subsidiary Equal Ranking Obligations, Subsidiary Junior Ranking Obligations, Ordinary Shares or Notes II (except in limited circumstances), unless a Mandatory Deferral Event exists; – any redemption, purchase, buy-back or capital return is made of or in relation to any Equal Ranking Obligations (including any Notes I), Junior Ranking Obligations, Subsidiary Equal Ranking Obligations, Subsidiary Junior Ranking Obligations, Ordinary Shares or Notes II (except in limited circumstances), unless a Mandatory Deferral Event exists; – Notes II mature on 23 April 2075; – all Notes II are otherwise redeemed; or – an order is made or a resolution is passed for the winding-up of Crown. 	Clauses 3.6(b) and 17.2 of the Terms

2. About Crown Subordinated Notes II

Topic	Summary	Further information
2.3.4 What are the consequences of optionally deferring an Interest Payment?	<ul style="list-style-type: none"> • If Crown has optionally deferred an Interest Payment, it must not (and must procure that its Subsidiaries do not) (except in limited circumstances): <ul style="list-style-type: none"> – declare or pay any dividend, distribution or interest on any Equal Ranking Obligations (including any Notes I), Subsidiary Equal Ranking Obligations, Junior Ranking Obligations, Subsidiary Junior Ranking Obligations or Ordinary Shares; or – redeem, reduce, cancel, purchase or buy-back (or procure the redemption, reduction, cancellation, purchase or buy-back of) any Equal Ranking Obligations (including any Notes I), Junior Ranking Obligations or Ordinary Shares, <p>and must procure that each Subsidiary does not:</p> <ul style="list-style-type: none"> – declare or pay any dividend, distribution or interest, on any Subsidiary Equal Ranking Obligations and Subsidiary Junior Ranking Obligations (other than a payment permitted by the Terms); or – redeem, reduce, cancel, purchase or buy-back any Subsidiary Equal Ranking Obligations and Subsidiary Junior Ranking Obligations, <p>until the date on which all Optionally Deferred Interest Payments have been paid in full or all Notes II have been redeemed.</p>	Clause 3.5 of the Terms
2.3.5 Is Crown required to defer Interest Payments in any circumstances?	<ul style="list-style-type: none"> • Yes. Interest Payments must be deferred if, on any day which is eight Business Days prior to any Interest Payment Date: <ul style="list-style-type: none"> – a Mandatory Deferral Event exists (this event will exist if the Interest Cover Ratio is less than the Minimum Level (being 2.5 times) in relation to a Testing Date, or if the Leverage Ratio is above the Maximum Level (being 5.0 times) in relation to two consecutive Testing Dates). A Mandatory Deferral Event may occur if there is, for example, a material deterioration in the financial profile of Crown that adversely affects the Interest Cover Ratio or Leverage Ratio. For details on how these ratios are calculated, see Section 4.7; and – Crown has been given a solicited rating from the Relevant Rating Agency, <p>until payment is permitted in accordance with the Terms (e.g. where a Mandatory Deferral Event ceases as more fully described in the Terms and Section 2.3.6 below).</p> <ul style="list-style-type: none"> • In the event that Crown's financial profile materially deteriorates such that it risks having an Interest Cover Ratio below the Minimum Level or a Leverage Ratio above the Maximum Level, Crown intends (without thereby assuming a legal obligation) to take one or more measures to support these financial ratios and restore its credit profile. These measures may include asset sales, further equity issuance, discontinuation of certain businesses, suspension of ordinary dividends, suspension of any share buy-backs and/or changes to Crown's other financial policies. • Crown must notify the Holders and the Trustee of any such mandatorily required deferral, not less than five Business Days prior to the relevant Interest Payment Date. 	Clauses 3.7 and 17.2 of the Terms

Topic	Summary	Further information
2.3.6 Is Crown permitted to pay any Mandatorily Deferred Interest Payments at its discretion at any time before they finally become payable?	<ul style="list-style-type: none"> • No. Crown may only pay Mandatorily Deferred Interest Payments if: <ul style="list-style-type: none"> – the Interest Cover Ratio in relation to a Testing Date is not below the Minimum Level and the Leverage Ratio in relation to two consecutive Testing Dates is not above the Maximum Level; – five years have elapsed since the payment would have otherwise been due; – the Step-up Date has occurred; – the Maturity Date has occurred; – all Notes II are otherwise redeemed; or – an order is made or a resolution is passed for the winding up of Crown, <p>and provided that neither Crown nor any of its Subsidiaries has declared, paid or made a dividend, other distribution or payment in respect of any Equal Ranking Obligations (including any Notes I), Junior Ranking Obligations, Subsidiary Equal Ranking Obligations, Subsidiary Junior Ranking Obligations or Ordinary Shares (other than in respect of employee incentive plans of Crown), Crown has not redeemed, reduced, cancelled, purchased or otherwise acquired any Equal Ranking Obligations (including any Notes I), Junior Ranking Obligations or any of its Ordinary Shares, and no Subsidiary of Crown has redeemed, reduced, cancelled, purchased or otherwise acquired any Subsidiary Equal Ranking Obligations or Junior Ranking Obligations, in each case when a Mandatory Deferral Event occurs.</p> • Even where these requirements are satisfied, Crown may in some circumstances be able to optionally defer the relevant Interest Payment, in which case the consequences described in Section 2.3.4 would apply. • If any Mandatorily Deferred Interest Payments remain outstanding five years after the deferral of the then longest outstanding Mandatorily Deferred Interest Payment, Crown intends to make those payments on the following Interest Payment Dates. However, Crown's intention to pay Mandatorily Deferred Interest Payments within the five year timeframe referred to above may change (e.g. due to a change in its financial position or another reason). If Crown is unable to make these payments within that five year timeframe or its intention to do so changes, Holders will not be paid any such Mandatorily Deferred Interest Payments during that time unless Crown changes its intention or is otherwise required to make such payment in accordance with the Terms. 	Clauses 3.8 and 17.2 of the Terms

2. About Crown Subordinated Notes II

Topic	Summary	Further information
2.3.7 Is Crown required to pay Mandatorily Deferred Interest Payments in any circumstances?	<ul style="list-style-type: none"> • Yes. If Crown or a Subsidiary of Crown has declared, paid or made a dividend, other distribution or payment in respect of any Equal Ranking Obligations (including any Notes I), Junior Ranking Obligations, Subsidiary Equal Ranking Obligations, Subsidiary Junior Ranking Obligations or Ordinary Shares (other than in respect of employee incentive plans of Crown) or Crown has redeemed, reduced, cancelled, purchased or otherwise acquired any Equal Ranking Obligations (including any Notes I), Junior Ranking Obligations or any of its Ordinary Shares or a Subsidiary of Crown has redeemed, reduced, cancelled, purchased or otherwise acquired any Subsidiary Equal Ranking Obligations or Subsidiary Junior Ranking Obligations, in each case, when a Mandatory Deferral Event exists, Crown will be required to pay any and all Mandatorily Deferred Interest Payments on the earliest of: <ul style="list-style-type: none"> – when the Mandatory Deferral Event ceases; – on the fifth anniversary of the initial deferral, even if the Mandatory Deferral Event is continuing; or – the Step-up Date. <p>(If Crown and any of its Subsidiaries has not declared, paid or made a dividend, other distribution or payment in respect of any Equal Ranking Obligations (including any Notes I), Junior Ranking Obligations, Subsidiary Equal Ranking Obligations, Subsidiary Junior Ranking Obligations or Ordinary Shares (other than in respect of employee incentive plans of Crown) or Crown has not redeemed, reduced, cancelled, purchased or otherwise acquired any Equal Ranking Obligations (including any Notes I), Junior Ranking Obligations or any of its Ordinary Shares and no Subsidiary of Crown redeemed, reduced, cancelled, purchased or otherwise acquired any Subsidiary Equal Ranking Obligations or Subsidiary Junior Ranking Obligations, in each case, when a Mandatory Deferral Event exists, as described above, the above requirements to pay these Interest Payments will not apply, and Crown may elect to defer payment of them).</p> <ul style="list-style-type: none"> • Crown must also pay any and all Mandatorily Deferred Interest Payments in certain other circumstances, including, if all Notes II are redeemed at the Maturity Date or earlier in accordance with the Terms, or if an order is made or resolution is passed for the winding-up of Crown. 	Clauses 3.8 and 17.2 of the Terms
2.3.8 Are Deferred Interest Payments cumulative?	<ul style="list-style-type: none"> • Yes. Deferred Interest Payments are cumulative and compounding. • Deferred Interest Payments will accrue interest at the prevailing Interest Rate up to but excluding the date of actual payment of that Deferred Interest Payment. This amount will be calculated on a daily basis and compounded quarterly. 	Clause 3.4(a) of the Terms

2.4 REDEMPTION

Topic	Summary	Further information
2.4.1 When can Crown redeem Notes II?	<ul style="list-style-type: none"> • Crown may, subject to applicable laws, elect to redeem Notes II at its option on: <ul style="list-style-type: none"> – 23 July 2021 (the “First Call Date”); or – any Interest Payment Date thereafter. • Crown may, subject to applicable laws, also elect to redeem Notes II at any time if any of the following events occur: <ul style="list-style-type: none"> – Change of Control Event; – Tax Event; – Capital Event; or – Accounting Event. • Unless redeemed earlier, Notes II will be redeemed on 23 April 2075 (the “Maturity Date”) at their Redemption Amount. 	Clauses 4.1, 4.2, and 4.3 of the Terms Sections 2.4.7 and 9.3
2.4.2 What will happen on the First Call Date?	<ul style="list-style-type: none"> • Crown may, but is not obliged to, redeem Notes II on 23 July 2021 (the “First Call Date”). At this time, Crown can redeem Notes II, in which case Holders will receive the Redemption Amount. • Crown expects Notes II to be ascribed an Equity Credit classification for quantitative purposes until the First Call Date from the Relevant Rating Agency. After that date, Crown expects that Notes II will continue to provide some qualitative support in the Relevant Rating Agency’s assessment of Crown’s credit profile until redemption, having regard to Notes II’s subordinated ranking, long tenor and coupon deferral features. • Crown will consider a broad range of factors when evaluating the role of Notes II in its ongoing capital management strategy, including whether to redeem Notes II on the First Call Date or at any other time prior to the Maturity Date. Such factors may include the level of Equity Credit support provided by Notes II, as well as Crown’s financial position, strategic initiatives, operational performance, funding requirements and access to capital in the financial markets. • In particular, Crown intends (without thereby assuming a legal obligation) to retain Notes II in its capital structure in circumstances where Crown’s credit profile is materially worse than as at the date of this Prospectus, unless it elects to replace Notes II with a new issue of hybrid or other securities which are ascribed at least the same Equity Credit from the Relevant Rating Agency. 	Clause 4.2 of the Terms

2. About Crown Subordinated Notes II

Topic	Summary	Further information
2.4.3 What will happen in a Change of Control Event?	<ul style="list-style-type: none"> • The Margin will increase by an additional 5.00% if the following criteria are satisfied: <ul style="list-style-type: none"> – a Change of Control Event in relation to Crown occurs; and – Crown does not elect to redeem Notes II following that event within a specified period of time as described in the Terms. • The increase to the Margin will take effect from the date on which that Change of Control Event occurs and accordingly where that date falls in an Interest Period, the Interest Payment for that Interest Period will be increased to reflect the Margin applicable to the days remaining in that Interest Period on and from that date. • Prior to exercising its redemption right, Crown intends (but is not obliged) to make an offer to repurchase any of its senior debt on a Change of Control Event in relation to Crown (other than senior debt that has in its terms a redemption right in favour of holders, or otherwise a requirement for Crown or related bodies corporate to repay that debt in each case, which is triggered by a change of control event in relation to Crown). Any such offer will be at the lower of the relevant debt's market value, or face value plus accrued interest. 	Clause 3.9 of the Terms Section 2.4.7
2.4.4 What will happen on the Maturity Date?	<ul style="list-style-type: none"> • Unless previously redeemed, all outstanding Notes II will be redeemed on the Maturity Date (23 April 2075). 	Clause 4.1 of the Terms
2.4.5 What will I receive on redemption of Notes II?	<ul style="list-style-type: none"> • Holders will receive the sum of: <ul style="list-style-type: none"> – 100% of the Face Value of each Note II being redeemed (i.e. \$100 per Note II) in all cases except where Notes II are being redeemed before the First Call Date pursuant to the occurrence of an Accounting Event or Capital Event in which case Holders will receive 101% of the Face Value of each Note II being redeemed (i.e. \$101 per Note II); – all Deferred Interest Payments in respect of that Note II that remain unpaid; and – any accrued but unpaid Interest Payment for the final Interest Period in respect of that Note II. <p>The aggregate of the above amounts is called the Redemption Amount.</p> • Payment of any Redemption Amount in respect of a Note II will be made to the person registered at 10:00am on the Redemption Date as the Holder of that Note II. • Refer to Section 2.5.3 for information on what may be received if an Event of Insolvency occurs. 	Clauses 4.1, 4.2, 4.3, 5.1 and 17.2 of the Terms

Topic	Summary	Further information
2.4.6 Can I request redemption before the Maturity Date?	<ul style="list-style-type: none"> • No. Holders do not have a right to request redemption of Notes II, unless an Event of Default occurs and is subsisting, in which case the requisite proportion of Holders specified in the Terms may, in summary, direct or request the Trustee to: <ul style="list-style-type: none"> – notify Crown that Notes II are to be redeemed (in which case the total Redemption Amount will immediately become due and payable); and – institute proceedings for the winding-up of Crown and/or claim in the liquidation of Crown, for the amount payable under the Terms. <p>If this were to occur (and, for example, a liquidator is appointed to wind up Crown), Notes II held by the Holders will effectively rank as if they were the most junior class of Crown preference shares on issue at that time, that is:</p> <ul style="list-style-type: none"> – ahead of Ordinary Shares and Junior Ranking Obligations; – equal with any Equal Ranking Obligations (including any Notes I); and – behind all other creditors of Crown (other than holders of Equal Ranking Obligations and holders of Junior Ranking Obligations). <ul style="list-style-type: none"> • Deferral of Interest Payments in accordance with the Terms does not constitute an Event of Default. 	Clause 9.1 of the Terms
2.4.7 What is a Change of Control Event, Tax Event, Capital Event or Accounting Event?	<ul style="list-style-type: none"> • A summary of these events, which give Crown the right to redeem Notes II, is as follows: <ul style="list-style-type: none"> – a Change of Control Event will occur if any person (other than Consolidated Press Holdings, Related Bodies Corporate of Consolidated Press Holdings, James D Packer or any of his descendants or related trusts and/or any of the descendants or related trusts of the late KFB Packer) either alone or together with its associates (as defined in the Corporations Act), either in a single transaction or series of related transactions, acquires more than 50% of the voting shares of Crown; – a Tax Event will occur if any Interest Payment would not be deductible for tax purposes as a result of a change in law or interpretation of law; – a Capital Event will occur if Notes II will no longer be eligible for the same or higher category of Equity Credit from a Rating Agency as was initially attributed to Notes II at the time of issue, as a result of a change in a Rating Agency’s assessment criteria. Equity Credit is explained in Section 2.1.5; and – an Accounting Event will occur if there is a change in generally accepted accounting principles and applicable approved accounting standards in Australia after the Issue Date and the Relevant Rating Agency confirms publicly or in writing to Crown that, as a result of this change, the application of Mandatorily Deferred Interest Payments in respect of Notes II will no longer satisfy its criteria for Notes II to receive the same Equity Credit as they received at the time of issue. 	Clauses 4.3 and 17.2 of the Terms

2. About Crown Subordinated Notes II

Topic	Summary	Further information
2.4.8 Can Crown buy Notes II on ASX?	<ul style="list-style-type: none"> Yes. From 23 April 2020, Crown or any Subsidiary of Crown may purchase or procure others to purchase beneficially for its account Notes II in any manner and at any price subject to any applicable laws, the Listing Rules and any rules of any other securities exchange on which any of Notes II are quoted from time to time. Such acquired Notes II may be surrendered for cancellation or held or resold. 	Clause 4.4 of the Terms

2.5 SECURITY AND RANKING

Topic	Summary	Further information
2.5.1 Notes II are described as “unsecured”. What does this mean?	<ul style="list-style-type: none"> Repayment of the Face Value (or other money owing in respect of Notes II) is not secured by a mortgage, charge or other security over any of Crown’s assets. Notes II are “unsecured notes” for the purposes of the Corporations Act (section 283BH). 	Clause 1.1 of the Terms
2.5.2 Notes II are described as “subordinated”. What does this mean and how will Notes II rank in an Event of Insolvency?	<ul style="list-style-type: none"> Claims of Holders in respect of Notes II are subordinated to claims of all other creditors of Crown except holders of Equal Ranking Obligations (including any Notes I) and holders of Junior Ranking Obligations such that, if at any time an Event of Insolvency occurs, the amount payable to Holders will only be paid after amounts owing to all other creditors of Crown (except holders of Equal Ranking Obligations (including any Notes I) and holders of Junior Ranking Obligations) have been paid in full. Crown may create further Equal Ranking Obligations, Junior Ranking Obligations or senior ranking obligations in the future. Holders will rank equally among themselves and equally among the rights and claims of holders of Equal Ranking Obligations (including any Notes I). Holders will rank senior to the rights and claims of holders of any Junior Ranking Obligations and Ordinary Shares. To give effect to the above, the amount payable to a Holder in respect of a Note II if an Event of Insolvency occurs may not be the Redemption Amount (described in Section 2.4.5) but a lesser amount determined in the manner described below. 	Clause 2.1 of the Terms

Topic	Summary	Further information															
2.5.3 What will be payable to Holders if an Event of Insolvency occurs?	<ul style="list-style-type: none"> Notes II will effectively rank in an Event of Insolvency (e.g. if a liquidator is appointed to wind up Crown) as if they were the most junior class of Crown preference shares on issue at that time, that is: <ul style="list-style-type: none"> ahead of Ordinary Shares and Junior Ranking Obligations; equally with Equal Ranking Obligations (including any Notes I); and behind all other creditors of Crown (other than holders of Equal Ranking Obligations (including any Notes I) and holders of Junior Ranking Obligations). There may be a shortfall of funds to pay all amounts ranking senior to and equally with Notes II if an Event of Insolvency occurs. This would result in Holders not receiving any payment if claims ranking senior to Notes II were not satisfied in full, or otherwise not receiving a full return of capital or any interest due and unpaid at that time. 	Clause 2.1 of the Terms															
2.5.4 How do Notes II rank compared to Notes I?	<ul style="list-style-type: none"> Notes II rank equally with Notes I. However, Notes II mature later than Notes I meaning that Notes I are due to be repaid before Notes II. Notes II have similar redemption rights to Notes I; however, Notes I may be redeemed at the option of Crown on 14 September 2018, being earlier than the First Call Date of Notes II. 																
2.5.5 Illustration of ranking of Crown's obligations in respect of existing debt instruments, hybrid instruments and equity upon a liquidation	<ul style="list-style-type: none"> The table below illustrates how Notes II would rank upon a liquidation of Crown against Crown's obligations in respect of existing debt instruments, hybrid instruments and equity. This is a simplified capital structure and does not specifically identify every type of security issued by Crown or every potential claim against Crown in a liquidation. <table border="1"> <thead> <tr> <th></th> <th>Existing debt instruments, hybrid instruments and equity</th> <th>Amount drawn/ on issue⁹</th> </tr> </thead> <tbody> <tr> <td>Higher ranking</td> <td>Bank debt, capital market debt (EMTN, A\$ MTN and US PP)</td> <td>\$2,152 million</td> </tr> <tr> <td></td> <td>Preference shares¹⁰</td> <td>Nil¹¹</td> </tr> <tr> <td></td> <td>Crown Subordinated Notes I and Crown Subordinated Notes II</td> <td>\$532 and \$400¹² million</td> </tr> <tr> <td>Lower ranking</td> <td>Ordinary Shares</td> <td>\$4,330 million</td> </tr> </tbody> </table>		Existing debt instruments, hybrid instruments and equity	Amount drawn/ on issue ⁹	Higher ranking	Bank debt, capital market debt (EMTN, A\$ MTN and US PP)	\$2,152 million		Preference shares ¹⁰	Nil ¹¹		Crown Subordinated Notes I and Crown Subordinated Notes II	\$532 and \$400¹² million	Lower ranking	Ordinary Shares	\$4,330 million	
	Existing debt instruments, hybrid instruments and equity	Amount drawn/ on issue ⁹															
Higher ranking	Bank debt, capital market debt (EMTN, A\$ MTN and US PP)	\$2,152 million															
	Preference shares ¹⁰	Nil ¹¹															
	Crown Subordinated Notes I and Crown Subordinated Notes II	\$532 and \$400¹² million															
Lower ranking	Ordinary Shares	\$4,330 million															

9. As at 31 December 2014.

10. This does not include the Notional Preference Shares described in Clause 2.1 of the Terms.

11. Currently Crown does not have any preference shares on issue.

12. Assumes \$400 million is raised through the Offer as at 31 December 2014.

2. About Crown Subordinated Notes II

2.6 OTHER

Topic	Summary	Further information
2.6.1 Can Crown issue further Notes II or other instruments?	<ul style="list-style-type: none"> • Crown reserves the right to issue further Notes II or other instruments upon such terms as to ranking (including those that rank ahead of Notes II), dividends or interest, conversion, redemption and otherwise as Crown may determine at the time of issue. • Notes II do not confer on Holders any right to subscribe for new securities in Crown, or to participate in any bonus issues. 	Clauses 7 and 8 of the Terms
2.6.2 What voting rights do Notes II carry at meetings of holders of Ordinary Shares?	<ul style="list-style-type: none"> • Holders have no voting rights at meetings of holders of Ordinary Shares. 	
2.6.3 What is an Event of Default?	<ul style="list-style-type: none"> • An Event of Default will occur, in summary, if: <ul style="list-style-type: none"> – Crown fails to pay any Redemption Amount, Interest Payment or Deferred Interest Payment which is due and payable in respect of Notes II within: <ul style="list-style-type: none"> – in the case of any amount representing or in the nature of interest, five Business Days of the due date for payment; and – in the case of any amount representing or in the nature of principal, two Business Days of the due date for payment; or – an order is made (other than an order successfully appealed, dismissed, withdrawn or permanently stayed within 60 days) by a State or Federal Court in the Commonwealth of Australia or a resolution is passed by the shareholders of Crown for the winding-up of Crown (other than for the purposes of a Solvent Reorganisation). • The following will not constitute an Event of Default: <ul style="list-style-type: none"> – the non-payment by Crown of any amount due and payable in respect of any of Notes II in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case as is applicable to such payment; and – deferral of an Interest Payment in accordance with the Terms. 	Clause 17.2 of the Terms

Topic	Summary	Further information
2.6.4 What will happen if an Event of Default occurs?	<ul style="list-style-type: none"> • If an Event of Default occurs and is subsisting, the Trustee may (and must, if so directed by a Special Resolution or so requested in writing by the holders of at least 25% of the total Face Value of Notes II then Outstanding (subject in each case to the Trust Deed)) notify Crown that the Redemption Amount on Notes II is immediately due and payable and institute proceedings for the winding-up of Crown, prove in the winding-up of Crown, or claim in the liquidation of Crown, for the amount payable under the Terms. • The Trustee’s ability to enforce any right or remedy under or in respect of Notes II is limited as provided by the Terms. • The Trustee may not take proceedings to enforce any payment obligation (other than for the winding-up of Crown). • An Event of Default may also trigger cross-default provisions in Crown’s other contracts and debt facilities. • Generally, only the Trustee (and not a Holder) has the right to enforce any right or remedy under or in respect of Notes II (as described in the Terms and the Trust Deed). 	Clauses 9.1 and 9.2 of the Terms
2.6.5 Can Crown amend the Terms?	<ul style="list-style-type: none"> • Yes. In summary, subject to complying with all applicable laws and the Terms, Crown may amend the Terms without the consent of Holders or the Trustee, if the amendment is, in the opinion of Crown: <ul style="list-style-type: none"> – made to cure any ambiguity or correct a manifest error; – of a formal, minor or technical nature; – necessary to comply with any law or the Listing Rules and otherwise not materially prejudicial to the interests of Holders generally; or – is not materially prejudicial to the interests of Holders generally, provided that Notes II will have, following such amendment, an equal or a higher level of Equity Credit ascribed to them by the Relevant Rating Agency and the amendment would not give rise to a Tax Event. • Crown may also amend the Terms if the amendment has been approved by a Special Resolution of Holders. 	Clauses 10.1 and 10.2 of the Terms

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Section 3

About Crown



3. About Crown

3.1 CROWN BUSINESS OVERVIEW

Crown is one of Australia’s largest entertainment and gaming groups. It has businesses and investments in Australia, Asia, the United Kingdom and the United States.

Crown is an S&P/ASX 50 company and listed on ASX with a market capitalisation of approximately \$10.0 billion as at 13 March 2015. In the financial year ended 30 June 2014, Crown generated revenue of \$3,094 million and Statutory Profit of \$656 million and in the half year ended 31 December 2014, Crown generated revenue of \$1,707 million and Statutory Profit of \$202 million.

In Australia, Crown wholly owns and operates the Crown Entertainment Complex in Melbourne, Victoria (“Crown Melbourne”) and the Crown Perth Entertainment Complex in Perth, Western Australia (“Crown Perth”). In the United Kingdom, Crown wholly owns and operates Crown Aspinall’s, a high-end casino in Mayfair, London. Crown also holds interests in online wagering through Betfair Australasia Pty Limited (“Betfair”) (wholly owned) and CrownBet (joint venture).

In addition to Crown’s wholly owned assets, Crown holds a 34.3% equity interest in Melco Crown Entertainment Limited (“Melco Crown” or “MCE”)¹³, an operator of integrated resorts in Macau and the Philippines. Crown also has a portfolio of other investments that complement its businesses.

Crown operating businesses



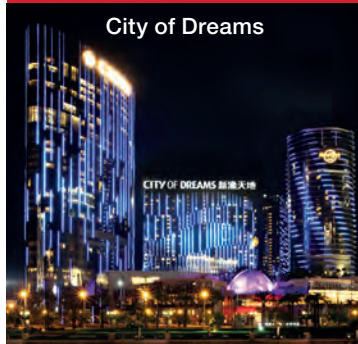
13. As at January 2015.

Crown investments

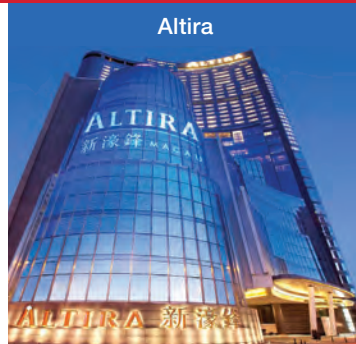


Melco Crown Entertainment

Melco Crown, Macau, Special Administrative Region of the Peoples Republic of China 34.3% interest.



City of Dreams



Altira



Studio City

3.2 DESCRIPTION OF CROWN BUSINESSES

In Australia, Crown wholly owns and operates two of Australia's leading integrated resorts, Crown Melbourne and Crown Perth. Crown Melbourne and Crown Perth attract significant patronage including tourists from overseas, particularly from the Asian region. Both Crown Melbourne and Crown Perth cater to a broad spectrum of gaming customers, such as high-end players who seek out high stakes gaming, and mass market customers, who wager lower stakes and are seeking a broader entertainment experience. Local and non-gaming customers as well as guests at the hotels also visit both properties for the extensive dining, shopping and general entertainment offerings.

In the United Kingdom, Crown wholly owns and operates Crown Aspinall's, an exclusive high-end casino in Mayfair, London.

Crown also holds interests in online wagering through the wholly owned Betfair and the formation of a joint venture with the founding members of BetEasy Pty Ltd ("CrownBet").

Crown has various investments globally which include a 34.3%¹⁴ equity interest in Melco Crown, a company operating integrated resorts in Macau and the Philippines that is dual listed on NASDAQ and Stock Exchange of Hong Kong ("SEHK"). MCE is in the process of seeking the necessary approvals to de-list from the SEHK. In addition, Crown has investments in Cannery Casino Resorts LLC ("Cannery") and Aspers Holdings (Jersey) Limited ("Aspers Group").

14. As at January 2015.

3. About Crown

3.2.1 Crown Melbourne

First opened in 1997, Crown Melbourne is a large integrated resort and has Australia's largest casino, three hotels, function rooms, award winning restaurants and world-class shopping and entertainment facilities. It is a significant driver of tourism within Australia, particularly in Victoria.

On 3 November 2014, the Victorian Commission for Gambling and Liquor Regulation ("VCGLR") amended the Melbourne Casino Licence to give effect to the agreement reached between Crown Melbourne and the Victorian State Government. Details of the agreement are set out later in this Section. Crown Melbourne is licensed to operate 2,628 gaming machines and 540 table games, with a casino licence that extends to 2050.

The casino also includes award winning VIP facilities. Its VIP program is driven by an extensive international clientele, particularly from Asia, while its main gaming floor attracts tourists and locals alike.

Crown Melbourne is home to three hotels, being Crown Towers, Crown Metropal Melbourne and Crown Promenade Melbourne, and two luxurious day spas, being Isika Day Spa and Crown Spa. There are approximately 1,600 guest rooms across the three hotels, ranging from six star luxury to premium five star and quality four star accommodation. Crown and the Schiavello Group are in the process of negotiating final agreements and finalising designs to develop and construct a new luxury five star hotel and apartment complex on a site adjacent to the Crown Melbourne complex.

Crown Melbourne has a wide variety of retail, entertainment and food and beverage offerings. There are more than 40 retail outlets and around 70 restaurants, cafes and bars which provide a large and diverse entertainment offering to cater for a significant number of visitors.

Crown Melbourne also has a 900 seat showroom as well as the 1,500 seat Palladium Ballroom which provides a unique and flexible facility to host various events. In recent years, Crown Melbourne hosted the TV Week Logie Awards, the Cricket Australia Allan Border Medal, the AFL Brownlow Medal and the Australian Masters Golf Gala Dinner.

Crown Melbourne is Australia's largest single-site private sector employer, with a workforce of approximately 9,200 people working on site. In 2013, Crown was awarded the prestigious Australian Employer of the Year at the Australian Training Awards, following the 2013 Victorian Employer of the Year award by the Victorian Government. Crown previously won both awards in 2010.

In February 2014, Crown Melbourne was awarded the 2014 Casino / Integrated Resort of the Year at the prestigious International Gaming Awards (IGA) in London. Considered the definitive awards for outstanding performance in the industry worldwide, it recognised Crown Melbourne's clear vision and innovative approach to attracting both Australian and international guests.

3.2.2 Crown Perth

First opened in 1985, Crown Perth is Perth's premier integrated resort comprising one of Australia's largest casinos, two hotels, a state of the art convention centre and award winning food and beverage outlets. Crown Perth is also a significant tourist attraction in Western Australia.

Crown Perth is licensed to operate 2,300 gaming machines and 295 table games. This approval will increase to:

- 2,400 gaming machines and 320 table games in January 2016; and
- 2,500 gaming machines in January 2017.

The casino licence extends for the life of the Burswood Property Trust (currently until 2060).

Similar to Crown Melbourne, Crown Perth has an extensive international VIP clientele. Crown Perth is in the unique position of being the only venue in Western Australia to offer gaming machines and table games.

Crown Perth has a new \$645 million six star hotel currently under construction, which will add another dimension to Crown Perth's already extensive offering of hotels, resort-style pool facilities, world-class convention centre, gaming options, restaurants, bars, nightclub, 2,300 seat theatre and day spa. The project is proceeding on schedule, with targeted completion by December 2016. The hotel will provide approximately 500 luxury rooms, bringing Crown Perth's capacity to 1,200 and will include VIP gaming salons, restaurants, bars and conference facilities.

Crown Perth is the largest single-site private sector employer in Western Australia with approximately 5,800 people working on site.

3.2.3 Crown Aspinall's

Crown Aspinall's is an exclusive high-end London casino. It is one of only five licensed high-end casinos in London's prime West End entertainment district.

3.2.4 Melco Crown Entertainment Limited

Crown holds a 34.3% equity interest in Melco Crown¹⁵. Melco Crown is a developer, owner and operator of integrated resorts in Macau and the Philippines. It is one of six companies granted regulatory concessions or sub-concessions to operate casinos in Macau.

Melco Crown is dual listed on NASDAQ and SEHK with a market capitalisation of US\$11.6 billion as at 13 March 2015. Crown and Melco International Development Limited each hold 34.3% interests in Melco Crown, with the remaining shares held by a range of institutional and retail shareholders¹⁵.

Melco Crown owns and operates the integrated casino entertainment resort, City of Dreams Macau (with approximately 500 table games and 1,350 gaming machines), and the luxurious casino and hotel, Altira Macau (with approximately 120 table games), while also operating in Macau a network of niche gaming facilities in the Mocha Clubs with approximately 1,300 gaming machines.

In City of Dreams Macau, an iconic fifth hotel tower at City of Dreams is progressing as planned. The new hotel tower is due to open in the first half of 2017.

Macau Studio City

Melco Crown has a 60% equity interest in Macau Studio City, an integrated resort project being developed in Macau jointly by Melco Crown and New Cotai Holdings, LLC. New Cotai Holdings, LLC is an entity controlled by funds managed by Silver Point Capital, L.P. and Oaktree Capital Management, L.P.

Studio City is a large-scale cinematically themed integrated entertainment, retail and gaming resort, which is scheduled to open later in 2015. Upon completion, Studio City will include significant gaming capacity, five star hotel offerings and various entertainment, retail and food and beverage outlets to attract a diverse range of customers. Studio City is designed to capture the increasingly important mass market segment, with its destination theming, unique and innovative interactive attractions, and strong Asian focus.

The Studio City site is located directly adjacent to the Lotus Bridge immigration checkpoint and one of the proposed light rail stations.

City of Dreams Manila

In the Philippines, Melco Crown, through its 68.8% owned subsidiary, Melco Crown (Philippines) Resorts Corporation, has an interest in a consortium that developed and operates City of Dreams Manila, an integrated resort in Manila.

City of Dreams Manila conducted a successful grand opening in February 2015.

The resort offers a world-class collection of brands and attractions, including three hotels with a combined 950 hotel rooms under the Crown Towers, Nobu and Hyatt hotel brands, a family entertainment centre in collaboration with Dreamworks, exciting nightlife including Pangaea and Chaos nightclubs and live performances, numerous food and beverage outlets, retail offerings and market-leading gaming facilities including approximately 270 table games and approximately 1,700 gaming machines.

City of Dreams Manila is located on approximately 6.2 hectares at the gateway of Entertainment City, Manila, close to Metro Manila's international airport and central business district.

15. As at January 2015.

3. About Crown

3.2.5 Wagering

Crown acquired Betfair Group plc's 50% equity interest in Betfair Australasia in August 2014 for consideration of \$10 million.

In December 2014, Crown and BetEasy announced a joint venture (CrownBet) (67% owned by Crown) which involved the combination of BetEasy's sports book business with the sports book business of Betfair.

Neither Betfair nor CrownBet operates retail premises, nor do they have an on-course presence; their services are exclusively provided via the internet or telephone.

3.2.6 Other investments

Crown has the following additional investments:

3.2.6.1 *Aspers Holdings (Jersey) Limited*

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

3.2.6.2 *Cannery Casino Resorts, LLC*

Crown holds a 24.5% equity interest in Cannery which is based in the United States and has operations at:

- The Meadows Racetrack & Casino in Pittsburgh, Pennsylvania; and
- Cannery Casino and East Side Cannery in Las Vegas, Nevada.

3.2.7 Development projects

3.2.7.1 *Crown Melbourne—five star hotel joint venture*

Crown and the Schiavello Group are in the process of negotiating final agreements and finalising designs to develop and construct a new luxury five star hotel and apartment complex on a site adjacent to the Crown Melbourne complex.

It has been agreed in principle that Crown has the right to acquire and manage the hotel on completion and the Schiavello Group has the right to acquire an office and showroom area within the complex. The parties will share the apartment development 50:50. It is not intended that any gaming operations will be conducted in the new building.

The development remains subject to negotiation of a final joint venture agreement, financing arrangements and a construction contract with a builder, as well as planning and other government approvals.

Crown made an initial investment of \$50 million to acquire a 50% share of the land in December 2014. The other 50% owner is the Schiavello Group.

3.2.7.2 *Crown Sydney*

Crown has announced plans to develop and operate an iconic six star hotel resort, including VIP gaming facilities, at Barangaroo South, Sydney with an anticipated gross project cost of \$2.0 billion. Crown's plan includes 350 hotel rooms and suites, luxury apartments, signature restaurants, bars, retail outlets, pool and spa facilities, conference rooms and VIP gaming facilities.

Following the passage of enabling legislation through the New South Wales Parliament, the Independent Liquor and Gaming Authority ("ILGA") issued a restricted gaming licence to Crown on 8 July 2014. Crown cannot commence gaming at Crown Sydney until November 2019.

The development of the Crown Sydney Hotel Resort remains conditional upon receipt of planning approval as well as negotiating final legal agreements with the Barangaroo Delivery Authority and the appointed developer of Barangaroo South, Lend Lease.

The application for approval for amendments to the Barangaroo South Masterplan (including the proposed location of Crown Sydney) was lodged with the Department of Planning on 5 March 2015. The project remains subject to all necessary planning approvals and finalisation of agreements with the Barangaroo Delivery Authority and Lend Lease.

It is currently expected that the remaining planning applications can shortly be lodged and the remaining agreements finalised and signed shortly.

3.2.7.3 Las Vegas

In August 2014, Crown announced that a majority-owned subsidiary had acquired a 34.6-acre site on Las Vegas Boulevard, which was formerly occupied by the New Frontier casino. The site was acquired through a foreclosure auction initiated by lenders to the former owner of the site.

The development plans for the site and the capital structure of the ownership entity are not yet finalised. However, it is expected that Crown will have majority ownership and Crown's total equity investment will be approximately US\$400 million to US\$500 million, with a total project budget of approximately US\$1.6 billion to US\$1.9 billion.

3.2.7.4 Queen's Wharf Brisbane bid

In October 2014, Crown together with its consortium partner, Greenland Holdings Group, lodged a response to the Queensland Government's Request for Detailed Proposals for the Queen's Wharf Brisbane site.

If their bid is successful, Crown and Greenland Holdings Group intend to jointly develop a luxury integrated resort at the Queen's Wharf precinct, including a six star hotel and casino.

Crown intends to manage the integrated resort and have an ownership interest in that part of the precinct.

The assessment process being undertaken by the Queensland Government is ongoing.

3.2.8 Crown Resorts Foundation

In July 2014, a \$200 million National Philanthropic Fund was announced – a joint commitment by the Crown Resorts Foundation and the Packer Family Foundation. The \$200 million National Philanthropic Fund will be allocated over ten years, with \$100 million allocated to the National Arts Fund for eligible charities which promote the arts; and \$100 million allocated to the Community Partnerships and Indigenous Education Fund for eligible charities which support the broader community and, in particular, Indigenous education.

3.3 CROWN'S BUSINESS STRATEGY

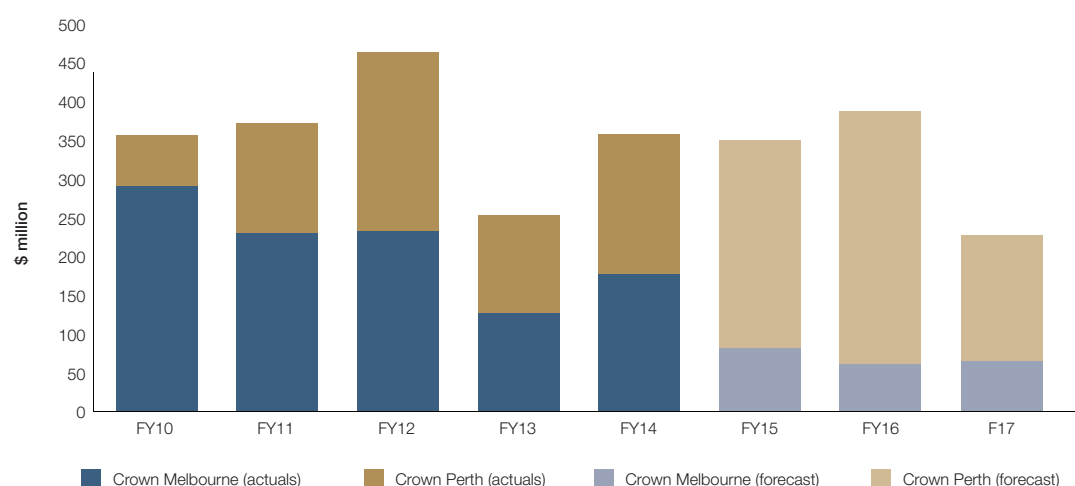
Crown Group	<ul style="list-style-type: none"> • Continue to improve and grow Crown's portfolio of well-recognised, premium branded assets • Leverage Crown's international operations, network, contacts and joint ventures to promote Crown's integrated resorts and operations • Optimise the value of Crown's international investments
Australia	<ul style="list-style-type: none"> • Continue to maximise the performance of Crown Melbourne and Crown Perth • Manage the Australian properties to achieve earnings growth targets by stimulating visitation and tightly managing costs to improve margins • Progress the Crown Towers Perth project, Crown Sydney Hotel Resort project and the Queen's Wharf Brisbane bid to deliver value for shareholders • Explore further growth options in the Australian domestic gaming market, including the potential development at Queen's Wharf
International	<ul style="list-style-type: none"> • Progress the Las Vegas site development to deliver value for shareholders • Continue to maximise the performance of Crown Aspinall's • Continue to work with Crown's joint venture partner in Aspers Group's casinos to optimise performance and drive growth • Develop comprehensive marketing programs • Explore further growth options in the international gaming market
Melco Crown	<ul style="list-style-type: none"> • Work with Melco Crown to execute Melco Crown's business strategy of: <ul style="list-style-type: none"> – continuing to develop junket and non-junket relationships; – building and operating VIP and mass market facilities; and – completing the development of Macau Studio City and the iconic fifth hotel tower at City of Dreams Macau.

3. About Crown

3.3.1 Crown's capital expenditure program

Crown has announced expected capital expenditure in the period from FY10 to FY17 of approximately \$2.8 billion for investing in maintaining, improving and expanding its facilities in Melbourne and Perth to ensure its offering remains internationally competitive. At the end of FY14, approximately \$1.8 billion of this investment had been made. The amount of \$2.8 billion does not include the amounts of capital expenditure referred to in Crown's announcements concerning Crown Sydney, the five star hotel joint venture at the site adjacent to Crown Melbourne, the Las Vegas site development and the Queen's Wharf Brisbane proposal (described above).

Crown's capital expenditure on its Melbourne and Perth properties (as at 30 June 2014)



Crown's capital expenditure program involves investment across the major aspects of Crown's properties and includes maintenance, refurbishments and new construction activity.

Crown has previously completed such projects as the refurbishment of the Crown Melbourne gaming floor, Crown Metropolitan Melbourne, extension of the Mahogany Room and redevelopment of the "West End" at Crown Melbourne.

Construction is underway on Crown Towers Perth, a new six star luxury hotel at Crown Perth. The project is proceeding on schedule, with targeted completion by December 2016. Crown Towers will feature approximately 500 luxury hotel rooms and suites, villas, private gaming salons, restaurants, bars, a grand ballroom, convention centre, luxury retail outlets, resort pool and spa facilities and will bring Crown Perth's capacity to 1,200 hotel rooms. Approximately \$200 million of the \$645 million total budget has been spent through to the end of January 2015.

Property images — Crown Melbourne



Property images and artist impression — Crown Perth



3. About Crown

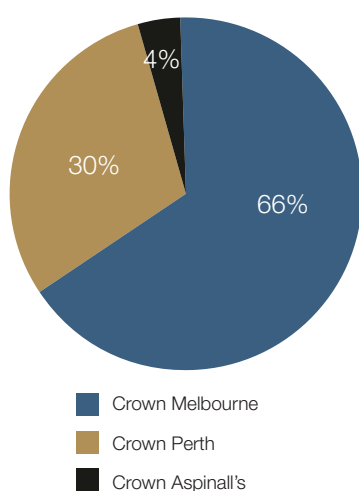
3.4 REVENUE SOURCES

Crown generates revenue from both gaming and non-gaming activities.

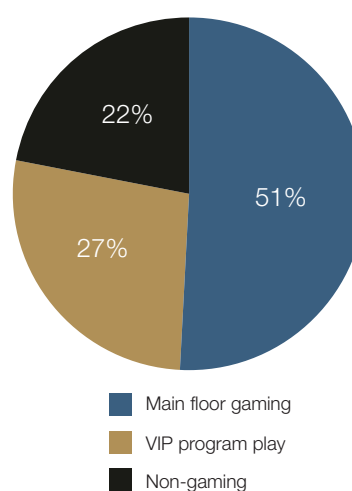
In Crown's gaming operations, revenue is derived from main floor gaming activity which comprises various table games, including traditional table games, semi-automated table games and fully automated table games, and gaming machines which are available to customers who enter Crown's main gaming areas. Crown also has a VIP business which generates revenue from table games and gaming machines played by high-end customers in exclusive private gaming areas.

Non-gaming revenue is derived from a range of activities including accommodation, food and beverage outlets, retail stores and other ancillary revenue streams.

FY14 normalised revenue by business segment



FY14 normalised revenue by type



3.5. CROWN'S KEY LICENCES

Crown Melbourne casino licence – key features

Crown Melbourne is subject to the Casino (Management Agreement) Act 1993 (Vic), the Casino Control Act 1991 (Vic) and the Gaming Regulation Act 2003 (Vic). Crown Melbourne is regulated by the Victorian Commission for Gambling and Liquor Regulation ("VCGLR"). Its role is to oversee the regulation of gambling and liquor in Victoria and ensure the objectives of the Casino Control Act 1991 (Vic) are carried out.

Under a Casino Agreement between Crown Melbourne Limited and the VCGLR, Crown Melbourne Limited currently holds a casino licence which allows it to operate table games and gaming machines at Crown Melbourne, but subject to limits on the number of table games and gaming machines set out in the casino licence. Crown is currently permitted to operate 540 table games (which include traditional table games, semi-automated table games and fully automated table games and 100 poker tables) and 2,628 gaming machines. The Casino Agreement also governs the renewal procedures associated with Crown Melbourne Limited's licence. The Casino Management Agreement between Crown Melbourne Limited and the Victorian Government (which is ratified under the Casino (Management Agreement) Act 1993 (Vic)) sets out the rates of casino tax to be paid by Crown Melbourne. Unless Crown consents, casino taxes cannot be increased and the Melbourne Casino Licence cannot be amended. Certain other regulatory actions adverse to Crown can also trigger compensation payable to Crown.

Crown Melbourne's casino licence is now non-exclusive in Victoria and expires in 2050. Crown Melbourne also holds a 99 year lease from the State of Victoria over the main Crown Melbourne property with expiry due in 2092.

On 3 November 2014, the VCGLR amended the Melbourne Casino Licence to give effect to the agreement reached between Crown Melbourne and the Victorian State Government. The amendments to the Melbourne Casino Licence and the Casino Management Agreement included additional gaming products, an extension of the Melbourne Casino Licence to 2050, the removal of 'Super Tax' on international and interstate VIP program play and the introduction of a regulatory certainty and compensation regime.

In return, Crown Melbourne agreed to make a series of payments to the Victorian State Government comprising:

- a payment of \$250 million, which was paid following the amendment to the Melbourne Casino Licence in November 2014;
- a payment of \$100 million in FY23 if the normalised gaming revenue at Crown Melbourne grows by more than 4.0% per annum (compound) over the period from FY14 to FY22;
- an additional payment of \$100 million in FY23 if the normalised gaming revenue at Crown Melbourne grows by more than 4.7% per annum (compound) over the period from FY14 to FY22; and
- a payment of \$250 million in 2033.

Crown has guaranteed to pay the State a minimum of \$35 million per annum in gaming taxes in relation to new gaming product over the six year period commencing from FY16.

Crown Perth casino licence – key features

Crown Perth is subject to the legal and regulatory framework established under Western Australia law, pursuant to the Casino (Burswood Island) Agreement Act 1985 (WA) and the Casino Control Act 1984 (WA).

Under the Casino (Burswood Island) Agreement between the Burswood Property Trust and the State of Western Australia, the casino licence is not exclusive in Western Australia. However, any further licensed casino to be located within 100kms of Crown Perth must be of at least the same size and standard as Crown Perth.

Gaming machines are not permitted in hotels and clubs in Western Australia. Crown Perth currently has approval to operate 2,300 gaming machines and 295 table games, which include traditional table games, semi-automated table games and fully automated table games. The approval will increase Crown Perth's number of current gaming machines and table games to:

- 2,400 gaming machines and 320 table games in January 2016; and
- 2,500 gaming machines in January 2017.

Crown Perth's licence expires when the Burswood Property Trust expires, currently due in 2060, and is regulated by the Department of Racing, Gaming and Liquor and the Gaming and Wagering Commission of Western Australia.

In December 2014, the Western Australian Government announced a reduction in the tax rate applicable to the international commission business ("ICB") from 12% to 9% (inclusive of the Burswood Park Board levy) to improve the international tax competitiveness of the Crown Perth VIP business. Crown has provided certain guarantees in relation to the minimum tax to be paid to the Western Australian Government in relation to the ICB.

Crown Sydney casino licence – key features

Casino regulation in New South Wales is undertaken pursuant to the provisions of the Casino Control Act 1992 (NSW). Crown Sydney is regulated by the Independent Liquor and Gaming Authority ("ILGA"). The objects of the Authority are to maintain and administer systems for the licensing, supervision and control of casinos.

Crown was issued a 99 year Restricted Gaming Licence by the ILGA in July 2014. The Restricted Gaming Licence permits the playing of traditional table games, semi-automated table games and fully automated table games at Barangaroo South in accordance with the terms of the Restricted Gaming Licence and the provisions of the Casino Control Act 1992 (NSW). Crown cannot commence gaming at Crown Sydney until 15 November 2019. Only members and guests will be permitted to participate in gaming at the Restricted Gaming Facility at Crown Sydney and gaming in the Restricted Gaming Facility will be subject to minimum bet limits. The playing of poker machines is not authorised.

3. About Crown

Under a series of further agreements between Crown, the New South Wales Government and the ILGA, Crown Sydney will be liable to pay gambling taxes, which, for the first three years, in aggregate must be at least three times as large as the gambling taxes paid by The Star in the year prior to gaming commencing at Crown Sydney, and must total at least \$1 billion over the first 15 years of the operation of the licence.

Crown will be entitled to compensation if certain adverse regulatory events occur during the life of the Restricted Gaming Licence, including cancellation of the licence (other than as a result of a disciplinary breach) and changes in gaming taxes during the initial 20 year period. Depending on the timing and nature of the event that is being compensated for, the compensation potentially payable is a function of costs incurred by Crown, or a multiple of EBITDA of Crown's gaming operations to compensate Crown for losses suffered as a result of any such adverse action by NSW. After the initial 20 year period, any compensation will be on a "just terms" basis.

Section 4

Financial information



4. Financial information

4.1 INTRODUCTION

The financial information in this Section 4 has been included to illustrate Crown's financial performance, position and cash flows for the financial years ended 30 June 2013 and 30 June 2014 and the six months ended 31 December 2014. Investors should note that past performance is not a reliable indicator of future performance.

The historical consolidated financial information, comprising the historical consolidated income statements and cash flow statements for the financial years ended 30 June 2013 and 30 June 2014 and for the six months ended 31 December 2014, and the historical consolidated statements of financial position as at 30 June 2013, 30 June 2014 and 31 December 2014 ("Historical Financial Information"), has been extracted from the audited financial statements for the year ended 30 June 2014 and the Appendix 4D lodged with ASX on 19 February 2015 for the six months ended 31 December 2014 respectively. The Historical Financial Information has been prepared in accordance with the measurement and recognition requirements, but not the disclosure requirements, of Australian Accounting Standards.

Statutory and normalised results

For the financial year ended 30 June 2014, Crown reported Statutory Profit of \$655.8 million and Normalised Net Profit After Tax of \$640.0 million.

For the six months ended 31 December 2014, Crown reported Statutory Profit of \$201.8 million and Normalised Net Profit After Tax of \$322.4 million.

Normalised Net Profit After Tax has been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth, Crown Aspinall's and Melco Crown), pre-opening costs from Melco Crown, legal settlement costs and asset impairments. 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 and other expenses, income tax expense and equity accounted share of associates' results. Crown believes that normalised results are the best measure of viewing the performance of the business.

4.2 FINANCIAL RESULTS FOR 12 MONTHS TO 30 JUNE 2014

Crown Melbourne

Normalised EBITDA from Crown Melbourne was \$561.8 million, up 2.8% on the prior comparable period ("pcp"). Reported EBITDA for the period was \$593.3 million, up 8.4% on the pcp. This reflects an above theoretical win rate of 1.46%, which generated a positive EBITDA variance of \$31.5 million, compared to a positive EBITDA variance of \$0.4 million in the pcp when the win rate was 1.36%.

Normalised revenue of \$1,931.2 million was up 0.7% on the pcp. During the year, main floor gaming revenue was \$1,020.3 million, up 2.0% on the pcp. Normalised VIP program play revenue was \$501.2 million, down 4.6% on the pcp with turnover of \$37.1 billion reflecting the competitive challenges facing Crown Melbourne (including the impact of 'Super Tax' on the Melbourne casino during the period). Non-gaming revenue grew 4.5% to \$409.7 million.

Crown Perth

Normalised EBITDA from Crown Perth was \$241.6 million, up 0.3% on the pcp. Reported EBITDA for the period was \$315.7 million, up 31.1% on the pcp. This reflects an above theoretical win rate of 2.21%, which generated a positive EBITDA variance of \$74.1 million, compared to an actual result that was in-line with the theoretical win rate in the pcp.

Normalised revenue of \$883.6 million was up 3.0% on the pcp. During the year, main floor gaming revenue was \$485.4 million, up 0.4% on the pcp reflecting local market conditions. Normalised VIP program play revenue was \$173.1 million, up 8.6% on the pcp with turnover of \$12.8 billion. Non-gaming revenue grew 4.5% to \$225.1 million.

Crown Aspinall's

Normalised EBITDA from Crown Aspinall's was \$35.2 million, up 5.7% on the pcp. Reported EBITDA for the period was \$25.1 million, down 5.3% on the pcp.

Melco Crown

Crown's share of MCE's Normalised Net Profit After Tax for the year to 30 June 2014 was an equity accounted profit of \$291.2 million, up 91.2% on the pcp. After adjusting for an above theoretical win rate and pre-opening costs, Crown's share of MCE's reported result for the year was an equity accounted profit of \$287.6 million, up 64.3% on the pcp.

Crown considers that MCE's result was attributable to solid underlying financial performance, driven primarily by its mass market table games business at City of Dreams Macau. However, market conditions weakened during the fourth quarter.

During the year, Crown received dividends of \$94.4 million from MCE, of which \$68.6 million was from the special dividend in respect of 2013 and \$25.8 million in respect of the result for the quarter ended 31 March 2014.

4.3 FINANCIAL RESULTS FOR SIX MONTHS TO 31 DECEMBER 2014

Crown Melbourne

Normalised EBITDA from Crown Melbourne was \$351.2 million, up 26.1% on the pcp. Reported EBITDA for the period was \$321.2 million, up 0.3% on the pcp. This reported EBITDA result takes into account an adverse variance from the theoretical VIP program play result which had a negative EBITDA impact of \$30.0 million. This compares to a positive EBITDA impact of \$41.8 million in the pcp.

Normalised revenue of \$1,164.2 million was up 22.5% on the pcp. During the half year, main floor gaming revenue was \$532.3 million, up 3.4% on the pcp. Normalised VIP program play revenue was \$408.7 million, up 86.4% on the pcp with turnover of \$30.3 billion. Non-gaming revenue grew 3.2% to \$223.2 million.

Crown Perth

Normalised EBITDA from Crown Perth was \$127.0 million, up 7.7% on the pcp. Reported EBITDA for the period was \$135.6 million, down 17.2% on the pcp. This reported EBITDA result takes into account a favourable variance from the theoretical VIP program play result which had a positive EBITDA impact of \$8.6 million. This compares to a positive EBITDA impact of \$45.9 million in the pcp.

Normalised revenue of \$462.5 million was up 2.4% on the pcp. During the half year, main floor gaming revenue was \$251.9 million, up 3.7% on the pcp. Normalised VIP program play revenue was \$91.9 million, up 1.2% on the pcp with turnover of \$6.8 billion. Non-gaming revenue grew 0.9% to \$118.7 million.

Crown Aspinall's

Normalised EBITDA from Crown Aspinall's was \$20.7 million, up 17.6% on the pcp. Reported EBITDA for the period was negative \$3.5 million, due to a low win rate.

Melco Crown

Crown's share of MCE's Normalised Net Profit After Tax for the half year to 31 December 2014 was an equity accounted profit of \$110.4 million, down \$30.2 million or 21.5% on the pcp. After adjusting for a below theoretical win rate and pre-opening costs, Crown's share of MCE's reported net profit after tax result for the half year was an equity accounted profit of \$85.3 million, down \$62.2 million or 42.2% on the pcp.

Weak market conditions in Macau adversely affected all casino operators; however, MCE's relatively stronger performance resulted in MCE once again taking share, in a disciplined manner, in the mass market table games segment.

MCE has implemented a stock repurchase program, in which Crown and Melco have not participated, and, as a result, Crown's ownership of MCE increased to 34.3% as at January 2015.

4. Financial information

4.4 HISTORICAL CONSOLIDATED INCOME STATEMENTS

The following table sets out Crown's historical consolidated income statements for the financial years ended 30 June 2013 and 30 June 2014, as well as for the six months ended 31 December 2014.

\$ million	12 months ended 30 Jun 2013	12 months ended 30 Jun 2014	6 months ended 31 Dec 2014
Revenue	2,894.8	3,094.3	1,706.8
Other income	0.2	0.4	0.0
Expenses	(2,467.5)	(2,510.8)	(1,481.2)
Share of profits / (losses) of associates and joint venture entities	147.9	284.3	85.3
Profit before income tax and finance costs	575.4	868.3	310.9
Finance costs	(133.4)	(116.3)	(62.1)
Profit before income tax	441.9	752.0	248.8
Income tax expense	(46.1)	(96.2)	(47.7)
Net profit after tax	395.8	655.8	201.1
Non-controlling interests	–	–	0.7
Net profit after tax attributable to equity holders of the Parent	395.8	655.8	201.8
Reconciliation of Statutory Profit to Normalised Net Profit After Tax			
Statutory Profit	395.8	655.8	201.8
Revenue adjustment on VIP program play	8.7	(143.4)	13.2
Gaming taxes, commissions and other adjustment on VIP program play	(2.3)	47.9	32.4
Equity accounted adjustment on VIP program play	(22.6)	3.6	25.1
Significant items	125.0	66.5	61.3
Income tax on above adjustments	(31.3)	9.6	(11.4)
Normalised Net Profit After Tax	473.2	640.0	322.4

4.5 HISTORICAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table presents Crown's historical consolidated statement of financial position as at 30 June 2013, 30 June 2014 and 31 December 2014, as well as the pro forma historical consolidated statement of financial position as at 31 December 2014 ("Pro Forma Historical Financial Information") which is presented on the assumption that the following pro forma adjustments had occurred as at 31 December 2014:

- \$400 million raised from the Offer less transaction costs of \$11 million, resulting in net proceeds of \$389 million being recognised within non-current interest bearing liabilities; and
- The amount of net proceeds raised from the Offer is assumed to be used to repay existing non-current interest bearing liabilities. Consequently, there is no net effect on drawn non-current interest bearing liabilities.

The Pro Forma Historical Financial Information is prepared, in a manner consistent with the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described above, as if those events or transactions had occurred as at 31 December 2014.

\$ million	Historical as at 30 Jun 2013	Historical as at 30 Jun 2014	Historical as at 31 Dec 2014	Pro forma adjustments	Pro forma historical as at 31 Dec 2014
Current assets					
Cash and cash equivalents	205.5	177.8	399.2	–	399.2
Trade and other receivables	257.5	341.6	427.0	–	427.0
Inventories	12.6	12.9	15.2	–	15.2
Prepayments	17.5	31.3	39.2	–	39.2
Other financial assets	1.6	–	6.7	–	6.7
Total current assets	494.7	563.5	887.3	–	887.3
Non-current assets					
Receivables	126.8	212.0	148.1	–	148.1
Other financial assets	0.9	0.5	5.9	–	5.9
Investments	89.7	85.1	35.4	–	35.4
Investments in associates	1,403.0	1,541.7	1,837.8	–	1,837.8
Property, plant and equipment	2,865.5	3,096.3	3,648.9	–	3,648.9
Licences	649.5	647.0	1,133.9	–	1,133.9
Other intangible assets	204.6	231.8	261.1	–	261.1
Deferred tax assets	112.2	131.2	132.2	–	132.2
Other assets	62.8	59.4	63.2	–	63.2
Total non-current assets	5,515.0	6,005.0	7,266.4	–	7,266.4
TOTAL ASSETS	6,009.6	6,568.5	8,153.7	–	8,153.7
Current liabilities					
Trade and other payables	296.6	345.9	442.0	–	442.0
Interest bearing loans and borrowings	81.4	103.5	70.1	–	70.1
Income tax payable	53.6	118.8	84.2	–	84.2
Provisions	120.3	138.8	158.7	–	158.7
Other financial liabilities	–	1.5	0.3	–	0.3
Total current liabilities	551.9	708.5	755.4	–	755.4
Non-current liabilities					
Other payables	0.1	0.1	147.9	–	147.9
Interest bearing loans and borrowings	1,553.9	1,639.3	2,610.7	Nil ¹⁶	2,610.7
Deferred tax liabilities	202.2	189.4	189.0	–	189.0
Provisions	44.3	32.8	28.7	–	28.7
Other financial liabilities	4.6	16.7	7.9	–	7.9
Total non-current liabilities	1,805.2	1,878.3	2,984.3	–	2,984.3
TOTAL LIABILITIES	2,357.0	2,586.9	3,739.6	–	3,739.6
Net assets	3,652.6	3,981.7	4,414.1	–	4,414.1
Equity					
Share capital	446.8	446.8	446.8	–	446.8
Treasury shares	(1.1)	(1.9)	–	–	–
Reserves	451.0	394.6	677.3	–	677.3
Retained earnings	2,756.0	3,142.2	3,205.6	–	3,205.6
Total equity attributable to equity holders of the Parent	3,652.6	3,981.7	4,329.6	–	4,329.6
Non-controlling interests	–	–	84.4	–	84.4
Total equity	3,652.6	3,981.7	4,414.1	–	4,414.1

16. The issue of Notes II is regarded as an increase in non-current interest bearing liabilities adjusted in respect of transaction costs. It is assumed the net proceeds of the Offer are used to reduce other non-current borrowings and therefore results in no net change to non-current interest bearing liabilities.

4. Financial information

4.6 HISTORICAL CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table sets out Crown's historical consolidated cash flow statements for the financial years ended 30 June 2013 and 30 June 2014, as well as the half year ended 31 December 2014.

\$ million	12 months ended 30 Jun 2013	12 months ended 30 Jun 2014	6 months ended 31 Dec 2014
Cash flows from operating activities			
Receipts from customers	2,846.3	3,044.8	1,709.3
Payments to suppliers and employees	(2,130.1)	(2,267.5)	(1,323.8)
Dividends received	3.3	94.4	32.0
Interest received	9.8	11.9	8.7
Borrowing costs	(138.1)	(122.7)	(70.8)
Income tax paid	(95.1)	(58.8)	(69.6)
Net cash flow from/(used in) operating activities	496.2	702.0	285.8
Cash flows from investing activities			
Purchase of property, plant and equipment	(253.6)	(401.8)	(328.6)
Proceeds from sale of property, plant and equipment	0.2	0.4	4.1
Payments in respect of licences	–	(5.0)	(345.0)
Payment for purchases of investments	(66.9)	(24.1)	–
Payment for acquisition of financial instruments	–	(61.4)	(272.4)
Net proceeds from disposal of financial instruments	–	–	69.1
Payment for acquisition of controlled entities	–	(63.3)	(4.0)
Net proceeds from sale of equity investments	261.3	0.2	–
Loans to associated entities	(12.6)	(11.6)	(0.2)
Repayments of loans from associated entities	–	2.5	1.9
Other (net)	2.7	(2.6)	(0.3)
Net cash flows from/(used in) investing activities	(69.0)	(566.5)	(875.5)
Cash flows from financing activities			
Proceeds from borrowings	2,083.7	763.5	2,081.9
Repayment of borrowings	(2,191.3)	(660.1)	(1,218.5)
Dividends paid	(269.5)	(269.5)	(138.4)
Equity injection from non-controlling interests	–	–	72.4
Net cash flows from/(used in) financing activities	(377.1)	(166.1)	797.4
Net increase/(decrease) in cash and cash equivalents	50.1	(30.6)	207.7
Cash and cash equivalents at the beginning of the period	149.4	205.5	177.8
Effect of exchange rate changes on cash	6.1	2.9	13.8
Cash and cash equivalents at the end of the period	205.5	177.8	399.2

4.7 FINANCIAL RATIOS

This Section 4.7 contains information about two of Crown's key financial ratios which are relevant to investors in Notes II. These two ratios are as follows:

- Leverage Ratio—calculated as Relevant Gross Debt (divided by 2) to Normalised EBITDA; and
- Interest Cover Ratio—calculated as Normalised EBITDA to Relevant Net Interest Paid.

The Leverage Ratio and Interest Cover Ratio will be tested on a six monthly basis to assist in determining whether or not a Mandatory Deferral Event exists. A Mandatory Deferral Event will commence if the Leverage Ratio is above the Maximum Level (being 5.0 times) in relation to two consecutive Testing Dates, or the Interest Cover Ratio is below the Minimum Level (being 2.5 times) in relation to one Testing Date, and Crown is rated by the Relevant Rating Agency, and Notes II are eligible to receive a level of Equity Credit which is equal to or higher than that initially ascribed to Notes II at the time of issue.

If a Mandatory Deferral Event occurs and Crown is rated by the Relevant Rating Agency, and Notes II are eligible to receive a level of Equity Credit which is equal to or higher than that initially ascribed to Notes II at the time of issue, Interest Payments must be deferred. See Section 2.3 for further information regarding Mandatory Deferral Events and the deferral of Interest Payments.

Leverage Ratio: 5.0 times

(Relevant Gross Debt (divided by 2) to Normalised EBITDA)

The Leverage Ratio provides information about Crown's ability to repay its existing debt and its capacity to take on additional debt obligations. A high Leverage Ratio may indicate that Crown may not be able to service its debt and could place downward pressure on Crown's credit rating.

The Leverage Ratio is calculated, in accordance with the Terms, as Relevant Gross Debt (divided by 2) to Normalised EBITDA for the relevant period.

In broad terms, Relevant Gross Debt is calculated, in accordance with the Terms, as Adjusted Gross Debt:

- less 50% of the outstanding balance of Notes II; and
- less the outstanding balance, or part thereof, of certain securities issued by Crown or one of its subsidiaries from time to time multiplied by the level of Equity Credit assigned to those securities by the Relevant Rating Agency (expressed as a percentage per annum) as has been specified by Crown in a public announcement to be such a security.

Adjusted Gross Debt is calculated, in accordance with the Terms, as total current and non-current interest bearing liabilities adjusted to remove any fair value adjustments on borrowings in hedge relationships.

In broad terms, Normalised EBITDA is also calculated, in accordance with the Terms, as EBITDA adjusted to take into account the effects of any acquisition of an entity that becomes a member of the Group made during the relevant six month period and excluding exceptional, one-off, non-recurring or extraordinary or significant items for that period and also adjusted to exclude the impact of any variance from theoretical win rate on VIP program play items. For further information, refer to the Terms.

The table below shows the Leverage Ratio for the six months ended 30 June 2013, 31 December 2013 and 30 June 2014. It also shows the Leverage Ratio as it would have been at 31 December 2014 if it had been calculated using the pro forma financial information for the six months ended 31 December 2014 set out in Sections 4.4 to 4.6. The Leverage Ratio in future periods will depend on the Relevant Gross Debt and Normalised EBITDA in each future period. Consequently, the Leverage Ratio in future periods may be higher than the ratios set out in the table below for various reasons including the financing of Crown Sydney, Crown Towers Perth and other anticipated growth projects.

4. Financial information

6 months ended (\$ million)	30 Jun 2013	31 Dec 2013	30 Jun 2014	Pro forma 31 Dec 2014
Gross debt	1,635.3	1,751.9	1,742.8	2,680.8
Less 50% of the outstanding balance of the Notes ¹⁷	(259.0)	(259.1)	(259.1)	(453.7)
Relevant Gross Debt	1,376.3	1,492.8	1,483.7	2,227.1
Relevant Gross Debt (divided by two)	688.1	746.4	741.9	1,113.6
Normalised EBITDA	357.9	392.3 ¹⁸	390.4	450.2
Leverage Ratio	1.9x	1.9x	1.9x	2.5x

Interest Cover Ratio: 2.5 times

(Normalised EBITDA / Relevant Net Interest Paid)

The Interest Cover Ratio provides information about Crown's ability to meet its interest payments from operating cash flows and the risks associated with Crown's level of borrowings. A low Interest Cover Ratio may indicate that Crown could face difficulties in servicing the interest payable on its debt (including the interest payable on debt including Notes II) if earnings decrease or interest rates increase.

The Interest Cover Ratio is calculated, in accordance with the Terms, as Normalised EBITDA (as described above) for the relevant six month period divided by Relevant Net Interest Paid for the relevant six month period. For further information, refer to the Terms.

The table below shows the Interest Cover Ratio for the six months ended 30 June 2013, 31 December 2013 and 30 June 2014. It also shows the Interest Cover Ratio as it would have been at 31 December 2014 if it had been calculated using the pro forma financial information for the six months ended 31 December 2014 set out in Sections 4.4 to 4.6. The Interest Cover Ratio in future periods will depend on the Normalised EBITDA and Relevant Net Interest Paid in each future period. Consequently, the Interest Cover Ratio in future periods may be lower than the ratios set out in the table below for various reasons including the financing of Crown Sydney, Crown Towers Perth and other anticipated growth projects.

6 months ended (\$ million)	30 Jun 2013	31 Dec 2013	30 Jun 2014	Pro forma 31 Dec 2014
Normalised EBITDA	357.9	392.3 ¹⁸	390.4	450.2
Interest paid ¹⁹	71.1	60.3	62.4	76.3
Interest received	(6.7)	(4.7)	(7.2)	(8.7)
Net Interest Paid	64.4	55.6	55.2	67.6
Less 50% of the interest paid on the Notes ²⁰	(10.7)	(10.4)	(10.1)	(16.5)
Relevant Net Interest Paid	53.7	45.2	45.1	51.2
Interest Cover Ratio	6.7x	8.7x	8.6x	8.8x

Any payment of deferred interest by Crown (including in accordance with Crown's intention to pay within five years of deferral) will include an amount of accumulated additional compound interest. At the time of the payment of those deferred interest amounts, any such payment may cause Crown's financial position to deteriorate from that prevailing prior to the time of payment and is likely to increase the amount of Net Interest Paid for the purpose of the Interest Cover Ratio calculation.

17. The aggregate of 50% of the outstanding balance of Notes II and the outstanding balance, or part thereof, of certain securities issued by Crown or one of its subsidiaries from time to time (including Notes I), multiplied by the level of Equity Credit assigned to those securities by the Relevant Rating Agency (expressed as a percentage per annum) as has been specified by Crown in a public announcement to be such a security, is deducted from gross debt (referred to in the Terms as Adjusted Gross Debt) to calculate Relevant Gross Debt, in accordance with the Terms. This is based on \$400 million for the proposed issue of Notes II.

18. The normalised EBITDA differs to the normalised EBITDA for the six months ended 31 December 2013 as disclosed in the Crown Subordinated Notes Key Financial Ratios notice released to the ASX on 21 February 2014 (with a resultant improvement in the Interest Cover Ratio and Leverage Ratio) due to a misstatement of normalised EBITDA per that notice. As at 31 December 2013, no Mandatory Deferral Event existed.

19. Interest paid for the half year ended 31 December has been adjusted assuming net proceeds are used to repay existing borrowings plus a pro forma interest expense on Notes II assuming an aggregate Note II face value of \$400 million and an illustrative interest rate of 6.32% per annum.

20. Adjustment has been made assuming an aggregate Note II face value of \$400 million and an illustrative interest rate of 6.32% per annum for the half year ended 31 December 2014.

Reconciliation of statutory net profit before income tax to Normalised EBITDA

The Leverage Ratio and Interest Cover Ratio are calculated based on Normalised EBITDA. Normalised EBITDA represents EBITDA which has been adjusted to exclude the impact of any variance from the theoretical win rate on VIP program play. Crown believes that normalised results are the best measure of viewing the performance of the business.

The following table sets out a reconciliation of statutory net profit before income tax to Normalised EBITDA used to calculate the historical and pro forma historical Leverage Ratios and Interest Cover Ratios set out earlier in this Section 4.7.

6 months ended (\$ million)	30 Jun 2013	31 Dec 2013	30 Jun 2014	31 Dec 2014
Reconciliation of statutory net profit before income tax to Normalised EBITDA				
Statutory net profit before income tax	246.0	450.6	301.4	248.8
Net interest	60.8	51.0	48.1	51.8
Equity accounted share of associates' profit	(77.3)	(145.7)	(138.6)	(85.3)
Depreciation and amortisation	119.6	123.1	121.8	128.0
Mark-to-market loss on investment	25.1	–	–	–
Asset Impairment	–	–	32.8	61.3
Legal Settlements	–	–	33.7	–
Statutory EBITDA	374.1	479.0	399.3	404.5
Revenue adjustment on VIP program play	(41.4)	(94.6)	(48.8)	13.2
Gaming taxes, commissions and other adjustment on VIP program play	25.2	7.9	39.9	32.4
Normalised EBITDA	357.9	392.3	390.4	450.2

Sensitivity analysis on Leverage Ratio

A Mandatory Deferral Event will commence if the Leverage Ratio is above the Maximum Level (being 5.0 times) in relation to two consecutive Testing Dates or the Interest Cover Ratio is below the Minimum Level (being 2.5 times) in relation to one Testing Date.

The table below shows the changes in Normalised EBITDA and Relevant Gross Debt set out earlier in this Section 4.7 which would have been required to cause the Leverage Ratio to increase to the Maximum Level at the relevant points in time.

6 months ended	30 Jun 2013	31 Dec 2013	30 Jun 2014	Pro forma 31 Dec 2014
Required decline in Normalised EBITDA (without any changes in Relevant Gross Debt) (\$ million)	220.3	243.0	242.1	227.5
Required decline in Normalised EBITDA (without any changes in Relevant Gross Debt) (%)	62%	62%	62%	51%
Required increase in Relevant Gross Debt (without any changes in Normalised EBITDA) (\$ million)	2,202.7	2,430.3	2,420.5	2,274.6
Required increase in Relevant Gross Debt (without any changes in Normalised EBITDA) (%)	160%	163%	163%	102%

4. Financial information

Sensitivity analysis on Interest Cover Ratio

The table below shows the changes in Normalised EBITDA and Relevant Net Interest Paid set out earlier in this Section 4.7 which would have been required to cause the Interest Cover Ratio to decline to the Minimum Level at the relevant points in time.

6 months ended	30 Jun	31 Dec	30 Jun	Pro forma
	2013	2013	2014	31 Dec 2014
Required decline in Normalised EBITDA (without any changes in Relevant Net Interest Paid) (\$million)	223.7	279.3	277.7	322.3
Required decline in Normalised EBITDA (without any changes in Relevant Net Interest Paid) (%)	62%	71%	71%	72%
Required increase in Relevant Net Interest Paid (without any changes in Normalised EBITDA) (\$million)	89.5	111.7	111.1	128.9
Required increase in Relevant Net Interest Paid (without any changes in Normalised EBITDA) (%)	167%	247%	246%	252%

Crown's commitment to credit profile

In the event that Crown's financial profile materially deteriorates such that it risks having an Interest Cover Ratio below the Minimum Level or a Leverage Ratio above the Maximum Level, Crown intends (without thereby assuming a legal obligation) to take one or more measures to support these financial ratios and restore its credit profile. These measures may include asset sales, further equity issuance, discontinuation of certain businesses, suspension of ordinary dividends, suspension of any share buy-backs and/or changes to Crown's other financial policies.

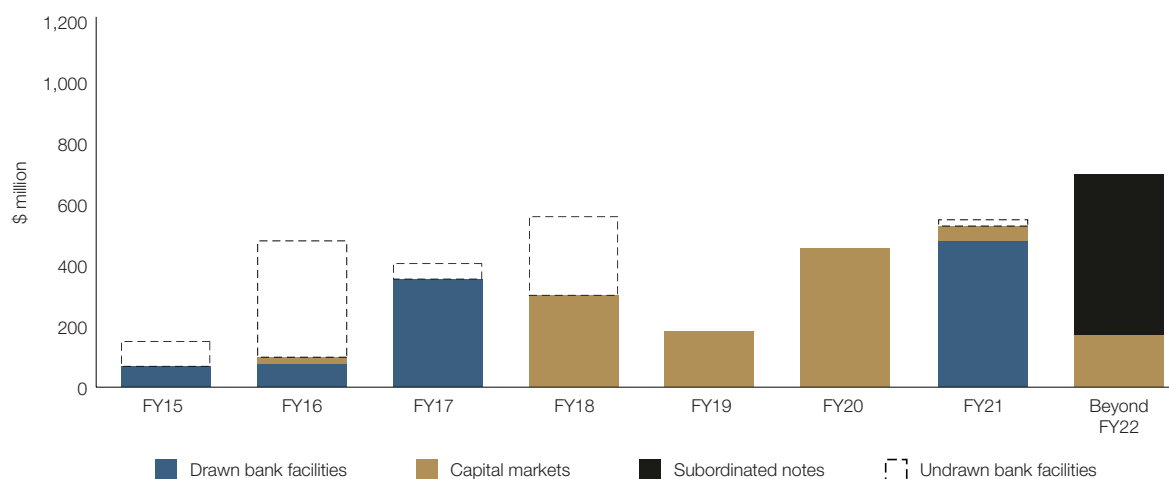
Past performance of Crown cannot be relied upon as an indicator of future performance.

4.8 CAPITAL MANAGEMENT

Crown's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Crown finances its operations and developments through cash flows from operations, borrowings from banks and proceeds from issuances of equity, debt and hybrid securities. Crown manages its funding position at all times and will seek to raise additional equity, debt or hybrid capital if appropriate.

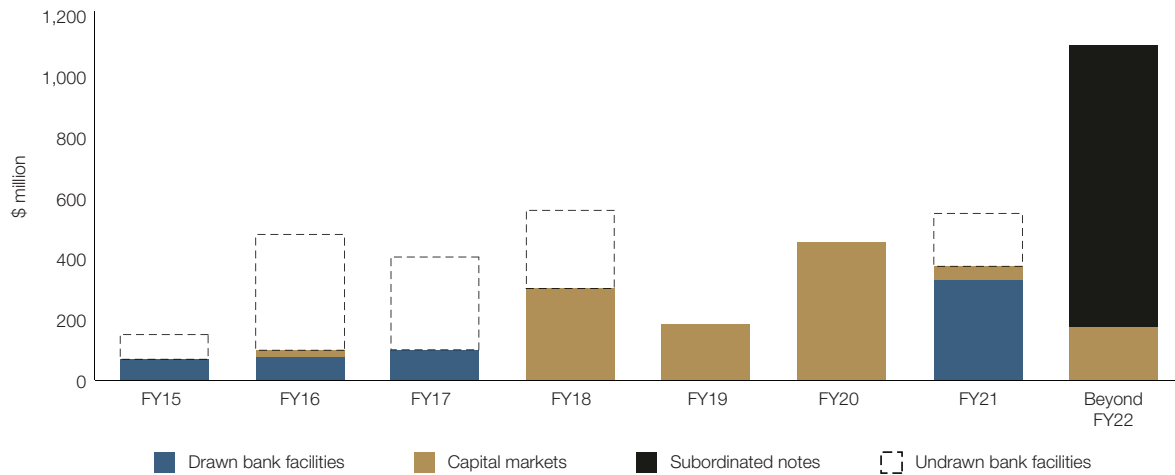
The chart below sets out the maturity profile of Crown's drawn and undrawn committed facilities as at 31 December 2014.

Crown's debt maturity profile (as at 31 December 2014)



The chart below sets out the maturity profile of Crown’s drawn and undrawn committed facilities on a pro forma basis for the impact of the Offer.

Crown’s debt maturity profile (pro forma as at 31 December 2014)



Crown manages its funding position and, as required from time to time, will seek to raise additional equity, debt or hybrid capital to ensure it has sufficient liquidity to fund capital expenditure for its business.

In order to maintain or adjust the capital structure, Crown may defer or accelerate discretionary capital expenditure, adjust the amount of dividends paid to shareholders, return capital to shareholders, or sell assets to reduce debt.

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Section 5

Investment risks



5. Investment risks

By investing in Notes II, you will be lending money to Crown and may be exposed to a number of risks which can be broadly classified as risks associated with Notes II, the market for Notes II generally and Crown.

This Section describes potential risks associated with Crown's business and risks associated with an investment in Notes II. It does not purport to list every risk that may be associated with an investment in Notes II now or in the future, and the occurrence or consequences of some of the risks described in this Section are partially or completely outside the control of Crown, its Directors and senior management team.

To the extent that Crown's financial position or performance is adversely impacted by risks described in this Section (and other adverse events), then you may lose some or all of your investment in Notes II. In addition, some or all of the risks described in this Section may adversely impact the market price, underlying value or market liquidity of Notes II.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. This assessment is based on the knowledge of the Directors as at the date of this Prospectus but there is no guarantee or assurance that the importance of different risks will not change or other risks emerge.

Where practicable, Crown seeks to implement risk mitigation strategies to minimise the exposure to some of the risks outlined below, although there can be no assurance that such arrangements will fully protect Crown from such risks. Failure to effectively mitigate these risks could result in a reduction in Crown's profit margins and a deterioration in Crown's financial condition.

There can be no guarantee that Crown will achieve its stated objectives, that it will meet trading performance or financial results guidance that it may provide to the market, or that any forward looking statements contained in this Prospectus will be realised. Investors should note that past performance is not a reliable indicator of future performance.

The information in this Prospectus does not take into account the personal circumstances, financial position or investment requirements of any particular person. Before applying for Notes II, you should satisfy yourself that you have a sufficient understanding of these matters and should consider whether Notes II are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in Notes II, you should consult an independent and appropriately licensed or authorised professional adviser before deciding whether to invest.

5.1 RISKS ASSOCIATED WITH CROWN SUBORDINATED NOTES II

5.1.1 Notes II are subordinated obligations

In an Event of Insolvency, including a winding up of Crown involving a shortfall of funds, the amount (if any) which may be paid to Holders will be calculated as if Notes II were the most junior class of Crown preference shares on issue at that time, that is:

- ahead of Ordinary Shares and Junior Ranking Obligations;
- equally with Equal Ranking Obligations (including any Notes I); and
- behind all other creditors of Crown (other than holders of Equal Ranking Obligations and holders of Junior Ranking Obligations).

There may be a shortfall of funds to pay all amounts ranking senior to and equally with Notes II if an Event of Insolvency. This would result in Holders not receiving any payment if claims ranking senior to Notes II were not satisfied in full or otherwise not receiving a full return of capital or any interest due and unpaid at that time.

While Notes II rank equally with Notes I, Notes I will mature before Notes II. This means that Crown will need to repay Notes I before Notes II are due to be repaid.

5.1.2 Interest Payments may be deferred

Interest Payments may be deferred. A deferral of Interest Payments will mean that Holders will not receive payment of an amount of interest for a period of time.

Crown may in its sole discretion defer Interest Payments at any time.

Crown must defer payment of all Interest Payments until payment is permitted in accordance with the Terms if, on any day which is eight Business Days prior to any Interest Payment Date: (i) a Mandatory Deferral Event exists; (ii) Crown has a solicited rating from the Relevant Rating Agency; and (iii) where the Notes II, in the period from (and including) the Issue Date to (but excluding) the First Call Date, have at all times received the same or a higher category of equity credit from the Relevant Rating Agency as was attributed to the Notes II by the Relevant Rating Agency at the Issue Date. A Mandatory Deferral Event will exist if the Interest Cover Ratio is less than the Minimum Level (being 2.5 times) in relation to a Testing Date, or if the Leverage Ratio is above the Maximum Level (being 5.0 times) in relation to two consecutive Testing Dates.

The Interest Cover Ratio was 8.6 times as at 30 June 2014 and 8.8 times as at 31 December 2014 (on a pro forma basis). The Leverage Ratio was 1.9 times as at 30 June 2014 and 2.5 times as at 31 December 2014 (on a pro forma basis). The Interest Cover Ratio in future periods will depend on the Normalised EBITDA and Relevant Net Interest Paid in each future period. The Leverage Ratio in future periods will depend on the Relevant Gross Debt and Normalised EBITDA in each future period. The Interest Cover Ratio and the Leverage Ratio may deteriorate in future periods for various reasons including the financing of Crown Sydney, Crown Towers Perth and other anticipated growth projects. See Section 4.7 for further information and a sensitivity analysis.

Crown may also be prevented from making Interest Payments by the terms of other securities (such as Notes I) if an interest payment or other distribution has not been paid on those securities. If such a constraint applies, Crown may not be able to make Interest Payments without the approval of the holders of those other securities.

A deferral of Interest Payments may have negative consequences for Holders, including, but not necessarily limited to, deferring for an extended period of time the date on which Interest Payments are received by Holders. This may have an adverse effect on the financial position of Holders. Deferral of Interest Payments may also have an adverse effect on the market price of Notes II.

If there is a material deterioration in the business or financial performance of Crown (including in relation to the Interest Cover Ratio or the Leverage Ratio), this may increase the risk of an Interest Payment being deferred (or the expectation that Interest Payments may be deferred) and this may have an adverse effect on the market price of Notes II.

As a result, the market price of Notes II may be more volatile than the market prices of other debt securities that are not subject to such payment deferral rights.

5.1.3 Australian taxation risk of Deferred Interest Payments

The Notes II should be “traditional securities” and not “qualifying securities” for taxation purposes. Generally, the Taxation of Financial Arrangements (“TOFA”) rules should not apply to:

- individuals;
- superannuation funds and managed investment funds with assets of less than \$100 million;
- authorised deposit-taking institutions and securitisation vehicles with aggregated turnover of less than \$20 million; and
- other entities with aggregated turnover of less than \$100 million, financial assets of less than \$100 million and assets of less than \$300 million,

unless they have elected for those rules to apply.

However, if the Commissioner of Taxation takes the view that the Notes are “qualifying securities”, and that view ultimately prevails, Holders of the above type of entities would be subject to the TOFA rules.

Where Interest Payments are deferred, Australian tax resident Holders who are subject to TOFA rules should generally be required to include the interest (including Deferred Interest Payments and interest compounding on Deferred Interest Payments) in their assessable income on a compounding accruals basis. This could result in a Holder having a liability to pay tax on amounts of Deferred Interest for which they will need to fund from sources other than payments in respect of the Notes II. However, various other elective tax timing methods are potentially available, depending on the elections (if any) made, which may change the timing of assessability. Due to the complexity of the TOFA rules, Holders should consult their own tax advisers on the Australian tax implications from a TOFA perspective, arising from their investment in Notes II.

5. Investment risks

5.1.4 Notes II are long-dated securities

Notes II will mature on 23 April 2075, 60 years from the Issue Date. Although Crown may redeem Notes II from 23 July 2021, and in certain circumstances prior to this date, Crown is under no obligation to do so. While the Intermediate Equity Credit ascribed to Notes II by the Relevant Rating Agency will change following 23 July 2021, there is no guarantee that this change will cause Notes II to be redeemed early. After that date, Crown expects that Notes II will continue to provide some qualitative support in the Relevant Rating Agency's assessment of Crown's credit profile until Redemption, having regard to Notes II's subordinated ranking, long tenor and coupon deferral features.

In particular, Crown intends (without thereby assuming a legal obligation) to retain Notes II in its capital structure in circumstances where Crown's credit profile is materially worse than as at the date of this Prospectus, unless it elects to replace Notes II with a new issue of hybrid or other securities which are ascribed at least an equal Equity Credit from the Relevant Rating Agency (see Section 9.3).

Holders have no right to request redemption of Notes II, unless an Event of Default occurs and is subsisting, in which case the requisite proportion of Holders specified in the Terms may direct or request the Trustee to notify Crown that Notes II are to be redeemed. Holders may seek to sell Notes II on ASX but there is no guarantee that they will be able to do so, or do so at a price acceptable to the Holder. This may particularly be the case if Notes II remain outstanding for a long period and Crown's financial position or performance, or broader economic or market conditions, materially deteriorate. Therefore, Holders should be aware that they may be required to bear financial risks associated with an investment in long-dated securities. For example, holding a note for a significant period, potentially to maturity, exposes an investor over that period to one company, and the risks associated with its operations, and to the likely risks associated with cyclical or volatile markets (including potentially depressed trading values and periods of illiquidity).

5.1.5 Changes in Interest Rate

The Interest Rate is calculated for each Interest Period by reference to the Bank Bill Rate, which is influenced by a number of factors and may fluctuate over time. The Interest Rate will fluctuate (both increasing and decreasing) over time as a result of movements in the Bank Bill Rate. As the Interest Rate fluctuates, there is a risk that it may become less attractive over time compared to the rates of return available on other securities.

5.1.6 Crown may redeem Notes II under certain circumstances

Notes II may be redeemed at the option of Crown:

- on 23 July 2021;
- on any Interest Payment Date after 23 July 2021; or
- upon the occurrence of a Change of Control Event, Tax Event, Capital Event or Accounting Event.

Notes II will be redeemed at their Face Value of \$100 per Note II (plus any accrued and outstanding interest and any outstanding Deferred Interest Payments) except where they are being redeemed prior to the First Call Date on account of the occurrence of a Capital Event or Accounting Event, in which case Notes II will be redeemed at \$101 per Note II (plus any accrued and outstanding interest and any outstanding Deferred Interest Payments).

There is a risk that the Redemption Amount may be less than the then current market value of Notes II or the timing of such redemption may not accord with a Holder's individual financial circumstances or tax position.

Notes II have similar redemption rights to Notes I; however, Notes I may be redeemed at the option of Crown from 14 September 2018, being earlier than the First Call Date of Notes II.

5.1.7 No rights for Holders to request or require redemption

Holders have no right to request or require redemption of their Notes II, including where Crown does not elect to redeem Notes II following a Change of Control Event (and regardless of whether Holders are adequately compensated for the change in the credit risk profile of Notes II in those circumstances by the 5.00% increase in the Margin that would occur pursuant to Clause 3.9 of the Terms) unless an Event of Default occurs and is subsisting, in which case the requisite proportion of Holders specified in the Terms may direct or request the Trustee to notify Crown that Notes II are to be redeemed.

Unless redeemed by Crown, Holders can only realise their investment in Notes II by a sale on ASX or a private sale or on the Maturity Date. There is a risk that the sale price on ASX or under private sale will be less than the Issue Price or market value of Notes II. Brokerage fees may also be payable if Notes II are sold through a broker.

5.1.8 No limitation on issuing senior or equal ranking securities

Subject to applicable laws, there are no restrictions on the amount of securities, guarantees or other liabilities which Crown may issue or incur and which rank (legally or in effect) senior to, or equal with, the rights and claims of Holders in respect of Notes II. If Crown does issue such securities or guarantees or incurs other liabilities, the amount (if any) recoverable by Holders on an Event of Insolvency may be reduced, the likelihood of a deferral of Interest Payments under Notes II may be increased and/or the market price of Notes II may be adversely affected.

5.1.9 Modification, waivers and substitution

Crown may in certain circumstances amend the Terms without the consent of Holders or the Trustee (refer to Clause 10.2 of the Terms). Crown may also amend the Terms if the amendment has been approved by a Special Resolution (refer to Clause 10.1 of the Terms). In certain circumstances, Crown may substitute itself (with the agreement of the Trustee) as the principal debtor under Notes II with any of its Related Bodies Corporate (or of any previous substitute under the Terms) without the consent of Holders, provided, along with other applicable conditions, that the Trustee is satisfied that the interests of Holders are not materially prejudiced by the substitution (refer to Clause 11 of the Terms). There is a risk that an amendment of the Terms or a substitution of Crown as principal debtor under these powers will occur with which Holders may not agree.

5.1.10 Australian tax consequences

A general description of the Australian taxation consequences of investing in Notes II is set out in Section 7. That discussion is in general terms, based on the Australian taxation law and administrative practice as at the date of the Prospectus and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, investors should seek independent advice in relation to their individual tax position. Holders should be aware that there is a risk that the Commissioner of Taxation may take a different view to the conclusions described in Section 7. Holders should also be aware that future changes in Australian taxation law including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of an investment in Notes II, or the holding and disposal of Notes II.

5.1.11 New Zealand investors' currency and tax risk

The denomination and currency for payment for Notes II are Australian dollars and not New Zealand dollars. If you are a New Zealand tax resident, the Offer may involve a currency exchange risk. The value of Notes II will go up or down according to changes in the exchange rate between Australian dollars and New Zealand dollars. These changes may be significant. Payments to Holders will be made in Australian dollars and Holders may incur fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Notes II should be regarded as a "financial arrangement" for New Zealand income tax purposes meaning New Zealand tax resident Holders should be taxable in New Zealand on Interest Payments, any gains and losses on Notes II and any currency gains and losses. The timing of this taxation liability should depend on the status of the investor as an accrual or cash basis person under the Financial Arrangement rules and also the particular accrual method used, where applicable.

Where Interest Payments are deferred, investors subject to the New Zealand Financial Arrangement rules should generally be required to include the interest (including the Deferred Interest Payments and interest compounding on Deferred Interest Payments) in their taxable income on an accruals basis. Subject to the comments on Australian withholding tax contained in Section 7, Interest Payments will be received gross, without any reduction for any Australian withholding tax.

Comments here are only general in nature and are not intended to provide specific advice in relation to the circumstances of any particular New Zealand tax resident investor. New Zealand tax resident investors should seek independent advice in relation to their own specific New Zealand tax position. New Zealand investors should also be aware that future changes in New Zealand taxation law, including changes in interpretation and application of the law by the New Zealand courts or the New Zealand Inland Revenue, may affect the New Zealand taxation treatment of an investment in Notes II, or the holding and disposal of Notes II.

5. Investment risks

5.2 RISKS RELATED TO THE MARKET FOR CROWN SUBORDINATED NOTES II GENERALLY

5.2.1 Market price

The market price of Notes II may fluctuate due to various factors, including investor perceptions, worldwide economic conditions, interest rates, credit spreads, movements in the market price of Crown's ordinary shares or senior or subordinated debt, factors that may affect Crown's financial position and trading results and other factors beyond the control of Crown and its Directors. Notes II may trade at a market price below the Issue Price. As a result, Holders who wish to sell their Notes II may be unable to do so at an acceptable price (if at all). Where markets are volatile, there is the potential for fluctuations in the price of securities, sometimes markedly and over a short period. Investing in volatile conditions implies a greater level of volatility risk for investors than an investment in a more stable market.

5.2.2 Liquidity

Crown will apply for Notes II to be listed on ASX. However, Notes II will have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Insufficient liquidity may have a severely adverse effect on the market price of Notes II which may trade at a market price below their Issue Price. Holders may not be able to sell their Notes II easily or at an acceptable price. The extent of liquidity may also affect the volatility of the market price of Notes II.

5.2.3 Change in credit ratings

Crown has obtained credit ratings from Rating Agencies which could be reviewed, suspended or downgraded. The Rating Agencies could also change the methodologies by which they rate Crown. Even though Notes II will not be rated, such changes may adversely impact the market price and liquidity of Notes II. Further, Crown's cost of funds, margins, access to capital markets and other aspects of its performance may also be affected if it fails to maintain its credit ratings, which may in turn affect Crown's ability to fulfil its obligations in respect of Notes II.

5.3 RISKS ASSOCIATED WITH CROWN

5.3.1 Regulatory risks

Crown operates in the gambling industry which is highly regulated in each of the jurisdictions in which Crown participates and Crown requires the approval of the relevant gaming regulators (usually in the form of licences) in order to conduct its business. Crown's operations, its financial performance and future prospects are dependent on the regulatory framework it operates in.

The regulatory framework is subject to changes from time to time in both material and immaterial respects which can be adverse to Crown. While Crown has agreements in place with some governments to limit changes to this regulatory framework, there can be no certainty that this framework will not change and such changes may impact the licences or approvals which Crown requires to operate its businesses or the operating environment such as competition factors.

The potential changes to the general regulatory framework which could potentially negatively impact Crown's operations include:

- the issue of new licences to third parties which enable gambling activities that compete or could compete with Crown's businesses. This could result in a reduction in the revenue Crown generates from its gambling businesses;
- any new legislation to implement new responsible gambling measures such as mandatory pre-commitment. Such measures may increase the cost to Crown of conducting its gambling businesses and/or may reduce the revenue it generates from those businesses;
- changes to legislation in relation to the distribution of gambling across different platforms, including online. Such changes could increase the gambling products available in the jurisdictions in which Crown operates, increasing competition and reducing the revenue Crown generates from its gambling businesses;
- changes to advertising and marketing restrictions associated with gambling activities. Increased restrictions on advertising could restrict Crown's ability to market its operations and reduce the revenue Crown generates from its gambling businesses;

- additional requirements to mitigate the risk of money laundering and fraud. Any additional requirements could result in additional expenses for Crown (e.g. compliance and reporting costs);
- changes to visa access which could impact Crown's VIP patronage. A reduction in VIP patronage at Crown's properties could reduce the revenue Crown generates from its gambling and related businesses;
- Crown has specific licences to conduct its gaming businesses issued by the relevant regulatory authorities in the jurisdictions in which it operates. In addition to general changes to the regulatory framework, there may be regulatory changes that directly affect Crown's licences. These could include: increases in tax rates or additional levies or taxes (including casino tax rates and levies) imposed on Crown's activities which would increase the cost to Crown of conducting its business and/or reduce the profits it generates from its activities;
- an enforced reduction in the number of and/or restrictions on the current operation of gaming machines could reduce the amount of revenue Crown generates from its gambling businesses;
- an enforced reduction in the number of table games and/or restrictions on the current operation of table games could reduce the revenue Crown generates from its gambling businesses;
- an adverse change to Crown's gaming licences, including the loss of a gaming licence. An adverse change to Crown's gaming licences could restrict its ability to conduct gaming activities and result in Crown's revenue and profitability being adversely impacted. If Crown ceased to be licensed in a jurisdiction, Crown could not continue to undertake gaming activities in that market. A loss of one of Crown's gaming licences may also result in regulators in other jurisdictions reviewing the appropriateness of Crown being licensed in those markets. A loss of one or more gaming licences would severely impact Crown's financial position and performance;
- the removal of, or other adverse change to, Crown's liquor licences which allow Crown to serve alcohol at its properties. Any adverse change in Crown's ability to do this could adversely impact Crown's revenue and profitability; and
- other regulatory changes which impact the patronage to Crown's properties, reduce overall gambling activity or increase the costs of Crown's operations could negatively impact Crown's financial performance.

5.3.2 Compliance with relevant gaming and other regulations

Crown's operations are governed by strict regulations which impact on a wide range of Crown's activities in each of the jurisdictions in which Crown operates. While Crown has strict internal compliance measures including extensive staff training and monitoring of activities, there can be no certainty that an employee of Crown does not breach a rule or regulation to which Crown is subject. The impact of any regulatory breach by Crown or one of its employees is dependent on the nature and severity of such breach and could potentially result in the suspension, cancellation or termination of Crown's ability to conduct business in a jurisdiction. This would negatively impact Crown and its financial performance.

5.3.3 Volatility of VIP operations

Crown's VIP operations experience volatility due to the large maximum bet limits and the nature of gambling turnover associated with VIP customers. While there is an element of chance in gambling as to whether the casino or the player wins in each game, over a long period of time, the win rate of table games is typically close to the theoretical win rate. However, in the short term, there can be significant variability in the actual financial results from VIP gaming depending largely on whether customers win or lose particular games which have large bets. The volatility in the VIP business can result in financial losses to Crown if there is a negative deviation in the actual win rate compared to the theoretical.

5.3.4 Smoking restrictions

Crown's properties are subject to smoking restrictions. Crown has certain exemptions for its VIP gaming areas from smoking restrictions. The removal of these exemptions or the introduction of further smoking restrictions may reduce patronage to Crown's properties and negatively impact financial performance.

5. Investment risks

5.3.5 Reliance on a limited number of properties

Crown has two major properties in Australia, being Crown Melbourne and Crown Perth, which contribute the majority of Crown's earnings. Both properties are large and expansive sites and have extensive risk management processes and systems to mitigate the risk of fire, crowd control issues and other risks associated with large venues. However, there can be no certainty that either of these properties will not be impacted by a catastrophic event which causes significant disruption to Crown's operations and results in financial losses to Crown. While Crown maintains a level of insurance cover, Crown's insurance policies may not provide coverage for all losses related to Crown's business, including disruption to Crown's operations, and the occurrence of losses, liabilities or damage not covered by such insurance policies could negatively impact Crown's operations and financial performance.

5.3.6 Brand reputation

The Crown brand is important in attracting customers, including international VIP customers. Negative publicity such as media reports of negative events associated with Crown including inappropriate associations and inappropriate conduct in Crown's properties may damage Crown's brand reputation, with the potential to reduce patronage to Crown's properties and therefore negatively impact financial performance.

5.3.7 Competition

The worldwide integrated resort industry in which Crown operates is highly competitive. Crown's VIP business caters for predominantly international customers and therefore competes directly with integrated resorts globally such as those in Singapore, Macau, the Philippines and Las Vegas. There are a number of Asian jurisdictions (such as Japan, Taiwan and Vietnam) which are developing or considering developing integrated resorts that may attract VIP business away from Crown which could negatively impact Crown's revenues and operations in the future.

Crown also competes in Melbourne to some extent with the local clubs and pubs that operate gaming machines. There are no gaming machines in local clubs and pubs in Western Australia.

The casino licences at both Crown Melbourne and Crown Perth are not exclusive and it is open to the State governments in Victoria and Western Australia to issue further casino licences, although in Western Australia any further licensed casino located within 100kms of Crown Perth must be of at least the same size and standard as Crown Perth. The issue of further casino licences to third parties may have a negative impact on Crown's operations, market share and financial performance.

5.3.8 Development and construction

Regular development and construction activity within Crown's properties occurs in the ordinary course of Crown's operations. Crown is also undertaking several large-scale development projects—see Section 3 for details of the projects Crown currently has planned.

Development and construction activity is inherently risky and there is no guarantee that adequate returns from capital investment will be achieved. There are also risks that necessary approvals or consents are not forthcoming, agreements with third parties are not finalised, targeted timetables are not achieved, planned costs are exceeded or disruption is more extensive than anticipated. Each of these risks has the potential to negatively impact Crown's operations and financial performance and may impact on Crown's ability to attract and retain customers.

5.3.9 General economic conditions and consumer sentiment

General economic conditions and consumer sentiment have an impact on the level of expenditure of patrons at Crown's properties and therefore impact Crown's operational and financial performance. Factors such as interest rates, foreign exchange rates, share market performance, sovereign risk and other global economic events can influence general economic conditions and consumer sentiment. To the extent there is uncertainty or deterioration in any of these factors, expenditure by Crown's patrons in Crown's properties could be negatively impacted.

5.3.10 Litigation and legal liabilities

Crown may be subject to litigation and legal liabilities in the ordinary course of operations which can have a negative financial impact on Crown. While Crown believes that appropriate provisions have been made in respect of identified risks of this nature, there can be no certainty that these provisions are sufficient or that there are no new issues which require further provisions. There is also a risk that Crown's reputation may be negatively impacted due to the profile of, and public scrutiny surrounding, any such litigation and legal liabilities regardless of their outcome.

An item that may give rise to legal liabilities for Crown is described below:

Crown Perth

On 13 December 2013, residents in the Burswood Peninsula area issued proceedings out of the Supreme Court of Western Australia against the State of Western Australia, the Minister for Racing and Gaming and Burswood Nominees Ltd. The proceedings sought to restrain further works on Crown Towers Perth's six star hotel project unless and until the project goes through the development approval process under the general laws of the State and local planning schemes. On 26 March 2014, the plaintiffs' action was dismissed by the Supreme Court. An appeal was heard in the Supreme Court of Western Australia Court of Appeal on 17 November 2014 but judgement has been reserved.

5.3.11 Global events

Geopolitical events globally can impact the international tourism industry in which Crown participates. Global events such as acts of terrorism, natural disasters and health related issues can reduce international tourism activity and reduce the visitation to and expenditure in Crown's properties. Such events can have a prolonged effect on visitation, for example due to the resultant economic impacts or due to perceived risks by potential tourists. This could negatively impact Crown's operations and its financial performance given the importance of Crown's international VIP business.

5.3.12 Acquisitions and investments

From time to time, Crown considers acquisitions and investments as part of its growth strategy. If Crown pursues acquisitions or investments, significant capital may be invested and there is no guarantee that expenditure will generate expected returns or that the acquisition or investment will be successful. The successful implementation of any acquisition or investment will depend upon a range of factors including potential funding strategies and challenges associated with integrating and adding value to any acquired business or investment. Depending upon the size of the acquisition, the investment could change the nature and scale of Crown's business, financial performance and capital structure. In addition, the acquisitions or investments could be in jurisdictions in which Crown does not currently operate, potentially exposing Crown to new risks associated with that jurisdiction. Each of these matters could adversely impact Crown's financial position or performance.

5.3.13 Bad debts in VIP business

In Crown's VIP business, credit is extended to certain customers to facilitate gambling activity in Crown's casinos. Providing credit to VIP customers is customary in the industry and is extended to customers who can place very large individual bets. The credit is provided on an unsecured basis and to customers who ordinarily reside in foreign jurisdictions. The ability of Crown to recover bad debts from customers can depend on the laws of the country in which those customers reside, for example, whether the jurisdiction enforces gambling debts. There is a risk that some customers may default on their obligations to repay these debts, which may result in financial losses to Crown if those debts cannot be recovered.

5.3.14 Occupational health and safety

Crown has a significant number of employees across various jurisdictions and in a wide range of functions. In addition, Crown's properties attract a significant number of customers. While Crown believes it has extensive occupational health and safety policies and training, there is a risk of injuries to Crown employees and customers which can negatively impact Crown's operations and reputation. Crown must also comply with applicable occupational health and safety legislation and regulatory requirements. A failure to do so may have a negative impact on Crown's operations and reputation.

5. Investment risks

5.3.15 Failure or corruption of IT systems

Crown relies on various IT systems for its day to day operations, some of which are critical to Crown's operations. While Crown believes it has extensive measures to mitigate risks, such as disaster recovery systems, there is no certainty that these systems are adequate to prevent a failure of IT systems or disruption by a hacker. A prolonged system failure would result in a significant loss of revenue to Crown and may negatively impact Crown's operations and financial performance.

5.3.16 Taxation

Crown is subject to taxation and other imposts both in Australia (at both the State and Federal level) and in the other jurisdictions in which it operates. Future changes in taxation laws, including changes in interpretation or application of existing laws by the courts or taxation authorities in those jurisdictions, could materially affect taxation treatment of Crown or Crown's securities, or the holding or disposal of those securities.

The determination of the taxation treatment of investments, activities or transactions requires an interpretation of the relevant taxation laws and significant judgement in circumstances where there may be differing but reasonable interpretations which may be adopted. Consistent with other companies of the size of Crown, Crown may be subject to periodic information requests, taxation audits or investigations by the Australian Taxation Office and tax authorities in other jurisdictions in which Crown operates that may result in Crown having to pay additional tax and associated penalties. Such payments may affect Crown's financial performance and position.

5.3.17 Major criminal activity

Major criminal activity such as fraud, cheating and money laundering is a risk to Crown's operations. Gambling activities, such as table games, are conducted with the use of gaming chips, which like currency, are subject to risks of counterfeit and fraud. While Crown has extensive counter measures, including anti-counterfeit systems and ongoing engagement with relevant law enforcement bodies, there can be no certainty that major criminal activity does not occur in one of Crown's properties. The occurrence of any such activity could negatively impact Crown's operations and financial performance.

5.3.18 Industrial relations

Many of Crown's employees are covered by enterprise bargaining agreements, which are periodically renegotiated and renewed. As part of the bargaining process, and more generally, there is a risk that industrial disputes could lead to strikes or other forms of industrial action that could disrupt Crown's operations, increase costs and reduce Crown's revenues and adversely affect its financial performance.

5.3.19 Key management

Crown is dependent on its ability to retain and attract key management and operating personnel. The unexpected loss of any key resources, or the inability to attract personnel with appropriate experience, could negatively impact Crown's operations and financial performance.

5.3.20 Melco Crown – Macau

Crown has a material investment in Melco Crown, which operates integrated resorts in Macau. Melco Crown, like Crown, also operates in the gaming and entertainment sector and is subject to similar risks as set out in this Section. Macau is a foreign jurisdiction and has specific risk factors associated with that jurisdiction. Melco Crown is a separate company to Crown and has specific risk factors associated with the company. These risks have the potential to negatively impact Melco Crown's operations which may reduce the value of Crown's investment in Melco Crown. These specific risk factors include:

- inaccessibility to Macau due to inclement weather, road construction or closure of primary access routes;
- decline in air or ferry passenger traffic to Macau due to higher ticket costs, fears concerning travel or otherwise;
- travel restrictions to Macau which are imposed now or in the future by the Chinese Government;
- changes in Macau governmental laws and regulations, or interpretations thereof, including gaming laws and regulations;
- The Macau Government has introduced smoking restrictions in some areas of casinos in Macau. There is a risk that the Macau Government could broaden these smoking restrictions;

- restrictions on the availability of gaming product;
- natural and other disasters, including typhoons, outbreaks of infectious diseases or terrorism, affecting Macau;
- relaxation of regulations on gaming laws in other regional economies that would compete with the Macau market;
- inability to access funding for current and future projects as well as ongoing business operations;
- fluctuations in foreign exchange rates may impact on the performance of Melco Crown, or the value of Crown's investment in Melco Crown, when translated into Australian dollar terms;
- Melco Crown's current sub-concession expires in 2022 and there is no guarantee that the sub-concession will be extended beyond this date. If the sub-concession is extended beyond this date, Melco Crown may be required to make a payment;
- changes in the tax regime which applies to Melco Crown; and
- reliance on gaming promoters to attract customers to Melco Crown's casino and hotel operations.

The Macau gaming market is experiencing weak trading conditions which resulted in a decline in Melco Crown's results over the six month period to December 2014. This deterioration has continued with a 17.4% decline in gross gaming revenue across the Macau market in January 2015 compared to January 2014 and a 48.6% decline in gross gaming revenue across the Macau market in February 2015 compared to February 2014. There can be no certainty that trading conditions in the Macau gaming market will improve or that the financial performance of Melco Crown does not deteriorate further which would negatively impact Crown and its financial performance.

5.3.21 Availability and servicing of debt finance and other capital

From time to time, Crown will be required to refinance its debt facilities or raise additional capital. There is no certainty as to the availability of debt facilities or the terms on which such capital may be provided to Crown in the future. Crown's ability to refinance existing debt or raise further capital on favourable terms will depend on prevailing capital market conditions and Crown's credit rating position, capital structure and operating performance from time to time. In particular, Crown may incur higher interest rates and/or additional fees associated with future financing transactions.

If Crown is unable to refinance its debt obligations or raise additional capital on reasonable terms, or if the operating performance of Crown deteriorates or its credit ratings or capital structure changes, this may have an adverse effect on the financial position and performance of Crown and its ability to meet its financial obligations. This may adversely impact the underlying credit quality and/or market price of Notes II.

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Section 6

About the Offer



6. About the Offer

Information about the Offer, including the Offer key dates and the Offer Period, is included in Section 1.

This Section provides further information about the Offer, including how to apply for Notes II.

6.1 THE OFFER

Topic	Summary
How is the Offer structured?	<ul style="list-style-type: none"> The Offer comprises: <ul style="list-style-type: none"> an Institutional Offer to certain Institutional Investors; a Broker Firm Offer made to eligible clients of Syndicate Brokers; a Securityholder Offer made to Eligible Securityholders; and a General Offer made to members of the general public who are resident in Australia or New Zealand.
Is any brokerage, commission or stamp duty payable?	<ul style="list-style-type: none"> No brokerage, commission or stamp duty is payable by applicants on applications. You may be required to pay brokerage if you sell your Notes II on ASX after Notes II have been quoted on ASX.
Will application monies be held on trust?	<ul style="list-style-type: none"> All application monies received before Notes II are issued will be held by Crown on trust in an account established solely for the purposes of depositing application monies received. Any interest that accrues in that account will be retained by Crown. After Notes II are issued to successful applicants, the application monies held on trust will be payable to Crown.
How will refunds (if any) be made?	<ul style="list-style-type: none"> If you are not issued any Notes II or you are issued fewer Notes II than the number that you applied and paid for as a result of a scale back, all or some of your application monies (as applicable) will be refunded to you (without interest) as soon as practicable after the Issue Date. If the Offer does not proceed for any reason, all applicants will have their application monies refunded (without interest) as soon as practicable.
Do I need to provide my TFN or ABN?	<ul style="list-style-type: none"> You do not have to provide your TFN or ABN and it is not an offence if you fail to do so. However, Crown may be required to withhold Australian tax at the maximum marginal tax rate on the amount of any Interest Payment unless you provide one of the following: <ul style="list-style-type: none"> TFN; TFN exemption number (if applicable); or ABN (if Notes II are held in the course of an enterprise carried on by you). The collection and quotation of TFNs and ABNs are authorised, and their use and disclosure is strictly regulated, by tax laws and the Privacy Act.
How to obtain a copy of the Prospectus and Application Form?	<ul style="list-style-type: none"> During the Exposure Period, an electronic version of this Prospectus (without an Application Form) will be available at www.crownresorts.com.au/notes, except to persons in New Zealand (other than under the Institutional Offer). Application Forms will not be made available until after the Exposure Period. During the Offer Period, an electronic version of the Replacement Prospectus with an Application Form will be available at www.crownresorts.com.au/notes and may be available through your Syndicate Broker.

Topic	Summary
How to obtain a copy of the Prospectus and Application Form? (cont.)	<p>Electronic access to this Prospectus</p> <ul style="list-style-type: none"> The following conditions apply if this Prospectus is accessed electronically: <ul style="list-style-type: none"> you must download the entire Prospectus; your application will only be considered where you have applied on an application form that was attached to or accompanied by a copy of the Prospectus; and the Prospectus is available electronically to you only if you are accessing and downloading or printing the electronic copy of the Prospectus in Australia or New Zealand, or if you are an Eligible Securityholder in Australia or New Zealand. During the Offer Period, you can also request a free paper copy of this Prospectus and an Application Form by calling the Crown Notes II Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday–8:30am to 5:30pm (Sydney time)). The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, a printed copy of this Prospectus or the complete and unaltered electronic version of this Prospectus. Your application will only be considered where you have applied pursuant to an application form (either in electronic or paper form) that was attached to, or accompanied by, a copy of the Replacement Prospectus, and have provided your application monies.

6.2 HOW TO APPLY

	Institutional Offer	Broker Firm Offer	Securityholder Offer	General Offer
Who can apply?	<p>Institutional Investor</p> <ul style="list-style-type: none"> That is, an investor who is invited by Crown or the Joint Lead Managers to bid for Notes II in the Bookbuild, who is applying through the Institutional Offer. 	<p>Broker Firm Applicant</p> <ul style="list-style-type: none"> That is, a client of a Syndicate Broker invited to participate through the Broker Firm Offer. 	<p>Securityholder Applicant</p> <ul style="list-style-type: none"> That is, an Eligible Securityholder, being a registered holder of Ordinary Shares or Notes I with a registered address in Australia or New Zealand at 7:00pm (Sydney time) on 13 March 2015 and who is resident in Australia or New Zealand. 	<p>General Applicant</p> <ul style="list-style-type: none"> That is, a member of the general public who is resident in Australia or New Zealand and who applies for Notes II under the General Offer.
How many Notes II can be applied for?	<ul style="list-style-type: none"> Your application must be for a minimum of 50 Notes II (\$5,000). If your application is for more than 50 Notes II, then you must apply in incremental multiples of 10 Notes II – that is, for incremental multiples of \$1,000. 			

6. About the Offer

	Institutional Offer	Broker Firm Offer	Securityholder Offer	General Offer
When to apply?	<ul style="list-style-type: none"> The Bookbuild will be completed by 24 March 2015. 	<ul style="list-style-type: none"> Applications will only be accepted during the Offer Period, which is expected to open on 25 March 2015. The Closing Date for the Broker Firm Offer is 5:00pm (Sydney time) on 21 April 2015. Your completed Application Form and application monies must be received by your Syndicate Broker in accordance with arrangements made between you and your Syndicate Broker. 	<ul style="list-style-type: none"> Applications will only be accepted during the Offer Period, which is expected to open on 25 March 2015. The Closing Date for the Securityholder Offer is 5:00pm (Sydney time) on 14 April 2015. Your completed Application Form and application monies must be received by the Registry by the Closing Date. 	<ul style="list-style-type: none"> Applications will only be accepted during the Offer Period, which is expected to open on 25 March 2015. The Closing Date for the General Offer is 5:00pm (Sydney time) on 14 April 2015. Your completed Application Form and application monies must be received by the Registry by the Closing Date.
How to apply online?	N/A	<ul style="list-style-type: none"> Contact your Syndicate Broker for instructions. 	<ul style="list-style-type: none"> You can apply online at www.crownresorts.com.au/notes. Instructions on how to complete your application are provided online. You will be asked to identify your holding of Ordinary Shares or Notes I by providing your SRN or HIN which can be found on your holding statement or payment advice. When applying online, you will be required to pay for Notes II using BPAY®. 	<ul style="list-style-type: none"> You can apply online at www.crownresorts.com.au/notes. Instructions on how to complete your application are provided online. When applying online, you will be required to pay for Notes II using BPAY®.

	Institutional Offer	Broker Firm Offer	Securityholder Offer	General Offer
How to pay online?	N/A	N/A	<ul style="list-style-type: none"> • If you apply using an online Application Form, you must complete your application by making a BPAY® payment. • Once you have completed your online Application Form, you will be given a BPAY® biller code and unique Customer Reference Number for that application. Follow the BPAY® instructions below to complete your application. • If you do not make a BPAY® payment, your application will be incomplete and will not be accepted by Crown. Eligible Securityholders resident in New Zealand must have an Australian dollar account with an Australian financial institution from which to make the required BPAY® payment. • Your completed online Application Form and application monies must be received by the Registry by the Closing Date. 	
How to use BPAY®?	N/A	N/A	<ul style="list-style-type: none"> • Using the BPAY® details provided, you need to: <ul style="list-style-type: none"> – access your participating BPAY® financial institution either through telephone banking or internet banking; – select BPAY® and follow the prompts; – enter the biller code supplied; – enter the unique Customer Reference Number supplied for each application; – enter the total amount to be paid which corresponds to the number of Notes II you wish to apply for under each application (i.e. a minimum of \$5,000 – 50 Notes II, and incremental multiples of \$1,000 – 10 Notes II). Note that your financial institution may apply limits on your use of BPAY®. You should enquire about the limits that apply in your own personal situation; – select the account you wish your payment to be made from; – schedule your payment for the same day that you complete your online Application Form since applications without payment cannot be accepted; and – record your BPAY® receipt number and date paid. Retain these details for your records. • BPAY® payments must be made from an Australian dollar account of an Australian financial institution. 	

6. About the Offer

	Institutional Offer	Broker Firm Offer	Securityholder Offer	General Offer
How to apply using a paper Application Form?	<ul style="list-style-type: none"> Application and settlement procedures for Institutional Investors will be advised by Deutsche Bank or UBS. 	<ul style="list-style-type: none"> There will be paper Application Forms in the back of the Replacement Prospectus (that is expected to be available from 25 March 2015) that may be used by Broker Firm Applicants. General instructions on how to complete the paper Application Form are set out on the Application Form. You must contact your Syndicate Broker for their specific instructions on how to submit the paper Application Form and your application monies to your Syndicate Broker. You must not return your paper Application Form to the Registry. Your Syndicate Broker must have received your completed paper Application Form and application monies in time to arrange settlement on your behalf by the Closing Date for the Broker Firm Offer (being 21 April 2015) and will act as your agent in processing your paper Application Form and providing your application details and application monies to Crown. 	<ul style="list-style-type: none"> You can request a paper copy of the Prospectus and your personalised Securityholder Application Form by calling the Crown Notes II Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:30pm (Sydney time)). Instructions on how to complete your personalised Securityholder Application Form are set out on the form. You will be required to pay for Notes II by 14 April 2015 by cheque(s) and/or money order(s). If you wish to pay by BPAY®, you need to make an online application. You will be required to post your completed personalised paper Securityholder Application Form to the Registry. 	<ul style="list-style-type: none"> There will be paper Application Forms in the back of the Replacement Prospectus (that is expected to be available from 25 March 2015) that should be used by General Applicants. You can request a paper copy of the Prospectus and paper Application Form by calling Crown Notes II Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday–8:30am to 5:30pm (Sydney time)). Instructions on how to complete the paper Application Form are set out on the form. If applying using the Application Form, you will be required to pay for Notes II using cheque(s) and/or money order(s). If you wish to pay by BPAY®, you need to make an online application. You will be required to post your completed paper Application Form to the Registry.

	Institutional Offer	Broker Firm Offer	Securityholder Offer	General Offer
What is the address of the Registry?	N/A	N/A	<ul style="list-style-type: none"> Computershare Investor Services Pty Limited 452 Johnston Street Abbotsford VIC 3067 The paper Application Form sets out details of the GPO Box for the Registry for the return of paper Application Forms. Please note that paper Application Forms and application monies will not be accepted at any other address or office and will not be accepted at Crown's registered office or any other Crown office or at other offices or branches of the Registry. 	
How to pay using a paper Application Form?	N/A	<ul style="list-style-type: none"> You must contact your Syndicate Broker for information on how to submit the paper Application Form and your application monies to your Syndicate Broker. 	<ul style="list-style-type: none"> If you apply under the Securityholder Offer using a personalised paper Securityholder Application Form, your completed form must be accompanied by application monies in the form of cheque(s) and/or money order(s) drawn on an Australian dollar account of a financial institution and made payable to "Crown Subordinated Notes II Offer". Cheque(s) should be crossed "Not Negotiable". Cash payments will not be accepted. 	<ul style="list-style-type: none"> If you apply under the General Offer using a paper Application Form, your completed form must be accompanied by application monies in the form of cheque(s) and/or money order(s) drawn on an Australian dollar account of a financial institution and made payable to "Crown Subordinated Notes II Offer". Cheque(s) should be crossed "Not Negotiable". Cash payments will not be accepted. You cannot pay by BPAY® if you apply under the General Offer using a paper Application Form. If you wish to pay by BPAY®, you need to make an online application.

6. About the Offer

	Institutional Offer	Broker Firm Offer	Securityholder Offer	General Offer
How to pay using a paper Application Form? (cont.)	N/A	<ul style="list-style-type: none"> You must contact your Syndicate Broker for information on how to submit the paper Application Form and your application monies to your Syndicate Broker. 	<ul style="list-style-type: none"> You cannot pay by BPAY® if you apply under the Securityholder Offer using a personalised paper Securityholder Application Form. If you wish to pay by BPAY®, you will need to make an online application. Your completed personalised paper Securityholder Application Form and application monies must be received by the Registry by the Closing Date. 	<ul style="list-style-type: none"> Your completed paper Application Form and application monies must be received by the Registry by the Closing Date.
What is the allocation policy?	<ul style="list-style-type: none"> Allocations to Institutional Investors will be agreed by Deutsche Bank, UBS and Crown following completion of the Bookbuild. 	<ul style="list-style-type: none"> Allocations to Syndicate Brokers will be agreed by the Joint Lead Managers and Crown following completion of the Bookbuild. Allocations to Broker Firm Applicants by a Syndicate Broker are at the discretion of that Syndicate Broker. 	<ul style="list-style-type: none"> Allocations for the Securityholder Offer and the General Offer will be determined by Crown in consultation with the Joint Lead Managers after the Closing Date. Crown will endeavour to provide Securityholder Applicants with a minimum allocation under the Securityholder Offer of at least 50 Notes II. However, Crown does not guarantee any minimum allocation under the Securityholder Offer and the extent of any allocation will ultimately depend on the total level of applications under the Offer. Crown by agreement with the Joint Lead Managers reserves the right to scale back applications from Securityholder Applicants and General Applicants. Any scale back will be announced on ASX on the day Notes II commence trading on a deferred settlement basis – expected to be 24 April 2015. In the event of any scale back, Securityholder Applicants will be entitled to an allocation of Notes II in priority to General Applicants. 	

	Institutional Offer	Broker Firm Offer	Securityholder Offer	General Offer
What is the allocation policy? (cont.)			<ul style="list-style-type: none"> • Crown by agreement with the Joint Lead Managers has absolute discretion to determine the method and extent of the allocation. • Crown and the Joint Lead Managers reserve the right to: <ul style="list-style-type: none"> – allocate to any Securityholder Applicant or General Applicant all Notes II for which they have applied; – reject any application by a Securityholder Applicant or a General Applicant; or – allocate to any Securityholder Applicant or General Applicant a lesser number of Notes II than that applied for, including less than the minimum application of Notes II or none at all. • No assurance is given that any Securityholder Applicant or General Applicant will receive an allocation. 	
How will the final allocation policy be announced?	<ul style="list-style-type: none"> • Allocations to Institutional Investors will be advised to those investors under the Bookbuild. 	<ul style="list-style-type: none"> • Allocations to Syndicate Brokers will be advised to those brokers under the Bookbuild. • Applicants under the Broker Firm Offer will also be able to confirm their firm allocation through the Syndicate Broker from whom they received their allocation. • However, if you sell Notes II before receiving a Holding Statement, you do so at your own risk, even if you confirmed your firm allocation through a Syndicate Broker. 	<ul style="list-style-type: none"> • If you are an applicant in the Securityholder Offer or General Offer, you will be able to call the Crown Notes II Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:30pm (Sydney time)) to confirm your allocation. It is expected that the basis of allocation will be advertised in The Australian and The Australian Financial Review on or about 24 April 2015. • However, if you sell Notes II before receiving a Holding Statement, you do so at your own risk, even if you obtained details of your holding from the Crown Notes II Offer Information Line. 	

6. About the Offer

	Institutional Offer	Broker Firm Offer	Securityholder Offer	General Offer
Who should I contact with an enquiry?	<ul style="list-style-type: none"> Contact Deutsche Bank or UBS 	<ul style="list-style-type: none"> If you have further questions about the Offer or your application under the Broker Firm Offer, please call your Syndicate Broker. 	<ul style="list-style-type: none"> You can call the Crown Notes II Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:30pm (Sydney time)) if you: <ul style="list-style-type: none"> – have further questions on how to apply for Notes II; – require assistance to complete your Application Form; – require additional copies of this Prospectus and Application Forms; or – have any other questions about the Offer. 	
	<ul style="list-style-type: none"> If you are unclear in relation to any matter relating to the Offer or are uncertain whether Notes II are a suitable investment for you, you should consult an independent and appropriately licensed or authorised professional adviser. 			

6.3 OTHER INFORMATION

6.3.1 Bookbuild

The Joint Lead Managers will conduct a Bookbuild to determine the Margin and firm allocations of Notes II to Bookbuild participants. The Bookbuild is expected to be completed by 24 March 2015 in accordance with the terms and conditions agreed by Crown and the Joint Lead Managers. As part of the Bookbuild, certain Institutional Investors and Syndicate Brokers will be invited to lodge bids for Notes II. On the basis of those bids, Crown and the Joint Lead Managers will determine the initial Margin and the firm allocations of Notes II to Syndicate Brokers. Crown and the Joint Lead Managers will determine the firm allocations to certain Institutional Investors. Notes II allocated during the Bookbuild will be issued pursuant to this Prospectus.

The Margin set by the Bookbuild is expected to be announced on 24 March 2015 to ASX and included in the Replacement Prospectus. Details will also be available by calling the Crown Notes II Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:30pm (Sydney time)) from or about 25 March 2015.

Application and settlement procedures for the Bookbuild will be notified to Syndicate Brokers by the Joint Lead Managers, and to Institutional Investors by Deutsche Bank or UBS.

6.3.2 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, Notes II or the Offer or otherwise to permit a public offering of Notes II in any jurisdiction outside Australia or New Zealand. Eligible Securityholders in New Zealand should refer to the “Important Information for New Zealand investors” section in the Important notices section of this Prospectus.

This Prospectus does not constitute an offer or invitation to subscribe for Notes II in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a “Relevant Member State”), each Joint Lead Manager has represented and agreed, and each further Joint Lead Manager appointed under the Offer will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), it has not made and will not make an offer of Notes II which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State other than: (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive; (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) as permitted under the Prospectus Directive subject to obtaining the prior consent of the relevant Joint Lead Manager or Joint Lead Managers nominated by Crown for any such offer; or (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes II referred to in (a) to (c) above shall require Crown or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an offer of Notes II to the public in relation to any Notes II in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and Notes II to be offered so as to enable an investor to decide to purchase or subscribe for Notes II, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Hong Kong

This Prospectus may only be distributed to and accessed by persons in Hong Kong who are “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or otherwise to persons in circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute the making of an offer to the public within the meaning of that Ordinance.

New Zealand

This Prospectus is not a prospectus, investment statement or product disclosure statement under New Zealand law. It may not contain all the information that a prospectus, investment statement or product disclosure statement under New Zealand law is required to contain. Notes II that are the subject of the Institutional Offer are not being offered or sold in New Zealand other than to:

- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- persons who are each required to: (i) pay a minimum subscription price of at least NZ\$500,000 for Notes II before the allotment of those Notes II; or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of Crown (“initial securities”) in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this Prospectus,

where such persons are not acquiring Notes II with a view to offering them (or any of them) for sale to members of the public (as that expression is used in the Securities Act 1978) (New Zealand)).

6. About the Offer

Singapore

This Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (the “Securities and Futures Act”). Accordingly, Notes II will only be offered in Singapore pursuant to exemptions under the Securities and Futures Act and Notes II may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes II be circulated or distributed, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor (as defined under Section 4A of the Securities and Futures Act) pursuant to Section 274 of the Securities and Futures Act; (b) to a relevant person (as defined under Section 275(2) of the Securities and Futures Act) under Section 275(1) of the Securities and Futures Act or to any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act. Section 276 of the Securities and Futures Act will have to be complied with upon the subsequent sale of any securities acquired pursuant to an exemption under Section 274 or 275 of the Securities and Futures Act.

Where Notes II are subscribed for or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired Notes II pursuant to an offer made under Section 275 of the Securities and Futures Act except: (i) to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the Securities and Futures Act or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the Securities and Futures Act; or (ii) where no consideration is or will be given for the transfer; or (iii) where the transfer is by operation of law; or (iv) pursuant to Section 276(7) of the Securities and Futures Act.

Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in Notes II described herein. Notes II may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to Notes II constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Prospectus nor any other offering or marketing material relating to Notes II may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the offering, nor Crown nor Notes II have been or will be filed with or approved by any Swiss regulatory authority. Notes II are not subject to the supervision by any Swiss regulatory authority, e.g. the Swiss Financial Markets Supervisory Authority (“FINMA”), and investors in Notes II will not benefit from protection or supervision by such authority.

United Kingdom

Neither the information in this Prospectus nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of Notes II. This Prospectus is issued on a confidential basis to “qualified investors” (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and Notes II may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by the recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of Notes II has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Crown.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons: (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”); (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc) of the FPO; or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

United States of America

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States (as defined in Regulation S).

Notes II have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Notes II are being offered and sold only outside the United States in reliance on Regulation S.

Each Broker Firm Applicant, and any persons for whose benefit such Broker Firm Applicant is applying, and each person to whom the Institutional Offer is made under this Prospectus, by accepting delivery of this Prospectus or Notes II, will have represented, agreed and acknowledged that:

- it acknowledges that Notes II have not been, and will not be, registered under the U.S. Securities Act or with any securities authority in any state or other jurisdiction of the United States;
- any Notes II it acquires in the Offer will be acquired in an offshore transaction outside the United States in compliance with the requirements of Regulation S;
- it is not in the United States or a US Person;
- it will not offer, sell, pledge or transfer any Notes II, except in accordance with the U.S. Securities Act and any applicable laws of any state of the United States and any other jurisdiction;
- it has not and will not send the Prospectus, any Application Form, or any other material relating to the Offer to any person in the United States; and
- Crown, the Joint Lead Managers and others will rely upon the truth and accuracy of the foregoing representations, agreements and acknowledgements and agrees that, if any of such representations, agreements and acknowledgements are no longer accurate, it will promptly notify Crown, and if it is acquiring any Notes II as fiduciary or agent for one or more accounts, it has full power to make the foregoing representations, agreements and acknowledgements on behalf of each such account.

6. About the Offer

6.3.3 Application to ASX for quotation of Notes II

Crown will apply for quotation of Notes II on ASX under the code "CWNHB".

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may quote Notes II is not to be taken as an indication of the merits of Notes II offered for subscription.

If permission is not granted for the official quotation of Notes II on ASX within three months after the date of this Prospectus, Notes II will not be issued and all application monies received by Crown will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

6.3.4 CHESS and issuer sponsored holdings

Crown will apply to participate in ASX's CHESS and will comply with the Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When Notes II become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, an electronic CHESS subregister or an issuer sponsored subregister. For all successful applicants, Notes II of a Holder who is a participant in CHESS or a Holder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Notes II will be registered on the Crown sponsored subregister.

Following completion of the Offer, Holders will be sent a Holding Statement that sets out the number of Notes II that have been allocated to them. This statement will also provide details of a Holder's HIN for CHESS holders or, where applicable, the SRN of issuer sponsored holders. It is expected that Holding Statements for issuer sponsored holders and confirmations for CHESS holders will be despatched to successful applicants by 28 April 2015. Certificates will not be issued.

Holders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the Register in the previous month and as otherwise required under the Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Holder's sponsoring broker in the case of a holding on the CHESS subregister or through the Registry in the case of a holding on the Crown sponsored subregister. Crown and the Registry may charge a fee for these additional issuer sponsored statements.

6.3.5 Deferred settlement trading and selling Notes II on market

It is expected that trading of Notes II on ASX will commence on or about 24 April 2015 on a deferred settlement basis.

It is the responsibility of each person who trades in Notes II to confirm their holding before trading. If you sell Notes II before receiving a Holding Statement, you do so at your own risk. Crown, the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell Notes II before receiving your Holding Statement, even if you obtained details of your holding from the Crown Notes II Offer Information Line or confirmed your firm allocation through a Syndicate Broker.

Notes II are expected to commence trading on ASX on or about 29 April 2015 on a normal settlement basis.

6.3.6 Discretion regarding the Offer

Crown reserves the right not to proceed with the Offer at any time before the issue of Notes II to successful applicants.

Crown may withdraw the Offer at any time before the issue of Notes II to successful applicants. If the Offer, or any part of it, does not proceed, all relevant application monies will be refunded (without interest).

Crown and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late applications or bids either generally or in particular cases, reject any application or bid, or allocate to any applicant or bidder fewer Notes II than applied or bid for.

Investors should also note that no cooling off rights (whether by law or otherwise) apply to an investment in Notes II. This means that, in most circumstances, applicants may not withdraw their applications once submitted.

Section 7

Australian taxation summary



7. Australian taxation summary



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17 March 2015

Offer of Crown Subordinated Notes II Australian Tax Implications

Dear Directors

We have been requested to prepare a summary of the Australian tax implications for investors in the Crown Resorts Limited ("Crown") unsecured subordinated notes ("Notes II"), based on the arrangements as set out in the Prospectus in relation to the issue and offer of Notes II.

This summary only considers the tax implications for Australian resident Noteholders and non-resident Noteholders who hold Notes II on capital account and are not associates of Crown for Australian tax purposes.

This letter does not consider the tax implications for Noteholders who are in the business of share trading, banking, dealing in securities or otherwise hold Notes II on revenue account.

The following summary is based on the Australian taxation law and administrative practice as at the date of the Prospectus. Our advice is general in nature and is not intended to be definitive tax advice to Noteholders. Accordingly, Noteholders should seek their own appropriate independent professional advice that considers the taxation implications of their investment in Notes II in respect of their own specific circumstances.

This summary does not constitute financial product advice as defined in the *Corporations Act 2001*. This summary is confined to taxation issues and is only one of the matters you need to consider when making a decision about your investments. You should consider taking advice from a licensed adviser, before making a decision about your investments. The partnership of Ernst & Young is not required to hold an Australian Financial Services Licence under the *Corporations Act 2001* to provide you with this taxation advice.

To the extent permitted by law, we disclaim all liability to any Noteholder or other party for all costs, loss, damage and liability that the Noteholder or other party may suffer or incur arising from or relating to or in any way connected with the contents of our opinion or the provision of our opinion to the Noteholder or other party or the reliance on our opinion by the Noteholder or other party.

All capitalised terms in this summary have the same meaning as those contained in the Glossary of the Prospectus, and the terms of Notes II, unless the context indicates otherwise.

1. Interest payments on Notes II

Pursuant to the Debt and Equity rules in Division 974 of the *Income Tax Assessment Act 1997* ("1997 Act"), which determine whether an interest should be considered either a debt interest or equity interest for Australian tax purposes, Notes II should be classified as debt interests.

Notes II should not be equity interests for income tax purposes and the interest payments on Notes II should not be frankable distributions for Australian tax purposes. The Notes should be “financial arrangements” for the purposes of the Taxation of Financial Arrangements (“TOFA”) rules in Division 230 of the 1997 Act.

Australian resident Noteholders

Australian resident Noteholders should include any interest they receive on Notes II in their assessable income. Whether these interest amounts should be recognised as assessable income on a cash receipts or accruals basis will depend upon the individual circumstances of each Noteholder, and whether the TOFA rules in Division 230 of the 1997 Act will apply to the Noteholder.

Generally, the TOFA rules should not apply to:

- (i) individuals;
- (ii) superannuation funds and managed investment funds with assets of less than \$100 million;
- (iii) authorised deposit-taking institutions and securitisation vehicles with aggregated turnover of less than \$20 million; and
- (iv) other entities with aggregated turnover of less than \$100 million, financial assets of less than \$100 million and assets of less than \$300 million;

where the arrangement is held for 12 months or less or where the arrangement is not a qualifying security.

As Notes II should be “traditional securities”, and not “qualifying securities”, the TOFA rules should generally not apply to the above entities unless they have elected for those rules to apply.

Noteholders should appreciate that the Commissioner of Taxation may take a different view as to whether Notes II are “traditional securities”. If the Commissioner were to take the view that Notes II are “qualifying securities” instead, and that view ultimately prevails, Australian resident Noteholders should be subject to the TOFA rules and the implications under the TOFA rules should be as per our comments set out below.

Where the TOFA rules do not apply to Australian resident Noteholder

Interest should generally be included in the Noteholder’s assessable income in the income year in which the interest payments are received.

Where the TOFA rules do apply to Australian resident Noteholder

Interest should generally be included in the Noteholder’s assessable income under the default compounding accruals basis, over the life of Notes II. However, various other elective tax timing methods are potentially available, depending on the elections (if any) made, which can change the timing of assessability.

Due to the complexity of the TOFA rules, Noteholders should consult their own tax advisors on the Australian tax implications from a TOFA perspective, arising from their investment in Notes II.

Non-resident Noteholders

Where a non-resident Noteholder does not hold Notes in the course of carrying on business at or through a permanent establishment in Australia, the interest payments received in respect of Notes II should not be included in the assessable income of the Noteholder.

Generally, interest withholding tax at the rate of 10% should apply to interest payments to non-residents in respect of interests such as Notes II. However, Crown intends to issue Notes II in a way in which the

7. Australian taxation summary



3

interest withholding tax exemption in section 128F of the *Income Tax Assessment Act 1936* (“1936 Act”) should be satisfied.

If the issue of Notes II satisfies the requirements of section 128F, non-resident Noteholders who do not hold Notes II in the course of carrying on business at or through a permanent establishment in Australia should not be subject to Australian interest withholding or other income tax on the interest payments in respect of Notes II.

Section 128F of the 1936 Act provides an exemption from interest withholding tax on interest paid in respect of certain debt interests/debentures, such as Notes II, where the following conditions are met:

- (i) Crown is a resident of Australia when it issues Notes II and when interest on Notes II is paid;
- (ii) The issue of Notes satisfies the “public offer test” because they are accepted for listing on a stock exchange where, as here, Crown previously entered into an agreement with the Joint Lead Managers requiring Crown to seek the listing;
- (iii) Crown, at the time of issue, does not know, or have reasonable grounds to suspect, that Notes II or interests in Notes II were being, or would later be, acquired, directly or indirectly, by an associate of Crown that is a non-resident (or who is a resident of Australia acting through a permanent establishment outside Australia), other than in the capacity of a dealer, manager or underwriter in relation to a placement of Notes II or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act (an “Offshore Associate”); and
- (iv) Crown, at the time of the payment of the interest, does not know, or have reasonable grounds to suspect, that the payee is an associate that is a non-resident (or who is a resident of Australia acting through a permanent establishment outside Australia) and the associate does not receive the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act.

We understand Crown intends to issue Notes II in a manner that will satisfy the requirements outlined above in respect of the Australian interest withholding tax exemption contained in the section 128F.

Pursuant to the Offer Management Agreement with Crown, the Joint Lead Managers agree that they will not, and will instruct each Syndicate Broker not to, sell Notes II to any person in circumstances where employees or officers of the Joint Lead Managers or Syndicate Broker, as applicable, directly involved in the sale know, or have reasonable grounds to suspect, that Notes II (or an interest in Notes II) was being, or would be, acquired either directly or indirectly by an Offshore Associate of Crown.

For the avoidance of doubt, if any employee or officer of a Joint Lead Manager or Syndicate Broker making the offer, effecting the sale or otherwise directly involved in the sale of Notes II, does not know, or does not have reasonable grounds to suspect, that a person is an Offshore Associate of Crown, then nothing referred to above obliges that Joint Lead Manager or Syndicate Broker to make positive enquiries of that person to confirm that person is not an Offshore Associate of Crown.

On the basis that the requirements of section 128F are satisfied, Australian interest withholding tax should not be imposed on the interest payments or redemption principal from Crown to the non-resident Noteholders, who are not associates of Crown.

Where a non-resident Noteholder holds Notes II in the course of carrying on a business through a permanent establishment in Australia, interest withholding tax should not arise and the interest payments should be included in their assessable income for Australian tax purposes.

2. Disposal, transfer or redemption of Notes

Australian resident Noteholders

Where the TOFA rules do not apply to Australian resident Noteholders

Notes II should be treated as “traditional securities” and should therefore be subject to the specific provisions contained in section 26BB and section 70B of the 1936 Act, which determine the gains and losses arising from the disposal or redemption of traditional securities.

An Australian resident should include in its assessable income a net gain or may claim a deduction for a net loss, upon the disposal, transfer or redemption, in the income year in which the disposal, transfer or redemption occurs.

Generally, a resident Noteholder should have a net gain if the proceeds on the disposal, transfer or redemption exceed the cost to a resident Noteholder of Notes II. Where the proceeds on the disposal, transfer or redemption are less than the cost to a resident Noteholder of Notes II the resident Noteholder should have a net loss.

For a Noteholder who acquires Notes II under this Prospectus, the cost of a Note II should generally be its price on issue.

In general, the proceeds from a disposal or transfer of a Note II should be the gross amount received by the Noteholder. The proceeds from the redemption of a Note II should be the amount paid on redemption, less any amounts referable to the final interest payment and any deferred interest amounts. These amounts should be included in the Noteholder’s assessable income, on a separate basis.

The capital gains tax rules should have no practical application and as a result, the resident Noteholders should not be entitled to apply any capital losses against any net gain and the capital gains tax discount should not apply to any net gain from the disposal, transfer or redemption of a Note II.

On the other hand, a loss on disposal or redemption of Notes II should not be deductible if:

- Notes II were not acquired by the Noteholder in the ordinary course of trading on a securities market; and
- at the time the Noteholder acquired Notes II, it was not open to the Noteholder to acquire an identical security in the ordinary course of trading on a securities market; and
- the disposal or redemption occurs because of an apprehension or belief that Crown is unable or unwilling to discharge all liability to pay amounts under Notes II; and
- Notes II are not disposed of in the ordinary course of trading on a securities market.

In this case, the Noteholder should realise a capital loss on the disposal or redemption of Notes II.

Where the TOFA rules do apply to Australian resident Noteholders

The disposal, transfer or redemption of a Note II by a resident Noteholder may trigger a balancing adjustment under the TOFA rules to ensure that the correct overall amount of gain or loss is recognised in respect of Notes II. The calculation of any balancing adjustment should take into account TOFA gains and losses previously recognised by the Noteholders.

7. Australian taxation summary



5

Generally, a balancing adjustment on the disposal, transfer or redemption of Notes II by a resident Noteholder should result in:

- an assessable gain for the Noteholder where insufficient assessable income has accrued under the TOFA regime; or
- a deductible loss where an excess of assessable income has accrued under the TOFA regime.

Due to the complexity of the TOFA rules, Noteholders should consult their own tax advisors on the Australian tax implications from a TOFA perspective arising from their investment in Notes II.

Non-resident Noteholders

Disposal or transfer of Notes

A non-resident Noteholder, who does not hold Notes II in carrying on a business at or through a permanent establishment in Australia, and disposes or transfers Notes II, should not be subject to Australian income tax on any realised gains, unless the gain has an Australian “source”.

The conclusion as to the source of a gain arising from a disposal or transfer of Notes II requires a holistic analysis by weighing the relevant factors, including the location of the security, location where the contract to sell the security is concluded, and the location where the decision to sell the security is made.

An Australian source should not arise in relation to a gain derived on the disposal or transfer of Notes II by a non-resident Noteholder to another non-resident, where Notes II are disposed or transferred outside of Australia, with the negotiations being conducted, and documents executed outside of Australia.

Nevertheless, the Commissioner of Taxation has previously expressed the (non-binding) view in an Australian Taxation Office (“ATO”) Interpretative Decision that gains derived from the sale of securities listed on the Australian Securities Exchange have an Australian source, because the sale contracts in relation to the securities were made on behalf of the seller by a stock-broker, in Australia.

Where a gain realised by a non-resident Noteholder on disposal or transfer of Notes II has an Australian source, it should be taxed as ordinary income and not as a capital gain. The rules relating to traditional securities or the TOFA rules will apply depending on whether or not the non-resident is subject to TOFA (as discussed above).

Australian sourced gains attributable to the disposal of Notes II by a non-resident Noteholder may not be subject to Australian income tax on the gain where the Noteholder is a resident of a country with which Australia has concluded a tax treaty, subject to the circumstances of the non-resident Noteholder and the terms of the relevant tax treaty.

Non-resident Noteholders should consult their own tax advisors on the source of any gain arising from their disposal of Notes II and the application of any applicable tax treaty.

Redemption of Notes

The redemption of a Note II held by a non-resident Noteholder, who does not hold Notes II in the course of carrying on business at or through a permanent establishment in Australia, should not be subject to Australian income tax on any realised gains, unless the gain has an Australian source.

Where a gain realised by a non-resident on redemption of a Note II has an Australian source, the amount by which the redemption amount (which excludes any amounts referable to the final interest payment and any deferred interest amounts) exceeds the amount paid for Notes II by the non-resident Noteholder, should be subject to Australian income tax. The final interest payment and deferred interest amounts would be treated for Australian tax purposes in the same manner as outlined above in respect of interest payments for non-resident Noteholders.

Australian sourced gains attributable to the redemption of Notes II by a non-resident Noteholders may not be subject to Australian income tax on the gain where the Noteholder is a resident of a country with which Australia has concluded a tax treaty, subject to the circumstances of the non-resident Noteholder and the terms of the relevant tax treaty.

Non-resident Noteholders should consult their own tax advisors on the source of any gain arising from their redemption of Notes II and the application of any applicable tax treaty.

3. Goods and services tax

There should be no Australian goods and services tax ("GST") in respect of the issue of Notes II on the basis that the supply of Notes II should either be an input taxed financial supply, or a GST-free supply in the case of a non-resident Noteholder.

The interest payments, redemption or sale of Notes II should not give rise to an Australian GST liability.

4. Stamp duty

No stamp duty should be payable by a Noteholder on an issue, redemption or transfer of Notes II.

5. Tax file number/Australian Business Number withholding tax

Crown will be required to withhold an amount of Australian tax at the highest marginal tax rate (currently 49 per cent including the Medicare Levy and the Temporary Budget Repair Levy) on the interest payments on Notes II and remit the amount withheld to the ATO unless the relevant Noteholder has provided Crown with their Australian tax file number ("TFN") or in certain circumstances their Australian Business Number ("ABN") or is otherwise exempt from providing this information.

Australian resident Noteholders should be entitled to claim a tax credit/rebate (as applicable) in respect of any tax withheld on an interest payment in their Australian income tax returns.

On the basis that the interest withholding tax exemption in section 128F of the 1936 Act is satisfied with respect to Notes II, Crown should not be required to withhold an amount of Australian tax in relation to the payment of interest to the non-resident Noteholders (where Notes II are not held in the course of carrying on business at or through a permanent establishment in Australia).

6. FATCA

The *Foreign Account Tax Compliance Act* ("FATCA") is a US legislation which has been enacted in Australia under an intergovernmental agreement between the Australian Government and the US Government ("Australian IGA"). The provisions of the Australian IGA have been given legal effect in Australia by Division 396 in Schedule 1 of the *Taxation Administration Act 1953*. FATCA is designed to prevent US tax residents from avoiding tax on their world-wide income by not declaring such income to the US Internal Revenue Service (IRS). It does so by requiring certain institutions, defined as Financial Institutions, to comply with requirements including the provision of certain information to the ATO which will then be provided to the IRS. Under the Australian IGA, Australian Financial Institutions should have registration, reporting and identification obligations in relation to their financial accounts.

As noted above, FATCA applies to Financial Institutions. There are four categories of Financial Institutions under the Australian IGA:

1. Depository Institution
2. Custodial Institution
3. Investment Entity
4. Specified Insurance Company

7. Australian taxation summary



7

Crown should not meet any of the categories of the Financial Institutions listed above as at the date of this opinion. Therefore, Crown should not have any FATCA obligations in relation to the proposed issue of the Notes based on the FATCA rules as at the date of this opinion.

Yours Sincerely

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

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Section 8

Key people, interests and benefits



8. Key people, interests and benefits

This Section provides information about the Directors and key managers of Crown, the interests of people involved in the Offer and any benefits they may receive.

8.1 BOARD OF DIRECTORS

The Directors bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

Director/position	Experience, qualifications and expertise
James D Packer <i>Chairman</i>	<p>Mr Packer is the Chairman of Consolidated Press Holdings Pty Limited, a family company. Consolidated Press Holdings Pty Limited is a substantial shareholder in Crown.</p> <p>Mr Packer is a director of various companies including Crown Melbourne Limited, Burswood Limited and Melco Crown Entertainment Limited.</p> <p>Mr Packer is the Chair of the Crown Investment Committee.</p>
John H Alexander, BA <i>Executive Deputy Chairman</i>	<p>Mr Alexander is the Executive Deputy Chairman of Crown Resorts Limited and is also a director of a number of companies, including Seven West Media Limited, Crown Melbourne Limited, Burswood Limited, Aspers Holdings (Jersey) Limited and CrownBet Pty Limited.</p> <p>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.</p> <p>Before joining the PBL Group, Mr Alexander was the Editor-in-Chief, Publisher & Editor of The Sydney Morning Herald and Editor-in-Chief of The Australian Financial Review.</p> <p>Mr Alexander is a member of the Crown Investment Committee.</p>
Benjamin A Brazil, BCom, LLB <i>Non-executive Director</i>	<p>Mr Brazil is an Executive Director of Macquarie Group Limited, member of the Executive Committee and Co-Head of the Corporate and Asset Finance Group. He originally commenced employment at Macquarie in 1994 and has operated across a range of geographies and business lines during the course of his career. He holds a Bachelor of Commerce and a Bachelor of Laws from the University of Queensland.</p> <p>Mr Brazil is the Chairman of the Crown Audit and Corporate Governance Committee and a member of the Crown Finance Committee.</p>

Director/position	Experience, qualifications and expertise
<p>The Honourable Helen A Coonan, BA, LLB <i>Non-executive Director</i></p>	<p>Ms Coonan is a former Senator for New South Wales serving in the Australian Parliament from 1996 to 2011.</p> <p>She holds degrees in Bachelor of Arts and Bachelor of Laws 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.</p> <p>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.</p> <p>Ms Coonan is a non-executive director of Snowy Hydro Limited, non-executive director of Red Energy Pty Limited, non-executive director of the Lumo Group of Companies, a member of the Advisory Council of J.P. Morgan, a member of the Board of Advice for Aon Risk Services Australia, Acting Chair of Board of Trustees, Sydney Opera House, Co-Chair of GRACosway (a subsidiary of the Clemenger Group) and a non-executive director of Obesity Australia Limited. She is also a member of Chief Executive Women.</p> <p>Ms Coonan chairs the Crown Resorts Foundation. She is also Chair of the Crown Corporate Social Responsibility Committee.</p>
<p>Rowen B Craigie, BEc (Hons) <i>Chief Executive Officer and Managing Director</i></p>	<p>Mr Craigie was appointed Chief Executive Officer and Managing Director in 2007. He is also a director of Crown Melbourne Limited, Burswood Limited, Melco Crown Entertainment Limited and Aspers Holdings (Jersey) Limited.</p> <p>Mr Craigie previously served from 2005 to 2007 as the Chief Executive Officer of PBL Gaming and as the Chief Executive Officer of Crown Melbourne Limited from 2002 to 2007. Mr Craigie joined Crown Melbourne Limited in 1993 and was appointed as the Executive General Manager of its Gaming Machines department in 1996 and was promoted to Chief Operating Officer in 2000.</p> <p>Prior to joining Crown Melbourne Limited, Mr Craigie was the Group General Manager for Gaming at the TAB in Victoria from 1990 to 1993 and held senior economic policy positions in Treasury and the Department of Industry in Victoria from 1984 to 1990.</p> <p>Mr Craigie is a member of Crown's Investment, Occupational Health and Safety, Responsible Gaming, Risk Management and Corporate Social Responsibility Committees. He also sits on the Crown Resorts Foundation board.</p> <p>Mr Craigie is a member of the Commonwealth Government's Trade and Investment Policy Advisory Council (TIPAC) and is President of Casinos and Resorts Australasia.</p>
<p>Rowena Danziger, AM, BA, TC, MACE <i>Non-executive Director</i></p>	<p>Mrs Danziger's professional experience spans over 30 years in various Australian and American educational institutions. Mrs Danziger was the Headmistress at Ascham School in Sydney from 1973 to 2003.</p> <p>Mrs Danziger is a Director of Crown Melbourne Limited and is Chair of the Crown Occupational Health and Safety Committee and is a member of the Crown Audit and Corporate Governance, Risk Management and Responsible Gaming Committees. Mrs Danziger also sits on the Crown Resorts Foundation board.</p>

8. Key people, interests and benefits

Director/position	Experience, qualifications and expertise
<p>Andrew Demetriou, BA, BEd</p> <p><i>Non-executive Director</i></p>	<p>Mr Demetriou was Chief Executive Officer of the Australian Football League from 2003 until June 2014.</p> <p>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.</p> <p>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.</p> <p>Mr Demetriou also holds the role of Executive Chairman of Acquire Learning, a Melbourne company that enrolls students on behalf of training providers in courses, is a director of the Melbourne Sports Marketing firm, Bastion Group, is a Director of Capital Health Limited and a non-executive director of the non-partisan Climate Institute.</p> <p>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.</p> <p>Mr Demetriou is a director of CrownBet Pty Limited.</p>
<p>Geoffrey J Dixon</p> <p><i>Non-executive Director</i></p>	<p>Mr Dixon is Chairman of Tourism Australia, the Australian Government's major international tourism marketing organisation. He is also Chairman of the Garvan Medical Research Foundation, based in Sydney.</p> <p>Mr Dixon also sits on the board of publicly listed Australian company, Adslot Limited, and the boards of the Museum of Contemporary Art and the Local Organising Committee of the Asian Football Cup. He is an Ambassador for the Australian Indigenous Education Foundation.</p> <p>Mr Dixon has also worked in the media, mining and government sectors. He was Managing Director and Chief Executive Officer of Qantas Airways Limited from 2001 to 2008. He joined Qantas Airways Limited in 1994 and was also Chief Commercial Officer and, for two years, Deputy Chief Executive.</p> <p>Mr Dixon is the Chairman of the Crown Finance, Nomination and Remuneration and Risk Management Committees.</p>

Director/position	Experience, qualifications and expertise
<p>Professor John S Horvath, AO, MB, BS (Syd), FRACP <i>Non-executive Director</i></p>	<p>Professor John Horvath was the Australian Government Chief Medical Officer from 2003 to 2009. He is currently continuing to advise the Department of Health, the National Health and Medical Research Council and the School of Medicine, University of Sydney, and holds the position of Honorary Professor of Medicine.</p> <p>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 continues to be a Governor of the Centenary Institute of Medical Research. He is a member of the Advisory Council to the Australian Organ and Tissue Donation Agency and a member of the Finance and Administration Committee of the School of Medicine at the University of Sydney. Professor Horvath is a member of the Ministerial Advisory Council to the Minister of Health.</p> <p>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. He is also a former President of the Australian Medical Council and the NSW Medical Board.</p> <p>Professor Horvath is the Chair of the Crown Responsible Gaming Committee and a member of Crown's Occupational Health and Safety and Corporate Social Responsibility Committees. He also sits on the Crown Melbourne board and the Crown Resorts Foundation board.</p>
<p>Michael R Johnston, BEc, CA <i>Non-executive Director</i></p>	<p>Mr Johnston is the Finance Director of Consolidated Press Holdings Pty Limited, having previously been an adviser to the Consolidated Press Holdings Group for 17 years. As Finance Director, Mr Johnston oversees a large number of operational businesses within the Consolidated Press Holdings Group and its controlled associates. Mr Johnston was also the Chief Financial Officer of Ellerston Capital (a subsidiary of Consolidated Press Holdings Pty Limited) until 30 June 2008.</p> <p>Prior to his appointment with the Consolidated Press Holdings Pty Limited Group, Mr Johnston was a senior partner in the Australian member firm of Ernst & Young. Mr Johnston was also on the board of Partners of Ernst & Young, Australia.</p> <p>Mr Johnston holds a Bachelor of Economics degree from Sydney University and is an Associate of the Institute of Chartered Accountants of Australia.</p> <p>Mr Johnston is a member of the Crown Audit and Corporate Governance, Finance, and Occupational Health and Safety Committees.</p>

8. Key people, interests and benefits

Director/position	Experience, qualifications and expertise
<p>Harold C Mitchell, AC <i>Non-executive Director</i></p>	<p>Mr 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.</p> <p>In December 2000, Mr Mitchell launched the Harold Mitchell Foundation which distributes funds between health and the arts.</p> <p>Mr Mitchell holds a large number of community roles including Chairman of the Melbourne Symphony Orchestra; Chairman of TVS, University of Western Sydney's television service for Greater Sydney; Chairman of Art Exhibitions Australia; Vice President of Tennis Australia; Chairman of The Florey Institute of Neuroscience and Mental Health; board member of New York Philharmonic; Chairman, Australia-Indonesia Centre; and Chairman FreeTV Australia.</p> <p>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.</p> <p>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.</p> <p>In December 2011, Mr Mitchell was awarded an Honorary Doctorate – Doctor of Business Honoris Causa, by RMIT University.</p> <p>Mr Mitchell was awarded the Victorian Australian of the Year for 2013.</p> <p>In August 2013, Mr Mitchell was appointed Adjunct Professor, School of Humanities and Communications Arts, University of Western Sydney.</p> <p>In December 2014, Melbourne University conferred on him an honorary degree of Doctor of Laws.</p>

In February 2015, Crown announced that its Board resolved to appoint Mr Robert Rankin as a Director, subject to receipt of all necessary gaming regulatory approvals.

8.2 MANAGEMENT

Crown's senior management team is set out below.

Executive/position	Experience and expertise
<p>Rowen B Craigie, BEc (Hons) <i>Chief Executive Officer and Managing Director, Crown Resorts Limited</i></p>	<p>Please see Section 8.1.</p>
<p>Kenneth M Barton, BEc <i>Chief Financial Officer, Crown Resorts Limited</i></p>	<p>Mr Barton has been Chief Financial Officer of Crown Resorts Limited since March 2010. He was previously Chief Financial Officer of Boral Limited for seven years, having also held roles at Pioneer International and Arthur Andersen.</p> <p>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.</p>
<p>Barry J Felstead <i>Chief Executive Officer, Australian Resorts</i></p>	<p>Mr Felstead has been Chief Executive Officer, Australian Resorts since August 2013. 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.</p> <p>Mr Felstead is a Director of Crown Melbourne Limited and Burswood Limited, Joint Chairman of FutureNow, a board member of Burswood Park Board, Celebrate WA and Ronald McDonald House (Perth) and a member of the General Council of the Chamber of Commerce and Industry of Western Australia.</p>
<p>W Todd Nisbet, BSc <i>Executive Vice President – Strategy & Design</i></p>	<p>Mr Nisbet joined the Crown Resorts Limited team in October 2007. In his role as Executive Vice President – Strategy & Development, Mr Nisbet is responsible for all development and new business opportunities for Crown.</p> <p>Mr Nisbet is also a director of Melco Crown Entertainment Limited, Studio City International Holdings Limited and Melco Crown (Philippines) Resorts Corporation. 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 (“Wynn”). Serving this role with Wynn, Mr Nisbet was responsible for all project development and construction operations undertaken by Wynn.</p> <p>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), Mr Nisbet 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.</p>

8. Key people, interests and benefits

8.3 INTERESTS AND BENEFITS

8.3.1 Directors

Other than as set out in this Prospectus, no Director holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of Crown;
- the Offer; or
- any property acquired or proposed to be acquired by Crown in connection with its formation or promotion or with the Offer.

Other than as set out in this Prospectus, no amount (whether in cash, shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given, or agreed to be given, to any Director or proposed Director:

- to induce a person to become, or qualify as, a Director; or
- for services provided by a Director or proposed Director in connection with the formation or promotion of Crown or the Offer.

Interest in Crown securities

The Directors at the date of this Prospectus had the following relevant interests in issued securities of Crown.

Director	Beneficial holding—Ordinary Shares
James D Packer	364,270,253
John H Alexander	256,549
Benjamin A Brazil	–
Helen A Coonan	–
Rowen B Craigie	102,314
Rowena Danziger	30,896
Andrew Demetriou	–
Geoffrey J Dixon	–
John S Horvath	–
Michael R Johnston	–
Harold C Mitchell	114,887

No Director has a non-beneficial holding in Ordinary Shares or options over Ordinary Shares or performance share rights.

Directors' fees

Crown's constitution provides that the Directors will be entitled to remuneration out of the funds of Crown as determined by the Directors but the remuneration of non-executive Directors may not exceed in aggregate, in any year, the amount fixed by holders of Ordinary Shares in a general meeting for that purpose. The amount last fixed by holders of Ordinary Shares in a general meeting for that purpose was \$1.3 million.

Participation in the Offer

Directors (and their associates) may participate in the issue of Notes II.

James D Packer and Michael R Johnston are directors of one of Crown's major shareholders, Consolidated Press Holdings. Consolidated Press Holdings has indicated its intention to Crown to participate in the Securityholder Offer in respect of \$50 million of Notes II, subject to the successful completion of the Bookbuild and the Margin being set within the indicative Bookbuild range of 4.00% to 4.20%. Any application by Consolidated Press Holdings into the General Offer or the Securityholder Offer is subject to the allocation policy set out in section 6.2.

8.3.2 Professionals

Deutsche Bank and UBS have acted as Joint Structuring Advisers for the Offer, and ANZ Securities, Commonwealth Bank, Deutsche Bank, NAB, UBS and Westpac have acted as Joint Lead Managers for the Offer, in respect of which they will receive the fees described in Section 9.2. UBS will be responsible for paying to the Syndicate Brokers a selling fee of up to 1.00% of the value of Notes II allocated to Syndicate Brokers in the Bookbuild (funded by Crown).

UBS is providing an arm's length funding facility to Consolidated Press Holdings in relation to its participation in the Offer for which UBS will receive a fee from Consolidated Press Holdings.

Ernst & Young has acted as Crown's Australian Tax Adviser in relation to the Offer and has prepared the taxation summary in Section 7. In respect of this work Ernst & Young will be paid approximately \$100,000 (excluding disbursements and GST) for work performed by it up until the date of this Prospectus. Further amounts may be paid to Ernst & Young in accordance with its time-based charges.

Ernst & Young, in its capacity as Crown's Auditor, has provided due diligence services in relation to the Offer. In respect of this work, Ernst & Young will be paid approximately \$100,000 (excluding disbursements and GST) for work performed by it up until the date of this Prospectus. Further amounts may be paid to Ernst & Young in accordance with its time-based charges.

Ashurst Australia has acted as Crown's Australian Legal Adviser in relation to the Offer. In respect of this work, Ashurst Australia will be paid approximately \$250,000 (excluding disbursements and GST) for work performed by it until the date of this Prospectus. Further amounts may be paid to Ashurst Australia in accordance with its time-based charges.

Australian Executor Trustees Limited will be paid the fees described in Section 9.1 in respect of acting as Trustee in respect of Notes II.

Except as set out in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or interest of this Prospectus; or
- Joint Lead Manager or Co-Manager,

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of Crown;
- the Offer; or
- any property acquired or proposed to be acquired by Crown in connection with the formation or promotion of Crown or the Offer,

nor has anyone paid or agreed to pay, or given or agreed to give, any benefit to such persons in connection with the formation or promotion of Crown or the Offer.

8.4 EXPENSES OF THE OFFER

The total expenses of the Offer will be paid out of the proceeds of the Offer. Assuming the Offer raises \$400 million, then the net proceeds of the Offer are expected to be \$389 million and the total expenses of the Offer (including fees payable to the Joint Lead Managers, legal, accounting, tax, marketing, administrative fees, as well as printing, advertising and other expenses related to this Prospectus and the Offer) are expected to be \$11 million. All of these expenses have been, or will be, borne by Crown.

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Section 9

Additional information



9. Additional information

This Section provides information about a number of other matters not covered elsewhere in this Prospectus.

9.1 SUMMARY OF TRUST DEED

Crown has entered into a Trust Deed governed by Victorian law, with Australian Executor Trustees Limited (ABN 84 007 869 794) as the Trustee. The Terms are set out as a schedule to the Trust Deed. Crown will provide a copy of the Trust Deed upon request free of charge to potential investors during the period until the Issue Date, and thereafter to Holders pursuant to the Terms of the Trust Deed.

The Trustee has agreed to act as the trustee of the assets and rights held on trust for Holders (as described below) pursuant to the terms of the Trust Deed. Notes II are issued subject to the terms and conditions contained in the Trust Deed and the Terms.

The Interest Payments are obligations of Crown and are not guaranteed by the Trustee or any of its directors, employees, officers, affiliates, agents, advisers, intermediaries, Related Bodies Corporate or any other entity. The obligation to redeem Notes II in accordance with their Terms is a direct obligation of Crown. Neither the Trustee nor any of its directors, employees, officers, affiliates, agents, advisers, intermediaries, Related Bodies Corporate or any other entity guarantees the redemption of or prepayment of the Face Value of Notes II.

The Trustee is not responsible for monitoring any breach of the Trust Deed, the occurrence of any Event of Default under the Terms, Crown's compliance with the Trust Deed or Crown's businesses except as required by law. In this regard, the Trustee is subject to certain statutory duties imposed on it under Chapter 2L of the Corporations Act including to:

- i. exercise reasonable diligence to ascertain whether:
 - (a) the property of Crown that is or should be available will be sufficient to repay the amounts lent by Holders in respect of Notes II; and
 - (b) Crown has breached the Terms, the Trust Deed or the provisions of Chapter 2L of the Corporations Act; and
- ii. unless the Trustee is satisfied the breach will not materially prejudice the Holders' interests, do everything in its power to ensure Crown remedies such a breach.

The following is a summary only of the principal provisions of the Trust Deed.

Appointment of Trustee and declaration of trust

Crown has appointed the Trustee to act as trustee of the Trust, on the terms and conditions of the Trust Deed, and the Trustee accepts that appointment.

In summary, the Trustee holds on trust for Holders:

- a trust settlement sum of \$10.00;
- the benefit of the Trust Deed and the Terms;
- all money received by the Trustee in its capacity as trustee of the Trust;
- the right to enforce Crown's duty to repay the money owing by Crown to the Trustee and Holders under Notes II and under the Trust Deed;
- the right to enforce all other duties of Crown under the Terms, the provisions of the Trust Deed and Chapter 2L of the Corporations Act; and
- any other property and benefits which the Trustee from time to time receives or holds on such trust.

Crown undertakings

Crown has undertaken to the Trustee that it will, among other things:

- pay any amounts owing under the Trust Deed and Notes II to the Trustee when due and payable; and
- comply with its obligations under the Trust Deed, the Corporations Act (including Chapter 2L), the Listing Rules and ASX Settlement Operating Rules, where a failure to do so would have or would be likely to have a material adverse effect on the ability of Crown to meet its payment obligation under Notes II, or the validity or enforceability of the rights and remedies (taken as a whole) of Holders under the Trust Deed.

Trustee limitation of liability

The Trustee is not liable to Crown, Holders or any other person in any capacity other than as trustee of the Trust, except where the Trustee acts fraudulently, negligently or wilfully defaults under the Trust Deed. The Trustee's liability is limited to and can be enforced against the Trustee only to the extent to which the Trustee is actually indemnified out of the assets of the Trust for that liability.

Action by Trustee

The Trustee is required, at all times, to act in accordance with its obligations under the Terms, the Trust Deed, the Corporations Act and other applicable laws.

Subject to the Terms and section 283DA(h) of the Corporations Act, the Trustee is not obliged to exercise or refrain from exercising its powers in accordance with any direction from Holders or any of them, or in accordance with a resolution of Holders, in relation to a breach of the Trust Deed or an Event of Default unless:

- it is directed by a Special Resolution or a resolution in writing of the Holders of at least 25% of the total Face Value of Notes II then outstanding if the Terms require this;
- its liability is limited as noted above;
- it is indemnified against actions to which it may be liable and costs which it may incur; and
- the action is permitted under the Trust Deed or the Terms.

The Trustee's liability is further limited to the extent permitted by the Corporations Act.

Direct action by Holder

No Holder is entitled to proceed directly against Crown to enforce any right, power or remedy in connection with any Note II, unless the Trustee, having become bound to proceed, fails to do so within a reasonable period and such failure is continuing, in which case any such Holder may, itself, institute proceedings against Crown for the relevant remedy to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so. Any such proceedings must be brought in the name of the Holder and not the Trustee.

If action is taken by the Trustee in accordance with the Terms, the Trust Deed, the Corporations Act or other applicable laws, there can be no guarantee that such action will ensure the performance of all (or any) of Crown's obligations under the Terms.

Fees and expenses

Under the Trust Deed, Crown will pay the Trustee by way of a fee for its services such amounts (exclusive of GST) as may be agreed between Crown and the Trustee. Crown will also pay the Trustee's reasonable and properly incurred costs, charges and expenses in connection with, among other things, the execution and performance of the Trust Deed as well as additional fees for any enforcement action that the Trustee takes in relation to the Trust Deed following default by Crown or the occurrence of an Event of Default or any duties agreed by Crown to be outside the scope of the normal duties of the Trustee.

Retirement and removal

The Trustee may retire by giving at least 90 days' written notice to Crown (or such other period as the Trustee and Crown may agree in writing). Such retirement will not be effective, among other things, until the appointment of a new trustee is effective. The Trustee may be removed by Crown if, among other things:

- the Trustee has not observed or performed any of its obligations under the Trust Deed, or has otherwise acted fraudulently or with negligence or is in wilful default, and where such breach is capable of rectification, the Trustee has not rectified the breach within 10 Business Days of receiving a notice from Crown of its occurrence;
- the Trustee has not paid any monies required to be paid by the Trustee in relation to the Trust Deed within 10 Business Days of receipt of all relevant information (including bank account details, if applicable) necessary for the Trustee to effect payment;
- the Trustee becomes subject to an insolvency event;
- the Trustee is no longer permitted to act as trustee under the Corporations Act;
- any licence, consent, authorisation or similar thing the Trustee is required to hold to carry out its obligations under the Trust Deed is revoked or not renewed;
- a Special Resolution is passed that the Trustee is to be removed from office; or

9. Additional information

- Crown reasonably believes that the Trustee has ceased to exist, has not been validly appointed, cannot be a trustee under section 283AC of the Corporations Act or has failed or refused to act as trustee.

Crown may appoint a new trustee following the retirement or removal of the Trustee.

Substituted issuer

Crown may substitute itself with a Related Body Corporate of Crown as principal debtor under the Trust Deed. It may only do so with the agreement of the Trustee, if the Trustee is satisfied that the interests of Holders will not be materially prejudiced by the substitution, a substitution deed is entered into by Crown whereby the substitute entity agrees to be bound by the Trust Deed and Terms and certain other conditions described in the Trust Deed are met.

Meetings of Holders

A meeting of Holders has the power, by Special Resolution to:

- give directions to the Trustee as to; or
- authorise, ratify or confirm anything the Trustee has done or omitted to do in respect of,

the performance or exercise of any of its duties, rights, powers and remedies under the Trust Deed or Notes II.

The Holders may, by Special Resolution, approve the release of the Trustee from liability for anything done or omitted to be done by the Trustee or any other person.

Each Holder is entitled to one vote on a show of hands. On a poll, each Holder is entitled to one vote for each Note II that the person holds.

9.2 SUMMARY OF OFFER MANAGEMENT AGREEMENT

Overview

Crown and the Joint Lead Managers have entered into the Offer Management Agreement, under which Crown appointed ANZ Securities, Commonwealth Bank, Deutsche Bank, NAB, UBS and Westpac as Joint Lead Managers of the Offer and Deutsche Bank and UBS as Joint Structuring Advisers. Under the Offer Management Agreement, the Joint Lead Managers have agreed to manage the Offer, including the Bookbuild and allocation process in relation to the Offer and to provide settlement support in respect of the Institutional Offer and Broker Firm Offer. The following is a summary only of the principal provisions of the Offer Management Agreement.

Fees and costs

The estimated aggregate fees payable by Crown to the Joint Lead Managers under the Offer Management Agreement are approximately \$10 million (exclusive of GST), making certain assumptions as to the allocations of Notes II between the General Offer, Securityholder Offer, Broker Firm Offer and Institutional Offer. The actual amount payable will not be known until the allotment of Notes II. In addition, Crown must pay each Joint Lead Manager for all out-of-pocket expenses reasonably incurred by them in connection with the Offer.

Representations, warranties and undertakings

Crown gives various representations, warranties and undertakings to the Joint Lead Managers, including in relation to this Prospectus and compliance with the Constitution, the Corporations Act, the Listing Rules and other applicable laws.

Crown also undertakes that it will not, without the prior written consent of the Joint Lead Managers, issue, agree to issue, offer for subscription or indicate in any way that Crown or the Group may or will issue, agree to issue or offer for subscription, any ASX listed hybrid securities or ASX listed debt securities of Crown or any member of the Group, other than pursuant to the Offer, until 90 days after the day prior to the Issue Date.

Indemnity

Crown agrees to indemnify the Joint Lead Managers and certain parties affiliated with them from and against any and all losses directly or indirectly suffered or incurred arising out of or in connection with the Offer. This indemnity does not extend to any loss suffered or incurred to the extent that the loss has been finally judicially determined to have been caused by matters such as fraud, wilful misconduct, recklessness or negligence of

the relevant person (except to the extent that the loss has been caused or contributed to by, or arises based on reasonable reliance on information supplied by Crown or its representatives or a third party under a confirmation letter or similar document).

Termination events

A Joint Lead Manager may terminate its obligations under the Offer Management Agreement at any time if any one or more of the following events occur before 3:00pm on the Issue Date (non-exhaustive list):

- the average mid-rate for the iTraxx Australia Index for a term of five years is 45% or more above its level as at close of business on the Business Day immediately before the date of the Offer Management Agreement at 4:00pm (Sydney time) on two consecutive Business Days;
- the ASX/S&P 200 Index falls by: (i) 12.5% or more from its level as at close of business on the Business Day immediately before the date of the Offer Management Agreement and is at or below that level at the close of trading on two consecutive Business Days before the day prior to the Issue Date; or (ii) 12.5% or more from its level as at close of business on the Business Day immediately before the date of the Offer Management Agreement and is at or below that level at the close of trading on the Business Day immediately before the day prior to the Issue Date;
- the credit rating assigned to Crown as at the date of the Offer Management Agreement is downgraded or withdrawn, placed on credit watch negative or placed on negative outlook;
- certain breaches of the Offer Management Agreement;
- a supplementary prospectus is required under section 719 of the Corporations Act, excluding the lodgement of the Replacement Prospectus;
- ASIC issues a stop order or similar proceedings in relation to the Prospectus;
- Crown withdraws this Prospectus or the invitations to apply for Notes II under this Prospectus;
- ASX announces that Crown's ordinary shares or hybrid securities will be delisted, removed from quotation, or suspended from quotation (other than at the request of Crown and with the prior approval of the Joint Lead Managers, such approval not to be unreasonably withheld or delayed);
- ASX does not grant its approval or indicates that its approval will not be granted for the official quotation of all of Notes II (other than by customary conditions which are acceptable to the Joint Lead Managers, acting reasonably);
- delays in the Offer timetable of more than 2 Business Days; or
- any material adverse change occurs, or an event occurs which is likely to give rise to a material adverse change, in the assets or liabilities, financial position or performance, profits or losses or prospects of Crown and its subsidiaries.

Some termination events will only give rise to a right to terminate if, in the reasonable opinion of the Joint Lead Manager, the event has or is likely to have a material adverse effect on the Offer or the event is likely to give rise to a liability of that Joint Lead Manager. If this occurs, the Joint Lead Manager that terminates will no longer be a lead manager and it will not be obliged to conduct the Bookbuild or settle allocations under the Bookbuild. If a Joint Lead Manager terminates, the other Joint Lead Managers may give notice in writing to Crown stating whether they assume the obligations of the terminating Joint Lead Manager.

9.3 REPLACEMENT CAPITAL STATEMENT

Crown believes that hybrid securities that are ascribed Equity Credit by the Relevant Rating Agency (such as Notes II) are an effective capital management tool and intends to utilise such instruments as a component of its capital structure going forward. Accordingly, in the event that Crown elects to redeem or repurchase Notes II prior to the Maturity Date in accordance with Clause 4.2 of the Terms, Crown intends to support its credit profile by funding any such redemption or repurchase out of the proceeds of another hybrid or other securities offering, on the terms set out below.

Crown intends (without thereby assuming a legal obligation) that while Notes II are ascribed a level of Equity Credit by the Relevant Rating Agency, to redeem or repurchase Notes II under Clause 4.2 of the Terms only to the extent the aggregate Face Value of Notes II to be redeemed or repurchased does not exceed the net proceeds received by Crown or any subsidiary, during the 360 day period prior to such redemption or repurchase, from certain securities offerings. Such offerings must involve the sale or issuance by Crown or any

9. Additional information

subsidiary to third party purchasers of securities which are ascribed by the Relevant Rating Agency a level of Equity Credit that is equal to or greater than the Equity Credit the Relevant Rating Agency ascribed to Notes II to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or the interpretation thereof by the Relevant Rating Agency since the issuance of Notes II).

The intention described above does not apply if on the date of a redemption or repurchase of Notes II:

- Crown believes that its credit profile is substantially the same or better than at the date of this Prospectus and Crown believes that its credit profile would not be materially adversely affected as a result of any such redemption or repurchase;
- Crown no longer has a solicited rating by the Relevant Rating Agency;
- Crown has previously redeemed or repurchased an amount of Notes II equal to at least 80% of the aggregate Face Value of Notes II that were issued on the Issue Date;
- the intention described above is no longer required for Notes II to be ascribed Equity Credit that is equal to or greater than the Equity Credit ascribed by the Relevant Rating Agency on the Issue Date; or
- a general moratorium on, or disruption in, commercial banking activities has occurred in any of Australia, the United Kingdom, the European Economic Area or the United States due to acts of any authorities in those areas which would, in Crown's view, be likely to materially prejudice an issue of securities by Crown (or its subsidiaries) which would otherwise be ascribed Equity Credit by the Relevant Rating Agency, assuming those securities were issued.

9.4 CONSENTS TO BE NAMED AND DISCLAIMERS OF RESPONSIBILITY

Each of the parties referred to in the following table (except as discussed below):

- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named;
- has not made, and does not purport to make, any statement in the Prospectus or any statement on which a statement made in the Prospectus is based; and
- does not cause or authorise the issue of the Prospectus, and to the maximum extent permitted by law, expressly disclaims, makes no representation regarding, and takes no responsibility for any statements or material in or omissions from the Prospectus, other than a reference to its name, and excludes and disclaims all liability or any damage, loss (whether direct, indirect or consequential), cost or expense that may be incurred by an applicant for, or investor in, Notes II as a result of the Prospectus being inaccurate or incomplete in any way for any reason.

Role	Consenting parties
Joint Structuring Advisers	Deutsche Bank UBS
Joint Lead Managers	ANZ Securities Commonwealth Bank Deutsche Bank NAB UBS Westpac
Co-Managers	JBWere Wilson HTM
Australia Legal Adviser	Ashurst Australia
Auditor	Ernst & Young
Australia Tax Adviser	Ernst & Young
Settlement Agent	UBS
Registry	Computershare Investor Services Pty Limited
Trustee	Australian Executor Trustees Limited

No Rating Agency has made any statement in this Prospectus, or any statement on which a statement made in this Prospectus is based, nor has any Rating Agency caused or authorised the issue of the Prospectus or accepted any responsibility for any statements in or omissions from this Prospectus.

Ernst & Young has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as Australian Tax Adviser and for the inclusion of statements by it, consisting of the taxation summary in Section 7 of this Prospectus in the form and context in which it appears in Section 7.

Consolidated Press Holdings has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in the Prospectus and for inclusion of the statement in respect of Consolidated Press Holdings' intention to participate in the Securityholder Offer included in Sections 1.8 and 8.3 of this Prospectus. Other than in respect of those statements, Consolidated Press Holdings:

- has not made, and does not purport to make, any statement in the Prospectus or any statement on which a statement in the Prospectus is based; and
- does not cause or authorise the issue of the Prospectus, and to the maximum extent permitted by law, expressly disclaims, makes no representation regarding, and takes no responsibility for, any statement or material in or omissions from the Prospectus, other than a reference to its name, and excludes and disclaims all liability or any damage, loss (whether direct, indirect or consequential), cost or expense that may be incurred by an applicant for, or investor in, Notes II as a result of the Prospectus being inaccurate or incomplete in any way for any reason.

9.5 PRIVACY

Crown collects personal information from you in order to process your application, administer your investment and keep in touch with you about your investment. Crown may disclose this information on a confidential basis to its subsidiaries and companies, as well as agents, contractors and third party service providers that provide services on its behalf (for example, the Registry and a printing firm or mailhouse engaged to print and mail statements to you).

If you used a financial adviser who recommended your investment in Notes II, then details of your investment may be provided to that adviser.

Crown will also disclose your information if required to do so by law or if you consent to or request the disclosure. If you think Crown's records of your personal information are incorrect or out of date, it is important that you contact Crown so that your records can be updated. You may (subject to permitted exceptions) access the personal information Crown holds on you at any time by contacting the Registry in writing. Crown is permitted to charge a fee for such access but does not intend to do so.

You may choose not to give your personal information or to limit the information you provide to Crown. Depending on the type of information you withhold, Crown may not be able to process your application efficiently (if at all), or make payments to you.

The Trustee collects your personal information primarily for the purposes of providing trustee services in relation to the Notes and for ancillary purposes detailed in the Privacy Policy. The Trustee may disclose your personal information, such as your name and contact details, along with your account information to its Related Bodies Corporate, Crown, professional advisers, the land titles office and/or as otherwise requested by Crown. We are also permitted to collect and disclose your personal information when required or authorised to do so by law. The Trustee is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with the Trustee's Privacy Policy. The Privacy Policy contains information about how you may access or correct your personal information held by the Trustee and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of the Privacy Policy at www.aetlimited.com.au/privacy.

9. Additional information

9.6 ASX CONFIRMATION

Crown has received in principle confirmation that ASX will classify Notes II as debt securities.

9.7 PHOTOGRAPHS AND DIAGRAMS

The assets depicted in photographs in this Prospectus are assets of Crown unless otherwise stated. Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

9.8 GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the laws applicable in Victoria and each applicant for Notes II under this Prospectus submits to the exclusive jurisdiction of the courts of Victoria.

9.9 STATEMENT OF DIRECTORS

This Prospectus is authorised by each Director who consents to its lodgement with ASIC and its issue.

Appendix A
Terms of Issue



Appendix A – Terms of Issue

1. FORM, FACE VALUE, ISSUE AND TITLE

1.1 Form

Notes are unsecured and subordinated debt obligations of Crown in registered uncertificated form. Notes are constituted under, and issued according to, the Trust Deed. Notes take the form of entries in the Register. No certificate will be issued to a Holder unless Crown determines that a certificate should be available or is required by any applicable law or regulation (including the Listing Rules or the ASX Settlement Operating Rules). Notes are unsecured notes for the purposes of section 283BH of the Corporations Act.

1.2 Face Value

Each Note will have a Face Value of \$100.

1.3 Issue

Crown may issue Notes at any time to any person at an issue price of \$100 per Note (or such other price as Crown may choose) (the "Issue Price"). The Issue Price must be paid in full on application.

1.4 Title

An entry in the Register is conclusive evidence that the person is the absolute owner of Notes subject to rectification for fraud or any manifest error made in the entry. Except as required by law, Crown must treat the person entered in the Register as the absolute owner of Notes.

2. RANKING

2.1 Subordination and ranking

- (a) The Holder Claims are subordinated to the claims of Senior Creditors in that if at any time an Event of Insolvency occurs in relation to Crown (otherwise than for the purposes of a Solvent Reorganisation) the amount payable to the Holders under this clause 2 will only be paid after the debts owing to all Senior Creditors have been paid in full.
- (b) Holder Claims will at all times rank pari passu and without any preference among themselves and pari passu and without any preference among the rights and claims of holders of Equal Ranking Obligations. Holder Claims will rank senior to the rights and claims of holders of any Junior Ranking Obligations and any Crown ordinary shares.
- (c) To give effect to the intended ranking, if at any time an Event of Insolvency occurs in relation to Crown (otherwise than for the purposes of a Solvent Reorganisation), the amount payable by Crown to a Holder under or in relation to these Terms or the Trust Deed (in lieu of any other payment by Crown to the Holder under or in relation to these Terms or the Trust Deed), shall be the amount that would have been payable to the Holder of such Notes if, immediately prior to and throughout any administration which follows such Event of Insolvency, such Holder was the holder of Notional Preference Shares.

For the purpose only of that calculation, Holders will be deemed to hold one preference share of \$1.00 each in the capital of Crown ranking equally with the Notional Preference Shares for each \$1.00 of any amount that would otherwise be payable to that Holder under these Terms or the Trust Deed including without limitation, the Face Value and any interest which has not otherwise been paid to that Holder.

2.2 Holder acknowledgements

Each Holder acknowledges and agrees that:

- (a) the claims of Senior Creditors to which it is subordinated include each Senior Creditor's entitlement to interest under section 563B of the Corporations Act and it does not have, and waives to the maximum extent permitted by law, any entitlement to interest under section 563B of the Corporations Act;
- (b) the debt subordination effected by this clause 2 is not affected by any act or omission of Crown or any Senior Creditor which might otherwise affect it at law or in equity;
- (c) to the maximum extent permitted by applicable law, it may not exercise or claim (nor will the Trustee exercise or claim on its behalf) any right of set-off or counterclaim in respect of any amount owed by it to Crown against any amount owed to it by Crown in respect of Notes and it shall waive and be deemed to have waived such rights of set-off or counterclaim;

- (d) it must pay or deliver to the liquidator any amount or asset received on account of its claim in the winding-up of Crown in respect of Notes in excess of its entitlement under this clause 2; and
- (e) it may not exercise any voting rights as a creditor in any administration which follows an Event of Insolvency until after all Senior Creditors have been paid in full or otherwise in a manner inconsistent with the subordination contemplated in this clause 2.

3. INTEREST

3.1 Interest

Subject to these Terms, Crown shall pay interest in respect of a Note on an Interest Payment Date to the person recorded as Holder on the Record Date in respect of that Interest Payment Date.

3.2 Interest Rate

The Interest Rate (expressed as a percentage per annum) for an Interest Period will be calculated in accordance with the following formula:

$$\text{Interest Rate} = \text{Bank Bill Rate} + \text{Margin}$$

where:

“Bank Bill Rate” (expressed as a percentage per annum) means, for an Interest Period, the average mid-rate for bills of a term of 90 days which average rate is displayed on Reuters page BBSW (or any page which replaces that page) on:

- (i) in the case of the first Interest Period, the Issue Date; and
- (ii) in the case of any other Interest Period, the first Business Day of that Interest Period, or if there is a manifest error in the calculation of that average rate or that average rate is not displayed by 10:30am (Sydney time) on that date, the rate specified in good faith by Crown at or around that time on that date having regard, to the extent possible, to:
 - (iii) the rates otherwise bid and offered for bills of that term or for funds of that tenor displayed on Reuters page BBSW (or any page which replaces that page) at that time on that date; or
 - (iv) if bid and offer rates for bills of that term are not otherwise available, the rates otherwise bid and offered for funds of that tenor at or around that time on that date; and

“Margin” (expressed as a percentage per annum) means in respect of the Interest Period:

- (i) for each Interest Period commencing on a date before the Step-up Date, the Initial Margin; and
- (ii) for each Interest Period commencing on or after the Step-up Date, the Step-up Margin,

subject to clause 3.9.

3.3 Interest amount

- (a) The amount of an Interest Payment in respect of a Note on an Interest Payment Date is calculated according to the following formula:

$$\text{Interest Payment} = \frac{\text{Interest Rate} \times \text{Face Value} \times \text{N}}{365}$$

where:

“Face Value” is the face value of each Note; and

“N” means:

- (i) in respect of the first Interest Payment Date, the number of days from (and including) the Issue Date until (but not including) the first Interest Payment Date; and
- (ii) in respect of each subsequent Interest Payment Date, the number of days from (and including) the preceding Interest Payment Date until (but not including) the relevant Interest Payment Date.

Appendix A – Terms of Issue

- (b) Interest accrues daily and is payable to Holders in arrears on the relevant Interest Payment Date subject to these Terms.
- (c) If any Interest Payment Date would otherwise fall on a calendar day which is not a Business Day, the Interest Payment Date will be postponed to the next calendar day which is a Business Day.

3.4 Optional deferral of Interest Payments

- (a) Crown may determine in its sole discretion not to pay all or part of the Interest Payment payable on an Interest Payment Date. If Crown so determines, the Interest Payment (or part thereof) will not be due and payable, and will not be paid, until the relevant Optional Payment Reference Date, and will constitute an **“Optionally Deferred Interest Payment”**.

Additional interest will accrue on each Optionally Deferred Interest Payment:

- (i) at the same Interest Rate as applies to Notes from time to time in accordance with clause 3.2; and
- (ii) from (and including) the date on which (but for such deferral) the Optionally Deferred Interest Payment would otherwise have been due to (but excluding) the date the Optionally Deferred Interest Payment is paid,

and will be added to the Optionally Deferred Interest Payment (and thereafter accumulate additional interest accordingly) on each Interest Payment Date. Each Optionally Deferred Interest Payment and additional interest thereon will be payable in accordance with clause 3.6.

- (b) Crown will notify the Holders and the Trustee of any determination not to pay all or part of the Interest Payment falling due on an Interest Payment Date not less than 16 Business Days prior to the relevant Interest Payment Date. Deferral of Interest Payments pursuant to this clause will not constitute an Event of Default or a default of Crown or a breach of its obligations under these Terms or the Trust Deed or for any other purpose.

3.5 Dividend and capital restrictions

If:

- (a) some or all of an Interest Payment is deferred under clause 3.4; and
- (b) no Mandatory Deferral Event has occurred which is continuing,

Crown must not (and must procure that its Subsidiaries do not) (other than in respect of its employee incentive plans):

- (c) declare or pay any dividend, interest or distribution, on any Equal Ranking Obligations, Subsidiary Equal Ranking Obligations, Junior Ranking Obligations, Subsidiary Junior Ranking Obligations or any Crown ordinary shares (other than a payment made pro rata on Notes, Equal Ranking Obligations, Subsidiary Equal Ranking Obligations and Subsidiary Junior Ranking Obligations in relation to that payment and a payment already declared at or prior to the time that some or all of an Interest Payment is deferred under clause 3.4); or
- (d) redeem, reduce, cancel, purchase or buy-back (or procure the redemption, reduction, cancellation, purchase or buy-back of) any of its Equal Ranking Obligations, Junior Ranking Obligations or Crown ordinary shares,

and must procure that each Subsidiary does not:

- (e) declare or pay any dividend, interest or distribution, on any Subsidiary Equal Ranking Obligations or Subsidiary Junior Ranking Obligations (other than a payment permitted by paragraph (c) above); or
- (f) redeem, reduce, cancel, purchase or buy-back any Subsidiary Equal Ranking Obligations or Subsidiary Junior Ranking Obligations,

until the date on which all Optionally Deferred Interest Payments have been paid in full.

3.6 Payment of Optionally Deferred Interest Payments

- (a) Subject to clause 3.6(b), Crown may elect to pay any Optionally Deferred Interest Payment at any time provided no Mandatory Deferral Event exists at that time.

- (b) An Optionally Deferred Interest Payment will become due and payable, and Crown must pay the Optionally Deferred Interest Payment, on the relevant Optional Payment Reference Date, by giving at least five and no more than 15 Business Days' prior notice to the Holders and the Trustee.

If no Optional Payment Reference Date occurs prior to the calendar day which is the fifth anniversary of the Interest Payment Date on which any of the then outstanding Optionally Deferred Interest Payments was initially deferred, it is the intention, though not an obligation, of Crown to pay all outstanding Optionally Deferred Interest Payments in full on the next following Interest Payment Date.

3.7 Mandatory deferral of Interest Payments

- (a) If, on any day which is eight Business Days prior to any Interest Payment Date:
- (i) a Mandatory Deferral Event exists;
 - (ii) Crown has a solicited rating from the Relevant Rating Agency; and
 - (iii) in the period from (and including) the Issue Date to (but excluding) the First Call Date, the Notes have at all times received the same or a higher category of equity credit from the Relevant Rating Agency as was attributed to the Notes by the Relevant Rating Agency at the Issue Date,

the Interest Payment falling due on such Interest Payment Date will not be due and payable or be paid until the relevant Mandatory Payment Reference Date and will constitute a **"Mandatorily Deferred Interest Payment"**.

Additional interest will accumulate on each Mandatorily Deferred Interest Payment:
 - (iv) at the same Interest Rate as applies to Notes from time to time in accordance with clause 3.2; and
 - (v) from (and including) the date on which (but for such deferral) the Mandatorily Deferred Interest Payment would otherwise have been due to (but excluding) the date the Mandatorily Deferred Interest Payment is paid,

and will be added to such Mandatorily Deferred Interest Payment (and thereafter accumulate additional interest accordingly) on each Interest Payment Date. Each Mandatorily Deferred Interest Payment and additional interest thereon will be payable in accordance with clause 3.8.
- (b) Crown will notify the Holders and the Trustee of the existence of the Mandatory Deferral Event not less than five Business Days prior to the relevant Interest Payment Date. Deferral of Interest Payments pursuant to this clause 3.7 will not constitute an Event of Default or default of Crown or a breach of its obligations under these Terms or the Trust Deed or for any other purpose.

3.8 Payment of Mandatorily Deferred Interest Payments

A Mandatorily Deferred Interest Payment will become due and payable, and Crown must pay such Mandatorily Deferred Interest Payment, on the relevant Mandatory Payment Reference Date, on the giving of at least five and not more than 15 Business Days' prior notice to the Holders and the Trustee.

If no Mandatory Payment Reference Date occurs prior to the calendar day which is the fifth anniversary of the Interest Payment Date on which any of the then outstanding Mandatorily Deferred Interest Payments was initially deferred, it is the intention, though not an obligation, of Crown to pay all outstanding Mandatorily Deferred Interest Payments in full on the next following Interest Payment Date.

3.9 Increase in Margin upon a Change of Control Event

Unless an irrevocable notice under clause 4.3 in relation to a Change of Control Event to redeem all Notes has been given to Holders and the Trustee by Crown pursuant to clause 12 by the 15th Business Day following the first occurrence of a Change of Control Event, the then prevailing Margin will increase by 5.00% per annum with effect from the date on which that Change of Control Event occurs and accordingly where that date falls in an Interest Period, the Interest Payment for that Interest Period will be increased to reflect the Margin applicable to the days remaining in that Interest Period on and from that date. The occurrence of the Change of Control Event and of such increase in the Margin will be notified by Crown to the Holders and the Trustee no later than the 15th Business Day following the relevant Change of Control Event.

Appendix A – Terms of Issue

4. REDEMPTION AND PURCHASE

4.1 Maturity

Unless redeemed earlier in accordance with these Terms and subject to applicable laws, Notes will be redeemed upon the Maturity Date at their Redemption Amount.

4.2 Early redemption at the option of Crown

Subject to applicable laws, Crown may redeem all Notes (in whole but not in part) on the First Call Date or on any Interest Payment Date after that date at their Redemption Amount, by giving at least 30 but no more than 60 calendar days' irrevocable notice of redemption to the Holders and the Trustee.

4.3 Early redemption due to the occurrence of an event

- (a) If a Change of Control Event occurs, Crown may, subject to applicable laws, redeem all Notes (in whole but not in part) at any time, in each case at their Redemption Amount, by giving at least 30 but no more than 60 calendar days' irrevocable notice of redemption to the Holders and the Trustee.
- (b) If a Tax Event, a Capital Event or an Accounting Event occurs, Crown may subject to applicable laws redeem all Notes (in whole but not in part) at any time at the Redemption Amount on the giving of not less than 30 and not more than 60 calendar days' irrevocable notice of redemption to the Holders and the Trustee.
- (c) A notice of redemption under this clause 4.3 may only be given simultaneously with or after a notification to the Holders by Crown that a Change of Control Event, Tax Event, Capital Event or an Accounting Event has occurred.

4.4 Purchase of Notes

Crown or any Subsidiary of Crown may, subject to applicable laws, the Listing Rules and any rules of any other securities exchange on which any of the Notes are quoted from time to time, at any time after 23 April 2020 purchase or procure others to purchase beneficially for its account, Notes in any manner and at any price. Such acquired Notes may be surrendered for cancellation or held or resold.

4.5 Interest on unpaid Redemption Amounts

When any Notes become due for redemption and the Redemption Amount is not paid on the Redemption Date, from the Redemption Date until the actual payment of the Redemption Amount to, or to the order of, the Trustee, interest on the Redemption Amount will accrue at the Interest Rate determined from time to time in accordance with clause 3.2 (except that any determination of the Bank Bill Rate required for the purposes of clause 3.2 will be by the Trustee or a calculation agent appointed by it) and such interest will be payable until Notes are finally redeemed.

4.6 Cancellations

All Notes which are (a) redeemed or (b) purchased by or on behalf of Crown or any Subsidiary of Crown and which Crown elects to cancel will promptly be cancelled, and accordingly may not be held, reissued or resold.

5. PAYMENTS

5.1 Method of payment

- (a) Any amount which is payable to Holders in respect of Notes in accordance with these Terms will, unless Crown and the relevant Holder otherwise agree, be paid without set-off or counterclaim by direct credit to a nominated account denominated in Australian dollars at a financial institution notified by the relevant Holder to the Registry:
 - (i) in the case of interest payments, no later than the Record Date; and
 - (ii) in the case of any other amount in respect of Notes, at least eight calendar days before the day on which the relevant payment is scheduled,

or, at Crown's option, by cheque drawn in favour of the Holder and sent by prepaid post to the address of the Holder in the Register. Cheques sent to the nominated address of a Holder on or before the relevant payment date will be taken to have been received by the Holder on the relevant payment date and, no further amount will be payable by Crown in respect of the Notes as a result of the Holder not receiving payment on the due date.

- (b) Where a payment cannot be made in accordance with paragraph (a) because:
- (i) a Holder has not provided account details, or Crown determines that the account details are incorrect or the relevant account has been closed, Crown is under no obligation to make the relevant payment until correct account details have been provided; or
 - (ii) a notified financial institution is not open for business (or is not open for business in the place where the account is kept) on that date, Crown is under no obligation to make the relevant payment until the payment can be made,

and, in each case, the amount of the uncompleted payment will be held in a non-interest bearing, special purpose account maintained by Crown or the Registry until:

- (iii) the Holder nominates a suitable Australian dollar account maintained in Australia with a financial institution to which the payment may be credited or Crown elects to pay the amount by cheque;
- (iv) Crown determines to refuse any claim in respect of that amount in accordance with clause 5.3 in which case Crown may treat that amount as its own; or
- (v) Crown is entitled or obliged to deal with the amount in accordance with the law relating to unclaimed moneys.

No additional interest is payable in respect of any delay in payment.

- (c) Payment of any Redemption Amount in respect of a Note will be made to the person registered at 10:00am on the Redemption Date as the Holder of that Note.

5.2 Payments subject to applicable laws

Payments in respect of Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

5.3 Time limit on payments

A claim against Crown for payment under these Terms is void, to the fullest extent permitted by applicable law, unless made within 10 years (in the case of a Redemption Amount) or five years (in case of an Interest Payment or other payment) after the relevant due date for payment.

6. TAXATION AND GROSS-UP

6.1 Payment without withholding

All payments in respect of Notes by or on behalf of Crown, will be made free and clear of, and without withholding or deduction for, or on account of, Taxes imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, Crown will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Holders after the withholding or deduction will equal the respective amounts which would otherwise have been receivable in respect of Notes in the absence of the withholding or deduction. However, no Additional Amounts will be payable in relation to any payment in respect of any Notes:

- (a) to, or to a third party on behalf of, a Holder who is liable for the Taxes in respect of such Notes by reason of their having some connection with the Relevant Jurisdiction other than the mere holding of Notes;
- (b) to, or to a third party on behalf of, a Holder who is liable for the Taxes in respect of Notes by reason of that person being an associate of Crown for the purposes of section 128F of the Tax Act;

Appendix A – Terms of Issue

- (c) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) the deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where payment in respect of the relevant Notes is made; or
- (d) to, or to a third party on behalf of, a Holder who has not supplied to the Registry an appropriate tax file number, an Australian Business Number or exemption details, to the extent that such information would have reduced or eliminated the relevant Taxes.

6.2 Additional Amounts

Any reference in these Terms to any amounts in respect of Notes (including in relation to any Deferred Interest Payments and any additional interest accumulated on them under clause 3.4 or clause 3.7) includes a reference to any Additional Amounts which may be payable under this clause 6.

7. NO RIGHTS TO NEW SECURITIES

Notes confer no rights to subscribe for new Securities in Crown, or to participate in any bonus issues.

8. FURTHER ISSUES

Subject to applicable law, there are no restrictions under these Terms or the Trust Deed on Crown incurring any debt obligations, whether subordinated or not or ranking in priority ahead of, equal with or behind Notes (including any Notes that rank *pari passu* with Notes and are consolidated and form a single series with Notes) or upon such terms as to ranking, dividends or interest, conversion, redemption and otherwise as Crown may determine at the time of issue.

9. EVENTS OF DEFAULT

9.1 Consequences of an Event of Default

If an Event of Default occurs and while it is subsisting, the Trustee may, and must if so directed by a Special Resolution of the Holders or so requested in writing by the holders of at least 25% of the total Face Value of Notes then Outstanding (subject in each case to clause 11.6 of the Trust Deed):

- (a) give notice to Crown that the total Redemption Amount of Notes is due and payable (and that amount will immediately become due and payable when the notice is served); and
- (b) institute proceedings for the winding-up of Crown and/or prove in the winding-up of Crown and/or claim in the liquidation of Crown, for the amount payable under these Terms.

9.2 Enforcement by the Trustee

The Trustee may at any time, at its discretion and without further notice, institute such proceedings against Crown as it may think fit to enforce any term or condition binding on Crown under the Trust Deed or these Terms, except that (without prejudice to clause 9.1) the Trustee must not institute any proceedings or take any steps to enforce any payment obligation of Crown under or arising from the Trust Deed or the Notes, including, without limitation, payment of any principal or interest in respect of the Notes, any Redemption Amount, Interest Payment or Additional Amount, and including damages awarded for the breach of any obligations, and in no event shall Crown, by virtue of the institution of any such proceedings or steps, be obliged to pay any sum or sums in cash or otherwise, sooner than the same would otherwise have been payable by it under these Terms.

9.3 Trustee not bound to enforce

The Trustee shall not in any event be bound to take any action referred to in clause 9.2 unless:

- (a) it shall have been so requested by Holders holding between them at least 25% of the total Face Value of the Notes then Outstanding or it shall have been so directed by a Special Resolution of the Holders; and
- (b) it shall have been indemnified as contemplated by clause 11.6 of the Trust Deed.

9.4 No other remedies against Crown

Except as permitted by this clause 9 (including, without limitation, any rights or remedies of the Trustee under clause 9.2), no remedy against Crown shall be available to the Trustee or the Holders in respect of any breach by Crown of any of its obligations under the Trust Deed or these Terms, other than payment of the costs, charges, liabilities, expenses or remuneration of the Trustee.

9.5 Holders' right to enforce

No Holder shall be entitled to proceed directly against Crown to enforce any right or remedy under or in respect of any Note unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure is continuing, in which case any such Holder may itself institute proceedings against Crown for the relevant remedy to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so. Any such proceedings must be brought in the name of the Holder and not the Trustee.

10. AMENDMENTS AND MEETINGS

10.1 Amendments with Holder approval

At any time and from time to time, but subject to compliance with the Corporations Act and all other applicable laws, Crown may amend these Terms if such amendment is authorised by a Special Resolution of the Holders or if otherwise permitted by clause 10.2.

10.2 Amendments without Holder approval

At any time, but subject to compliance with the Corporations Act and all other applicable laws, Crown may, without the consent or approval of Holders or the Trustee, amend these Terms in accordance with the Trust Deed, if Crown is of the opinion that such amendment is:

- (a) made to cure any ambiguity or correct a manifest error;
- (b) of a formal, minor or technical nature;
- (c) necessary or expedient for the purpose of enabling the Notes to be:
 - (i) listed for quotation, or to retain quotation, on any stock exchange; or
 - (ii) offered for subscription or for sale under the laws for the time being in force in any place,and, otherwise not materially prejudicial to the interests of Holders generally;
- (d) necessary to comply with:
 - (i) the provisions of any statute or the requirements of any statutory authority; or
 - (ii) the Listing Rules or the listing or quotation requirements of any stock exchange on which Crown may propose to seek a listing or quotation of the Notes,and, otherwise not materially prejudicial to the interests of Holders generally;
- (e) is not, and is not likely to become, taken as a whole and in conjunction with all other amendments to be made contemporaneously with that amendment, materially prejudicial to the interests of Holders generally,

provided that:

- (f) Notes following such amendment will have a level of equity credit ascribed to them by the Relevant Rating Agency which is equal to or higher than that which was ascribed to Notes immediately prior to such amendment; and
- (g) such amendment would not give rise to a Tax Event.

10.3 Amendment binding

Any amendment of these Terms in accordance with this clause 10 is binding on all Holders.

Appendix A – Terms of Issue

10.4 Meetings of Holders

The Trust Deed contains provisions for convening meetings of the Holders.

10.5 No consent of Senior Creditors etc

Nothing in these Terms requires the consent of any Senior Creditor, any holder of any Equal Ranking Obligation or any holder of any Junior Ranking Obligations to the amendment of any Terms made in accordance with this clause 10.

11 ISSUER SUBSTITUTION

The Trustee may, without the consent or approval of the Holders, agree with Crown to the substitution in place of Crown of any of its Related Bodies Corporate (or of any previous substitute under this clause) as the principal debtor under these Terms and the Trust Deed, subject to:

- (a) the Trustee being satisfied that the interests of the Holders will not be materially prejudiced by the substitution; and
- (b) compliance with certain other applicable conditions set out in the Trust Deed.

12. NOTICES

12.1. Service of notices

- (a) Without limiting anything else in these Terms, a notice may be given by Crown to any Holder, or in the case of joint Holders to the Holder whose name appears first in the Register, personally, by leaving it at the Holder's address as shown on the Register or by sending it by prepaid post (airmail if posted to a place outside Australia) to the Holder's address as shown on the Register or, in any case, by other electronic means determined by Crown. If the notice is signed, the signature may be original or printed.
- (b) Where a notice is given by Crown to Holders generally, a copy of the notice must also be given to ASX.
- (c) A notice given by a Holder to Crown must:
 - (i) be in writing; and
 - (ii) be left at, or sent by prepaid post (airmail if posted from a place outside Australia) to the address below or the address last notified by Crown, or sent by facsimile transmission to the fax number below or the fax number last notified by Crown:

Crown Resorts Limited
Level 3, Crown Towers
8 Whiteman Street
Southbank
Melbourne VIC 3006
Australia

Facsimile: +61 3 9292 8808
Attention: Company Secretary

12.2 When notice considered to be received

Any notice is taken to be given:

- (a) if served personally or left at the intended recipient's address, when delivered;
- (b) if sent by post, on the second Business Day after it is mailed in a prepaid envelope to the intended recipient's address; and
- (c) if sent by facsimile or other electronic transmission, on production of a report by the sending machine or other system by which the transmission is sent indicating that the transmission has been made in its entirety to the correct fax number or other transmission address and without error.

12.3 Notice to transferor binds transferee

Every person who, by operation of law, transfer or other means, becomes entitled to be registered as the holder of any Notes is bound by every notice which, prior to the person's name and address being entered in the Register, was properly given to the person from whom the person derived title to those Notes.

12.4 Service on deceased Holders

A notice served in accordance with this clause 12 is (despite the fact that the Holder is dead and whether or not Crown has notice of the Holder's death) considered to have been properly served in respect of any Notes, whether held solely or jointly with other persons by the Holder, until some other person is registered in the Holder's place as the Holder or joint Holder. The service is sufficient service of the notice or document on the Holder's personal representative and any person jointly interested with the Holder in Notes.

12.5 Copy of notices to Trustee

Whenever Crown issues any notice under these Terms to Holders, Crown must at the same time provide to the Trustee a copy of the notice.

13. TRANSFER OF NOTES

13.1 Forms of transfer

A Holder may transfer any Notes the Holder holds by:

- (a) where Notes are quoted on ASX, a Proper ASTC Transfer or any other method of transferring or dealing in Notes introduced by ASX or operating in accordance with the operating rules of a clearing and settlement facility (as that term is defined in the Corporations Act), the ASX Settlement Operating Rules or the Listing Rules and, in any such case, recognised under the Corporations Act; or
- (b) otherwise, a written instrument of transfer in any usual form or in any other form approved by Crown, that is otherwise permitted by law.

13.2 Registration of transfer

A transferor of Notes remains the owner of Notes transferred until the transfer is registered and the name of the transferee is entered in the Register in respect of Notes.

14. NON-RESIDENT HOLDERS

- (a) Where Notes are held by, or on behalf of, a person resident outside the Commonwealth of Australia, then, despite anything else to the contrary contained in or implied by these Terms, it is a condition precedent to any right of the Holder to receive payment of any monies in respect of those Notes that all necessary authorisations (if any) and any other statutory requirements which may then be in existence and which are required to be obtained by the Holder are obtained at the cost of the Holder and satisfied.
- (b) For the purposes of clause 14(a), authorisation includes any consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, approval, direction, declaration, authority or exemption from, by or with any government or any government agency.

15. QUOTATION

- (a) Crown must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure, at its own expense, that Notes are quoted by ASX within seven Business Days after the initial issue of Notes and to maintain quotation so long as any Notes remain on issue.
- (b) Crown will comply with the Listing Rules or the rules of any stock exchange on which Notes are quoted in connection with any amendment under clause 10.

Appendix A – Terms of Issue

16. GOVERNING LAW

- (a) These Terms are governed by the law in force in the State of Victoria, Australia.
- (b) Crown, the Trustee and each Holder submits to the non-exclusive jurisdiction of the courts of Victoria, Australia in connection with matters concerning Notes or these Terms. Crown, the Trustee and each Holder waives any right they have to an objection to an action being brought in those courts, or to claim that the action has been brought in an inconvenient forum, or to claim that those courts do not have jurisdiction.

17. INTERPRETATION AND DEFINITIONS

17.1 Interpretation

In these Terms:

- (a) headings and boldings are for convenience only and do not affect the interpretation of these terms;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any government or semi-government agency;
- (e) a reference to any statute or regulation includes all statutes and regulations amending, consolidating or replacing it, whether passed by the same or another government agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (f) a reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- (g) where the day on or by which any thing is to be done, or payment is to be made, is not a Business Day, that thing must be done, or payment must be made, on or by the next succeeding Business Day;
- (h) a reference to cash includes cheques and bank cheques;
- (i) a reference to a body including a commission or an exchange, whether statutory or not, which ceases to exist or whose functions or powers are transferred to another body, is a reference to the body which replaces it or substantially succeeds to its powers and functions;
- (j) references to sums of money are to amounts in Australian dollars;
- (k) a reference to a thing or things after the words “include” or “including” or similar expressions is not limited to that thing or those things;
- (l) a calculation, determination, election or decision made under these Terms, will (in the absence of manifest error, negligence, default or bad faith) be binding upon Crown, the Trustee and all Holders;
- (m) if a calculation is required under these Terms, the calculation will be rounded to four decimal places, provided that any amount to be paid to a Holder will be rounded down to the nearest whole cent; and
- (n) the word “amend” includes modify, cancel, amend or add to.

17.2 Definitions

Unless the context otherwise requires, the following terms will have the following meanings in these Terms:

“2012 Subordinated Notes” means the subordinated notes issued by Crown on 14 September 2012 under a prospectus dated 13 August 2012.

“Accounting Event” means Crown has been notified by the Relevant Rating Agency, or has become aware following a publication by the Relevant Rating Agency, that, due to a change in Accounting Principles after the Issue Date, the application of Mandatory Deferred Interest Payments in respect of the Notes will no longer satisfy the Relevant Rating Agency’s criteria such that Notes will no longer be eligible for the same or higher category of “equity credit” (or any similar nomenclature that is being used by the Relevant Rating Agency at the

relevant time) as was initially attributed to Notes by the Relevant Rating Agency at the time of issue of Notes as notified from time to time to Crown by the Relevant Rating Agency.

“Accounting Principles” means generally accepted accounting principles and applicable approved accounting standards in Australia as in effect from time to time consistently applied.

“Additional Amounts” means additional amounts payable by Crown under clause 6.1.

“Adjusted Gross Debt” means, in relation to a Testing Date, total current and non-current interest bearing liabilities, adjusted to remove any fair value adjustments on borrowings in hedge relationships, all as disclosed in the more recent of:

- (a) the audited full year consolidated financial statements of Crown (and its controlled entities) for the full year ended on the immediately prior 30 June; and
- (b) the reviewed consolidated interim financial statements of Crown (and its controlled entities) for the half year ended on the immediately prior 31 December,

or, if not disclosed in the audited consolidated financial statements or reviewed consolidated interim financial statements of Crown (and its controlled entities), as otherwise publicly disclosed to Holders.

“ASX” means ASX Limited (ABN 98 008 624 691) or the market operated by it, as the context requires.

“ASX Settlement” means ASX Settlement Pty Limited (ABN 49 008 504 532).

“ASX Settlement Operating Rules” means the operating rules of ASX Settlement.

“Bookbuild” means the process, described in the Prospectus, to be conducted by, or on behalf of Crown whereby certain institutional investors and brokers who wish to obtain a firm allocation of Notes (whether for themselves or for their clients) lodge bids for Notes.

“Business Day” has the meaning given in the Listing Rules.

“Capital Event” means Crown has been notified by any Rating Agency, or has become aware following a publication by any Rating Agency, of a change in its criteria such that Notes will no longer be eligible for the same or higher category of “equity credit” (or any similar nomenclature that is being used by that Rating Agency at the relevant time) as was initially attributed to Notes by that Rating Agency at the time of issue of Notes as notified from time to time to Crown by that Rating Agency.

A **“Change of Control Event”** occurs, at any time, if any person (other than CPHL, Related Bodies Corporate of CPHL, James D Packer or any of his descendants or related trusts and/or any of the descendants or related trusts of the late KFB Packer) either alone or together with its associates (as defined in the Corporations Act), either in a single transaction or series of related transactions, acquires more than 50% of the voting shares of Crown (such acquiring person or person together with its associates being a **“Relevant Person”**).

A **“Compulsory Interest Payment Event”** shall have occurred if, during the period in which a Mandatory Deferral Event is subsisting:

- (a) a dividend, other distribution or payment was validly declared, paid or made by Crown or a Subsidiary in respect of any Equal Ranking Obligations, Junior Ranking Obligations, Subsidiary Equal Ranking Obligations, Subsidiary Junior Ranking Obligations or the ordinary shares of Crown (other than in respect of employee incentive plans of Crown);
- (b) Crown has redeemed, reduced, cancelled, purchased or otherwise acquired any Equal Ranking Obligations, Junior Ranking Obligations or any of its ordinary shares; or
- (c) a Subsidiary of Crown has redeemed, reduced, cancelled, purchased or otherwise acquired any Subsidiary Equal Ranking Obligations or Subsidiary Junior Ranking Obligations.

“Corporations Act” means the Corporations Act 2001 (Cth).

“CPHL” means Consolidated Press Holdings Limited (ABN 64 008 394 509).

“Crown” means Crown Resorts Limited (ABN 39 125 709 953) or any Related Body Corporate which is substituted for Crown Resorts Limited under clause 11 and the Trust Deed.

Appendix A – Terms of Issue

“Crown Group” means (collectively) Crown and its Subsidiaries.

“Deferred Interest Payment” means an Optionally Deferred Interest Payment and/or a Mandatorily Deferred Interest Payment.

“EBITDA” means, in respect of any period, earnings before interest, tax, depreciation and amortisation of Crown (and its controlled entities) for that period, provided that, in calculating EBITDA:

- (a) no account shall be taken of any exceptional, one-off, non-recurring or extraordinary or significant items for that period that, in accordance with Accounting Principles, are (or will be) separately disclosed in the audited consolidated financial statements or reviewed consolidated interim financial statements of Crown (and its controlled entities) (as the case may be, and to the extent not already excluded and without any double counting or double excluding); and
- (b) if, for a full six month period commencing on a Testing Date and ending on the next Testing Date, an acquisition of an entity that becomes a member of the Crown Group results in the financial indebtedness of that entity being included in Normalised EBITDA, then to the extent the entity contributes to EBITDA of Crown (and its controlled entities) for less than that full six month period, the contribution is to be included in the calculation of Normalised EBITDA as if the acquisition had occurred at the beginning of that full six month period. The calculation of the contribution of that entity to the EBITDA of Crown (and its controlled entities) will be made on the basis of the historical operating profit before interest, tax, depreciation and amortisation of that entity by reference to its most recent audited full year financial statements or reviewed consolidated financial statements, as the case may be.

“Equal Ranking Obligations” means:

- (a) any obligation in relation to claims of holders of Securities issued by Crown or one of its Subsidiaries which claims rank or are expressed to rank *pari passu* with Holder Claims under these Terms and the Trust Deed; or
- (b) any obligation in relation to claims of holders of Securities issued by Crown or one of its Subsidiaries, which claims are under, or are expressed to be treated as, Notional Preference Shares if at any time an Event of Insolvency occurs in relation to Crown,

including, but not limited to, and as at the Issue Date, the 2012 Subordinated Notes.

An **“Event of Default”** occurs if:

- (a) Crown does not pay any Redemption Amount, Interest Payment or Deferred Interest Payment which is due and payable in respect of the Notes within, in the case of any amount representing or in the nature of interest, five Business Days of the due date for payment and, in the case of any amount representing or in the nature of principal, two Business Days of the due date for payment; or
- (b) an order is made (other than an order successfully appealed, dismissed, withdrawn or permanently stayed within 60 days) by a State or Federal Court in the Commonwealth of Australia or a resolution is passed by the shareholders of Crown for the winding-up of Crown (other than for the purposes of Solvent Reorganisation of Crown),

except that each of the following does not constitute an Event of Default:

- (c) the non-payment by Crown of any amount due and payable in respect of any of the Notes in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment; and
- (d) the deferral of any Interest Payment under clause 3.

“Event of Insolvency” means the appointment of an administrator, a liquidator, provisional liquidator or other similar officer in respect of Crown or any corporate action is taken by Crown to appoint such a person.

“Face Value” means the face value of a Note, being \$100 per Note.

“First Call Date” means 23 July 2021 or, if that day is not a Business Day, the next Business Day.

“Fitch” means Fitch Ratings, a division of Fitch, Inc (or any of its Subsidiaries or any successor in business thereto from time to time).

“Holder” means a person who is entered into the Register as the holder of a Note.

“Holder Claims” means the rights and claims of the Trustee (in respect of Notes) and of the Holders in respect of Notes.

“Initial Margin” means the margin expressed as a percentage per annum determined by Crown (or another party on its behalf) on the basis of the bids made under the Bookbuild.

“Interest Cover Ratio” means, in relation to a Testing Date, the ratio of Normalised EBITDA to Relevant Net Interest Paid.

“Interest Payment” means the interest payable on a Note on the Interest Payment Date, as calculated in accordance with clause 3.3.

“Interest Payment Date” means, subject to clause 3.3, 14 March, 14 June, 14 September and 14 December in each year, commencing on the first such date following the Issue Date until Notes are redeemed.

“Interest Period” means:

- (a) in respect of the first interest period, the period from and including the Issue Date to but excluding the first Interest Payment Date; and
- (b) for each subsequent interest period, from and including each Interest Payment Date to but excluding the immediately following Interest Payment Date.

“Interest Rate” has the meaning specified in clause 3.2.

“Issue Date” means 23 April 2015, or such later date as Crown may determine.

“Issue Price” has the meaning specified in clause 1.3.

“Junior Ranking Obligation” means any equity or subordinated debt obligation of Crown (other than Notes and, for the purposes of clause 3.5 and the definitions of “Compulsory Interest Payment Event” and “Optional Payment Reference Date” in this clause 17.2, any equity or subordinated debt obligation of Crown held by a wholly-owned Subsidiary of Crown) which ranks junior to Crown’s obligations under the Notes.

“Leverage Ratio” means, in relation to a Testing Date, the ratio of Relevant Gross Debt (divided by 2) to Normalised EBITDA.

“Listing Rules” means the listing rules of ASX.

“Mandatorily Deferred Interest Payment” has the meaning specified in clause 3.7(a) and will, where relevant, include any amount of additional interest accumulated thereon in accordance with clause 3.7(a)(iv).

A **“Mandatory Deferral Event”** will commence on and from a Testing Date (the **“Commencing Testing Date”**) if:

- (a) the Interest Cover Ratio in relation to the Commencing Testing Date is less than the Minimum Level; or
- (b) the Leverage Ratio in relation to the Commencing Testing Date and the most recent Testing Date before that date is above the Maximum Level,
and will continue until the next Testing Date (the **“Ending Testing Date”**) in relation to which:
 - (c) the Interest Cover Ratio is at or above the Minimum Level; and
 - (d) subject to the following, the Leverage Ratio on that date and the most recent Testing Date before it is at or below the Maximum Level,
at which time it will cease.

The requirement to satisfy the condition in paragraph (d) in order for the Mandatory Deferral Event to cease to apply will only apply if the Leverage Ratio was above the Maximum Level in relation to:

Appendix A – Terms of Issue

- (e) the Commencing Testing Date and the most recent Testing Date before that date; or
- (f) any two or more consecutive Testing Dates during the period from (and including) the Commencing Testing Date to (and including) the Ending Testing Date.

“Mandatory Payment Reference Date” means the date which is the earliest of:

- (a) if a Compulsory Interest Payment Event has occurred, the date which is the earliest of:
 - (i) the date on which the relevant Mandatory Deferral Event is no longer subsisting;
 - (ii) the next Interest Payment Date which is on or after the fifth anniversary of the Interest Payment Date on which any of the then outstanding Mandatorily Deferred Interest Payments was initially deferred; and
 - (iii) the Step-up Date;
- (b) if a Compulsory Interest Payment Event has not occurred, the date which is the earliest of:
 - (i) the next Interest Payment Date on which the relevant Mandatory Deferral Event is no longer subsisting, unless Crown elects to defer the Interest Payment on that Interest Payment Date pursuant to clause 3.4(a);
 - (ii) the next Interest Payment Date which is on or after the fifth anniversary of the Interest Payment Date on which any of the then outstanding Mandatorily Deferred Interest Payments was initially deferred, unless Crown elects to defer the Interest Payment on that Interest Payment Date pursuant to clause 3.4(a); and
 - (iii) the Step-up Date, unless Crown elects to defer the Interest Payment on that Step-up Date pursuant to clause 3.4(a);
- (c) the Maturity Date;
- (d) the date on which all Notes are otherwise redeemed; and
- (e) the date on which an order is made or a resolution is passed for the winding up of Crown.

“Margin” has the meaning specified in clause 3.2.

“Maturity Date” means 23 April 2075.

“Maximum Level” means 5.00 times.

“Minimum Level” means 2.50 times.

“Moody’s” means Moody’s Investors Service, Inc. (or any of its Subsidiaries or any successor in business thereto from time to time).

“Net Interest Paid” means, in relation to a Testing Date, the amount of net interest paid, less the amount of interest received, by Crown (and its controlled entities) for the more recent of:

- (a) the six month period ended on the immediately prior 30 June, as calculated by reference to the audited full year consolidated financial statements of Crown (and its controlled entities) for the full year ended on that date, less the equivalent items in the reviewed consolidated interim financial statements of Crown (and its controlled entities) for the half year ended on the prior 31 December; and
- (b) the six month period ended on the immediately prior 31 December, as reported in the reviewed consolidated interim financial statements of Crown (and its controlled entities) for that period, or, if not disclosed in the audited consolidated financial statements or reviewed consolidated interim financial statements of Crown (and its controlled entities), as otherwise publicly disclosed to Holders.

“Normalised EBITDA” means, in relation to a Testing Date, EBITDA of Crown (and its controlled entities) which has been adjusted to exclude the impact of any variance from theoretical win rate, being the expected hold percentage on VIP program play over time, where the hold percentage is the portion of a player’s bets that is retained by the casino, for the more recent of:

- (a) the six month period ended on the immediately prior 30 June, as calculated by reference to the audited full year consolidated financial statements of Crown (and its controlled entities) for the full year ended on that date, less the equivalent item in the reviewed consolidated interim financial statements of Crown (and its controlled entities) for the half year ended on the prior 31 December; and
- (e) the six month period ended on the immediately prior 31 December, as reported in the reviewed consolidated financial statements of Crown (and its controlled entities) for that period,
or, if not disclosed in the audited consolidated financial statements or reviewed consolidated interim financial statements of Crown, as otherwise publicly disclosed to Holders.

“Notes” means Crown subordinated notes to which these Terms apply, as described in clause 1.1.

“Notional Preference Share” means an actual or notional class of preference shares in the capital of Crown ranking junior to the claims of Senior Creditors and having an equal right to return of assets in the winding-up to, and so ranking pari passu with, the most junior class or classes of preference shares in the capital of Crown from time to time and which have a right to a return of assets in the winding-up over, and so rank junior to the holders of all other classes of issued shares for the time being in the capital of Crown other than, its ordinary shares.

“Optional Payment Reference Date” means, in relation to an Optionally Deferred Interest Payment, the date which is the earliest of:

- (a) the next following Interest Payment Date on which:
 - (i) Crown elects to pay the relevant Optionally Deferred Interest Payment at its discretion; and
 - (ii) no Mandatory Deferral Event exists;
- (b) the date on which any dividend, distribution or interest is paid on, or any redemption, purchase or buy-back is made of, or any capital return is made by Crown or a Subsidiary in relation to, any Equal Ranking Obligations, Junior Ranking Obligations, Subsidiary Equal Ranking Obligations, Subsidiary Junior Ranking Obligations or ordinary shares of Crown or the Notes (other than payments made pro rata on Notes and Equal Ranking Obligations in relation to that payment or in respect of employee incentive plans) and no Mandatory Deferral Event exists;
- (c) the Maturity Date;
- (d) the date on which all Notes are otherwise redeemed; and
- (e) the date on which an order is made or a resolution is passed for the winding up of Crown.

“Optionally Deferred Interest Payment” has the meaning specified in clause 3.4(a) and will, where relevant, include any amount of additional interest accrued thereon in accordance with clause 3.4(a)(ii).

“Outstanding” means a Note that has not been cancelled or redeemed by Crown and is not held by or on behalf of Crown, or any Subsidiary of Crown or any Relevant Person.

“Proper ASTC Transfer” has the meaning given in the Corporations Regulations 2001 (Cth).

“Prospectus” means a prospectus to be issued by Crown in respect of a public offer of Notes.

“Rating Agency” means each of Standard & Poor’s, Moody’s and Fitch.

Appendix A – Terms of Issue

“Record Date” means, in relation to any date on which Crown is obliged to make an Interest Payment to a Holder in relation to a Note, eight calendar days before the relevant Interest Payment Date or such other date as Crown determines in its absolute discretion (subject to compliance with the Listing Rules) and notifies to Holders by a market release to ASX by the time required by the Listing Rules (or if no such time is required by the Listing Rules, at least six Business Days before the specified Record Date). If the Record Date is changed because of a requirement of ASX, Crown will give notice of the changed Record Date to all Holders by issuing a market release to ASX.

“Redemption Amount” in respect of a Note means the sum of:

- (a) 100% of the Face Value;
- (b) all Deferred Interest Payments in respect of that Note that remain unpaid at the Redemption Date; and
- (c) any accrued but unpaid interest for the Interest Period in which the Redemption Date falls determined in accordance with clause 3 and clause 4.5 calculated up to (but excluding) the Redemption Date as if that date were an Interest Payment Date,

except that, in the case of a redemption before the First Call Date for a Capital Event or an Accounting Event notified to Holders and the Trustee under clause 4.3, paragraph (a) of this definition will be 101% of the Face Value.

“Redemption Date” means the day on which Notes become due for redemption in accordance with these Terms. For the avoidance of doubt, if Crown elects to redeem all Notes on:

- (a) the First Call Date under clause 4.2, the First Call Date will be the Redemption Date; or
- (b) any Interest Payment Date after the First Call Date under clause 4.2, that Interest Payment Date will be the Redemption Date.

“Register” means the register of Notes maintained by or on behalf of Crown.

“Registry” means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or such successor registry as Crown may appoint.

“Related Body Corporate” has the meaning given in the Corporations Act.

“Relevant Gross Debt” means Adjusted Gross Debt:

- (a) less 50% of the outstanding balance of Notes; and
- (b) less the outstanding principal amount of each other Security issued by Crown (or one of its Subsidiaries) from time to time (if any) multiplied by the level of “equity credit” assigned to that Security by the Relevant Rating Agency (expressed as a percentage per annum) as has been specified by Crown in a public announcement to be a Security for the purposes of this paragraph,

and, if not disclosed in the audited consolidated financial statements or reviewed consolidated interim financial statements of Crown (and its controlled entities), as otherwise publicly disclosed to Holders. Further, Crown will announce publicly a change in the percentage specified in respect of a Security to reflect a change in the equity credit categorisation of the relevant Securities from time to time and this definition shall be read in accordance with that announcement.

“Relevant Jurisdiction” means:

- (a) the Commonwealth of Australia or any State or Territory of Australia; or
- (b) in the event of any substitution, Solvent Reorganisation or other corporate action resulting in Crown being incorporated in or becoming resident in or carrying on business in any other jurisdiction, that other jurisdiction or any political subdivision or any authority of that jurisdiction having power to tax.

“Relevant Net Interest Paid” means Net Interest Paid:

- (a) less 50% of the interest paid in respect of the Notes in the period for which the net interest paid is calculated; and

- (b) less the amount of interest payments made in that period by Crown (or one of its Subsidiaries) in respect of each other Security issued by Crown (or one of its Subsidiaries) from time to time (if any) multiplied by the level of “equity credit” assigned to that Security by the Relevant Rating Agency (expressed as a percentage per annum) as has been specified by Crown in a public announcement to be a Security for the purposes of this paragraph,

and, if not disclosed in the audited consolidated financial statements or reviewed consolidated interim financial statements of Crown (and its controlled entities), as otherwise publicly disclosed to Holders. Further, Crown will announce publicly a change in the percentage specified in respect of a Security to reflect a change in the equity credit categorisation of the relevant Securities from time to time and this definition shall be read in accordance with that announcement.

“**Relevant Person**” has the meaning given in the definition of Change of Control Event.

“**Relevant Rating Agency**” means Standard & Poor’s.

“**Security**” means, in relation to a company, shares in the capital of that company and any indebtedness in the form of or represented by notes, bonds, debentures or other securities issued by that company or any indebtedness (other than to a wholly-owned Subsidiary of Crown or from a wholly-owned Subsidiary of Crown to Crown or another wholly-owned Subsidiary of Crown) in respect of any loan or similar agreement.

“**Senior Creditors**” means:

- (a) creditors of Crown who are unsubordinated creditors of Crown; and
- (b) creditors of Crown whose claims are or are expressed to be subordinated to the claims of other creditors of Crown (other than holders of Equal Ranking Obligations and holders of Junior Ranking Obligations).

“**Solvent Reorganisation**” means, with respect to Crown, a solvent winding-up, deregistration, dissolution, scheme of arrangement or other reorganisation of Crown solely for the purposes of a consolidation, amalgamation, merger or reconstruction, the terms of which have been approved by the holders of the ordinary shares of Crown or by a court of competent jurisdiction under which the continuing or resulting corporation effectively assumes the obligations of Crown under these Terms and the Trust Deed.

“**Special Resolution**” means a resolution approved by not less than 75% of all votes cast by Holders present and entitled to vote on the resolution.

“**Standard & Poor’s**” means Standard & Poor’s (Australia) Pty Ltd (or any of its Subsidiaries or any successor in business thereto from time to time).

“**Step-up Date**” means 23 July 2041 or, if that day is not a Business Day, the next Business Day.

“**Step-up Margin**” means the margin which is the Initial Margin plus 1.00% per annum.

“**Subsidiary**” has the meaning given in the Corporations Act.

“**Subsidiary Equal Ranking Obligation**” means, in relation to a Subsidiary, any Security in respect of which the following are satisfied:

- (a) payments to the holders of such shares or securities are guaranteed; and
- (b) the claims of those holders under that guarantee are Equal Ranking Obligations.

“**Subsidiary Junior Ranking Obligation**” means, in relation to a Subsidiary, any Security in respect of which the following are satisfied:

- (a) payments to the holders of such shares or securities are guaranteed; and
- (b) the claims of those holders under that guarantee are Junior Ranking Obligations.

“**Tax Act**” means the Income Tax Assessment Act 1936 (Cth).

Appendix A – Terms of Issue

“Tax Event” means that:

- (a) in the opinion of a recognised independent legal or tax adviser (which has been obtained by Crown and delivered to the Trustee), on or after the Issue Date, as a result of:
 - (i) any amendment to, or change in, the laws (or any rules or regulations under them) of the Relevant Jurisdiction which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
 - (ii) any amendment to, or change in, an official interpretation of any laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
 - (iii) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the Issue Date,

interest paid by Crown on Notes would no longer, or within 90 calendar days of the date of that opinion will no longer, be fully deductible (or the entitlement to make such deduction would or will be materially reduced) by Crown for corporate income tax purposes in the Relevant Jurisdiction; and

- (b) that risk cannot be avoided by Crown taking reasonable measures available to it.

“Taxes” means any present or future taxes, duties, assessments or governmental charges of whatever nature.

“Terms” means these terms and conditions of Notes.

“Testing Date” means any date on which Crown first releases to the public its audited consolidated financial statements in respect of a reporting period ended on 30 June or its reviewed consolidated interim financial statements in respect of a reporting period ended on 31 December of any given year.

“Trust Deed” means the Crown Subordinated Notes Trust Deed dated 17 March 2015 between Crown and the Trustee as trustee for the Holders.

“Trustee” means Australian Executor Trustees Limited (ABN 84 007 869 794) and includes a successor of it.

Appendix B
Glossary



Appendix B – Glossary

This Appendix provides a glossary of key terms used throughout this Prospectus and the Application Form. There is also a list of further defined terms in Clause 17.2 of the Terms immediately prior to this Glossary commencing on page 132.

Term	Meaning
ABN	Australian Business Number.
ANZ Securities	ANZ Securities Limited (ABN 16 004 997 111).
Application Form	The application form attached or accompanying the Replacement Prospectus (including the electronic form provided by an online application facility).
ASIC	Australian Securities and Investments Commission.
Aspers Group	Aspers Holdings (Jersey) Limited.
ASX	ASX Limited or the market operated by it, as the context requires.
ASX Settlement Operating Rules	The settlement rules of ASX Settlement Pty Limited.
Bank Bill Rate	A benchmark interest rate for the Australian money market commonly used by major Australian financial institutions to lend short-term cash to each other over a 90 day period, as more particularly defined in Clause 3.2 of the Terms.
Betfair	Betfair Australasia Pty Limited (ABN 77 110 084 743).
Board	The board of directors of Crown.
Bookbuild	The process described in Section 6.3.1 to determine the Margin.
Broker Firm Applicant	An Australian or New Zealand resident retail client of a Syndicate Broker, or a client of a Syndicate Broker to whom an offer can be made having regard to the restrictions on distribution in Section 6.3.2, invited to participate through the Broker Firm Offer.
Broker Firm Offer	The Offer of Notes II under this Prospectus to Broker Firm Applicants who have received a firm allocation of Notes II from the Syndicate Broker.
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a Business Day.
Cannery	Cannery Casino Resorts LLC.
CHESS	Clearing House Electronic Subregister System operated in accordance with the Corporations Act.
Closing Date	The last date by which applications must be lodged for the Offer, being: <ul style="list-style-type: none"> • 5:00pm (Sydney time) on 14 April 2015 for the Securityholder Offer and General Offer (unless varied); and • 5:00pm (Sydney time) on 21 April 2015 for the Broker Firm Offer (unless varied).
Co-Managers	JBWere and Wilson HTM.
Commonwealth Bank	Commonwealth Bank of Australia (ABN 48 123 123 124).
Consolidated Press Holdings	Consolidated Press Holdings Pty Limited (ABN 64 008 394 509).
Corporations Act	Corporations Act 2001 (Cth).
Crown	Crown Resorts Limited (ABN 39 125 709 953).
Crown Aspinall's	High-end casino in Mayfair, London.
Crown Melbourne	Crown Entertainment Complex, Melbourne, Victoria.
Crown Perth	Crown Perth Entertainment Complex, Perth, Western Australia.

Term	Meaning
Crown Sydney	The proposed Crown Entertainment Complex at Barangaroo South, Sydney.
Crown Subordinated Notes I	The subordinated notes issued by Crown in 2012 under a prospectus dated 13 August 2012.
Crown Subordinated Notes II	Crown Resorts Limited Subordinated Notes with terms and conditions set out in Appendix A.
Crown Towers Perth	The six star hotel currently under construction at Crown Perth.
CrownBet	CrownBet Pty Limited (ACN 162 554 707).
Deferred Interest Payments	Optionally Deferred Interest Payment or Mandatorily Deferred Interest Payment, as applicable in accordance with the Terms.
Deutsche Bank	Deutsche Bank AG, Sydney Branch (ABN 13 064 165 162).
Directors	The directors of Crown.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Eligible Securityholder	A registered holder of Ordinary Shares or Notes I with a registered address in Australia or New Zealand at 7:00pm (Sydney time) on 13 March 2015 and who is resident in Australia or New Zealand.
EMTN	Euro-Medium Term Notes.
Equity	Total equity as disclosed in the historical consolidated statement of financial position in Section 4.5.
Equity Credit	The classification of an instrument by a Rating Agency treating the instrument as equity rather than debt when evaluating the quantitative aspects of an issuer's corporate credit rating. An equity credit classification is not a credit rating.
Exposure Period	The seven day period after the date this Prospectus is lodged with ASIC during which the Corporations Act prohibits the processing of applications for Notes II.
Fitch	Fitch Australia Pty Limited (ABN 93 081 339 184).
General Applicant	A member of the general public who is resident in Australia or New Zealand and who applies for Notes II under the General Offer.
General Offer	The invitation to members of the general public who are resident in Australia or New Zealand to apply for Notes II under this Prospectus.
Group	Crown and its subsidiaries.
HIN	Holder Identification Number for Ordinary Shares or Notes II (when issued) (as applicable) held on the CHESS sub-register.
Holder	A person registered in the Register as a holder of Notes II.
Holding Statement	A statement issued to Holders by the Registry which sets out details of Notes II issued to them under the Offer.
IGLA	Independent Liquor and Gaming Authority.
Institutional Investor	An investor to whom offers or invitations in respect of Notes II can be made without the need for a lodged prospectus (or other formality, other than a formality which Crown is willing to comply with), including in Australia persons to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act and who has been invited by Crown to bid for Notes II in the Bookbuild.
Institutional Offer	The invitation by Crown or the Joint Lead Managers to Institutional Investors to bid for Notes II in the Bookbuild.

Appendix B – Glossary

Term	Meaning
Intermediate Equity Credit	The classification of the approximate proportion of Notes II proceeds (being 50%) to be characterised as equity for quantitative ratio calculation purposes by the Relevant Rating Agency and one other Rating Agency.
Issue Price	The issue price for Notes II under this Prospectus, being \$100 per Note II.
JBWere	JBWere Limited (ABN 68 137 978 360).
Joint Lead Managers	ANZ Securities, Commonwealth Bank, Deutsche Bank, NAB, UBS and Westpac.
Listing Rules	The listing rules of ASX.
Margin	The margin to be determined under the Bookbuild, as may be increased pursuant to the Terms.
MCE	Melco Crown.
Melco Crown	Melco Crown Entertainment Limited.
Moody's	Moody's Investors Service Pty Limited (ABN 61 003 399 657).
MTN	Medium Term Notes.
NAB	National Australia Bank Limited (ABN 12 004 044 937).
NASDAQ	The National Association of Securities Dealers Automated Quotations.
Net Debt	Total current and non-current interest bearing liabilities only, less cash and cash equivalents.
Net Interest Paid	Net Interest paid less the amount of interest received.
Normalised EBITDA	EBITDA adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth, Crown Aspinall's and Melco Crown), pre-opening costs and significant items.
Normalised Net Profit After Tax	Statutory Profit adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth, Crown Aspinall's and Melco Crown), pre-opening costs and significant items.
Notes I	Crown Subordinated Notes I.
Notes II	Crown Subordinated Notes II.
NZCO	New Zealand Companies Office.
Offer	The offer by Crown of Notes II under this Prospectus to raise \$400 million, with the ability to raise more or less.
Offer Management Agreement	The offer management agreement entered into between Crown and the Joint Lead Managers, as described in Section 9.2.
Offer Period	The period from the Opening Date to the Closing Date.
Opening Date	The day the Offer opens, being 25 March 2015, unless varied.
Ordinary Share	A fully paid ordinary share in the capital of Crown.
Privacy Act	Privacy Act 1988 (Cth).
Prospectus	This document (including the electronic form of this Prospectus), as supplemented or replaced.
Rating Agency	Standard & Poor's, Moody's and/or Fitch.
Register	The official register of Notes II (if issued) maintained by the Registry on Crown's behalf and including any subregister established and maintained in CHESS.
Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other registry that Crown appoints to maintain the Register.

Term	Meaning
Regulation S	Regulation S of the U.S. Securities Act 1933, as amended.
Relevant Rating Agency	Standard & Poor's.
Replacement Prospectus	The replacement prospectus that is expected to be lodged with ASIC on 25 March 2015 that will replace this Prospectus.
Securityholder Applicant	An Eligible Securityholder who applies under the Securityholder Offer.
Securityholder Application Form	The application form for the Securityholder Offer attached to or accompanying the Replacement Prospectus (including the electronic form provided by an online application facility).
Securityholder Offer	The invitation to Eligible Securityholders to apply for Notes II under this Prospectus.
SEHK	Stock Exchange of Hong Kong.
SRN	Securityholder Reference Number for Ordinary Shares or Notes II (when issued) (as applicable) held on any Crown sponsored sub-register.
Standard & Poor's	Standard & Poor's (Australia) Pty Ltd (ABN 62 007 324 852).
Statutory Profit	Net profit after tax attributable to equity holders of the Parent as disclosed in the income statement of the Crown consolidated financial statements.
Syndicate Broker	Joint Lead Managers, Co-Managers and any other broker selected by the Joint Lead Managers to participate in the Bookbuild (including any affiliate of the Joint Lead Managers).
Terms	Terms and conditions of Notes II as set out in Appendix A.
TFN	Tax file number.
Theoretical win rate	The theoretical win rate is the expected hold percentage on VIP program play over time. The hold percentage is the portion of the player's bets that is retained by the casino.
TOFA	Taxation of Financial Arrangements.
Trust	The Trust established pursuant to the Trust Deed.
Trust Deed	The deed dated 17 March 2015 (as amended) between Crown and the Trustee governing the issue of Notes II, as described in Section 9.1.
Trustee	Australian Executor Trustees Limited (ABN 84 007 869 794).
UBS	UBS AG, Australia Branch (ABN 47 088 129 613).
US Person	Has the meaning given in Regulation S.
US PP	U.S. Private Placement.
US Securities Act	U.S. Securities Act of 1933, as amended.
VCGLR	Victorian Commission for Gambling and Liquor Regulation.
Westpac	Westpac Institutional Bank – a division of Westpac Banking Corporation (ABN 33 007 457 141).
Wilson HTM	Wilson HTM Corporate Finance Ltd (ABN 65 057 547 323).

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Corporate directory

Issuer

Crown Resorts Limited

Level 3, Crown Towers
8 Whiteman Street
Southbank VIC 3006

Australian Legal Adviser

Ashurst Australia

Level 26, 181 William Street
Melbourne VIC 3001

Auditor

Ernst & Young

8 Exhibition Street
Melbourne VIC 3000

Australian Tax Adviser

Ernst & Young

680 George Street
Sydney NSW 2000

Registry

Computershare Investor Services Pty Limited

452 Johnston Street
Abbotsford VIC 3067

Trustee

Australian Executor Trustees Limited

Level 22, 207 Kent Street
Sydney NSW 2000

Joint Structuring Advisers and Joint Lead Managers

Deutsche Bank AG, Sydney Branch

Level 16, Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000

UBS AG, Australia Branch

Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Joint Lead Managers

ANZ Securities Limited

Level 9, 833 Collins Street
Docklands VIC 3008

Commonwealth Bank of Australia

Ground Floor, Tower 1
201 Sussex Street
Sydney NSW 2000

National Australia Bank Limited

Level 25, 255 George Street
Sydney NSW 2000

Westpac Institutional Bank – a division of Westpac Banking Corporation

Level 2, Westpac Place
275 Kent Street
Sydney NSW 2000

Co-Managers

JBWere Limited

Level 16
101 Collins St
Melbourne VIC 3000

Wilson HTM Corporate Finance Ltd

Level 26, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

How to contact us

Crown Notes II Offer Information Line on 1300 659 795 or +61 3 9415 4000
(Monday to Friday—8:30am to 5:30pm (Sydney time))

Website

www.crownresorts.com.au/notes



Crown Resorts Limited

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