



Crown Limited  
ABN 39 125 709 953

PROSPECTUS

Crown

# Subordinated Notes

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

JOINT STRUCTURING ADVISERS  
AND JOINT LEAD MANAGERS

UBS  
Deutsche Bank

JOINT LEAD  
MANAGERS

ANZ Securities  
National Australia Bank  
Westpac Institutional Bank

CO-MANAGERS

Bell Potter  
JBWere  
Ord Minnett  
Wilson HTM

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# Important notices

## THIS PROSPECTUS

This Prospectus is issued by Crown 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 21 August 2012. This is a replacement prospectus that replaces the prospectus dated and lodged with ASIC and NZCO on 13 August 2012 ("Original Prospectus"). This Prospectus expires on the date which is 13 months after 13 August 2012 ("Expiry Date") and no Crown Subordinated Notes ("Notes") will be issued on the basis of this Prospectus after the Expiry Date.

Neither ASIC, NZCO nor 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 Shareholders within Australia and New Zealand in electronic form at [www.crownlimited.com/notes](http://www.crownlimited.com/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 Shareholders 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 Shareholders 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 Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday—8:30am to 5:30pm (AEST)).

Applications for Notes 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.crownlimited.com/notes](http://www.crownlimited.com/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 AND ISSUER

The Offer contained in this Prospectus is an initial public offering of \$525 million of Notes at \$100 per Note 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 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.

The Notes 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. The Notes 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, the Original Prospectus was subject to an exposure period of seven days from the date of lodgement of the Original Prospectus with ASIC ("Exposure Period"). The purpose of the Exposure Period is to enable the Original Prospectus to be examined by market participants prior to the raising of funds. Pursuant to ASIC Class Order 00/169, this Prospectus is not subject to any additional exposure period. If there are deficiencies any application received may need to be dealt with in accordance with 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.

Financial information in respect of Crown for the financial year ended 30 June 2012 has been extracted from Crown's Appendix 4E lodged with ASX on 10 August 2012. This information has not been audited but has been subject to review.

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 Australian Eastern Standard Time ("AEST").

## 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.crownlimited.com](http://www.crownlimited.com). 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 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 Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:30pm (AEST)).

ASIC has published information for retail investors who are considering investing in hybrid securities (such as the Notes). This information is available at ASIC's website <https://www.moneysmart.gov.au/investing/complex-investments/hybrid-securities-and-notes>. 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 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 the Notes 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 or not, it is recommended that you seek professional guidance from an independent and appropriately licensed or authorised professional adviser before deciding whether to invest.

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# Key dates

Key dates for the Offer	Date
Lodgement of the Original Prospectus with ASIC	13 August 2012
Bookbuild to determine the Margin	17 August 2012
Announcement of the Margin	17 August 2012
Lodgement of this Prospectus with ASIC	21 August 2012
Opening Date for the Offer	21 August 2012
Closing Date for the Shareholder Offer and General Offer	5:00pm (AEST) on 5 September 2012
Closing Date for the Broker Firm Offer	10:00am (AEST) on 13 September 2012
Issue Date	14 September 2012
Notes begin trading on ASX (on a deferred settlement basis)	17 September 2012
Holding Statements despatched by Registry	18 September 2012
Notes begin trading on ASX (on a normal settlement basis)	19 September 2012
Key dates for Notes	Date
First Interest Payment Date <sup>1</sup>	14 December 2012
First Call Date	14 September 2018
Step-up Date	14 September 2038
Maturity Date	14 September 2072

## 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 are issued.

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

## Changes in this Prospectus from the Original Prospectus

This Prospectus dated 21 August 2012 differs from the Original Prospectus in certain respects. The key differences between this Prospectus and the Original Prospectus are set out below.

The Margin has been set at 5.00% per annum following the Bookbuild and Crown has increased the size of the Offer from \$400 million to \$525 million, with the ability to raise more or less. Changes have been made to Section 4 of this Prospectus as a result of those changes (including the pro forma financial information in Section 4.4 and the information on financial ratios in Section 4.6). The expenses of the Offer are now expected to be approximately \$16 million with net proceeds of approximately \$509 million.

Section 1.1 of this Prospectus (important matters) describes a taxation risk for some Holders associated with the Notes relating to deferred interest on the Notes (see also Sections 1.5 and 5.1.3). The potential impact on Crown's financial position of the payment of deferred interest by Crown (which will include an amount of compound and accumulated interest) is also discussed in Sections 1.1, 1.2 and 4.6. The long dated risk associated with the Notes includes a description of the risk that the redemption amount that may be received on the Notes in the future is subject to an inflation risk (see Sections 1.5 and 5.1.4).

In light of the changes made to the Original Prospectus, you are encouraged to carefully review this Prospectus even if you have read the Original Prospectus.

<sup>1</sup> 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 in 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. Refer to Section 2.2.7 for further information.

# Chairman's letter

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21 August 2012

Dear investor

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

The Notes are dated, unsecured, subordinated, cumulative notes to be issued by Crown and are intended to be listed on ASX.

Holders will be entitled to receive quarterly interest payments unless deferred. The Interest Rate will be equal to the Bank Bill Rate plus a margin of 5.00% per annum, payable quarterly in arrears and subject to deferral. The Notes will mature on 14 September 2072, unless redeemed earlier. Crown has the right to redeem the Notes from 14 September 2018 or earlier in certain circumstances, but is not obliged to do so.

Crown intends to raise \$525 million through the offer of Notes with the ability to raise more or less. The proceeds of the Offer will be used for general corporate purposes and the Offer forms part of Crown's ongoing capital management strategy.

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

If, after reading this Prospectus, you have any questions about the Offer or how to apply for Notes, please call the Crown Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:30pm (AEST)) or contact your broker. If you are uncertain whether the Notes are a suitable investment for you, 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



**James Packer**  
Executive Chairman  
Crown Limited

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SECTION 1

Investment overview



# 1. Investment overview

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

## 1.1 KEY FEATURES OF THE OFFER

Topic	Summary	Further information
<b>Who is the issuer?</b>	<ul style="list-style-type: none"> <li>Crown Limited, being an S&amp;P/ASX 50 company listed on ASX with a market capitalisation of approximately \$6.2 billion as at 10 August 2012.</li> </ul>	Section 3
<b>What are Crown Subordinated Notes?</b>	<ul style="list-style-type: none"> <li>Crown Subordinated Notes (or “Notes”) are dated, unsecured, subordinated, cumulative notes to be issued by Crown, which will mature on 14 September 2072 unless redeemed before that date in accordance with the Terms.</li> </ul>	Section 1.2 and Section 2
<b>What are the key Offer details?</b>	<ul style="list-style-type: none"> <li>Offer size is \$525 million, with the ability to raise more or less.</li> <li>Issue price is \$100 per Note. This is also the Face Value.</li> </ul>	Section 2.1
<b>What is the purpose of the Offer?</b>	<ul style="list-style-type: none"> <li>The proceeds of the Offer will be used for general corporate purposes. The Offer forms part of Crown’s ongoing capital management strategy.</li> </ul>	Section 2.1
<b>Important matters to be aware of</b>	<p><b>60 year term:</b></p> <ul style="list-style-type: none"> <li>While Crown may redeem Notes in certain circumstances before 14 September 2072, their Maturity Date in 60 years, it is not obliged to do so.</li> <li>Crown intends to utilise hybrid securities that are ascribed Equity Credit by Rating Agencies (such as Notes) as a component of its capital structure going forward.</li> <li>Holder have no rights to request early redemption of Notes, except in very limited circumstances.</li> </ul> <p><b>ASX listed:</b></p> <ul style="list-style-type: none"> <li>Holder may seek to sell Notes 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 remain outstanding for a long period and Crown’s financial position or performance, or broader economic or market conditions, materially deteriorate.</li> </ul> <p><b>Interest Payments may be deferred:</b></p> <ul style="list-style-type: none"> <li>While Interest Payments are cumulative, Crown may, in its sole discretion, defer Interest Payments, potentially until the Maturity Date of the Notes. 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.</li> <li>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, Holder will not be paid any such Deferred Interest Payments during that time unless Crown changes its intention or is otherwise required to make such payment in accordance with the Terms.</li> <li>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 compound and accumulated interest. At the time of the 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.</li> </ul>	Section 1.3, Section 1.5 and Section 5

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Topic	Summary	Further information
<b>Important matters to be aware of (cont.)</b>	<p><b>No conversion or voting rights:</b></p> <ul style="list-style-type: none"> <li>The Notes are not convertible into Ordinary Shares (or any other securities) and have no rights to vote.</li> </ul> <p><b>Taxation risk:</b></p> <ul style="list-style-type: none"> <li>Where Interest Payments are deferred, Holders who are subject to the Taxation of Financial Arrangements rules will 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.</li> </ul> <p><b>Seek professional advice:</b></p> <ul style="list-style-type: none"> <li>If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Notes or not, you should seek professional guidance from an independent and appropriately licensed or authorised professional adviser before deciding whether to invest.</li> </ul>	Section 1.5, Section 5.1.3 and Section 7

1.2 **KEY TERMS OF CROWN SUBORDINATED NOTES**

Topic	Summary	Further information
<b>Interest Payments</b>	<ul style="list-style-type: none"> <li>Interest Payments are amounts of floating rate, cumulative interest payments payable quarterly in arrears, subject to deferral in accordance with the Terms.</li> <li>The Interest Rate will be equal to the Bank Bill Rate plus the Margin.</li> <li>The Margin is 5.00% per annum.</li> <li>Interest is to be paid by direct credit or, at Crown's option, by cheque.</li> <li>The Margin will increase by 1.00% (this is referred to as the "Step-up Margin") on 14 September 2038, the Step-up Date.</li> <li>Interest Payments will not have any franking credits attached to them.</li> </ul>	Section 2.2 Clauses 3 and 5.1 of the Terms
<b>Deferral of Interest Payments</b>	<ul style="list-style-type: none"> <li>Crown may defer an Interest Payment at its sole discretion. In certain circumstances, Crown may be required to mandatorily defer Interest Payments.</li> <li>Deferred Interest Payments are cumulative and compounding.</li> <li>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).</li> <li>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. 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 changes its intention or is otherwise required to make such payment in accordance with the Terms. In certain circumstances described in the Terms (including on the Maturity Date), Crown must pay Deferred Interest Payments.</li> </ul>	Section 2.3 Clauses 3.4, 3.5, 3.6, 3.7 and 3.8 of the Terms



Topic	Summary	Further information
<b>Deferral of Interest Payments (cont.)</b>	<ul style="list-style-type: none"> <li>• 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, Subsidiary Equal Ranking Obligations, Junior Ranking Obligations, Subsidiary Junior Ranking Obligations or Ordinary Shares (and must procure that its Subsidiaries do not do any of these things).</li> <li>• While any Optionally Deferred Interest Payments are outstanding and provided that no Mandatory Deferral Event (as described below) has occurred which is continuing, Crown must also procure that each of its Subsidiaries does not: <ul style="list-style-type: none"> <li>– 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 the Terms); or</li> <li>– redeem, reduce, cancel, purchase or buy-back any Subsidiary Equal Ranking Obligations or Subsidiary Junior Ranking Obligations,</li> </ul> until the date on which all Optionally Deferred Interest Payments have been paid in full. </li> <li>• If, on any day which is 8 Business Days prior to any Interest Payment Date: <ul style="list-style-type: none"> <li>– a Mandatory Deferral Event exists (this event will exist if Crown's Interest Cover Ratio is less than the Minimum Level (being 2.5 times) in relation to a Testing Date, or if Crown's Leverage Ratio is above the Maximum Level (being 5.0 times) in relation to two consecutive Testing Dates); and</li> <li>– Crown has a solicited rating from the Relevant Rating Agency, Crown must defer payment of all Interest Payments until payment is permitted or required in accordance with the Terms.</li> </ul> </li> <li>• 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 compound and accumulated 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. In the event that Crown's financial profile materially deteriorates in advance of breaching the Interest Cover Ratio, Crown intends to take one or more measures to restore its credit profile (see page 50).</li> </ul>	
<b>Maturity Date</b>	<ul style="list-style-type: none"> <li>• 14 September 2072 (60 years after the Issue Date), unless redeemed earlier. Crown is not obliged to redeem Notes before the Maturity Date (unless an Event of Default occurs and is subsisting, and the requisite proportion of Holders specified in the Terms direct or request the Trustee to notify Crown that the Notes are to be redeemed). The circumstances in which Crown may redeem Notes before the Maturity Date are described below.</li> </ul>	Section 2.1 Clauses 4.1 and 9.1 of the Terms
<b>Crown's redemption rights</b>	<ul style="list-style-type: none"> <li>• Crown may redeem all Notes on 14 September 2018 (the "First Call Date"), or on any Interest Payment Date thereafter.</li> <li>• Crown may redeem all Notes at any time if a Change of Control Event, Tax Event, Accounting Event or Capital Event occurs.</li> </ul>	Section 2.4 Clauses 4.2 and 4.3 of the Terms

Topic	Summary	Further information
<b>Holders' redemption rights</b>	<ul style="list-style-type: none"> <li>• Holders do not have a right to request redemption of Notes, 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"> <li>– notify Crown that the Notes are to be redeemed (in which case the total Redemption Amount will immediately become due and payable); and</li> <li>– institute proceedings for the winding-up of Crown and/or claim in the liquidation of Crown, for the amount payable under the Terms.</li> </ul> </li> </ul> <p>If this were to occur (and, for example, a liquidator is appointed to wind-up Crown), Notes 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"> <li>– ahead of Ordinary Shares and Junior Ranking Obligations;</li> <li>– equal with any Equal Ranking Obligations; and</li> <li>– behind all other creditors of Crown (other than holders of Equal Ranking Obligations and holders of Junior Ranking Obligations).</li> </ul>	Section 2.4.6 Clauses 2.1 and 9.1 of the Terms
<b>Step-up Date</b>	<ul style="list-style-type: none"> <li>• 14 September 2038.</li> <li>• After this date, unless Notes have been redeemed, the Margin will increase by 1.00% (this is referred to as the "Step-up Margin").</li> </ul>	Section 2.2 Clauses 3.2 and 17.2 of the Terms
<b>Change of Control Event</b>	<ul style="list-style-type: none"> <li>• The Margin will increase by 5.00% if a Change of Control Event occurs and Crown does not elect to redeem all Notes by the 15<sup>th</sup> Business Day following that Change of Control Event.</li> </ul>	Section 2.4 Clause 3.9 of the Terms
<b>Unsecured</b>	<ul style="list-style-type: none"> <li>• Repayment is not secured by a mortgage, charge or other security over any of Crown's assets.</li> </ul>	Section 2.5 Clause 1.1 of the Terms
<b>Subordinated</b>	<ul style="list-style-type: none"> <li>• The Notes are subordinated which means that the claims of Holders to be paid amounts owing on the Notes (for example, if a liquidator is appointed to wind-up Crown) will rank behind the claims of certain other creditors of Crown. This is described further below.</li> </ul>	Clause 2 of the Terms
<b>Illustration of ranking of Crown's obligations in respect of existing debt instruments and equity</b>	<ul style="list-style-type: none"> <li>• Notes will effectively rank in an Event of Insolvency (for example, 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"> <li>– ahead of Ordinary Shares and Junior Ranking Obligations;</li> <li>– equal with any Equal Ranking Obligations; and</li> <li>– behind all other creditors of Crown (other than holders of Equal Ranking Obligations and holders of Junior Ranking Obligations).</li> </ul> </li> <li>• The table below illustrates how the Notes 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.</li> </ul>	

Topic	Summary	Further information															
Illustration of ranking of Crown's obligations in respect of existing debt instruments and equity (cont.)	<table border="1"> <thead> <tr> <th></th> <th>Existing debt instruments, hybrid instruments and equity</th> <th>Amount drawn/ on issue<sup>1</sup></th> </tr> </thead> <tbody> <tr> <td>Higher ranking ↑</td> <td>Bank debt, capital markets debt (EMTN, A\$ MTN and US\$200m USPP)</td> <td>\$1,694.7 million</td> </tr> <tr> <td></td> <td>Preference shares<sup>2</sup></td> <td>Nil<sup>3</sup></td> </tr> <tr> <td></td> <td><b>Crown Subordinated Notes</b></td> <td>\$525 million<sup>4</sup></td> </tr> <tr> <td>↓ Lower ranking</td> <td>Ordinary Shares</td> <td>\$3,374.8 million</td> </tr> </tbody> </table>		Existing debt instruments, hybrid instruments and equity	Amount drawn/ on issue <sup>1</sup>	Higher ranking ↑	Bank debt, capital markets debt (EMTN, A\$ MTN and US\$200m USPP)	\$1,694.7 million		Preference shares <sup>2</sup>	Nil <sup>3</sup>		<b>Crown Subordinated Notes</b>	\$525 million <sup>4</sup>	↓ Lower ranking	Ordinary Shares	\$3,374.8 million	Section 2.5 Clause 2.1 of the Terms
		Existing debt instruments, hybrid instruments and equity	Amount drawn/ on issue <sup>1</sup>														
	Higher ranking ↑	Bank debt, capital markets debt (EMTN, A\$ MTN and US\$200m USPP)	\$1,694.7 million														
		Preference shares <sup>2</sup>	Nil <sup>3</sup>														
	<b>Crown Subordinated Notes</b>	\$525 million <sup>4</sup>															
↓ Lower ranking	Ordinary Shares	\$3,374.8 million															
Listing	<ul style="list-style-type: none"> <li>Application has been made for Notes to be quoted on ASX under the code "CWNHA".</li> </ul>	Section 2.1															

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

There are differences between Ordinary Shares, Crown Subordinated Notes 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 to invest in Notes.

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 4.7.

	Ordinary Shares	Crown Subordinated Notes	Bonds
<b>Legal form</b>	Shares	Notes	Notes or debentures
<b>Security</b>	Not applicable	Unsecured	Typically unsecured
<b>Ranking<sup>5</sup></b>	Ordinary Shares rank behind all other securities and obligations	Notes rank ahead of Ordinary Shares and Junior Ranking Obligations, equally with Equal Ranking Obligations 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
<b>Term</b>	Perpetual (unless bought back)	60 years	Typically three to 15 years
<b>Call date(s)</b>	Not applicable	From year 6 (or earlier in certain circumstances)	Typically none
<b>Payments</b>	Dividends, payable at the absolute discretion of the Board	Interest Payments, deferrable at the absolute discretion of the Board, and in certain circumstances must be deferred	Interest payments, typically payable on a compulsory basis with no discretion to defer or cancel payments

1 As at 30 June 2012

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

3 Note: Currently Crown does not have any preference shares on issue.

4 Assumes \$525 million is raised through the Offer as at 30 June 2012.

5 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	Bonds
<b>Payment Amounts</b>	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 the applicable Margin	Typically based on a floating or fixed interest rate
<b>Payment Accumulation</b>	None	Any Deferred Interest Payments are cumulative and compounding	Any unpaid interest payments are typically cumulative and compounding
<b>Participation in Crown's profits on a winding up</b>	Yes	No	No
<b>Rights to be repaid at end of term</b>	Not applicable	Yes	Yes
<b>Voting rights at a general meeting of Crown shareholders</b>	Yes	No	No
<b>Transferability and liquidity</b>	Yes, quoted on ASX. Market capitalisation of \$6.2 billion. <sup>6</sup> Likely to be more liquid than Notes and bonds	Yes, quoted on ASX. Offer size of \$525 million, with the ability to raise more or less. Likely to be less liquid than Ordinary Shares	Yes, although typically not quoted. Likely to be less liquid than Ordinary Shares

#### 1.4 OVERVIEW OF CROWN

Topic	Summary	Further information
<b>Overview of Crown</b>	<ul style="list-style-type: none"> <li>• Crown is one of Australia's largest entertainment groups with businesses and investments in the integrated resorts and entertainment sectors in Australia and Macau. It also wholly-owns and operates a high-end casino in London and owns a portfolio of gaming investments which complement Crown's other businesses.</li> <li>• Crown is an S&amp;P/ASX 50 company listed on the ASX with a market capitalisation of approximately \$6.2 billion as at 10 August 2012.</li> </ul>	Section 3.1
<b>A leading operator of integrated resorts in Australia</b>	<ul style="list-style-type: none"> <li>• Crown wholly-owns and operates the Crown Entertainment Complex in Melbourne, Victoria ("Crown Melbourne") and the Burswood Entertainment Complex in Perth, Western Australia ("Burswood"), which are two of Australia's leading integrated resorts.</li> <li>• Crown Melbourne comprises a casino, three hotels, function rooms, award winning restaurants and shopping and entertainment facilities: <ul style="list-style-type: none"> <li>– licensed to operate 2,500 electronic gaming machines and 500 table games;</li> <li>– casino licence extends to 2033;</li> </ul> </li> </ul>	Section 3.2

<sup>6</sup> As at 10 August 2012.

Topic	Summary	Further information
<b>A leading operator of integrated resorts in Australia (cont.)</b>	<ul style="list-style-type: none"> <li>– award winning VIP facilities;</li> <li>– attracts significant patronage from overseas, particularly from the Asian region; and</li> <li>– caters to both high-end and mass market customers.</li> <li>• Burswood (soon to be rebranded “Crown Perth”) comprises a casino, two hotels (with the intention to construct a third hotel recently announced), a state of the art convention centre, a 20,000 seat indoor entertainment centre and award-winning food and beverage outlets:               <ul style="list-style-type: none"> <li>– licensed to operate 2,000 electronic gaming machines and 220 table games;</li> <li>– casino licence effectively extends to 2060; and</li> <li>– attracts significant patronage from overseas, particularly from the Asian region.</li> </ul> </li> <li>• Crown also wholly-owns and operates the Aspinall’s Club in Mayfair, London:               <ul style="list-style-type: none"> <li>– high-end London casino; and</li> <li>– one of only five licensed high-end casinos in the prime West End entertainment district.</li> </ul> </li> </ul>	
<b>Holder of a significant interest in Melco Crown Entertainment Limited (“Melco Crown”)</b>	<ul style="list-style-type: none"> <li>• Crown holds a 33.6% equity interest in Melco Crown.</li> <li>• Melco Crown is a developer and owner of casinos and entertainment resort facilities focused on the Macau market.</li> <li>• Melco Crown owns two premium properties, City of Dreams and Altira Macau. It also operates Mocha Clubs and has recently acquired a 60% equity interest in the Studio City Project.</li> <li>• Melco Crown is dual listed on the NASDAQ and Stock Exchange of Hong Kong with a market capitalisation of US\$5.7 billion as at 10 August 2012.</li> </ul>	Section 3.2.4
<b>Investments in a global portfolio of gaming assets that complement Crown’s other businesses</b>	<ul style="list-style-type: none"> <li>• Crown has equity interests in:               <ul style="list-style-type: none"> <li>– Betfair Australasia Pty Ltd: an online betting exchange (50.0% interest);</li> <li>– Aspers Holdings (Jersey) Limited: a regional casino business in the United Kingdom (50.0% interest);</li> <li>– Cannery Casino Resorts LLC: operates casinos in Pittsburgh and Las Vegas, catering to local and regional customers (24.5% interest); and</li> <li>– Echo Entertainment Group Limited: an ASX-listed company with interests in hospitality, dining, entertainment and gaming, including The Star in Sydney (10.0% interest).</li> </ul> </li> </ul>	Section 3.2.5
<b>Strong financial profile and performance</b>	<ul style="list-style-type: none"> <li>• In the financial year ended 30 June 2012, Crown generated revenue of \$2,809 million and Statutory Profit of \$513.3 million.</li> </ul>	Section 4
<b>Experienced and proven management team</b>	<ul style="list-style-type: none"> <li>• The 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.</li> <li>• Crown has a track record of successfully delivering projects.</li> </ul>	Section 8.2

## 1.5 KEY RISKS ASSOCIATED WITH CROWN SUBORDINATED NOTES

Topic	Summary	Further information
<b>Notes are subordinated obligations</b>	<ul style="list-style-type: none"> <li>There may be a shortfall of funds to pay all amounts ranking senior to and equally with Notes in an Event of Insolvency of Crown. This would result in Holders not receiving any payment if claims ranking senior to Notes were not satisfied in full, or otherwise not receiving a full return of capital or any interest due but unpaid at that time.</li> </ul>	Section 5.1.1
<b>Interest Payments may be deferred potentially to the Maturity Date</b>	<ul style="list-style-type: none"> <li>A deferral of Interest Payments will mean that Holders will not receive payment of an amount of interest for a period of time. This may have negative consequences for Holders, including, but not necessarily limited to, a cash flow timing perspective. If the period of deferral is long or continuing, this may have an adverse effect on the financial position of Holders relying on the Notes for regular Interest Payments to meet their liabilities, to apply to their other investments or for any other purpose.</li> <li>Deferral of Interest Payments may occur (including mandatorily) and may have an adverse effect on the market price of Notes.</li> <li>If Crown's financial condition deteriorates to the extent that its Interest Cover Ratio<sup>7</sup> risks falling below the Minimum Level (being 2.5 times), or if its Leverage Ratio<sup>7</sup> risks being above the Maximum Level (being 5.0 times), this may increase the expectation that Interest Payments may be deferred which may have an adverse effect on the market price of Notes.</li> <li>If Crown's Interest Cover Ratio falls below the Minimum Level in relation to a Testing Date, or if its Leverage Ratio is above the Maximum Level in relation to two consecutive Testing Dates, and provided that Crown has a solicited rating from the Relevant Rating Agency, Interest Payments will be deferred in accordance with the Terms.</li> <li>As a result, the market price of Notes may become more volatile than the market prices of other debt securities that are not subject to such payment deferral rights.</li> </ul>	Sections 2.3.5 and 5.1.2
<b>Taxation risk of Deferred Interest Payments</b>	<ul style="list-style-type: none"> <li>The Notes should be classified as "traditional securities" and not "qualifying securities" for taxation purposes. If the Notes are classified as "traditional securities", the Taxation of Financial Arrangements rules should generally not apply to individuals 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, Australian resident Holders would be subject to the Taxation of Financial Arrangements rules.</li> <li>Where Interest Payments are deferred, Holders who are subject to the Taxation of Financial Arrangements rules will 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.</li> </ul>	Sections 5.1.3 and 7

<sup>7</sup> Interest Cover Ratio and Leverage Ratio are defined in the Terms and discussed in further detail in Section 4.6.

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Topic	Summary	Further information
<b>Notes are long-dated</b>	<ul style="list-style-type: none"> <li>Notes will mature on 14 September 2072 (the Maturity Date). Although Crown may redeem Notes 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 direct or request the Trustee to notify Crown that the Notes are to be redeemed.</li> <li>Holders should be aware that they may be required to bear financial risks associated with an investment in long-dated securities.</li> <li>Holding Notes for a long period may result in the real value of the proceeds received on redemption decreasing as a result of inflation.</li> </ul>	Section 5.1.4
<b>Changes in Interest Rate</b>	<ul style="list-style-type: none"> <li>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.</li> <li>The Interest Rate may become less attractive over time compared to rates of return available on other securities.</li> </ul>	Section 5.1.5
<b>Crown may redeem Notes under certain circumstances</b>	<ul style="list-style-type: none"> <li>The Redemption Amount may be less than the current market value of Notes at the time of redemption.</li> <li>The timing of redemption of Notes may not accord with a Holder's individual financial circumstances or tax position.</li> </ul>	Section 5.1.6
<b>No rights for Holders to request redemption before the Maturity Date</b>	<ul style="list-style-type: none"> <li>Holders have no right to request or require redemption of Notes before 14 September 2072 (the Maturity Date), unless an Event of Default occurs and is subsisting and other conditions are met.</li> <li>Unless redeemed by Crown, Holders can only realise their investment in Notes 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. Brokerage fees may also be payable if Notes are sold through a broker.</li> </ul>	Section 5.1.7
<b>No limitation on issuing senior or equal ranking securities</b>	<ul style="list-style-type: none"> <li>There is no limitation on Crown issuing senior or equal ranking securities.</li> <li>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 of Crown if it were to occur.</li> </ul>	Section 5.1.8
<b>New Zealand investors' currency and tax risk</b>	<ul style="list-style-type: none"> <li>Amounts payable for, or in respect of, Notes will be in Australian dollars. This may involve a currency exchange risk for New Zealand investors.</li> <li>New Zealand investors should seek their own advice as to the tax treatment in respect of the Notes having regard to their circumstances.</li> </ul>	Section 5.1.11
<b>Risks related to the market generally</b>	<ul style="list-style-type: none"> <li>The market price of Notes may fluctuate and trade below the Issue Price due to various factors, including investor perceptions, economic conditions, interest rates and credit spreads.</li> <li>The market for Notes is likely to be less liquid than the market for Crown's Ordinary Shares.</li> <li>Holders who wish to sell their Notes may be unable to do so at an acceptable price, if at all.</li> </ul>	Section 5.2
<b>More information about these and other risks associated with Notes</b>	<ul style="list-style-type: none"> <li>More information about these and other risks associated with the Notes and the market for the Notes generally is contained in Sections 5.1 and 5.2.</li> </ul>	Sections 5.1 and 5.2

## 1.6 KEY RISKS ASSOCIATED WITH CROWN

Topic	Summary	Further information
<b>Regulatory risks</b>	<ul style="list-style-type: none"> <li>• Crown operates in the gambling industry which is highly regulated.</li> <li>• Changes in laws and regulations may adversely affect Crown's operations, financial performance and future prospects.</li> <li>• Regulatory risks include changes in legislation relating to gambling activities, casino licensing and taxation.</li> <li>• Further regulatory risks are detailed in Sections 5.3.1 and 5.3.2.</li> </ul>	Sections 5.3.1 and 5.3.2
<b>Pre-commitment risk</b>	<ul style="list-style-type: none"> <li>• The Victorian State Parliament has passed legislation requiring electronic gaming machines to incorporate pre-commitment technology which would be voluntary for players to use.</li> <li>• The Australian government is now proposing similar legislation.</li> <li>• Depending on the final form of the prescribed pre-commitment technology, Crown may incur significant costs and there may be a reduction in gambling activity in Crown's casinos which could negatively impact Crown's financial performance.</li> </ul>	Section 5.3.3
<b>Volatility of VIP operations</b>	<ul style="list-style-type: none"> <li>• Crown's VIP operations experience volatility due to the large maximum bet limits and the nature of gambling turnover associated with VIP customers.</li> <li>• Actual financial results from VIP gambling can vary significantly in the short term depending on wins and losses from large bets.</li> <li>• The volatility in the VIP business can result in financial losses.</li> </ul>	Section 5.3.4
<b>Smoking restrictions</b>	<ul style="list-style-type: none"> <li>• Crown's properties are subject to smoking restrictions.</li> <li>• Crown has certain exemptions for its VIP gaming areas from smoking restrictions.</li> <li>• The removal of these exemptions or the introduction of further smoking restrictions may reduce patronage to Crown's properties and negatively impact Crown's financial performance.</li> </ul>	Section 5.3.5
<b>Reliance on a limited number of properties</b>	<ul style="list-style-type: none"> <li>• Crown has two major properties in Australia, being Crown Melbourne and Burswood, which contribute the majority of Crown's earnings.</li> <li>• 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.</li> <li>• However, there can be no certainty that either of Crown's properties will not be impacted by a catastrophic event which causes significant disruption to Crown's operations and results in financial losses to Crown.</li> <li>• 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.</li> </ul>	Section 5.3.6
<b>Brand reputation</b>	<ul style="list-style-type: none"> <li>• The Crown brand is important in attracting customers, including international VIP customers.</li> <li>• Negative publicity associated with Crown may damage Crown's brand reputation, potentially reducing patronage to Crown's properties.</li> </ul>	Section 5.3.7

Topic	Summary	Further information
<b>VIP competition</b>	<ul style="list-style-type: none"> <li>The world-wide integrated resort industry in which Crown operates is highly competitive.</li> <li>The number of Asian jurisdictions which are developing, or considering developing, integrated resorts may attract VIP business away from Crown.</li> </ul>	Section 5.3.8
<b>Development and construction</b>	<ul style="list-style-type: none"> <li>Crown regularly undertakes development and construction activity at its properties.</li> <li>Construction and development activity is inherently risky and there is no guarantee that adequate returns from capital investment in construction will be achieved.</li> </ul>	Section 5.3.9
<b>Melco Crown – Macau</b>	<ul style="list-style-type: none"> <li>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.</li> <li>There are also specific risk factors associated with Macau, being a foreign jurisdiction, including, without limitation, inaccessibility to Macau, travel restrictions imposed by the Chinese Government, changes in laws relating to taxation and gaming and the occurrence of natural disasters.</li> </ul>	Section 5.3.20
<b>More information about these and other risks associated with Crown</b>	<ul style="list-style-type: none"> <li>More information about these and other risks associated with Crown is contained in Section 5.3.</li> </ul>	Section 5.3

## 1.7 FURTHER INFORMATION ABOUT THE OFFER

Topic	Summary	Further information
<b>When is the Offer Period?</b>	<ul style="list-style-type: none"> <li>The key dates, including details of the Offer Period, are set out on page 2. Further details are included in Section 6.</li> </ul>	Key Dates and Section 6
<b>Is there a minimum amount to be raised?</b>	<ul style="list-style-type: none"> <li>No. The Offer is for the issue of Notes to raise \$525 million, with the ability to raise more or less.</li> </ul>	
<b>Is the Offer underwritten?</b>	<ul style="list-style-type: none"> <li>No.</li> </ul>	
<b>What is the pro forma balance sheet of Crown following the Offer?</b>	<ul style="list-style-type: none"> <li>Refer to Section 4.4, which sets out the pro forma consolidated statement of financial position.</li> </ul>	
<b>How is the Offer structured and who can apply?</b>	<ul style="list-style-type: none"> <li>The Offer comprises: <ul style="list-style-type: none"> <li>– an Institutional Offer to certain Institutional Investors;</li> <li>– a Broker Firm Offer made to eligible clients of Syndicate Brokers;</li> <li>– a Shareholder Offer made to Eligible Shareholders; and</li> <li>– a General Offer made to members of the general public who are resident in Australia or New Zealand.</li> </ul> </li> </ul>	Section 6.1 and Section 6.2
<b>Who is an Eligible Shareholder?</b>	<ul style="list-style-type: none"> <li>A registered holder of Ordinary Shares with a registered address in Australia or New Zealand at 7:00pm (AEST) on 10 August 2012 and who is resident in Australia or New Zealand.</li> </ul>	Section 6.2

Topic	Summary	Further information
<b>How can I apply?</b>	<ul style="list-style-type: none"> <li>• Broker Firm Applicants should contact their Syndicate Broker.</li> <li>• Shareholder 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.</li> </ul>	Section 6.2
<b>What is the allocation policy?</b>	<ul style="list-style-type: none"> <li>• The allocation policy for Broker Firm Applicants will be determined by the Syndicate Brokers.</li> <li>• Allocations for Shareholder Applicants and General Applicants will be determined by Crown and the Joint Lead Managers after the Closing Date.</li> <li>• In the event of any scale back, Shareholder Applicants may be entitled to an allocation of Notes in priority to General Applicants.</li> <li>• Crown will endeavour to provide Shareholder Applicants with an allocation under the Shareholder Offer of at least 50 Notes. However, Crown does not guarantee any minimum allocation under the Shareholder Offer and the extent of any allocation will ultimately depend on the total level of applications under the Offer.</li> </ul>	Section 6.2
<b>Is there a minimum application size?</b>	<ul style="list-style-type: none"> <li>• Your application must be for a minimum of 50 Notes (\$5,000). If your application is for more than 50 Notes, then you must apply in incremental multiples of 10 Notes – that is, for incremental multiples of \$1,000.</li> </ul>	Section 6.2
<b>Is brokerage, commission or stamp duty payable?</b>	<ul style="list-style-type: none"> <li>• 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 on ASX after Notes have been quoted on ASX.</li> </ul>	Section 6.1
<b>What are the tax implications of investing in Notes?</b>	<ul style="list-style-type: none"> <li>• A general description of the Australian taxation consequences of investing in Notes 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.</li> </ul>	Section 7
<b>When will I receive confirmation that my application has been successful?</b>	<ul style="list-style-type: none"> <li>• If you are an applicant in the Shareholder Offer, General Offer or Broker Firm Offer, you will be able to call the Crown Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:30pm (AEST)) from 14 September 2012 to confirm your allocation.</li> <li>• Applicants under the Broker Firm Offer will also be able to confirm their allocation through the Syndicate Broker from whom they received their allocation.</li> </ul>	Section 6.2
<b>When will Notes be issued?</b>	<ul style="list-style-type: none"> <li>• Crown expects that Notes will be issued on 14 September 2012.</li> </ul>	Key Dates
<b>When will Notes begin trading?</b>	<ul style="list-style-type: none"> <li>• Crown expects that Notes will begin trading on 17 September 2012 on a deferred settlement basis.</li> </ul>	Key Dates
<b>When will Holding Statements be despatched?</b>	<ul style="list-style-type: none"> <li>• Crown expects that Holding Statements will be despatched by 18 September 2012.</li> </ul>	Key Dates

Topic	Summary	Further information
<b>Where can I find more information about this Prospectus or the Offer?</b>	<ul style="list-style-type: none"> <li>If you have any questions in relation to the Offer, please call the Crown Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:30pm (AEST)).</li> <li>If you are a Broker Firm Applicant, you should also contact your Syndicate Broker.</li> </ul>	Section 6

## 1.8

**KEY INFORMATION ABOUT PEOPLE, INTERESTS AND BENEFITS**

Topic	Summary	Further information
<b>Who are the Crown Directors?</b>	<ul style="list-style-type: none"> <li>James D Packer (Executive Chairman)</li> <li>Rowen B Craigie (Chief Executive Officer and Managing Director)</li> <li>John H Alexander (Executive Deputy Chairman)</li> <li>Benjamin A Brazil</li> <li>The Honourable Helen A Coonan</li> <li>Christopher D Corrigan</li> <li>Rowena Danziger AM</li> <li>Geoffrey J Dixon</li> <li>Professor John S Horvath AO</li> <li>Ashok P Jacob</li> <li>Michael R Johnston</li> <li>Harold C Mitchell AC</li> </ul>	Section 8.1
<b>Who are the senior management team?</b>	<ul style="list-style-type: none"> <li>Rowen B Craigie (Chief Executive Officer and Managing Director)</li> <li>Kenneth M Barton (Chief Financial Officer)</li> <li>Gregory F Hawkins (Chief Executive Officer, Crown Melbourne)</li> <li>Barry J Felstead (Chief Executive Officer, Burswood)</li> <li>W Todd Nisbet (Executive Vice President–Strategy &amp; Design)</li> </ul>	Section 8.2
<b>What significant benefits and interests are payable to Directors and other persons associated with the Offer or Crown?</b>	<p>Interest or benefit:</p> <ul style="list-style-type: none"> <li>Directors – Director’s fees</li> <li>Management – Remuneration</li> <li>Advisers and other service providers – Fees for services</li> <li>Syndicate Brokers – a selling fee of 1.00% of the value of Notes allocated to Syndicate Brokers in the Bookbuild</li> <li>In respect of applications for Notes under the Shareholder Offer or General Offer (other than any application from Consolidated Press Holdings), Crown will pay to brokers a fee of 0.50% of the proceeds raised from applications for Notes (excluding GST) which include the stamp or adviser code of that broker.</li> <li>Participation in the Offer <ul style="list-style-type: none"> <li>Directors (and their associates) may participate in the issue of Notes.</li> <li>James D Packer, Ashok P Jacob 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 Offer in respect of \$100 million of Notes, following the successful completion of the Bookbuild and subject to the Margin being set at the indicative Bookbuild margin of 5.00%. Any application by Consolidated Press Holdings into the General Offer or Shareholder Offer is subject to the allocation policy set out in Section 6.2.</li> </ul> </li> </ul>	Section 8.3

Topic	Summary	Further information
<b>How will the expenses of the Offer be paid?</b>	<ul style="list-style-type: none"> <li>The total expenses of the Offer will be paid out of the proceeds of the Offer.</li> </ul>	Section 8.4

## 1.9 WHAT SHOULD YOU DO?

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



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SECTION 2

# About Crown Subordinated Notes

## 2. About Crown Subordinated Notes

This Section provides information about Notes.

### 2.1

#### GENERAL

Topic	Summary	Further information
<b>2.1.1 What are Notes?</b>	<ul style="list-style-type: none"> <li>Notes are dated, unsecured, subordinated, cumulative debt obligations to be issued by Crown, which will mature on 14 September 2072 unless redeemed before that date.</li> <li>Notes entitle Holders to receive floating rate, cumulative Interest Payments payable quarterly in arrears, subject to deferral.</li> <li>Notes are not convertible into Ordinary Shares or any other securities.</li> </ul>	Clauses 1.1, 2 and 3 of the Terms Section 2.2
<b>2.1.2 What is the Offer?</b>	<ul style="list-style-type: none"> <li>The Offer is for the issue of Notes to raise \$525 million, with the ability to raise more or less.</li> </ul>	Section 6
<b>2.1.3 What am I required to pay?</b>	<ul style="list-style-type: none"> <li>The Issue Price is \$100 per Note. This is also the Face Value.</li> <li>Applications must be for a minimum of 50 Notes (\$5,000). If your application is for more than 50 Notes, then you must apply in incremental multiples of 10 Notes – that is, incremental multiples of \$1,000.</li> </ul>	Clause 1.2 of the Terms Section 6.2
<b>2.1.4 Why is Crown issuing Notes of this nature?</b>	<ul style="list-style-type: none"> <li>The Offer forms part of Crown's ongoing capital management strategy and the proceeds will be used for general corporate purposes.</li> <li>Crown expects Notes to be ascribed an Equity Credit classification for quantitative purposes until 14 September 2018 from the Relevant Rating Agency (Equity Credit is explained in Section 2.1.5). After that date, Crown expects Notes will continue to provide some qualitative support in the Relevant Rating Agency's assessment of Crown's credit profile until redemption, having regard to the Notes' subordinated ranking, long tenor and coupon deferral features.</li> <li>Crown also expects that Notes will provide an amount of Equity Credit for quantitative purposes up to the Maturity Date from the Rating Agencies (excluding the Relevant Rating Agency).</li> <li>Crown believes that hybrid securities that are ascribed an Equity Credit classification by Rating Agencies (such as Notes) 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 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.</li> <li>In Crown's financial statements, Notes will be classified as debt until redemption.</li> </ul>	Section 4.7

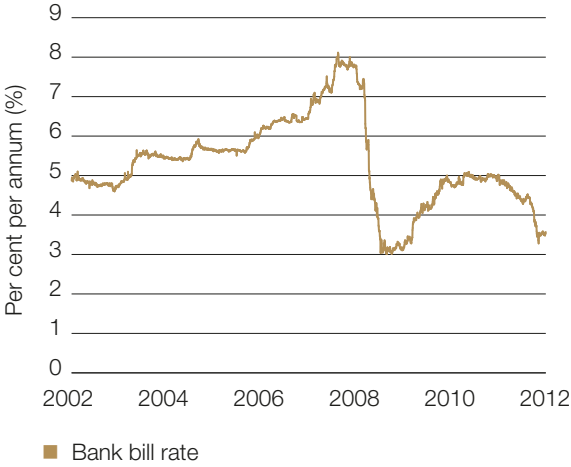
Topic	Summary	Further information
<b>2.1.5 What is Equity Credit?</b>	<ul style="list-style-type: none"> <li>• The Equity Credit classification of an instrument provides an indication of the extent to which Rating Agencies treat an instrument as equity rather than as debt when evaluating the quantitative aspects of an issuer's corporate credit rating. An Equity Credit classification is not a credit rating.</li> <li>• Crown expects the Relevant Rating Agency to initially ascribe an Intermediate Equity Credit classification to the Notes. In addition, the other Rating Agencies are expected to initially ascribe an Equity Credit classification to the Notes.</li> <li>• 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.</li> </ul>	
<b>2.1.6 What is the term and maturity of Notes?</b>	<ul style="list-style-type: none"> <li>• 60 years (maturing on 14 September 2072), unless redeemed before that date. The circumstances in which Crown may redeem Notes before 14 September 2072 are described in Section 2.4.</li> <li>• In particular, Crown may elect to redeem Notes at its option on 14 September 2018 (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.</li> <li>• Crown intends (without thereby assuming a legal obligation) to retain Notes 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 the Notes via a redemption under Clause 4.2 of the Terms from 14 September 2018 (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.</li> <li>• Holders do not have a right to request redemption of Notes, 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"> <li>– notify Crown that the Notes are to be redeemed (in which case the total Redemption Amount will immediately become due and payable); and</li> <li>– institute proceedings for the winding-up of Crown and/or claim in the liquidation of Crown, for the amount payable under the Terms.</li> </ul> </li> </ul>	Clauses 4.1, 4.2 and 9 of the Terms

Topic	Summary	Further information
<b>2.1.6 What is the term and maturity of Notes? (cont.)</b>	<ul style="list-style-type: none"> <li>If this were to occur (and, for example, a liquidator is appointed to wind-up Crown), Notes 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"> <li>– ahead of Ordinary Shares and Junior Ranking Obligations;</li> <li>– equal with any Equal Ranking Obligations; and</li> <li>– behind all other creditors of Crown (other than holders of Equal Ranking Obligations and holders of Junior Ranking Obligations).</li> </ul> </li> <li>Notes are described as “dated” because they have a maturity date (14 September 2072).</li> </ul>	
<b>2.1.7 Will Notes be quoted on ASX?</b>	<ul style="list-style-type: none"> <li>Crown has applied for Notes to be quoted on ASX and are expected to trade under ASX code “CWNHA”.</li> </ul>	Section 6.3

## 2.2 INTEREST PAYMENTS

Topic	Summary	Further information						
<b>2.2.1 What are Interest Payments?</b>	<ul style="list-style-type: none"> <li>Interest Payments are amounts of floating rate cumulative interest payments payable quarterly in arrears, and are subject to deferral.</li> </ul>	Clause 3 of the Terms						
<b>2.2.2 Will Interest Payments be franked or unfranked?</b>	<ul style="list-style-type: none"> <li>Unfranked. Interest Payments will not have any franking credits attached to them.</li> </ul>	Section 7						
<b>2.2.3 How will the Interest Rate be calculated?</b>	<ul style="list-style-type: none"> <li>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): Interest Rate = Bank Bill Rate + Margin where: <b>Bank Bill Rate</b> means the Bank Bill Rate (expressed as a percentage per annum) on the first Business Day of the Interest Period; and <b>Margin</b> as determined under the Bookbuild is 5.00% per annum.</li> <li>As an example, assuming the Bank Bill Rate for the first Interest Period is 3.63% per annum and the Margin is 5.00% per annum:                             <table border="1" style="margin-left: 20px;"> <tbody> <tr> <td>Bank Bill Rate</td> <td>3.63% per annum</td> </tr> <tr> <td>Plus Margin</td> <td>5.00% per annum</td> </tr> <tr> <td><b>Illustrative Interest Rate</b></td> <td><b>8.63% per annum</b></td> </tr> </tbody> </table> </li> <li>The Margin will increase by 1.00% (Step-up Margin) from the Step-up Date (14 September 2038) if Notes have not been redeemed before that date.</li> </ul>	Bank Bill Rate	3.63% per annum	Plus Margin	5.00% per annum	<b>Illustrative Interest Rate</b>	<b>8.63% per annum</b>	Clause 3.2 of the Terms
Bank Bill Rate	3.63% per annum							
Plus Margin	5.00% per annum							
<b>Illustrative Interest Rate</b>	<b>8.63% per annum</b>							

Topic	Summary	Further information										
<p><b>2.2.4 How will Interest Payments be calculated for each Interest Period?</b></p>	<ul style="list-style-type: none"> <li>Interest Payments scheduled to be paid on each Interest Payment Date will be calculated using the following formula: <math display="block">\frac{\text{Interest Rate} \times \text{Face Value} \times \text{N}}{365}</math> <p>where:</p> <p><b>Face Value</b> means \$100 per Note;</p> <p><b>Interest Rate</b> means the rate (expressed as a percentage per annum) calculated as set out in Section 2.2.3; and</p> <p><b>N</b> means the number of days in the Interest Period calculated as set out in the Terms.</p> </li> <li>Following the formula above, if the Interest Rate was 8.63% per annum, then the Interest Payment on each Note for the first Interest Period would be calculated as follows: <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Illustrative Interest Rate</td> <td style="text-align: right;">8.63% per annum</td> </tr> <tr> <td>Multiplied by the Face Value</td> <td style="text-align: right;">X \$100.00</td> </tr> <tr> <td>Multiplied by the number of days in the Interest Period</td> <td style="text-align: right;">X 91</td> </tr> <tr> <td>Divided by 365</td> <td style="text-align: right;">÷ 365</td> </tr> <tr style="border-top: 1px solid black;"> <td>Illustrative Interest Payment for the first Interest Period per Note</td> <td style="text-align: right;">\$2.15</td> </tr> </table> </li> <li>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.</li> </ul>	Illustrative Interest Rate	8.63% 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	\$2.15	<p>Clause 3.3 of the Terms</p>
Illustrative Interest Rate	8.63% 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	\$2.15											
<p><b>2.2.5 How will Interest Payments be paid to Holders?</b></p>	<ul style="list-style-type: none"> <li>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.</li> <li>Where a payment cannot be made by Crown, for example, where a Holder has not provided account details, or 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 Registrar and applied in accordance with the Terms.</li> </ul>	<p>Clause 5.1 of the Terms</p>										

Topic	Summary	Further information
<p><b>2.2.6 What is the Bank Bill Rate?</b></p>	<ul style="list-style-type: none"> <li>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.</li> <li>The graph below illustrates the movement in the Bank Bill Rate over the last 10 years. The rate on 10 August 2012 was 3.63% per annum.</li> </ul>  <ul style="list-style-type: none"> <li>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.</li> </ul>	<p>Clause 3.2 of the Terms</p>
<p><b>2.2.7 When are the Interest Payment Dates?</b></p>	<ul style="list-style-type: none"> <li>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 in each year, unless deferred in accordance with the Terms.</li> <li>If any of these dates are not Business Days, then the Interest Payment Date will occur on the next Business Day.</li> <li>The first Interest Payment Date will be 14 December 2012.</li> </ul>	<p>Clauses 3.1, 3.3 and 17.2 of the Terms</p>



## 2.3 DEFERRAL OF INTEREST PAYMENTS

Topic	Summary	Further information
<b>2.3.1 Is Crown permitted to defer Interest Payments at its discretion?</b>	<ul style="list-style-type: none"> <li>• 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's intention to make these payments within that five year timeframe does change, 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 payment in accordance with the Terms.</li> <li>• 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.</li> </ul>	Clauses 3.4 and 3.6 of the Terms
<b>2.3.2 Is Crown permitted to pay any outstanding Optionally Deferred Interest Payments at any time?</b>	<ul style="list-style-type: none"> <li>• Yes, Crown may pay any outstanding Optionally Deferred Interest Payments at its discretion, unless a Mandatory Deferral Event exists.</li> </ul>	Clause 3.6(a) of the Terms
<b>2.3.3 Is Crown required to pay Optionally Deferred Interest Payments in any circumstances?</b>	<ul style="list-style-type: none"> <li>• All Optionally Deferred Interest Payments must be paid if any of the following occur: <ul style="list-style-type: none"> <li>– any dividend, distribution or interest is paid on any Equal Ranking Obligations, Junior Ranking Obligations, Subsidiary Equal Ranking Obligations, Subsidiary Junior Ranking Obligations, Ordinary Shares or the Notes (except in limited circumstances), unless a Mandatory Deferral Event exists;</li> <li>– any redemption, purchase, buy-back or capital return is made of or in relation to any Equal Ranking Obligations, Junior Ranking Obligations, Subsidiary Equal Ranking Obligations, Subsidiary Junior Ranking Obligations, Ordinary Shares or the Notes (except in limited circumstances), unless a Mandatory Deferral Event exists;</li> <li>– the Notes mature (on 14 September 2072);</li> <li>– all Notes are otherwise redeemed; or</li> <li>– an order is made or a resolution is passed for the winding-up of Crown.</li> </ul> </li> </ul>	Clauses 3.6(b) and 17.2 of the Terms

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Topic	Summary	Further information
<p><b>2.3.4 What are the consequences of optionally deferring an Interest Payment?</b></p>	<ul style="list-style-type: none"> <li>• 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"> <li>– 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 Ordinary Shares; or</li> <li>– redeem, reduce, cancel, purchase or buy-back (or procure the redemption, reduction, cancellation, purchase or buy-back of) any Equal Ranking Obligations, Junior Ranking Obligations or Ordinary Shares,</li> </ul> </li> </ul> <p>and must procure that each Subsidiary does not:</p> <ul style="list-style-type: none"> <li>– declare or pay any dividend, interest or distribution, on any Subsidiary Equal Ranking Obligations and Subsidiary Junior Ranking Obligations (other than a payment permitted by the Terms); or</li> <li>– redeem, reduce, cancel, purchase or buy-back any Subsidiary Equal Ranking Obligations and Subsidiary Junior Ranking Obligations,</li> </ul> <p>until the date on which all Optionally Deferred Interest Payments have been paid in full or all Notes have been redeemed.</p>	<p>Clause 3.5 of the Terms</p>
<p><b>2.3.5 Is Crown required to defer Interest Payments in any circumstances?</b></p>	<ul style="list-style-type: none"> <li>• Yes. Interest Payments must be deferred if, on any day which is 8 Business Days prior to any Interest Payment Date:               <ul style="list-style-type: none"> <li>– a Mandatory Deferral Event exists (this event will exist if Crown's Interest Cover Ratio is less than the Minimum Level (being 2.5 times) in relation to a Testing Date, or if Crown's 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 its Interest Cover Ratio or Leverage Ratio. For details on how these ratios are calculated, see Section 4.6; and</li> <li>– Crown has been given a solicited rating from the Relevant Rating Agency,</li> </ul> <p>until payment is permitted in accordance with the Terms (for example, where a Mandatory Deferral Event ceases as more fully described in the Terms and Section 2.3.6 below).</p> </li> <li>• 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 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.</li> </ul>	<p>Clauses 3.7 and 17.2 of the Terms</p>

Topic	Summary	Further information
<b>2.3.5 Is Crown required to defer Interest Payments in any circumstances? (cont.)</b>	<ul style="list-style-type: none"> <li>• Crown must notify the Holders and the Trustee of any such mandatorily required deferral not less than 5 Business Days prior to the relevant Interest Payment Date.</li> </ul>	
<b>2.3.6 Is Crown permitted to pay any Mandatorily Deferred Interest Payments at its discretion at any time before they finally become payable?</b>	<ul style="list-style-type: none"> <li>• No. Crown may only pay Mandatorily Deferred Interest Payments if: <ul style="list-style-type: none"> <li>– Crown's Interest Cover Ratio in relation to a Testing Date is not below the Minimum Level and its Leverage Ratio in relation to two consecutive Testing Dates is not above the Maximum Level;</li> <li>– five years have elapsed since the payment would have otherwise been due; or</li> <li>– the Step-up Date has occurred,</li> </ul> and provided that neither Crown or any of its Subsidiaries has not declared, paid or made a dividend, other distribution or payment in respect of any Equal Ranking Obligations, 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, 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 exists. </li> <li>• 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.</li> <li>• 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's intention to make these payments within that five year timeframe does change, 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.</li> </ul>	Clauses 3.8 and 17.2 of the Terms

Topic	Summary	Further information
<p><b>2.3.7 Is Crown required to pay Mandatorily Deferred Interest Payments in any circumstances?</b></p>	<ul style="list-style-type: none"> <li>• 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, 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, 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"> <li>– when the Mandatory Deferral Event ceases;</li> <li>– on the fifth anniversary of the initial deferral, even if the Mandatory Deferral Event is continuing; or</li> <li>– the Step-up Date.</li> </ul>               (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, 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, 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 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).             </li> <li>• Crown must also pay any and all Mandatorily Deferred Interest Payments in certain other circumstances, including, if all Notes are redeemed at Maturity or earlier in accordance with the Terms, or if an order is made or resolution is passed for the winding-up of Crown.</li> </ul>	<p>Clauses 3.8 and 17.2 of the Terms</p>
<p><b>2.3.8 Are Deferred Interest Payments cumulative?</b></p>	<ul style="list-style-type: none"> <li>• Yes. Deferred Interest Payments are cumulative and compounding.</li> <li>• 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.</li> </ul>	<p>Clause 3.4(a) of the Terms</p>

## 2.4 REDEMPTION

Topic	Summary	Further information
2.4.1 When can Crown redeem Notes?	<ul style="list-style-type: none"> <li>• Crown may, subject to applicable laws, elect to redeem the Notes at its option on: <ul style="list-style-type: none"> <li>– 14 September 2018 (the “First Call Date”); or</li> <li>– any Interest Payment Date thereafter.</li> </ul> </li> <li>• Crown may, subject to applicable laws, also elect to redeem the Notes at any time if any of the following events occur: <ul style="list-style-type: none"> <li>– Accounting Event;</li> <li>– Change of Control Event;</li> <li>– Tax Event; or</li> <li>– Capital Event.</li> </ul> </li> <li>• Unless redeemed earlier, the Notes will be redeemed on 14 September 2072 (the “Maturity Date”) at their Redemption Amount.</li> </ul>	Clauses 4.1, 4.2, and 4.3 of the Terms Section 2.4.7 and Section 9.3
2.4.2 What will happen on the First Call Date?	<ul style="list-style-type: none"> <li>• Crown may, but is not obliged to, redeem the Notes on 14 September 2018 (the “First Call Date”). At this time, Crown can redeem the Notes, in which case Holders will receive the Redemption Amount.</li> <li>• Crown expects the Notes 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 the Notes will continue to provide some qualitative support in the Relevant Rating Agency’s assessment of Crown’s credit profile until redemption, having regard to the Notes’ subordinated ranking, long tenor and coupon deferral features.</li> <li>• Crown will consider a broad range of factors when evaluating the role of Notes in its ongoing capital management strategy, including whether to redeem Notes 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 the Notes, as well as Crown’s financial position, strategic initiatives, operational performance, funding requirements and access to capital in the financial markets.</li> <li>• In particular, Crown intends (without thereby assuming a legal obligation) to retain Notes 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 the Notes with a new issue of hybrid or other securities which are ascribed at least the same Equity Credit from the Relevant Rating Agency.</li> </ul>	Clause 4.2 of the Terms

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Topic	Summary	Further information
<b>2.4.3 What will happen in a Change of Control Event?</b>	<ul style="list-style-type: none"> <li>• The Margin will increase by an additional 5.00% if the following criteria are satisfied: <ul style="list-style-type: none"> <li>– a Change of Control Event in relation to Crown occurs; and</li> <li>– Crown does not elect to redeem Notes following that event within a specified period of time as described in the Terms.</li> </ul> </li> <li>• 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.</li> <li>• 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.</li> </ul>	Clause 3.9 of the Terms Section 2.4.7
<b>2.4.4 What will happen on the Maturity Date?</b>	<ul style="list-style-type: none"> <li>• Unless previously redeemed, all outstanding Notes will be redeemed on the Maturity Date (14 September 2072).</li> </ul>	Clause 4.1 of the Terms
<b>2.4.5 What will I receive on redemption of Notes?</b>	<ul style="list-style-type: none"> <li>• Holders will receive the sum of: <ul style="list-style-type: none"> <li>– 100% of the Face Value of each Note being redeemed (i.e. \$100 per Note) in all cases except where Notes 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 being redeemed (i.e. \$101 per Note);</li> <li>– all Deferred Interest Payments in respect of that Note that remain unpaid; and</li> <li>– any accrued but unpaid Interest Payment for the final Interest Period in respect of that Note.</li> </ul>           The aggregate of the above amounts is called the Redemption Amount. </li> <li>• Payment of the 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.</li> <li>• Refer to Section 2.5.3 for information on what may be received if an Event of Insolvency occurs.</li> </ul>	Clauses 4.1, 4.2, 4.3, 5.1 and 17.2 of the Terms

Topic	Summary	Further information
<p><b>2.4.6 Can I request redemption before the Maturity Date?</b></p>	<ul style="list-style-type: none"> <li>• No, Holders do not have a right to request redemption of Notes, 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"> <li>– notify Crown that the Notes are to be redeemed (in which case the total Redemption Amount will immediately become due and payable); and</li> <li>– institute proceedings for the winding-up of Crown and/or claim in the liquidation of Crown, for the amount payable under the Terms.</li> </ul> </li> </ul> <p>If this were to occur (and, for example, a liquidator is appointed to wind-up Crown), Notes 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"> <li>– ahead of Ordinary Shares and Junior Ranking Obligations;</li> <li>– equal with any Equal Ranking Obligations; and</li> <li>– behind all other creditors of Crown (other than holders of Equal Ranking Obligations and holders of Junior Ranking Obligations).</li> </ul>	<p>Clause 9.1 of the Terms</p>
<p><b>2.4.7 What is a Change of Control Event, Tax Event, Accounting Event or Capital Event?</b></p>	<ul style="list-style-type: none"> <li>• A summary of these events, which give Crown the right to redeem Notes is as follows:               <ul style="list-style-type: none"> <li>– a <b>Change of Control Event</b> 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;</li> <li>– a <b>Tax Event</b> 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;</li> <li>– an <b>Accounting Event</b> 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 will no longer satisfy its criteria for Notes to receive the same Equity Credit as they received at the time of issue; and</li> <li>– a <b>Capital Event</b> will occur if the Notes will no longer be eligible for the same or higher category of Equity Credit from a Rating Agency as was initially attributed to the Notes at the time of issue, as a result of a change in a Rating Agency's criteria. Equity Credit is explained in Section 2.1.5.</li> </ul> </li> </ul>	<p>Clauses 4.3 and 17.2 of the Terms</p>



Topic	Summary	Further information
<b>2.4.8 Can Crown buy Notes on ASX?</b>	<ul style="list-style-type: none"> <li>• Yes. From 14 September 2017, Crown or any Subsidiary of Crown may purchase or procure others to purchase beneficially for its account Notes in any manner and at any price subject to any applicable law, the Listing Rules and any rules of any other securities exchange on which any of the Notes are quoted from time to time. Such acquired Notes may be surrendered for cancellation or held or resold.</li> </ul>	Clause 4.4 of the Terms

## 2.5 SECURITY AND RANKING

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

Topic	Summary	Further information													
<p><b>2.5.3 What will be payable to Holders if an Event of Insolvency occurs?</b></p>	<ul style="list-style-type: none"> <li>Notes will effectively rank in an Event of Insolvency (for example, 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"> <li>– ahead of Ordinary Shares and Junior Ranking Obligations;</li> <li>– equally with Equal Ranking Obligations; and</li> <li>– behind all other creditors of Crown (other than holders of Equal Ranking Obligations and holders of Junior Ranking Obligations).</li> </ul> </li> <li>There may be a shortfall of funds to pay all amounts ranking senior to and equally with Notes if an Event of Insolvency in respect of Crown occurs. This would result in Holders not receiving any payment if claims ranking senior to Notes were not satisfied in full, or otherwise not receiving a full return of capital or any interest due and unpaid at that time.</li> </ul>	<p>Clause 2.1 of the Terms</p>													
<p><b>2.5.4 Illustration of ranking of Crown’s obligations in respect of existing debt instruments, hybrid instruments and equity upon a liquidation</b></p>	<ul style="list-style-type: none"> <li>The table below illustrates how Notes 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.</li> </ul> <table border="1" data-bbox="587 1093 1185 1581"> <thead> <tr> <th data-bbox="587 1093 643 1581"></th> <th data-bbox="651 1093 994 1205">Existing debt instruments, hybrid instruments and equity</th> <th data-bbox="1002 1093 1185 1205">Amount drawn /on issue<sup>1</sup></th> </tr> </thead> <tbody> <tr> <td data-bbox="587 1216 643 1294" rowspan="2" style="text-align: center; vertical-align: middle;">Higher ranking ↑</td> <td data-bbox="651 1216 994 1294">Bank debt, capital markets debt (EMTN, A\$ MTN and US\$200m USPP)</td> <td data-bbox="1002 1216 1185 1294">\$1,694.7 million</td> </tr> <tr> <td data-bbox="651 1305 994 1395">Preference shares<sup>2</sup></td> <td data-bbox="1002 1305 1185 1395">Nil<sup>3</sup></td> </tr> <tr> <td data-bbox="587 1406 643 1581" rowspan="2" style="text-align: center; vertical-align: middle;">↓ Lower ranking</td> <td data-bbox="651 1406 994 1496"><b>Crown Subordinated Notes</b></td> <td data-bbox="1002 1406 1185 1496">\$525 million<sup>4</sup></td> </tr> <tr> <td data-bbox="651 1507 994 1581">Ordinary Shares</td> <td data-bbox="1002 1507 1185 1581">\$3,374.8 million</td> </tr> </tbody> </table>		Existing debt instruments, hybrid instruments and equity	Amount drawn /on issue <sup>1</sup>	Higher ranking ↑	Bank debt, capital markets debt (EMTN, A\$ MTN and US\$200m USPP)	\$1,694.7 million	Preference shares <sup>2</sup>	Nil <sup>3</sup>	↓ Lower ranking	<b>Crown Subordinated Notes</b>	\$525 million <sup>4</sup>	Ordinary Shares	\$3,374.8 million	
	Existing debt instruments, hybrid instruments and equity	Amount drawn /on issue <sup>1</sup>													
Higher ranking ↑	Bank debt, capital markets debt (EMTN, A\$ MTN and US\$200m USPP)	\$1,694.7 million													
	Preference shares <sup>2</sup>	Nil <sup>3</sup>													
↓ Lower ranking	<b>Crown Subordinated Notes</b>	\$525 million <sup>4</sup>													
	Ordinary Shares	\$3,374.8 million													

Note:

1. As at 30 June 2012.

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

3. Note: Currently Crown does not have any preference shares on issue.

4. Assumes \$525 million is raised through the Offer as at 30 June 2012.

## 2.6 OTHER

Topic	Summary	Further information
<b>2.6.1 Can Crown issue further Notes, or other instruments?</b>	<ul style="list-style-type: none"> <li>• Crown reserves the right to issue further Notes or other instruments upon such terms as to ranking (including those that rank ahead of Notes), dividends or interest, conversion, redemption and otherwise as Crown may determine at the time of issue.</li> <li>• Notes do not confer on Holders any right to subscribe for new securities in Crown, or to participate in any bonus issues.</li> </ul>	Clauses 7 and 8 of the Terms
<b>2.6.2 What voting rights do Notes carry at meetings of holders of Ordinary Shares?</b>	<ul style="list-style-type: none"> <li>• Holders have no voting rights at meetings of holders of Ordinary Shares in Crown.</li> </ul>	
<b>2.6.3 What is an Event of Default?</b>	<ul style="list-style-type: none"> <li>• An Event of Default will occur, in summary, if: <ul style="list-style-type: none"> <li>– Crown fails to pay any Redemption Amount, Interest Payment or Deferred Interest Payment which is due and payable in respect of the Notes within: <ul style="list-style-type: none"> <li>• in the case of any amount representing or in the nature of interest, five Business Days of the due date for payment; and</li> <li>• in the case of any amount representing or in the nature of principal, two Business Days of the due date for payment; or</li> </ul> </li> <li>– 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 of Crown).</li> </ul> </li> <li>• The following will not constitute an Event of Default: <ul style="list-style-type: none"> <li>– 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 as is applicable to such payment; and</li> <li>– deferral of an Interest Payment in accordance with the Terms.</li> </ul> </li> </ul>	Clause 17.2 of the Terms

Topic	Summary	Further information
<p><b>2.6.4 What will happen if an Event of Default occurs?</b></p>	<ul style="list-style-type: none"> <li>• If an Event of Default occurs and 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 the Trust Deed)) notify Crown that the Redemption Amount on Notes 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.</li> <li>• The Trustee's ability to enforce any right or remedy under or in respect of Notes is limited as provided by the Terms.</li> <li>• The Trustee must not take proceedings to enforce any payment obligation (other than for the winding-up of Crown).</li> <li>• An Event of Default may also trigger cross-default provisions in Crown's other contracts and debt facilities.</li> <li>• Generally, only the Trustee (and not a Holder) has the right to enforce any right or remedy under or in respect of Notes (as described in the Terms and the Trust Deed).</li> </ul>	<p>Clauses 9.1 and 9.2 of the Terms</p>
<p><b>2.6.5 Can Crown amend the Terms?</b></p>	<ul style="list-style-type: none"> <li>• 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"> <li>– made to cure any ambiguity or correct a manifest error;</li> <li>– of a formal, minor or technical nature;</li> <li>– made to comply with any law or the Listing Rules and otherwise not materially prejudicial to the interests of Holders generally; or</li> <li>– is not materially prejudicial to the interests of Holders generally,</li> </ul>                     provided that the Notes 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.                 </li> <li>• Crown may also amend the Terms if the amendment has been approved by a Special Resolution of Holders.</li> </ul>	<p>Clauses 10.1 and 10.2 of the Terms</p>

only SECTION 3  
About Crown

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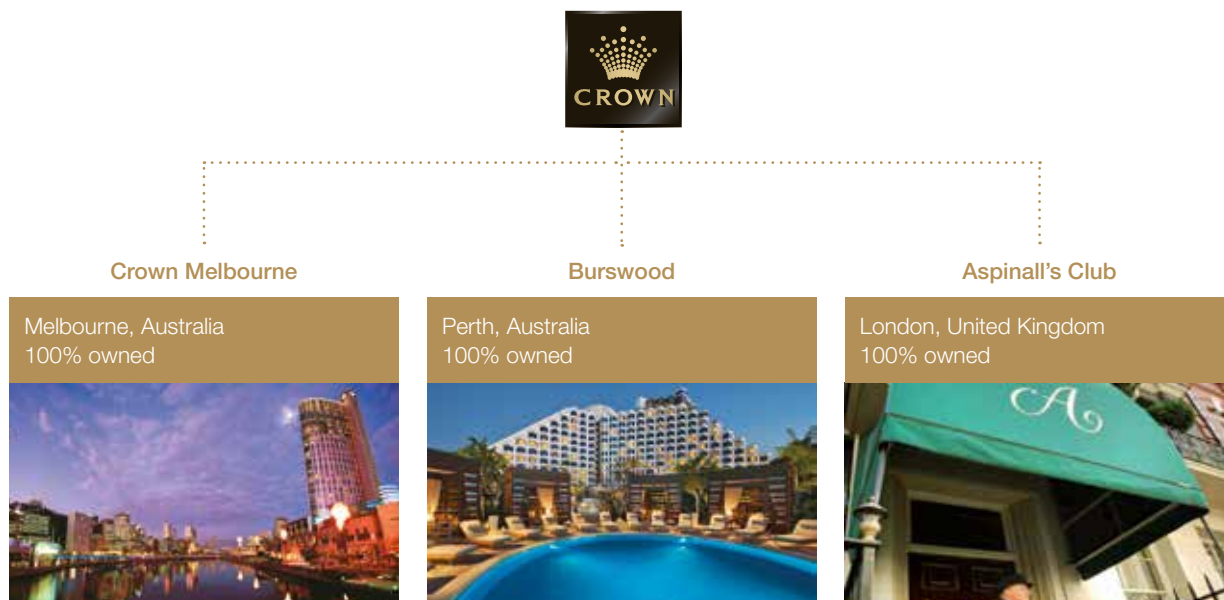
## 3. About Crown

### 3.1 CROWN BUSINESS OVERVIEW

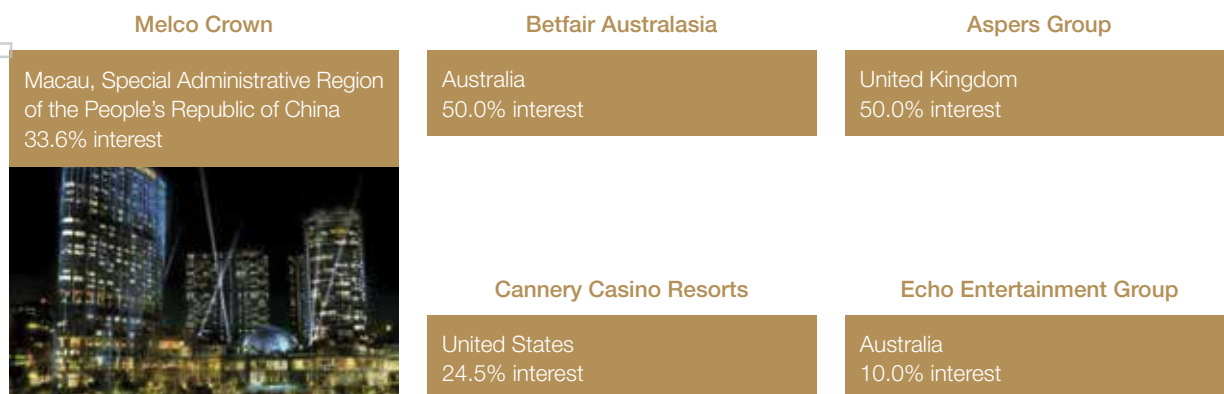
Crown is one of Australia's largest entertainment groups. It has businesses and investments in the integrated resort and entertainment sectors in Australia and Macau and wholly-owns and operates a high-end casino in London. Crown is an S&P/ASX 50 company and listed on the ASX with a market capitalisation of approximately \$6.2 billion as at 10 August 2012. In the financial year ended 30 June 2012, Crown generated revenue of \$2,809 million and Statutory Profit of \$513.3 million.<sup>1</sup>

In Australia, Crown wholly-owns and operates the Crown Entertainment Complex in Melbourne, Victoria ("Crown Melbourne") and the Burswood Entertainment Complex in Perth, Western Australia ("Burswood"). In the United Kingdom, Crown wholly-owns and operates the Aspinall's Club, a high-end casino in Mayfair, London. In addition to Crown's wholly owned assets, Crown holds a 33.6% equity interest in Melco Crown Entertainment Limited ("Melco Crown"), an operator of integrated resorts in Macau. It also has a portfolio of other gaming investments which are complementary to its other businesses.

#### Crown businesses



#### Crown investments



<sup>1</sup> Financial information in respect of Crown for the financial year ended 30 June 2012 has not been audited but has been subject to review.

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## 3.2 DESCRIPTION OF CROWN BUSINESSES

In Australia, Crown wholly-owns and operates two of Australia's leading integrated resorts, Crown Melbourne and Burswood. Crown Melbourne and Burswood attract significant patronage including tourists from overseas, particularly from the Asian region. Both Crown Melbourne and Burswood 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 the Aspinall's Club, an exclusive high-end casino in Mayfair, London.

Crown has various investments globally which include a 33.6% equity interest in Melco Crown, a company operating integrated resorts in Macau that is dual listed on the NASDAQ and the Stock Exchange of Hong Kong ("SEHK"). In addition, Crown has investments in Belfair Australasia Pty Ltd ("Belfair"), Cannery Casino Resorts LLC ("Cannery"), Aspers Holdings (Jersey) Limited ("Aspers Group") and Echo Entertainment Group Limited ("Echo").

### 3.2.1 Crown Melbourne

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

Crown Melbourne is licensed to operate 2,500 electronic gaming machines and 500 table games, with a casino licence that extends to 2033. 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 to two luxurious day spas, 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 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 2010/11, 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 a significant private sector employer in Victoria with approximately 6,700 employees. In addition, another approximately 2,200 people are employed at Crown Melbourne by other employers (e.g. tenants and subcontractors).

### 3.2.2 Burswood

First opened in 1985, Burswood is Perth's premier integrated resort comprising a casino, two hotels, a state of the art convention centre, a 20,000 seat indoor entertainment centre known as Burswood Dome and award winning food and beverage outlets. Burswood is a significant tourist attraction in Western Australia.

Burswood is licensed to operate 2,000 electronic gaming machines and 220 table games, with a casino licence that effectively extends to 2060. Similar to Crown Melbourne, Burswood has an extensive international VIP clientele. Burswood is in the unique position of being the only venue in Western Australia to offer electronic gaming machines. Significant progress has been made on the redevelopment of Burswood (which will be re-branded in September 2012 as "Crown Perth").

Burswood also has extensive non-gaming facilities including approximately 22 restaurants and bars, a nightclub, a 2,300 seat theatre and a large convention centre. Burswood is currently undergoing a \$750 million refurbishment program (which does not include the amount of capital expenditure referred to in Crown's recent announcement concerning the Crown Towers Perth development described in Section 3.3.1) that is expected to enhance the property to compete against the integrated resorts in the Asian region. Burswood is a significant private sector employer in Western Australia with approximately 4,600 employees. In addition, another approximately 900 people are employed at Burswood by other employers (e.g. tenants and subcontractors).

### 3.2.3 The Aspinall's Club

The Aspinall's Club 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 33.6% equity interest in Melco Crown. Melco Crown is a developer, owner and operator of integrated resorts with a focus on the Macau market. It is one of six companies granted regulatory concessions or sub-concessions to operate casinos in Macau.

Melco Crown is dual listed on the NASDAQ and SEHK with Crown and Melco International Development Limited ("Melco International") each holding 33.6% interests and the remaining shares held by a range of institutional and retail shareholders.

Melco Crown owns and operates the integrated casino entertainment resort, City of Dreams (with approximately 450 table games and 1,350 electronic gaming machines), and the luxurious casino and hotel, Altira Macau (with approximately 180 table games), while also operating a network of niche gaming facilities in Mocha Clubs with approximately 2,100 electronic gaming machines.

In July 2012, Melco Crown announced that it had entered into a memorandum of agreement with certain parties in the Philippines to negotiate in good faith and sign, upon satisfaction of various conditions precedent, a range of agreements in connection with the formation of a consortium for the development and operation of a casino and hotel complex in the Philippines.

#### Studio City Project

In July 2011, Melco Crown completed the acquisition of a 60% interest in the Studio City Project. Melco Crown is developing the Studio City Project jointly with New Cotai Holdings, LLC, subject to completing the necessary approvals process with the Macau Government and obtaining appropriate finance, as an integrated entertainment, retail and gaming resort located in Cotai, Macau. New Cotai Holdings, LLC is an entity controlled by funds managed by Silver Point Capital, L.P. and Oaktree Capital Management, L.P.

The Studio City Project is a new project on Cotai and, subject to completing the necessary approvals process with the Macau Government and obtaining appropriate finance, it will be a mass market focused, large scale integrated resort. The resort is proposed to have a "Studio City" theme incorporating gaming and non-gaming amenities. Subject to receiving the necessary approvals from the Macau Government, the casino portion of the project will be operated under Melco Crown's gaming sub-concession (i.e. its licence to operate casinos in Macau).

The location of the Studio City Project site is adjacent to a proposed light rail station and the Lotus Bridge immigration checkpoint. The attractive location will position the Studio City Project to be a destination property with an iconic and easily identifiable exterior.

### 3.2.5 Other investments

Crown has the following additional investments:

#### 3.2.5.1 Betfair Australasia Pty Limited

Crown has a 50% equity interest in Betfair, a joint venture company which was established in 2004 with Betfair UK (The Sporting Exchange Limited). Betfair is a betting exchange for customers who reside in Australia and New Zealand. A betting exchange operates an online market where individuals with differing views on an event make fixed-price bets, effectively wagering between themselves. Betfair does not operate retail premises, nor does it have an on-course presence; its services are exclusively provided via the internet or telephone.

#### 3.2.5.2 Aspers Holdings (Jersey) Limited

Crown holds a 50% equity interest in the Aspers Group. The Aspers Group is a private group of companies which currently operates four regional casinos in the United Kingdom in Newcastle, Swansea, Stratford and Northampton (the latter in a joint venture with Kerzner UK Limited). The Stratford casino (which opened in December 2011) is located within the new Westfield shopping complex, which is adjacent to the 2012 Olympic Games site. In addition, the Aspers Group has recently won a bid for a new casino licence at Milton Keynes, located to the north of London. The new casino will be located on the ground floor of Xscape, Milton Keynes.

#### 3.2.5.3 Cannery Casino Resorts, LLC

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

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

### 3.2.5.4 Echo Entertainment Group Limited

Crown holds a 10% interest in Echo. Echo is listed on the ASX and is an Australian casino operator with properties in New South Wales and Queensland.

The constitution of Echo prohibits a person acquiring voting power in Echo of more than 10% without first obtaining the written consent of the New South Wales Independent Liquor and Gaming Authority and the Queensland Attorney General. Crown is currently seeking these consents so that it has the ability to increase its voting power in Echo beyond 10%, up to 25%, at which point Crown would be required to obtain further approvals if it wishes to increase its interest further.

## 3.3

### CROWN'S BUSINESS STRATEGY

Crown Group Strategy	<ul style="list-style-type: none"> <li>• Continue to improve and grow Crown's portfolio of well-recognised, premium branded assets</li> <li>• Leverage Crown's international operations, network, contacts and joint ventures to cross promote Crown's integrated resorts and operations</li> <li>• Optimise the value of Crown's international investments</li> <li>• Maintain a strong balance sheet and conservative capital structure</li> </ul>
Australia	<ul style="list-style-type: none"> <li>• Continue to maximise the performance of Crown Melbourne and Burswood</li> <li>• Manage the major capital expenditure programs at Crown Melbourne and Burswood to maximise the return on investment of each project, whilst minimising disruption to existing operations</li> <li>• Manage the Australian properties to achieve earnings growth targets by stimulating visitation and tightly managing costs to improve margins</li> <li>• Explore further growth options in the Australian domestic gaming market</li> </ul>
UK	<ul style="list-style-type: none"> <li>• Continue to further integrate the Aspinall's Club into the VIP operations of Crown</li> <li>• Continue to work with Crown's JV partner in the Aspers Group's casinos to optimise performance and drive growth</li> <li>• Develop comprehensive marketing programs</li> </ul>
Melco Crown	<ul style="list-style-type: none"> <li>• Work with Melco Crown to execute Melco Crown's business strategy of:               <ul style="list-style-type: none"> <li>– continuing to develop junket and non-junket relationships</li> <li>– building and operating VIP and mass-market facilities</li> <li>– completing the development of the Studio City Project</li> </ul> </li> </ul>

#### 3.3.1 Crown capital expenditure program

Crown has announced expected capital expenditure in the period from FY2007 to FY2013 of more than \$2.2 billion for investing in maintaining, improving and expanding its facilities in Melbourne and Perth to ensure its offering remains internationally competitive. The amount of \$2.2 billion does not include the amounts of capital expenditure referred to in Crown's recent announcements concerning the Crown Towers Perth and the Barangaroo South developments (described below).

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 Crown Metropolis Melbourne, extension of the Mahogany Room and redevelopment of the West End at Crown Melbourne.

As part of its ongoing renewal strategy, Crown is currently undertaking the expansion of Burswood's main gaming floor to accommodate new gaming products and new food and beverage outlets.

Crown's capital expenditure program is expected to further enhance Crown's position as one of the leading operators of integrated resorts in the region.

As at 30 June 2012, Crown had spent almost 90% of the announced expected capital expenditure of \$2.2 billion.

#### Crown Towers Perth

In addition to the capital expenditure referred to above, on 1 August 2012, Crown announced its decision to develop Crown Towers Perth, a new "six star", luxury hotel at Burswood. The total investment in the Crown Towers Perth

project (inclusive of the cost of acquiring the land from the Western Australian Government) is expected to be \$568 million. Construction is expected to commence in early 2013 and the hotel, which will take approximately 3 years to complete, will comprise 500 rooms and include restaurants, bars, resort and convention facilities. As part of the agreement in principle with the Western Australian Government to acquire the land for the project, the Western Australian Government has agreed not to oppose an application by Burswood for 500 additional electronic gaming machines and 130 additional table games, including new private gaming salons. This increase in gaming product is subject to the approval of the Gaming and Wagering Commission of Western Australia and is intended to be rolled out over the next five years. The new hotel development is conditional upon various regulatory approvals being obtained.

### Barangaroo

On 2 August 2012, Crown announced that it had signed an Exclusive Dealing Agreement with Lend Lease Corporation Limited ("Lend Lease") in relation to a proposed development of a "six star" hotel resort at the Barangaroo South Project in Sydney.

Under the Exclusive Dealing Agreement, Lend Lease and Crown will work together to develop the plans for the hotel resort. The Exclusive Dealing Agreement provides Crown with the right to work exclusively with Lend Lease for a period of up to 24 months to reach agreement on certain key milestones for the hotel resort and to obtain the necessary development approvals for the project, including from the Barangaroo Delivery Authority and the New South Wales Government.

### Property images – Crown Melbourne



### Property images – Burswood



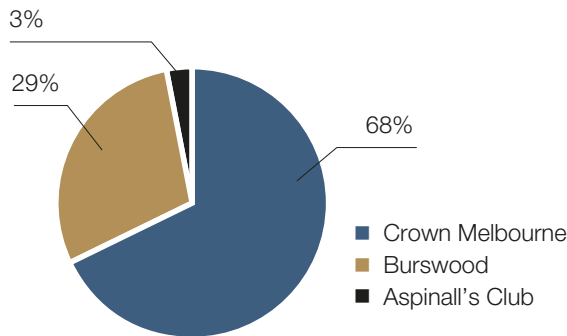
### 3.4 REVENUE SOURCES

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

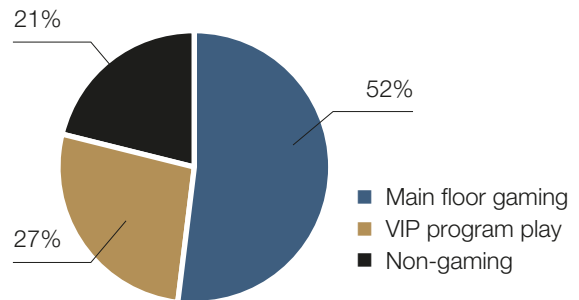
In Crown's gaming operations, revenue is derived from main floor gaming activity which comprises various table games and electronic gaming machines which are available to customers who enter Crown's main gaming areas. Crown also has a VIP business which generates revenue from table games and electronic 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.

FY12 normalised revenue by business segment\*



FY12 normalised revenue by type\*



\* For a description of normalised revenue, see Section 4.1.

### 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 Gambling 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 40 year casino licence which allows it to operate table games and electronic gaming machines at Crown Melbourne, but subject to limits on the number of table games and electronic gaming machines set out in the casino licence. 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. Amendments to the Casino Agreement and the Casino Management Agreement require the consent of all parties to those agreements.

Crown Melbourne's casino licence is now non-exclusive in Victoria and expires in 2033. Crown Melbourne also holds a 99 year lease from the State of Victoria over the main Crown Melbourne property with expiry due in 2092.

#### Burswood casino licence – key features

Burswood is subject to the legal and regulatory framework established under Western Australian 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 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 Burswood must be of at least the same size and standard as Burswood.

Electronic gaming machines are not permitted in hotels and clubs in Western Australia while Burswood is licensed to operate 2,000 electronic gaming machines and 220 table games.

Burswood'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.



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SECTION 4

# Financial information

## 4. Financial information

### 4.1 INTRODUCTION

The financial information in this Section has been included to illustrate Crown's financial position and performance for the financial years ended 30 June 2011 and 30 June 2012. Investors should note that past performance is not a reliable indicator of future performance.

The summary consolidated financial information has been extracted from the audited financial statements for the year ended 30 June 2011 and the Appendix 4E lodged with ASX on 10 August 2012 for the year ended 30 June 2012. The information for the year ended 30 June 2012 has not been audited, however, it has been subject to review. The information presented has, except as otherwise noted, been prepared in accordance with the measurement and recognition requirements, but not the disclosure requirements, of the Australian Accounting Standards and other mandatory reporting requirements in Australia.

#### Statutory and normalised results

For the year ended 30 June 2012, Crown reported Statutory Profit after tax of \$513.3 million. For the same period, Normalised Net Profit After Tax was \$415.0 million.

Normalised Net Profit After Tax has been adjusted to exclude the impact of any variance from the Theoretical Win Rate on VIP program play (at Crown Melbourne, Burswood, Aspinall's Club and Melco Crown) and pre-opening costs in respect of City of Dreams (if applicable). The Theoretical Win Rate is the expected hold percentage on VIP program play over time. Accordingly, normalised results (including normalised revenue, normalised EBITDA and Normalised Net Profit After Tax) give rise to adjustments to VIP program play revenue, gaming taxes and if applicable, 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 TO 30 JUNE 2012

#### Crown Melbourne

The normalised EBITDA from Crown Melbourne was \$510.6 million, up 1.0% on the prior comparable period ("pcp"). Reported EBITDA for the period was \$564.2 million, up 10.4% or \$53.1 million on the pcp. This reflects an above Theoretical Win Rate of 1.50% which generated a positive EBITDA variance of \$53.6 million, compared to a positive EBITDA variance of \$5.4 million in the pcp when the win rate was 1.37%.

Normalised revenue increased by 7.6% over the pcp to \$1,845.0 million. During the year, main floor gaming revenue grew 6.6% to \$991.9 million. Normalised VIP program play revenue increased 15.0% to \$481.0 million on turnover of \$35.6 billion but at a lower margin due to changes in business mix, higher super tax and increased competition. Crown's continuing strategy to source new customers from China combined with its VIP facilities have increased activity.

#### Burswood

The normalised EBITDA from Burswood was \$226.3 million, up 15.9% on the pcp. Reported EBITDA for the period was \$270.9 million, up 53.7% or \$94.7 million on the pcp. This reflects an above Theoretical Win Rate of 1.84% which generated a positive EBITDA variance of \$44.6 million, compared to a negative EBITDA variance of \$19.0 million in the pcp when the win rate was 1.10%.

Normalised revenue increased 12.1% over the pcp to \$785.1 million. During the year, main floor gaming revenue grew 6.5% to \$440.8 million. Normalised VIP program play revenue increased 32.1% to \$154.3 million on turnover of \$11.4 billion but at a lower margin. VIP program play revenue increased primarily as a result of the completion of VIP accommodation and Crown's ongoing strategy to source new players.

Non-gaming revenue grew 12.0% to \$190.1 million, attributable to a combination of the significantly refurbished and expanded food and beverage offering and improved trading at both hotels.

#### Aspinall's Club

The normalised EBITDA from Aspinall's Club was \$20.6 million. Reported EBITDA for the period was \$1.7 million, with a below Theoretical Win Rate resulting in a negative EBITDA variance of \$18.9 million.

## Melco Crown

Crown holds a 33.6% equity interest in Melco Crown. Crown's share of Melco Crown's normalised net profit after tax for the twelve months ended 30 June 2012 was A\$92.1 million.

### 4.3 CONSOLIDATED INCOME STATEMENT

The following table sets out Crown's consolidated income statement for the financial years ended 30 June 2011 and 30 June 2012.

Year ended 30 June (\$m)	Actual 2011	Actual 2012 <sup>1</sup>
Revenue	2,409.2	2,808.9
Other Income	0.4	0.4
Expenses	(1,959.3)	(2,214.8)
Share of profits/(losses) of associates and joint venture entities	32.4	138.9
<b>Profit before income tax and finance costs</b>	<b>482.7</b>	<b>733.4</b>
Finance costs	(75.5)	(113.6)
<b>Profit before income tax</b>	<b>407.2</b>	<b>619.8</b>
Income tax expense	(71.3)	(106.5)
<b>Net profit after tax</b>	<b>335.9</b>	<b>513.3</b>

	Actual 2011	Actual 2012 <sup>1</sup>
<b>Reconciliation of Statutory Profit to Normalised Profit</b>		
Statutory net profit after tax	335.9	513.3
Revenue adjustment on VIP program play	44.2	(70.6)
Gaming taxes & commissions adjustment on VIP program play	(16.3)	(8.6)
Equity accounted adjustment on VIP program play	(15.7)	(43.7)
Income tax on above adjustments	(7.8)	24.6
<b>Normalised net profit after tax</b>	<b>340.3</b>	<b>415.0</b>

### 4.4 PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following table presents Crown's consolidated statement of financial position as at 30 June 2011 and 30 June 2012. It also presents pro forma financial information as at 30 June 2012, which is presented on the assumption that the following pro forma adjustments had occurred as at 30 June 2012:

- \$525 million raised from this Offer less transaction costs of approximately \$16 million, resulting in net proceeds of approximately \$509 million being recognised within non-current interest bearing liabilities.
- 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 repayment of non-current interest bearing liabilities subsequent to year end and prior to the expected maturity date would have the effect of transferring these liabilities from non-current interest bearing liabilities to current interest bearing liabilities as a consequence of the repayment.

<sup>1</sup> Financial information for the year ended 30 June 2012 has not been audited but has been subject to review.



As at 30 June (\$m)	Actual 2011	Actual 2012 <sup>2</sup>	Pro forma Adjustments	Pro forma 2012
<b>Current assets</b>				
Cash and cash equivalents	183.7	149.4	–	149.4
Trade and other receivables	123.7	201.7	–	201.7
Inventories	18.1	11.9	–	11.9
Prepayments	17.1	18.7	–	18.7
Other financial assets	7.8	0.3	–	0.3
<b>Total current assets</b>	<b>350.4</b>	<b>382.0</b>	<b>–</b>	<b>382.0</b>
<b>Non-current assets</b>				
Receivables	131.5	102.9	–	102.9
Other financial assets	24.1	–	–	–
Investments	98.7	454.3	–	454.3
Investments in associates	851.7	1,088.7	–	1,088.7
Property, plant and equipment	2,514.9	2,804.4	–	2,804.4
Licences	664.5	657.0	–	657.0
Other intangible assets	213.0	207.8	–	207.8
Deferred tax assets	108.7	112.6	–	112.6
Other assets	66.3	62.8	–	62.8
<b>Total non-current assets</b>	<b>4,673.4</b>	<b>5,490.5</b>	<b>–</b>	<b>5,490.5</b>
<b>TOTAL ASSETS</b>	<b>5,023.8</b>	<b>5,872.5</b>	<b>–</b>	<b>5,872.5</b>
<b>Current liabilities</b>				
Trade and other payables	237.9	325.7	–	325.7
Interest-bearing loans and borrowings	19.8	29.1	–	29.1
Income tax payable	39.0	100.6	–	100.6
Provisions	102.9	102.0	–	102.0
Other financial liabilities	2.3	22.2	–	22.2
<b>Total current liabilities</b>	<b>401.9</b>	<b>579.6</b>	<b>–</b>	<b>579.6</b>
<b>Non-current liabilities</b>				
Other payables	–	0.1	–	0.1
Interest-bearing loans and borrowings	1,049.7	1,665.6	Nil <sup>3</sup>	1,665.6
Deferred tax liabilities	209.9	205.6	–	205.6
Provisions	27.7	38.2	–	38.2
Other financial liabilities	74.2	8.6	–	8.6
<b>Total non-current liabilities</b>	<b>1,361.5</b>	<b>1,918.1</b>	<b>–</b>	<b>1,918.1</b>
<b>TOTAL LIABILITIES</b>	<b>1,763.4</b>	<b>2,497.7</b>	<b>–</b>	<b>2,497.7</b>
<b>Net assets</b>	<b>3,260.4</b>	<b>3,374.8</b>	<b>–</b>	<b>3,374.8</b>
<b>Equity</b>				
Contributed equity	645.5	446.8	–	446.8
Treasury shares	–	(0.5)	–	(0.5)
Reserves	225.8	298.8	–	298.8
Retained earnings	2,389.1	2,629.7	–	2,629.7
<b>Total equity</b>	<b>3,260.4</b>	<b>3,374.8</b>	<b>–</b>	<b>3,374.8</b>

<sup>2</sup> Financial information for the year ended 30 June 2012 has not been audited but has been subject to review.

<sup>3</sup> The issue of Notes is regarded as an increase in interest bearing liabilities adjusted in respect of transaction costs. It is assumed the net proceeds of the Offer are used to reduce other borrowings and therefore results in no net change to interest bearing liabilities.

#### 4.5 CONSOLIDATED STATEMENT OF CASH FLOWS

The following table sets out Crown's consolidated cash flow statements for the financial years ended 30 June 2011 and 30 June 2012.

Year ended 30 June (\$m)	Actual 2011	Actual 2012 <sup>4</sup>
Receipts from customers	2,438.7	2,764.4
Payments to suppliers and employees	(1,833.8)	(2,027.2)
Dividends received	–	4.6
Interest received	5.4	7.1
Borrowing costs	(86.0)	(122.4)
Income tax paid	(73.3)	(55.8)
<b>Net cash flow from/(used in) operating activities</b>	<b>451.0</b>	<b>570.7</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(351.5)	(464.4)
Proceeds from sale of property, plant and equipment	0.5	0.5
Payment in respect of licences	(20.0)	–
Payment for purchases of equity investments	(15.1)	–
Payment for the acquisition of controlled entities	(55.1)	–
Purchase of investments	–	(261.7)
Net proceeds from sale of equity investments	–	6.6
Loans to associated entities	(51.2)	(27.3)
Repayment of loans from associated entities	28.0	–
Other (net)	(2.7)	(3.3)
<b>Net cash flows from/(used in) investing activities</b>	<b>(467.1)</b>	<b>(749.6)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	660.3	962.5
Repayment of borrowings	(384.6)	(347.8)
Dividends paid	(278.6)	(272.7)
Payment for share buy-back	–	(238.0)
ESP proceeds received	6.7	39.3
<b>Net cash flows from/(used in) financing activities</b>	<b>3.8</b>	<b>143.3</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(12.3)</b>	<b>(35.6)</b>
Cash and cash equivalents at the beginning of the financial year	196.4	183.7
Effect of exchange rate changes on cash	(0.4)	1.3
<b>Cash and cash equivalents at the end of the financial year</b>	<b>183.7</b>	<b>149.4</b>

<sup>4</sup> Financial information for the year ended 30 June 2012 has not been audited but has been subject to review.

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## 4.6 FINANCIAL RATIOS

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

- Leverage Ratio – calculated as the ratio of Relevant Gross Debt (divided by 2) to Normalised EBITDA
- Interest Cover Ratio – calculated as the ratio of Normalised EBITDA to Relevant Net Interest Paid

The Leverage Ratio and Interest Cover Ratio will be tested on a 6 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.

If a Mandatory Deferral Event occurs and Crown has been given a solicited rating from the Relevant Rating Agency, Interest Payments must be deferred.

Further information regarding Mandatory Deferral Events and the deferral of Interest Payments is available in Section 2.3. Further information on the Leverage Ratio and Interest Cover Ratio is available in Appendix A.

### Leverage Ratio

#### (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 pressure on Crown's credit profile.

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; 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 (as defined in the Terms) 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. For further information, refer to the Terms.

The table below shows the Leverage Ratio, as it would have been for the half year ended 30 June 2012 and the previous three testing periods, if it had been calculated using numbers derived from the pro forma financial information set out in Section 4.4 and the previous three testing periods.

6 months ended (\$ million)	31 Dec 2010	30 Jun 2011	31 Dec 2011	Pro forma 30 Jun 2012
Gross debt	965.2	1,069.5	1,429.2	1,694.7
Less 50% of the outstanding balance of the Notes <sup>5</sup>	–	–	–	(262.5)
<b>Relevant Gross Debt</b>	<b>965.2</b>	<b>1,069.5</b>	<b>1,429.2</b>	<b>1,432.2</b>
Relevant Gross Debt (divided by two)	482.6	534.7	714.6	716.1
Normalised EBITDA	349.2	315.7	362.4	359.6
<b>Leverage Ratio</b>	<b>1.4x</b>	<b>1.7x</b>	<b>2.0x</b>	<b>2.0x</b>

<sup>5</sup> The aggregate of 50% of the outstanding balance of the Notes and 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, 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 \$525 million for the proposed issue of Notes.

## Interest Cover Ratio

### (Normalised EBITDA to 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) if earnings decrease or interest rates increase.

The Interest Cover Ratio is calculated, in accordance with the Terms, as the ratio of Normalised EBITDA (as described above) for the relevant six month period to 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, as it would have been for the half year ended 30 June 2012 and the previous three testing periods, if it had been calculated using numbers derived from the pro forma financial information set out in Section 4.4 and the previous three testing periods. For the pro forma 30 June 2012 Interest Cover Ratio calculation it is assumed that six months of interest on the Notes is included in Relevant Net Interest Paid.

6 months ended (\$ million)	31 Dec 2010	30 Jun 2011	31 Dec 2011	Pro forma 30 Jun 2012
Normalised EBITDA	349.2	315.7	362.4	359.6
Interest paid	36.8	49.2	59.0	63.4
Interest received	(2.1)	(3.3)	(2.2)	(4.9)
<b>Net Interest Paid</b>	<b>34.7</b>	<b>45.9</b>	<b>56.8</b>	<b>58.5</b>
Less 50% of the interest paid on the Notes <sup>6</sup>	–	–	–	(11.4)
<b>Relevant Net Interest Paid</b>	<b>34.7</b>	<b>45.9</b>	<b>56.8</b>	<b>47.1</b>
<b>Interest Cover Ratio (times)</b>	<b>10.1x</b>	<b>6.9x</b>	<b>6.4x</b>	<b>7.6x</b>

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 compound and accumulated 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.

### 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 Leverage Ratios and Interest Cover Ratios set out earlier in this Section.

6 months ended (\$ million)	31 Dec 2010	30 Jun 2011	31 Dec 2011	Pro forma 30 Jun 2012
<b>Reconciliation of statutory net profit before income tax to Normalised EBITDA</b>				
Statutory net profit before income tax	184.4	222.7	329.0	290.8
Net Interest	32.9	33.7	47.1	55.0
Equity accounted share of associates' profit	(10.3)	(22.1)	(75.0)	(63.9)
Depreciation and amortisation	97.6	98.1	108.3	109.9
Statutory EBITDA	304.6	332.4	409.4	391.8
Revenue adjustment on VIP Program Play	51.5	(7.3)	(46.0)	(24.6)
Gaming taxes & commissions adjustment on VIP Program Play	(6.9)	(9.4)	(1.0)	(7.6)
<b>Normalised EBITDA</b>	<b>349.2</b>	<b>315.7</b>	<b>362.4</b>	<b>359.6</b>

<sup>6</sup> Adjustment has been made assuming an aggregate Note face value of \$525 million and an illustrative interest rate of 8.65% per annum for the half year ended 30 June 2012.

### 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 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	31 Dec 2010	30 Jun 2011	31 Dec 2011	Pro forma 30 Jun 2012
Required decline in Normalised EBITDA (without any changes in Relevant Gross Debt) (\$ million)	252.7	208.7	219.5	216.4
Required decline in Normalised EBITDA (without any changes in Relevant Gross Debt) (%)	72.4%	66.1%	60.6%	60.2%
Required increase in Relevant Gross Debt (without any changes in Normalised EBITDA) (\$ million)	2,527.2	2,087.1	2,194.5	2,164.2
Required increase in Relevant Gross Debt (without any changes in Normalised EBITDA) (%)	261.8%	195.2%	153.5%	151.1%

### 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 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	31 Dec 2010	30 Jun 2011	31 Dec 2011	Pro forma 30 Jun 2012
Required decline in Normalised EBITDA (without any changes in Relevant Net Interest Paid) (\$ million)	262.4	200.9	220.3	241.8
Required decline in Normalised EBITDA (without any changes in Relevant Net Interest Paid) (%)	75.1%	63.7%	60.8%	67.2%
Required increase in Relevant Net Interest Paid (without any changes in Normalised EBITDA) (\$ million)	105.0	80.4	88.1	96.7
Required increase in Relevant Net Interest Paid (without any changes in Normalised EBITDA) (%)	302.2%	175.1%	155.0%	205.2%

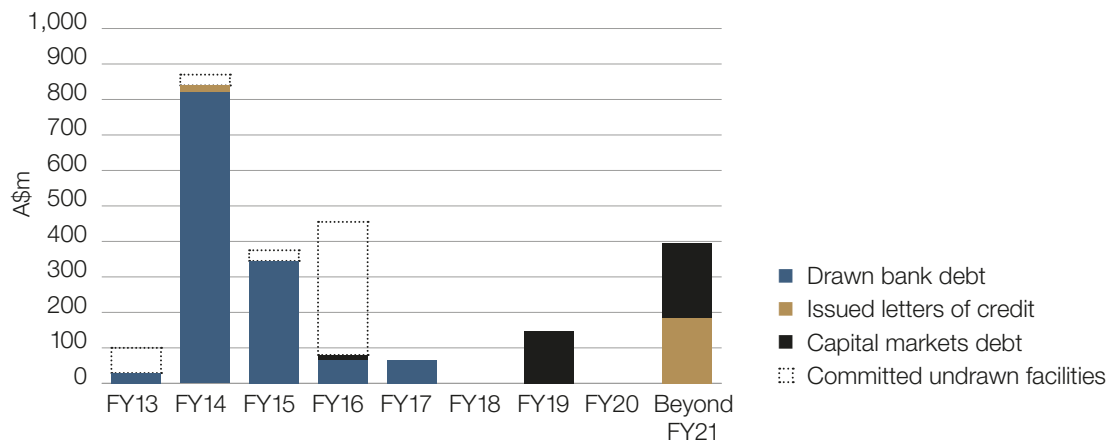
### Crown's commitment to credit profile

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 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.

## 4.7 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 and debt securities and, with the issue of Notes, hybrid capital. Crown manages its funding position at all times and will seek to raise additional capital if required. The chart below sets out the maturity profile of Crown's drawn and undrawn committed facilities as at 30 June 2012.

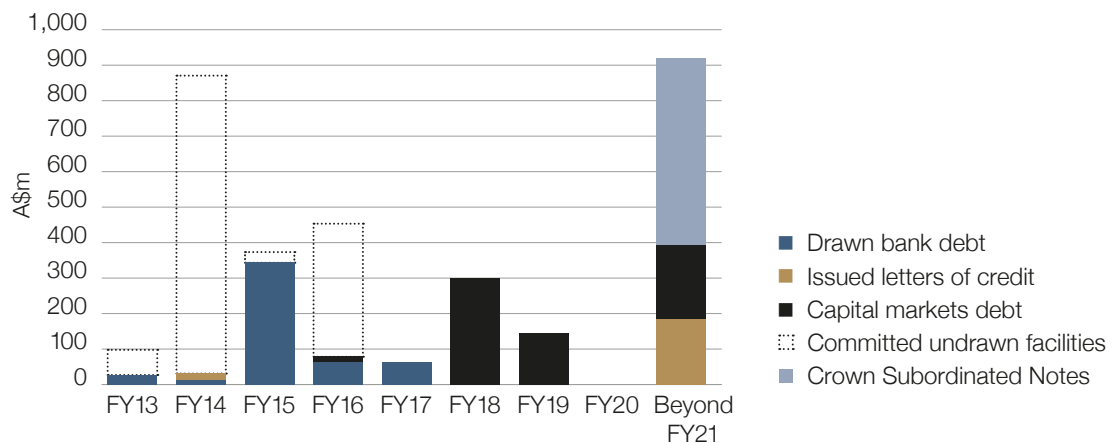
Crown's debt maturity profile (as at 30 June 2012)



After 30 June 2012, Crown completed the issue of \$300 million of five year medium term notes with a maturity of July 2017. The impact of this debt raising is not included in the above maturity graph. The chart above also does not include the impact of the Offer.

The chart below sets out the maturity profile of Crown's drawn and undrawn committed facilities on a pro forma basis for the \$300 million five year medium term note issue and the impact of the Offer.

Crown's debt maturity profile (pro forma 30 June 2012)



Crown actively manages its funding position and, as required from time to time, will seek to raise additional debt and/or equity securities to ensure it has sufficient liquidity to fund capital expenditure for the balance of 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. Crown's strategy is to maintain its current credit profile in order to secure access to finance at a reasonable cost.

only SECTION 5  
Investment risks

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## 5. Investment risks

By investing in Notes, 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, the market generally and Crown.

This Section describes potential risks associated with Crown's business and risks associated with an investment in Notes. It does not purport to list every risk that may be associated with an investment in Notes 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.

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, you should satisfy yourself that you have a sufficient understanding of these matters and should consider whether Notes 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 or not, it is recommended that you seek professional guidance from an independent and appropriately licensed or authorised professional adviser before deciding whether to invest.

### 5.1 RISKS ASSOCIATED WITH CROWN SUBORDINATED NOTES

#### 5.1.1 Notes are subordinated obligations

In an Event of Insolvency of Crown, 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 the Notes 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; 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 if an Event of Insolvency of Crown occurs. This would result in Holders not receiving any payment if claims ranking senior to Notes were not satisfied in full or otherwise not receiving a full return of capital or any interest due and unpaid at that time.

#### 5.1.2 Interest Payments may be deferred

Crown may in its sole discretion defer Interest Payments and, in certain circumstances, must defer Interest Payments – see Section 2 and Clause 3 of the Terms for details.

If there is a material deterioration in the business or financial profile of Crown (including in its Interest Cover Ratio or Leverage Ratio) this may increase the risk of an Interest Payment being deferred (including potentially mandatorily deferred). Deferral of Interest Payments may occur (including mandatorily) and may have an adverse effect on the market price of Notes. If Crown's financial condition deteriorates to the extent that its Interest Cover Ratio risks falling below or close to the Minimum Level (being 2.5 times) or its Leverage Ratio risks rising above or close to the Maximum Level (being 5.0 times), this may increase the expectation that Interest Payments may be deferred which may have an adverse effect on the market price of Notes. Deferral may have negative consequences for Holders, including, but not necessarily limited to, from a cash flow and tax timing perspective. If the period of deferral is long or continuing, this may have an adverse effect on the financial position of Holders relying on the Notes for regular Interest Payments to meet their liabilities, to apply to other investments or for any other purpose. Also, the market price of Notes may become more volatile than the market prices of other debt securities that are not subject to such payment deferral rights.

### 5.1.3 Taxation risk of Deferred Interest Payments

The Notes should be classified as “traditional securities” and not “qualifying securities” for taxation purposes. If the Notes are classified as “traditional securities”, the Taxation of Financial Arrangements rules should generally not apply to individuals 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, Australian resident Holders would be subject to the Taxation of Financial Arrangements rules.

Where Interest Payments are deferred, Holders who are subject to Taxation of Financial Arrangements rules will 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.

### 5.1.4 Notes are long-dated securities

Notes will mature on 14 September 2072, 60 years from the Issue Date. Although Crown may redeem Notes from 14 September 2018, and in certain circumstances prior to this date, Crown is under no obligation to do so. Whilst the Intermediate Equity Credit ascribed to Notes by the Relevant Rating Agency will change following 14 September 2018, there is no guarantee that this change will cause the Notes to be redeemed early. After that date, Crown expects that Notes will continue to provide some qualitative support in the Relevant Rating Agency’s assessment of Crown’s credit profile until redemption, having regard to the Notes’ subordinated ranking, long tenor and coupon deferral features. Crown intends (without thereby assuming a legal obligation) to retain Notes 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 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, 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 the Notes are to be redeemed. Holders may seek to sell Notes 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 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). Further, holding Notes for a long period may result in the real value of the proceeds received on redemption decreasing as a result of inflation.

### 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 under certain circumstances

Notes may be redeemed at the option of Crown:

- on 14 September 2018;
- on any Interest Payment Date after 14 September 2018; or
- upon the occurrence of a Change of Control Event, Tax Event, Accounting Event or Capital Event.

Notes will be redeemed at their Face Value of \$100 per Note (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 an Accounting Event or Capital Event, in which case Notes will be redeemed at \$101 per Note (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 or the timing of such redemption may not accord with a Holder’s individual financial circumstances or tax position.

### 5.1.7 No rights for Holders to request or require redemption

Holders have no right to request or require redemption of their Notes, including where Crown does not elect to redeem Notes following a Change of Control Event (and regardless of whether Holders are adequately compensated for the change in the credit risk profile of Notes 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 the Notes are to be redeemed.

Unless redeemed by Crown, Holders can only realise their investment in Notes 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. Brokerage fees may also be payable if Notes are sold through a broker.

#### **5.1.8 No limitation on issuing senior or equal ranking securities**

Subject to applicable law, 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. If Crown does issue such securities, guarantees or incurs other liabilities, the amount (if any) recoverable by Holders on an Event of Insolvency of Crown may be reduced, and/or the likelihood of a deferral of Interest Payments under Notes may be increased.

#### **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 of Holders (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 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 or a substitution of Crown as principal debtor under these powers could 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 is set out in Section 7. That discussion is in general terms, is 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, or the holding and disposal of Notes.

#### **5.1.11 New Zealand investors' currency and tax risk**

The denomination and currency for payment for Notes is Australian dollars and not New Zealand dollars. If you are a New Zealand resident, the Offer may involve a currency exchange risk. The value of the Notes 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.

The Notes should be regarded as a "financial arrangement" for New Zealand income tax purposes meaning New Zealand tax resident investors should be taxable in New Zealand on Interest Payments, any gains and losses on the Notes 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 the accrual method used, where applicable. This comment is only general in nature and is 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 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, or the holding and disposal of Notes.

### **5.2 RISKS RELATED TO THE MARKET FOR NOTES GENERALLY**

#### **5.2.1 Market price**

The market price of Notes 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 may trade at a market price below the Issue Price. As a result, Holders who wish to sell their Notes 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 has applied for Notes to be listed on ASX. However, Notes may 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 which may trade at a market price below their Issue Price. Holders may not be able to sell their Notes easily or at an acceptable price. The extent of liquidity may also affect the volatility of the market price of Notes.

## 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 will not be rated, such changes may adversely impact the market price and liquidity of Notes. 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.

## 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 in which it operates.

The regulatory framework is subject to changes from time to time in both material and immaterial respects which can be adverse to Crown. 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.
- Legislation to implement new responsible gambling measures. Such measures may increase the cost to Crown of conducting its gambling businesses and/or may reduce the revenue it generates from those businesses (see 5.3.3 for further information on possible reforms in respect of pre-commitment arrangements).
- Changes to legislation in relation to the distribution of gambling across different platforms, including online. Such changes could increase the range of 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 electronic 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.
- 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 Pre-commitment

The Victorian State Parliament has passed legislation requiring electronic gaming machines to incorporate pre-commitment technology which would be voluntary for players to use. The Australian government is now proposing similar legislation. Depending on the final form of the prescribed pre-commitment technology, Crown may incur significant costs and there may be a reduction in gambling activity in Crown's casinos which could negatively impact Crown's financial performance.

### 5.3.4 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.

### 5.3.5 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 Crown's financial performance.

### 5.3.6 Reliance on a limited number of properties

Crown has two major properties in Australia, being Crown Melbourne and Burswood, 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 Crown's 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.

### 5.3.7 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.

### 5.3.8 VIP competition

The world-wide 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 and Las Vegas. There are a number of other Asian jurisdictions (such as the Philippines and Vietnam) which are developing or considering developing integrated resorts which 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 electronic gaming machines. There are no electronic gaming machines in local clubs and pubs in Western Australia.



The casino licences at both Crown Melbourne and Burswood 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 Burswood must be of at least the same size and standard as Burswood. The issue of further casino licences to third parties may have a negative impact on Crown's operations, market share and financial performance.

### 5.3.9 Development and construction

Regular development and construction activity within Crown's properties occurs in the ordinary course of Crown's operations. Construction and development activity is inherently risky and there is no guarantee that adequate returns from capital investment in construction will be achieved. There are also risks that targeted timetables are not achieved, planned costs are exceeded and 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.

### 5.3.10 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 customers in Crown's properties could be negatively impacted.

### 5.3.11 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.

Certain items that may give rise to potentially significant litigation or legal liabilities for Crown are described below:

#### Demerger Deed

Crown acquired the majority of its gaming assets in December 2007 via two schemes of arrangement between the then Publishing and Broadcasting Limited ("PBL") (now Consolidated Media Holdings Limited ("CMH")), Crown and their respective shareholders ("PBL Demerger"). The Demerger Deed was entered into between CMH and Crown as part of the PBL Demerger and deals with transitional, commercial and legal issues arising in connection with the legal and economic separation of the gaming businesses and the media businesses of CMH and the ongoing relationship between Crown and CMH.

Under the Demerger Deed, Crown and CMH agreed that the responsibility for any liability arising in connection with the litigation brought against PBL by OneTel Limited and any tax audit of the CMH group in respect of the financial years ending on or prior to 30 June 2007 will be apportioned 75% to Crown and 25% to CMH. Litigation in respect of OneTel Limited is described below.

#### OneTel Limited

Two proceedings have been issued in the Supreme Court of NSW on behalf of OneTel Limited (in liquidation) and its special purpose liquidator relating to OneTel's decision not to proceed with a proposed \$132 million rights issue in 2001. The defendants to these proceedings include CMH and Crown's Chairman. The first proceeding, issued in 2007, has been dismissed. OneTel and its special purpose liquidator have sought special leave to appeal to the High Court against the dismissal order. In addition, in June 2012 a second proceeding was issued on behalf of OneTel. Whether this second proceeding was commenced within the time permitted will be one of the many issues considered in this proceeding.

Although Crown is not a party to these proceedings, under the Demerger Deed, Crown is liable for 75% of any liability arising to the extent that CMH and its officers are unsuccessful in defending the claims made in the proceedings. The potential amount of any such liability is difficult to determine.

#### Kakavas

On 6 March 2007, Harry Kakavas issued proceedings out of the Supreme Court of Victoria against Crown Melbourne Limited and a Crown Melbourne Limited executive claiming damages for certain alleged matters, including unconscionable conduct on the part of Crown Melbourne Limited relating to Mr Kakavas' activities as a VIP gambler at Crown Melbourne in 2005 and 2006.

On 8 December 2009, the Supreme Court ordered that Mr Kakavas' claim against all defendants be dismissed, judgment be entered for Crown Melbourne Limited in the sum of A\$1,483,000 (being the amount of a counterclaim for a debt owed to Crown Melbourne Limited by Mr Kakavas plus interest) and that Mr Kakavas pay the costs of all defendants. Mr Kakavas appealed against the judgment to the Court of Appeal and on 21 May 2012 the Court of Appeal unanimously dismissed Mr Kakavas' appeal. Mr Kakavas has since sought special leave to appeal to the High Court. To the extent that special leave is granted and the High Court determines in favour of Mr Kakavas, Crown will be exposed to liabilities arising from Mr Kakavas' claim.

#### **Fountainebleau**

Crown has an indirect equity interest of 19.6% in Fountainebleau Resorts, LLC ("Fountainebleau"). A group of purported assignees of lenders to subsidiaries of Fountainebleau has commenced legal proceedings in Nevada, USA against a number of defendants, including Fountainebleau's senior management and its major shareholder, as well as Crown and Crown's Chairman. The proceedings concern the financing of the failed development and construction of the Fontainebleau Resort and Casino in Las Vegas ("Project").

All defendants, including Crown, filed motions to dismiss (strike out) the proceedings as they relate to them. Those motions were partially successful. Subsequently, the plaintiffs filed an amended complaint. All defendants (including Crown) filed a motion seeking to have the amended complaint struck out. Following the hearing of that motion, the plaintiffs were ordered to file a more detailed pleading setting out the basis on which they claim to be entitled to bring these proceedings as assignees of the lenders to the Project. The court is expected to render its decision on the motion to dismiss after considering the further submission by plaintiffs. To the extent that the motion to dismiss is unsuccessful and if the Court ultimately finds in favour of the plaintiffs and holds that Crown has liability in respect of the claims, Crown will be exposed to liabilities arising from the plaintiffs' claims. It is difficult to quantify the amount of the potential exposure.

#### **5.3.12 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.

#### **5.3.13 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 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 and financial performance. 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.

#### **5.3.14 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.

#### **5.3.15 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.



### 5.3.16 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.

### 5.3.17 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 judgment 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 which may result in Crown having to pay additional tax and associated penalties. Such payments may affect Crown's financial performance and position.

### 5.3.18 Major criminal act

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 a major criminal act does not occur in one of Crown's properties. The occurrence of any such activity could negatively impact Crown's operations and financial performance.

### 5.3.19 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.

### 5.3.20 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 imposed now or in the future by the Chinese Government;
- changes in Macau laws and regulations, or interpretations thereof, including gaming laws and regulations;
- 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 extends until 2022 and there is no guarantee that the sub-concession will be extended beyond this date;
- 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.

For personal use only

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.

### 6.1

#### THE OFFER

Topic	Summary
<b>How is the Offer structured?</b>	<p>The Offer comprises:</p> <ul style="list-style-type: none"> <li>• an Institutional Offer to certain Institutional Investors;</li> <li>• a Broker Firm Offer made to eligible clients of Syndicate Brokers;</li> <li>• a Shareholder Offer made to Eligible Shareholders; and</li> <li>• a General Offer made to members of the general public who are resident in Australia or New Zealand.</li> </ul>
<b>Is any brokerage, commission or stamp duty payable?</b>	<p>No brokerage, commission or stamp duty is payable by applicants on applications. You may be required to pay brokerage if you sell your Notes on ASX after Notes have been quoted on ASX.</p>
<b>Will application monies be held on trust?</b>	<p>All application monies received before Notes 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 are issued to successful applicants, the application monies held on trust will be payable to Crown.</p>
<b>How will refunds (if any) be made?</b>	<ul style="list-style-type: none"> <li>• If you are not issued any Notes or you are issued fewer Notes 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.</li> <li>• If the Offer does not proceed for any reason, all applicants will have their application monies refunded (without interest) as soon as practicable.</li> </ul>
<b>Do I need to provide my TFN or ABN?</b>	<ul style="list-style-type: none"> <li>• 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"> <li>– TFN;</li> <li>– TFN exemption number (if applicable); or</li> <li>– ABN (if Notes are held in the course of an enterprise carried on by you).</li> </ul> </li> <li>• 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.</li> </ul>
<b>How to obtain a copy of the Prospectus and Application Form?</b>	<ul style="list-style-type: none"> <li>• During the Exposure Period, an electronic version of the Original Prospectus (without an Application Form) was available at <a href="http://www.crownlimited.com/notes">www.crownlimited.com/notes</a>, except to persons in New Zealand (other than under the Institutional Offer). Application Forms will not be made available until after the Exposure Period.</li> <li>• During the Offer Period, an electronic version of this Prospectus with an Application Form will be available at <a href="http://www.crownlimited.com/notes">www.crownlimited.com/notes</a> and may be available through your Syndicate Broker.</li> </ul> <p><b>Electronic access to this Prospectus</b></p> <ul style="list-style-type: none"> <li>• The following conditions apply if this Prospectus is accessed electronically: <ul style="list-style-type: none"> <li>– you must download the entire Prospectus;</li> <li>– 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</li> <li>– 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 Shareholder in Australia or New Zealand.</li> </ul> </li> </ul>

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<p><b>How to obtain a copy of the Prospectus and Application Form? (cont.)</b></p>	<ul style="list-style-type: none"> <li>• During the Offer Period, you can also request a free paper copy of this Prospectus and an Application Form by calling the Crown Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:30pm (AEST)).</li> <li>• 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.</li> <li>• 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 this Prospectus, and have provided your application monies.</li> </ul>
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**6.2 HOW TO APPLY**

	Institutional Offer	Broker Firm Offer	Shareholder Offer	General Offer
<p><b>Who can apply?</b></p>	<p><b>Institutional Investor</b></p> <ul style="list-style-type: none"> <li>• That is, an investor who is invited by Crown or the Joint Lead Managers to bid for Notes in the Bookbuild, who is applying through the Institutional Offer.</li> </ul>	<p><b>Broker Firm Applicant</b></p> <ul style="list-style-type: none"> <li>• That is, a client of a Syndicate Broker invited to participate through the Broker Firm Offer.</li> </ul>	<p><b>Shareholder Applicant</b></p> <ul style="list-style-type: none"> <li>• That is, an Eligible Shareholder, being a registered holder of Ordinary Shares with a registered address in Australia or New Zealand at 7:00pm (AEST) on 10 August 2012, and who is resident in Australia or New Zealand.</li> </ul>	<p><b>General Applicant</b></p> <ul style="list-style-type: none"> <li>• That is, a member of the general public who is resident in Australia or New Zealand applying through the General Offer.</li> </ul>
<p><b>How many Notes can be applied for?</b></p>	<ul style="list-style-type: none"> <li>• Your application must be for a minimum of 50 Notes (\$5,000).</li> <li>• If your application is for more than 50 Notes, then you must apply in incremental multiples of 10 Notes – that is, for incremental multiples of \$1,000.</li> </ul>			
<p><b>When to apply?</b></p>	<ul style="list-style-type: none"> <li>• The Bookbuild will be completed by 17 August 2012.</li> </ul>	<ul style="list-style-type: none"> <li>• Applications will only be accepted during the Offer Period.</li> <li>• The Closing Date for the Broker Firm Offer is 10:00am (AEST) on 13 September 2012.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Applications will only be accepted during the Offer Period.</li> <li>• The Closing Date for the Shareholder Offer is 5:00pm (AEST) on 5 September 2012.</li> <li>• Your completed Application Form and application monies must be received by the Registry by the Closing Date.</li> </ul>	<ul style="list-style-type: none"> <li>• Applications will only be accepted during the Offer Period.</li> <li>• The Closing Date for the General Offer is 5:00pm (AEST) on 5 September 2012.</li> <li>• Your completed Application Form and application monies must be received by the Registry by the Closing Date.</li> </ul>

	Institutional Offer	Broker Firm Offer	Shareholder Offer	General Offer
<b>How to apply online?</b>	N/A	<ul style="list-style-type: none"> <li>Contact your Syndicate Broker for instructions.</li> </ul>	<ul style="list-style-type: none"> <li>You can apply online at <a href="http://www.crownlimited.com/notes">www.crownlimited.com/notes</a></li> <li>Instructions on how to complete your application are provided online.</li> <li>You will be asked to identify your holding of Crown Ordinary Shares by providing your SRN or HIN which can be found on your holding statement or payment advice.</li> <li>When applying online, you will be required to pay for Notes using B<sub>PAY</sub><sup>®</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>You can apply online at <a href="http://www.crownlimited.com/notes">www.crownlimited.com/notes</a></li> <li>Instructions on how to complete your application are provided online.</li> <li>When applying online, you will be required to pay for Notes using B<sub>PAY</sub><sup>®</sup>.</li> </ul>
<b>How to pay online?</b>	N/A	N/A	<ul style="list-style-type: none"> <li>If you apply using an online Application Form, you must complete your application by making a B<sub>PAY</sub><sup>®</sup> payment.</li> <li>Once you have completed your online Application Form, you will be given a B<sub>PAY</sub><sup>®</sup> biller code and unique Customer Reference Number for that application. Follow the B<sub>PAY</sub><sup>®</sup> instructions below to complete your application.</li> <li>If you do not make a B<sub>PAY</sub><sup>®</sup> payment, your application will be incomplete and will not be accepted by Crown. Eligible Shareholders resident in New Zealand must have an Australian dollar account with an Australian financial institution from which to make the required B<sub>PAY</sub><sup>®</sup> payment.</li> <li>Your completed online Application Form and application monies must be received by the Registry by the Closing Date.</li> </ul>	

	Institutional Offer	Broker Firm Offer	Shareholder Offer	General Offer
<b>How to use B<sub>PAY</sub>®?</b>	N/A	N/A	<ul style="list-style-type: none"> <li>• Using the B<sub>PAY</sub>® details provided, you need to:               <ul style="list-style-type: none"> <li>– access your participating B<sub>PAY</sub>® financial institution either through telephone banking or internet banking;</li> <li>– select B<sub>PAY</sub>® and follow the prompts;</li> <li>– enter the biller code supplied;</li> <li>– enter the unique Customer Reference Number supplied for each application;</li> <li>– enter the total amount to be paid which corresponds to the number of Notes you wish to apply for under each application (that is, a minimum of \$5,000 – 50 Notes, and incremental multiples of \$1,000 – 10 Notes). Note that your financial institution may apply limits on your use of B<sub>PAY</sub>®. You should inquire about the limits that apply in your own personal situation;</li> <li>– select the account you wish your payment to be made from;</li> <li>– schedule your payment for the same day that you complete your online Application Form since applications without payment cannot be accepted; and</li> <li>– record your B<sub>PAY</sub>® receipt number and date paid. Retain these details for your records.</li> </ul> </li> </ul> <p>B<sub>PAY</sub>® payments must be made from an Australian dollar account of an Australian financial institution.</p>	

	Institutional Offer	Broker Firm Offer	Shareholder Offer	General Offer
<b>How to apply using a paper Application Form?</b>	<p>Application and settlement procedures for Institutional Investors will be advised by the Joint Lead Managers.</p>	<ul style="list-style-type: none"> <li>• There are paper Application Forms in the back of this Prospectus that may be used by Broker Firm Applicants.</li> <li>• General instructions on how to complete the paper Application Form are set out on the Application Form.</li> <li>• 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.</li> <li>• You must not return your paper Application Form to the Registry.</li> <li>• 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 10:00am on 13 September 2012 and will act as your agent in processing your paper Application Form and providing your application details and application monies to Crown.</li> </ul>	<ul style="list-style-type: none"> <li>• You can request a paper copy of the Prospectus and your personalised Shareholder Application Form by calling the Crown Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:30pm (AEST)).</li> <li>• Instructions on how to complete your personalised Shareholder Application Form are set out on the Application Form. You will be required to pay for Notes by 5 September 2012 by cheque(s) and/or money order(s). If you wish to pay by B<sub>PAY</sub><sup>®</sup> you need to make an online application.</li> <li>• You will be required to post your completed personalised paper Shareholder Application Form to the Registry.</li> </ul>	<ul style="list-style-type: none"> <li>• There are paper Application Forms in the back of this Prospectus that should be used by General Applicants.</li> <li>• You can request a paper copy of the Prospectus and paper Application Form by calling Crown Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday 8:30am to 5:30pm (AEST)).</li> <li>• Instructions on how to complete the paper Application Form are set out on the Application Form.</li> <li>• If applying using the Application Form, you will be required to pay for Notes using cheque(s) and/or money order(s). If you wish to pay by B<sub>PAY</sub><sup>®</sup> you need to make an online application.</li> <li>• You will be required to post your completed paper Application Form to the Registry.</li> </ul>



	Institutional Offer	Broker Firm Offer	Shareholder Offer	General Offer
<b>What is the address of the Registry?</b>	N/A	N/A	<ul style="list-style-type: none"> <li>Computershare Investor Services Pty Limited 452 Johnston Street Abbotsford, Victoria 3067</li> <li>The paper Application Form sets out details of the GPO Box for the Registry for the return of paper Application Forms.</li> <li>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.</li> </ul>	
<b>How to pay using a paper Application Form?</b>	N/A	<ul style="list-style-type: none"> <li>You must contact your Syndicate Broker for information on how to submit the paper Application Form and your application monies to your Syndicate Broker.</li> </ul>	<ul style="list-style-type: none"> <li>If you apply under the Shareholder Offer using a personalised paper Shareholder Application Form, your completed Application 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 Offer".</li> <li>Cheque(s) should be crossed "Not Negotiable".</li> <li>Cash payments will not be accepted.</li> <li>You cannot pay by BPAY® if you apply under the Shareholder Offer using a personalised paper Shareholder Application Form. If you wish to pay by BPAY®, you will need to make an online application.</li> <li>Your completed personalised paper Shareholder Application Form and application monies must be received by the Registry by the Closing Date.</li> </ul>	<ul style="list-style-type: none"> <li>If you apply under the General Offer using a paper Application Form, your completed Application 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 Offer".</li> <li>Cheque(s) should be crossed "Not Negotiable". Cash payments will not be accepted.</li> <li>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.</li> <li>Your completed paper Application Form and application monies must be received by the Registry by the Closing Date.</li> </ul>

	Institutional Offer	Broker Firm Offer	Shareholder Offer	General Offer
<b>What is the allocation policy?</b>	<ul style="list-style-type: none"> <li>• Allocations to Institutional Investors will be agreed by the Joint Lead Managers and Crown following completion of the Bookbuild.</li> </ul>	<ul style="list-style-type: none"> <li>• Allocations to Syndicate Brokers will be agreed by the Joint Lead Managers and Crown following completion of the Bookbuild.</li> <li>• Allocations to Broker Firm Applicants by a Syndicate Broker are at the discretion of that Syndicate Broker.</li> </ul>	<ul style="list-style-type: none"> <li>• Allocations for the Shareholder Offer and the General Offer will be determined by Crown in agreement with the Joint Lead Managers after the Closing Date.</li> <li>• Crown will endeavour to provide Eligible Shareholders with a minimum allocation under the Shareholder Offer of at least 50 Notes. However, Crown does not guarantee any minimum allocation under the Shareholder Offer and the extent of any allocation will ultimately depend on the total level of applications under the Offer.</li> <li>• Crown, by agreement with the Joint Lead Managers reserves the right to scale back applications from Shareholder Applicants and General Applicants. Any scale back will be announced on ASX on the day Notes commence trading on a deferred settlement basis – expected to be 17 September 2012.</li> <li>• If there is excess demand for Notes, priority will be given to Shareholder Applicants over General Applicants.</li> <li>• Crown, by agreement with the Joint Lead Managers, has absolute discretion to determine the method and extent of the allocation.</li> <li>• Crown and the Joint Lead Managers reserve the right to:               <ul style="list-style-type: none"> <li>– allocate to any Shareholder Applicant or General Applicant all Notes for which they have applied;</li> <li>– reject any application by a Shareholder Applicant or a General Applicant; or</li> <li>– allocate to any Shareholder Applicant or General Applicant a lesser number of Notes than that applied for, including less than the minimum application of Notes or none at all.</li> </ul> </li> <li>• No assurance is given that any Shareholder Applicant or General Applicant will receive an allocation.</li> </ul>	

	Institutional Offer	Broker Firm Offer	Shareholder Offer	General Offer
<b>How will the final allocation policy be announced?</b>	<ul style="list-style-type: none"> <li>• Allocations to Institutional Investors will be advised to those investors under the Bookbuild.</li> </ul>	<ul style="list-style-type: none"> <li>• Allocations to Syndicate Brokers will be advised to those brokers under the Bookbuild.</li> <li>• 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.</li> <li>• However, if you sell Notes before receiving a Holding Statement, you do so at your own risk, even if you confirmed your firm allocation through a Syndicate Broker.</li> </ul>	<ul style="list-style-type: none"> <li>• If you are an applicant in the Shareholder Offer or General Offer, you will be able to call the Crown Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:30pm (AEST)) to confirm your allocation. It is expected that the basis of allocation will be advertised in The Sydney Morning Herald, The Melbourne Age, The Australian and The Australian Financial Review on or about 17 September 2012.</li> <li>• However, if you sell Notes before receiving a Holding Statement, you do so at your own risk, even if you obtained details of your holding from the Crown Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:30pm (AEST)).</li> </ul>	
<b>Who should I contact with an enquiry?</b>	<ul style="list-style-type: none"> <li>• Contact the Joint Lead Managers.</li> </ul>	<ul style="list-style-type: none"> <li>• If you have further questions about the Offer or your application under the Broker Firm Offer, please call your Syndicate Broker.</li> </ul>	<ul style="list-style-type: none"> <li>• You can call the Crown Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:30pm (AEST)) if you: <ul style="list-style-type: none"> <li>– have further questions on how to apply for Notes;</li> <li>– require assistance to complete your Application Form;</li> <li>– require additional copies of this Prospectus and Application Forms; or</li> <li>– have any other questions about the Offer.</li> </ul> </li> </ul>	
	<ul style="list-style-type: none"> <li>• If you are unclear in relation to any matter relating to the Offer or are uncertain whether Notes are a suitable investment for you, you should seek professional guidance from an independent and appropriately licensed or authorised professional adviser.</li> </ul>			

## 6.3 OTHER INFORMATION

### 6.3.1 Bookbuild

The Joint Lead Managers conducted a Bookbuild to determine the Margin and firm allocations of Notes to Bookbuild participants. The Bookbuild was completed on 17 August 2012 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 were invited to lodge bids for Notes. On the basis of those bids, Crown and the Joint Lead Managers determined the initial Margin and the firm allocations of Notes to Syndicate Brokers. Crown and the Joint Lead Managers determined the firm allocations to certain Institutional Investors. Notes allocated during the Bookbuild will be issued pursuant to this Prospectus.

The Margin set by the Bookbuild was announced on 17 August 2012 to ASX and is included in this Prospectus. Details will also be available by calling the Crown Offer Information Line on 1300 659 795 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:30pm (AEST)) from or about 21 August 2012.

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

### 6.3.2 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, Notes or the Offer or otherwise to permit a public offering of Notes in any jurisdiction outside Australia or New Zealand. Eligible shareholders in New Zealand should refer to the important information for New Zealand investors heading in the Important Notices Section of this Prospectus.

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

#### 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 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.

#### 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, the Notes will only be offered in Singapore pursuant to exemptions under the Securities and Futures Act and the Notes 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 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.

Where the Notes 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 6 months after that corporation or that trust has acquired the Notes 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.

### **United Kingdom**

Neither the information in this Prospectus nor any other document relating to the Offer has been delivered for approval to the Financial Services 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 the Notes. This Prospectus is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom and the Notes 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 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 FSMA) received in connection with the issue or sale of the Notes 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 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).

The Notes 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. The Notes 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 the Notes, will have represented, agreed and acknowledged that:

- it acknowledges that the Notes 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 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 United States or a US Person;
- it will not offer, sell, pledge or transfer any Notes, 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 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.

### 6.3.3 Application to ASX for quotation of Notes

Crown has applied for quotation of Notes on ASX under the code "CWNHA".

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

If permission is not granted for the official quotation of Notes on ASX within three months after the date of this Prospectus, Notes 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 CHESSE and issuer sponsored holdings

Crown will apply to participate in ASX's CHESSE and will comply with the Listing Rules and the ASX Settlement Operating Rules. CHESSE 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 become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, an electronic CHESSE sub-register or an issuer sponsored sub-register. For all successful applicants, Notes of a Holder who is a participant in CHESSE or a Holder sponsored by a participant in CHESSE will be registered on the CHESSE subregister. All other Notes will be registered on the Crown sponsored sub-register.

Following completion of the Offer, Holders will be sent a Holding Statement that sets out the number of Notes that have been allocated to them. This statement will also provide details of a Holder's HIN for CHESSE holders or, where applicable, the SRN of issuer sponsored holders. It is expected that Holding Statements for issuer sponsored Holders and confirmations for CHESSE holders will be despatched to successful applicants by 18 September 2012. 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 CHESSE sub-register or through the Registry in the case of a holding on the Crown sponsored sub-register. Crown and the Registry may charge a fee for these additional issuer sponsored statements.

### 6.3.5 Deferred settlement trading and selling Notes on market

It is expected that trading of Notes on ASX will commence on or about 17 September 2012 on a deferred settlement basis.

It is the responsibility of each person who trades in Notes to confirm their holding before trading. If you sell Notes 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 before receiving your Holding Statement, even if you obtained details of your holding from the Crown Offer Information Line or confirmed your firm allocation through a Syndicate Broker.

Notes are expected to commence trading on ASX on or about 19 September 2012 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 to successful applicants. Crown may withdraw the Offer at any time before the issue of Notes 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 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. This means that, in most circumstances, applicants may not withdraw their applications once submitted.

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SECTION 7

# Australian taxation summary





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www.ey.com/au

The Directors  
Crown Limited  
Level 3, Crown Towers  
8 Whiteman Street  
Southbank VIC 3006

13 August 2012

### **Offer of Crown Subordinated Notes Australian Tax Implications**

Dear Directors

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

This summary only considers the tax implications for Australian resident Noteholders and non-resident Noteholders who hold Notes 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 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 the Notes 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 the Notes, unless the context indicates otherwise.

#### **1. Interest payments on the Notes**

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

The Notes should not be equity interests for income tax purposes and the interest payments on the Notes 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 the Notes 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 the Notes should be “traditional securities”, and not “qualifying securities”, the TOFA rules should generally not apply to individuals 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 the Notes are “traditional securities”. If the Commissioner were to take the view that the Notes are “qualifying securities” instead, and that view ultimately prevails, Australian resident Noteholders would 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 the Notes. 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 the Notes.



#### **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 the Notes 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 the Notes. However, Crown intends to issue the Notes in a way in which the interest withholding tax exemption in section 128F of the *Income Tax Assessment Act 1936* ("1936 Act") should be satisfied.

If the issue of the Notes satisfies the requirements of section 128F, non-resident Noteholders who do not hold Notes 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 the Notes.

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 the Notes, where the following conditions are met:

- (i) Crown is a resident of Australia when it issues the Notes and when interest on the Notes 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 or interests in Notes 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) (an "Offshore Associate"), other than in the capacity of a dealer, manager or underwriter in relation to a placement of the Notes 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*; 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 the Notes 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 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 the Notes (or an interest in the Notes) were being, or would be, acquired either directly or indirectly by an Offshore Associate of Crown.

If any employee or officer of the Joint Managers or Syndicate Broker making the offer, effecting the sale or otherwise directly involved in the sale of Notes, does not know, or does not have reasonable grounds to suspect, that a person is an Offshore Associate of Crown, then the Lead Managers or Syndicate Broker is not obliged to make positive inquiries 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 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***

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

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

In general, the proceeds from a disposal or transfer of a Note should be the gross amount received by the Noteholder. The proceeds from the redemption of a Note 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.

#### ***Where the TOFA rules do apply to Australian resident Noteholders***

The disposal, transfer or redemption of a Note 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 the Notes. The calculation of any balancing adjustment should take into account TOFA gains and losses previously recognised by the Noteholders.

Generally, a balancing adjustment on the disposal, transfer or redemption of Notes 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.

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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 the Notes.

#### **Non-resident Noteholders**

##### **Disposal or transfer of Notes**

A non-resident Noteholder, who does not hold Notes in carrying on a business at or through a permanent establishment in Australia, and disposes or transfers the Notes, 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, 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 by a non-resident Noteholder to another non-resident, where the Notes 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 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 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 the Notes and the application of any applicable tax treaty.

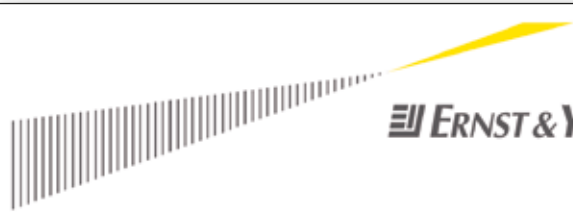
##### **Redemption of Notes**

The redemption of a Note held by a non-resident Noteholder, who does not hold Notes 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 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 the Notes 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 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.

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Non-resident Noteholders should consult their own tax advisors on the source of any gain arising from their redemption of the Notes 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 the Notes on the basis that the supply of Notes 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 the Notes should not give rise to an Australian GST liability.

**4. Stamp duty**

The Notes are unsecured debt obligations of Crown in registered uncertificated form, constituted under, and issued according to, the Trust Deed. Notes take the form of debt securities entered in the register of Notes maintained by or on behalf of Crown. Property in the Notes is located at the place where the register of Notes is kept. The terms and conditions of Notes are governed by the laws of Victoria.

The Notes should be classified as 'debt interests' for the purposes of Division 974 of the 1997 Act. Notes are not 'stock', 'shares' or 'units in a unit trust scheme', for the purposes of the Duties Act 1997 (NSW) or the Stamp Duties Act 1923 (SA). Notes are 'debentures' or 'notes' for the purposes of the Stamp Duties Act 1923 (SA).

On the basis of the foregoing, no stamp duty liability should be incurred by a Noteholder in any jurisdiction of Australia on the acquisition, sale, transfer or redemption of Notes.

**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 46.5 per cent including the Medicare levy) on the interest payments on the Notes 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 the Notes, 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 the Notes are not held in the course of carrying on business at or through a permanent establishment in Australia).

Yours Sincerely

Ernst & Young

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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>Executive Chairman</i>	<p>Mr Packer is the Executive Chairman of Consolidated Press Holdings Limited, a family company. Consolidated Press Holdings Limited is a 48.09% shareholder in Crown Limited and is a 50% shareholder in ASX listed Consolidated Media Holdings Limited, owner of interests in FOXTEL and FOX SPORTS.</p> <p>Mr Packer is Deputy Chairman of Consolidated Media Holdings Limited and 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>
Rowen B Craigie, BEC (Hons) <i>Chief Executive Officer and Managing Director</i>	<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, Safety &amp; Environment, Responsible Gaming and Risk Management Committees.</p>
John H Alexander, BA <i>Executive Deputy Chairman</i>	<p>Mr Alexander is the Executive Deputy Chairman of Crown Limited, Executive Chairman of Consolidated Media Holdings Limited and is also a director of a number of companies, including Crown Melbourne Limited, Burswood Limited, Aspers Holdings (Jersey) Limited, Foxtel Management Pty Limited and FOX SPORTS Australia Pty Limited.</p> <p>Prior to 2007, Mr Alexander was the Chief Executive Officer and Managing Director of Publishing and Broadcasting Limited 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 &amp; 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 and is Co-Head of its 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 &amp; Corporate Governance Committee and a member of the Crown Finance Committee.</p>

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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 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 member of the Advisory Council of J.P. Morgan, a Trustee of the Sydney Opera House Trust, Chair of the Conservation Council of the Opera House Trust, Member of the Australian World Heritage Advisory Committee and a Non-Executive Director of Obesity Australia Limited. She is also a member of Chief Executive Women.</p>
<p>Christopher D Corrigan <i>Non-executive Director</i></p>	<p>From March 1990 to July 2006, Mr Corrigan was Managing Director of Patrick Corporation Limited, Australia's largest container terminal operator and stevedore. Patrick Corporation Limited also had interests in land-based logistics, freight rail transportation and aviation through Virgin Blue.</p> <p>In 1990, Mr Corrigan sponsored the formation of a development capital business, Jamison Equity, which in December 1996 became a wholly owned subsidiary of the then publicly listed company Patrick Corporation Limited.</p> <p>Prior to that, Mr Corrigan had a career with Bankers Trust spanning 20 years, including periods as Managing Director of Bankers Trust in Australia and then the Asia-Pacific region.</p> <p>In September 2011, Mr Corrigan became the Chairman of Qube Logistics Holdings Limited. He is also a Director of Consolidated Media Holdings Limited. Mr Corrigan is a member of the Crown Nomination and Remuneration Committee.</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. She is currently Chairperson of The Foundation of the Art Gallery of NSW.</p> <p>Mrs Danziger is also a Director of Consolidated Media Holdings Limited and Crown Melbourne Limited and is Chair of the Crown Occupational Health, Safety &amp; Environment Committee and a member of the Crown Audit &amp; Corporate Governance, Responsible Gaming and Risk Management Committees.</p>
<p>Geoffrey J Dixon <i>Non-executive Director</i></p>	<p>Mr Dixon is Chairman of the Australian Government's major tourism marketing organisation, Tourism Australia, and Chairman of the Garvan Medical Research Foundation.</p> <p>Mr Dixon also sits on the boards of publicly listed Australian companies, Consolidated Media Holdings Limited and Facilitate Digital Holdings Limited. He is on the boards of Voyages Indigenous Tourism Australia, the Museum of Contemporary Art and the Great Barrier Reef Foundation and is an Ambassador for the Australian Indigenous Education Foundation. Mr Dixon has also worked in the media, mining and government sectors.</p> <p>Mr Dixon 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 Chair 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 Horvath was the Australian Government Chief Medical Officer from 2003 to 2009. He is currently continuing to advise the Department of Health &amp; Ageing 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 sits on the Board of the Garvan Research Foundation, the Centenary Institute of Medical Research and Health Workforce Australia. He is a member of the Advisory Board to the World Health Organisation Influenza Collaborating Centre, 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.</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 the Crown Occupational Health, Safety &amp; Environment Committee.</p>
<p>Ashok P Jacob, MBA <i>Non-executive Director</i></p>	<p>Mr Jacob is a Non-Executive Director of Crown Limited as well as a Director of Consolidated Media Holdings Limited.</p> <p>Mr Jacob is the Chairman of Ellerston Capital. Mr Jacob was the CEO of Consolidated Press Holdings Limited from 2006 to 2011 and previously the Joint CEO from 1998 to 2006.</p> <p>Mr Jacob is a director of Consolidated Press Holdings Limited and a director of MRF Limited.</p> <p>Mr Jacob holds a Master of Business Administration from the Wharton School, University of Pennsylvania and a Bachelor of Science from the University of Bangalore.</p> <p>Mr Jacob is a member of the Crown Investment Committee.</p>
<p>Michael R Johnston, BEc, CA <i>Non-executive Director</i></p>	<p>Mr Johnston is the Finance Director of Consolidated Press Holdings Limited, having previously been an advisor 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.</p> <p>Mr Johnston was also the Chief Financial Officer of Ellerston Capital (a subsidiary of Consolidated Press Holdings Limited) until 30 June 2008. He is an alternate Director of Consolidated Media Holdings Limited.</p> <p>Prior to his appointment with the Consolidated Press Holdings Group, Mr Johnston was a senior partner in the Australian member firm of Ernst &amp; Young. Mr Johnston was also on the Board of Partners of Ernst &amp; Young, Australia. Mr Johnston holds a Bachelor of Economics degree from Sydney University and is an Associate of the Institute of Chartered Accountants of Australia. Mr Johnston is a member of the Crown Audit &amp; Corporate Governance, Finance, and Occupational Health, Safety &amp; Environment Committees.</p>

Director/Position	Experience, qualifications and expertise
<p>Harold C Mitchell AC <i>Non-executive Director</i></p>	<p>Harold Mitchell is the founder of Mitchell &amp; Partners and Executive Chairman of Aegis Media Pacific. Since he started Mitchell &amp; Partners in 1976, the company has evolved to become the largest media and communications group in Australia today, with a growing presence in New Zealand and across the Asia-Pacific region. In December 2000, he launched the Harold Mitchell Foundation which distributes funds between health and the arts. He has been Chairman of the National Gallery of Australia, President of the Melbourne International Festival of Arts, Director of Deakin Foundation, President of the Museums Board of Victoria and a Board Member of the Opera Australia Council.</p> <p>Mr Mitchell holds a large number of community roles including Chairman CARE Australia, Chairman of the Melbourne Symphony Orchestra, Chairman of ThoroughVision, Chairman and Owner of the Melbourne Rebels Rugby Union team, Chairman of TVS (University of Western Sydney's television service for Greater Sydney), Chairman of Art Exhibitions Australia and Vice President of Tennis Australia.</p> <p>In December 2002, Deakin University conferred on him an honorary degree of Doctor of Laws. In 2003, he 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. On 28 July 2005, he was awarded the Richard Pratt Business Leader Award given by the Australian Business Arts Foundation in recognition of excellence in arts leadership. 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 and in 2012 he was inducted into the Adnews Hall of Fame.</p> <p>Mr Mitchell is a member of the Crown Nomination and Remuneration Committee.</p>

8.2

**MANAGEMENT**

Crown's senior management team is set out below.

Director/Position	Experience and expertise
<p>Rowen B Craigie, BEC (Hons) <i>Chief Executive Officer and Managing Director, Crown Limited</i></p>	<ul style="list-style-type: none"> <li>• Please see Section 8.1</li> </ul>
<p>Kenneth M Barton, BEC <i>Chief Financial Officer, Crown Limited</i></p>	<p>Mr Barton has been Chief Financial Officer of Crown 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>

Director/Position	Experience and expertise
<p>Barry J Felstead <i>Chief Executive Officer, Burswood</i></p>	<p>Mr Felstead has been Chief Executive Officer of Burswood since March 2007, was previously Chief Operating Officer – Gaming of Burswood from 2005 and has held multiple management positions at Crown Melbourne.</p> <p>Mr Felstead is a Director of Burswood Limited, Joint Chairman of FutureNow, National Councillor of Australia Business Arts Foundation, a board member of Burswood Park Board, Gaming Community Trust, 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>Gregory F Hawkins, BSc <i>Chief Executive Officer, Crown Melbourne</i></p>	<p>Mr Hawkins has been Chief Executive Officer of Crown Melbourne since December 2011 and was Deputy Chief Executive Officer from December 2010. He is also a Director of Crown Melbourne Limited.</p> <p>Prior to this, Mr Hawkins was President–City of Dreams, an integrated urban entertainment resort in Cotai, Macau developed by Melco Crown Entertainment Limited. Mr Hawkins was formerly Chief Executive Officer of Altira Macau, another Melco Crown Entertainment Limited property, in Taipa, Macau, a position he took up in January 2006.</p> <p>From 1998 to 2004, Mr Hawkins was General Manager Gaming at SKYCITY Entertainment Group. He also served as a director of SKYCITY Australia during the period between 2001 and 2004, overseeing the operations of SKYCITY’s casino in Adelaide, as well as gaming machine and food and beverage businesses of SKYCITY in Auckland, New Zealand from 1998 to 2001.</p> <p>Before joining the SKYCITY Entertainment Group, Mr Hawkins was with Crown Melbourne Limited from 1994 to 1998 as a member of the executive team that launched Crown Melbourne.</p> <p>Prior to this, Mr Hawkins held management positions with the Victoria TAB (now Tabcorp) gaming division, during the period from 1990 to 1994. Mr Hawkins has a Bachelors degree in Applied Science.</p>
<p>W Todd Nisbet BSc <i>Executive Vice President – Strategy &amp; Design</i></p>	<p>Mr Nisbet joined the Crown Limited team in October 2007. In his role as Executive Vice President – Strategy &amp; Development, Mr Nisbet is responsible for all project development and construction operations of Crown Limited.</p> <p>He is also a Director of Melco Crown Entertainment Limited and Studio City International Holdings Limited.</p> <p>From August 2000 through to July 2007, Mr Nisbet held the position of Executive Vice President – Project Director for Wynn Design and Development, a development subsidiary of Wynn Resorts Limited. Serving this role with Wynn Resorts Limited, he was responsible for all project development and construction operations undertaken by Wynn Resorts Limited. Prior to joining Wynn Resorts Limited, Mr Nisbet was the Vice President of Operations for Marnell Corrao Associates. During his 14 years at Marnell Corrao (1986 to 2000), he was responsible for managing various aspects of the construction of some of Las Vegas’ most elaborate and industry-defining properties.</p> <p>Mr Nisbet holds a Bachelor of Science degree in Finance from the University of Nevada, Las Vegas.</p>

## 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.

Directors	Beneficial holding – Ordinary Shares
James D Packer	350,311,967
Rowen B Craigie	35,217 <sup>1</sup>
John H Alexander	506,047
Benjamin A Brazil	–
Helen A Coonan	–
Christopher D Corrigan	–
Rowena Danziger	30,896
Geoffrey J Dixon	–
John S Horvath	–
Ashok P Jacob	–
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.

<sup>1</sup> In accordance with the rules of the 2010 Crown Limited Long Term Incentive Plan (2010 Crown LTI), the vested component of the cash bonus to which Mr Craigie became entitled in respect of the financial year ending 30 June 2011 has been applied to fund the purchase of Crown Limited shares on-market. These shares are to be held on trust for Mr Craigie until the end of the financial year ending 30 June 2014. The shares were acquired and are held by Australian Executor Trustees Limited for the benefit of Mr Craigie in accordance with the rules of the 2010 Crown LTI.



### Participation in the Offer

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

James D Packer, Ashok P Jacob 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 Offer in respect of \$100 million of Notes, following the successful completion of the Bookbuild and subject to the Margin being set at the indicative Bookbuild margin of 5.00%. Any application by Consolidated Press Holdings into the General Offer or Shareholder Offer is subject to the allocation policy set out in Section 6.2.

### 8.3.2 Professionals

Deutsche Bank and UBS have acted as Structuring Advisers for the Offer, and ANZ Securities, 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 1.00% of the value of Notes allocated to Syndicate Brokers in the Bookbuild (funded by Crown).

In respect of applications for Notes under the Shareholder Offer or General Offer (other than any application from Consolidated Press Holdings), Crown will pay to brokers a fee of 0.50% of the proceeds raised from applications for Notes (excluding GST) which include the stamp or adviser code of that broker.

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 \$90,000 (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 accounting and due diligence services on certain financial disclosures 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 \$400,000 (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.

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 \$525 million, then the net proceeds of the Offer are expected to be approximately \$509 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 approximately \$16 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 of Notes 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 are issued subject to the terms and conditions contained in the Trust Deed and the Terms.

The Interest Payments on Notes 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 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.

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; 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 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 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, 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.

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### 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 applicable law.

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 the Notes 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
- if the Trustee forms the view that the action is or could be inconsistent with 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, 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 applicable law, 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. The agreed fees are an annual fee of up to \$30,000 (exclusive of GST) indexed for inflation. Crown will also pay the Trustee's reasonable and properly incurred costs, charges and expenses in connection with, amongst 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:

- 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 of Holders is passed that the Trustee is to be removed from office; or
- 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.

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 that the person holds.

## 9.2 SUMMARY OF OFFER MANAGEMENT AGREEMENT

### Overview

Crown and the Joint Lead Managers entered into the Offer Management Agreement on 13 August 2012. Under the Offer Management Agreement, Crown appointed ANZ Securities, Deutsche Bank, NAB, UBS and Westpac as Joint Lead Managers of the Offer and Deutsche Bank and UBS as Structuring Advisers. The following is a summary only of the principal provisions of the Offer Management Agreement. Under the Offer Management Agreement, the Joint Lead Managers have agreed to use their reasonable endeavours to procure applications for Notes under the Bookbuild in accordance with this Prospectus and the timetable set out in the Offer Management Agreement, manage the Bookbuild and provide settlement support in respect of the Institutional Offer and Broker Firm Offer.

### Fees and costs

The estimated aggregate fees payable by Crown to the Joint Lead Managers under the Offer Management Agreement are approximately \$13 million (exclusive of GST), making certain assumptions as to the allocations of the Notes between the General Offer, Shareholder Offer, Broker Firm Offer and Institutional Offer. The actual amount payable will not be known until the allotment of the Notes. In addition, Crown must pay each Joint Lead Manager for all out-of-pocket expenses reasonably incurred by them in connection with the Offer (including legal expenses and transaction taxes).

### Representations, warranties and undertakings

Crown gives various representations, warranties and undertakings to the Joint Lead Managers, including representations and warranties in relation to corporate authority. Crown's representations and warranties also relate to matters such as:

- the compliance of the Offer Management Agreement and the obligations under it with the constitution of Crown, any judgment binding on Crown, any law or regulation, the Listing Rules, the Trust Deed or any material agreement or other material arrangement binding on Crown or its assets;
- the accuracy of information provided by or on behalf of Crown or its representatives to the Joint Lead Managers or their representatives; and
- this Prospectus containing: no omissions of material required by applicable law to be included; no statements that are misleading or deceptive or likely to mislead or deceive (whether by inclusion or omission); and all of the information required to comply with all applicable law.

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 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, by written notice to Crown and the other Joint Lead Managers, (without cost or liability to itself) at any time if any one or more of the following events occur before 3:00pm (AEST) on the day before the Issue Date:

- the average mid-rate for the iTraxx Australia Index for a term of 5 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 (AEST) 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 before 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 before the Issue Date;
- the credit rating assigned to Crown as at the date of the Offer Management Agreement by the Rating Agencies is downgraded or withdrawn, placed on credit watch negative or placed on negative outlook;
- any event set out in the timetable contained in the Offer Management Agreement is delayed for more than two Business Days (other than a delay caused by the Joint Lead Managers or as a result of a request of the Joint Lead Managers) without the prior written consent of the Joint Lead Managers;
- there is an omission from this Prospectus or related offer material of material required by applicable law to be included, this Prospectus or related offer material contains a statement which is misleading or deceptive or likely to mislead or deceive (whether by inclusion or omission) or this Prospectus does not contain all of the information required to comply with all applicable laws;
- Crown lodges a supplementary prospectus or a Joint Lead Manager forms the view (acting reasonably) that a supplementary prospectus must be lodged with ASIC under section 719 of the Corporations Act, excluding the lodgement of, or the requirement to lodge this Prospectus;
- ASIC holds (or gives notice of an intention to hold) a hearing or investigation in relation to the Offer or prosecutes (or gives notice of an intention to prosecute) or commences proceedings against (or gives notice of an intention to commence proceedings against) any member of the Group or any of their representatives in relation to the Offer, except where the existence of the hearing, investigation, prosecution, proceeding or notice has not become publicly available and has been withdrawn by the date that is the earlier of the Business Day immediately preceding the day before the Issue Date and the date that is three Business Days after the hearing, investigation, prosecution, proceeding or notice is commenced or received;
- any person whose consent to the issue of this Prospectus is required by section 720 of the Corporations Act and who has previously consented to the issue of the Prospectus withdraws such consent;
- any person gives a notice under section 733(3) of the Corporations Act;
- any person (other than a Joint Lead Manager) who has previously consented to the inclusion of their name or any statement in this Prospectus withdraws that consent;
- Crown withdraws this Prospectus or the invitations to apply for Notes under this Prospectus;
- ASX announces that Crown's ordinary shares 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);
- unconditional approval (or approval conditional only on customary conditions which are acceptable to the Joint Lead Managers, acting reasonably) is refused or not granted to the official quotation of all of the Notes or, if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions which are acceptable to the Joint Lead Managers, acting reasonably) or withheld;
- except as disclosed to ASX on or prior to the date of the Offer Management Agreement, 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 the Group from that existing as at the date of the Offer Management Agreement;

- Crown engages in conduct that is misleading or deceptive, or which is likely to mislead or deceive, in connection with the issue and distribution of this Prospectus or related offer material or the making of the Offer;
- the Trustee ceases to be licensed to act as a trustee for the purposes of Chapter 2L of the Corporations Act;
- a person, other than a Joint Lead Manager, gives a notice to Crown under section 730 of the Corporations Act that is, in the reasonable opinion of a Joint Lead Manager, materially adverse from the point of view of an investor;
- a member of the Group becomes insolvent or there is an act or omission which may result in a member of the Group becoming insolvent; or
- a certificate which is required to be provided by Crown under the Offer Management Agreement is not provided when required.

A Joint Lead Manager may also terminate its obligations under the Offer Management Agreement if any of the following events occur provided that, in the reasonable opinion of the Joint Lead Manager, the event (a) has had, or is likely to have, a material adverse effect on the willingness of persons to apply for Notes, the likely market price of the Notes, the marketing success of the Offer, or the settlement of the Offer as contemplated by the Offer Management Agreement; or (b) has given, or is likely to give, rise to a contravention by a Joint Lead Manager of, or the Joint Lead Manager being involved in a contravention of the Corporations Act or any other applicable law or to a liability for a Joint Lead Manager under the Corporations Act or any other applicable law:

- a statement in a certificate provided by Crown under the Offer Management Agreement is untrue, incorrect or misleading;
- Crown fails to perform or observe any of its obligations under the Offer Management Agreement;
- any representation or warranty given or made by Crown under the Offer Management Agreement is or becomes untrue or incorrect;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new law, or the Government of Australia, any State or Territory of Australia, the Reserve Bank of Australia or any Minister or other Government Agency of Australia or any State or Territory of Australia, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been publicly announced before the date of the Offer Management Agreement);
- the outbreak of hostilities not presently existing (whether war has been declared or not), or a major escalation in existing hostilities occurs (whether war has been declared or not), involving any one or more of Australia, New Zealand, the United States, Japan, the United Kingdom, Singapore, Hong Kong, the People's Republic of China or any member state of the European Union, a national emergency is declared by any of those countries or a major terrorist act is perpetrated on any of those countries or on any diplomatic, military or political establishment of any of those countries elsewhere in the world;
- a general moratorium on commercial banking activities in Australia, New Zealand, the United States, Japan, the United Kingdom, Singapore, Hong Kong, the People's Republic of China or any member state of the European Union is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- trading in all securities quoted or listed on the ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one trading day or substantially all of one trading day;
- any adverse change or disruption to the existing financial markets or economic conditions of Australia, New Zealand, the United States, Japan, the United Kingdom, Singapore, Hong Kong, the People's Republic of China or any member state of the European Union, or any country leaves or declares that it will leave the Economic and Monetary Union of the European Union or otherwise announces that it will cease to use the euro as its lawful currency or the Economic and Monetary Union of the European Union dissolves, or any adverse change in national or international financial or economic conditions;
- any government agency that regulates the business or operations of the Group holds (or gives notice of an intention to hold) a hearing or investigation in relation to the business or operations of the Group or prosecutes (or gives notice of an intention to prosecute) or commences proceedings against (or gives notice of an intention to commence proceedings against) any member of the Group or any of their representatives, except where the existence of the hearing, investigation, prosecution, proceeding or notice has not become publicly available and has been withdrawn by the date that is the earlier of the Business Day immediately preceding the Issue Date and the date that is three Business Days after the hearing, investigation, prosecution, proceeding or notice is commenced or received;
- any director of Crown is charged with a criminal offence relating to any financial or corporate matter, or a director of Crown is disqualified from managing a corporation under the Corporations Act; or
- there is a change in membership of the Board or a change in the Chief Executive Officer or Chief Financial Officer of the Group.



### 9.3 REPLACEMENT CAPITAL STATEMENT

Crown believes that hybrid securities that are ascribed Equity Credit by the Relevant Rating Agency (such as the Notes) 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 the Notes 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 the Notes are ascribed a level of Equity Credit by the Relevant Rating Agency, to redeem or repurchase Notes under Clause 4.2 of the Terms only to the extent the aggregate Face Value of Notes 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 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 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).

The intention described above does not apply where 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.

### 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 any statement in this Prospectus or any statement on which a statement made in this Prospectus is based; and
- does not cause or authorise the issue of the Prospectus, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus.

Role	Consenting parties
Structuring Advisers	Deutsche Bank
	UBS
Joint Lead Managers	ANZ Securities
	Deutsche Bank
	NAB
	UBS
Co-Managers	Westpac
	Bell Potter
	JBWere
	Ord Minnett
Legal Adviser (Australia)	Wilson HTM
	Ashurst Australia
Auditor	Ernst & Young
Tax Adviser (Australia)	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 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 any statement in the Prospectus or any statement on which a statement made in this Prospectus is based. Consolidated Press Holdings does not cause or authorise the issue of the Prospectus and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omission from this Prospectus.

## 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 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.

## 9.6 ASX CONFIRMATION

Crown has received in principle confirmation that ASX will classify the Notes 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 under this Prospectus and each applicant 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.

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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 acknowledgments

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 counter-claim;
- (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:

**Interest Rate = Bank Bill Rate + 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:

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

where:

“**Face Value**” is the Face Value of each Note;

“**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.
- (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; and
  - (ii) Crown has a solicited rating from the Relevant Rating Agency,
- 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:

- (iii) at the same Interest Rate as applies to Notes from time to time in accordance with clause 3.2; and
- (iv) 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.

## 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 14 September 2017 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) because 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 Registrar 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;
- (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; or
- (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.

### 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 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 bind 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 7 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.

## 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 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 decisions 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:

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

“**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.

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 do 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 14 September 2018 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 14 September 2012, or such later date as Crown may determine.

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

**“Junior Ranking Obligations”** 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:

- (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 14 September 2072.

**"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
- (b) 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 Shares"** 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.

**“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 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.

**“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 registrar 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 14 September 2038 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).

**“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 13 August 2012 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.



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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.

Term	Meaning
<b>ABN</b>	Australian Business Number.
<b>ADS</b>	American depositary shares.
<b>AEST</b>	Australian Eastern Standard Time.
<b>ANZ Securities</b>	ANZ Securities Limited (ABN 16 004 997 111).
<b>Application Form</b>	The application form attached or accompanying this Prospectus (including the electronic form provided by an online application facility).
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited or the market operated by it, as the context requires.
<b>ASX Settlement Operating Rules</b>	The settlement rules of ASX Settlement Pty Ltd.
<b>Aspers Group</b>	Aspers Holdings (Jersey) Limited.
<b>Bank Bill Rate</b>	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.
<b>Bell Potter</b>	Bell Potter Securities Limited (ABN 25 006 390 772).
<b>Betfair</b>	Betfair Australasia Pty Limited (ABN 77 110 084 743).
<b>Board</b>	The board of directors of Crown.
<b>Bookbuild</b>	The process described in Section 6.3.1 to determine the Margin.
<b>Broker Firm Applicant</b>	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.
<b>Broker Firm Offer</b>	The Offer of Notes under this Prospectus to retail clients of Syndicate Brokers resident in Australia or New Zealand 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, who have received a firm allocation from the Syndicate Broker.
<b>Burswood</b>	Burswood Entertainment Complex, Perth, Western Australia.
<b>Business Day</b>	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.
<b>Cannery</b>	Cannery Casino Resorts, LLC.
<b>CHESS</b>	Clearing House Electronic Sub-register System operated in accordance with the Corporations Act.
<b>Closing Date</b>	The last date by which applications must be lodged for the Offer, being: <ul style="list-style-type: none"> <li>• 5:00pm (AEST) on 5 September 2012 for the Shareholder Offer and General Offer (unless varied); and</li> <li>• 10:00am (AEST) on 13 September 2012 for the Broker Firm Offer (unless varied).</li> </ul>
<b>Co-Managers</b>	Bell Potter, JBWere, Ord Minnett and Wilson HTM.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).

Term	Meaning
<b>Consolidated Press Holdings</b>	Consolidated Press Holdings Limited (ABN 64 008 394 509).
<b>Crown</b>	Crown Limited (ABN 39 125 709 953).
<b>Crown Melbourne</b>	Crown Entertainment Complex, Melbourne, Victoria.
<b>Crown Subordinated Notes</b>	Crown Limited Subordinated Notes with terms and conditions set out in Appendix A.
<b>Deferred Interest Payments</b>	Optionally Deferred Interest Payment and/or Mandatorily Deferred Interest Payment, as applicable in accordance with the Terms.
<b>Deutsche Bank</b>	Deutsche Bank AG, Sydney Branch (ABN 13 064 165 162).
<b>Directors</b>	The directors of Crown.
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation excluding any exceptional, one-off, non-recurring or extraordinary items.
<b>Echo</b>	Echo Entertainment Group Limited (ABN 85 149 629 023).
<b>Eligible Shareholder</b>	A registered holder of Ordinary Shares with a registered address in Australia or New Zealand at 7:00pm (AEST) on 10 August 2012 and who is resident in Australia or New Zealand.
<b>EMTN</b>	Euro-Medium Term Notes.
<b>Equity</b>	Total Equity as disclosed in the consolidated statement of financial position in Section 4.4.
<b>Equity Credit</b>	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.
<b>Exposure Period</b>	The 7 day period after the date the Original Prospectus was lodged with ASIC during which the Corporations Act prohibits the processing of applications for Notes.
<b>Fitch</b>	Fitch Australia Pty Limited (ABN 93 081 339 184).
<b>General Applicant</b>	A member of the general public who is resident in Australia or New Zealand and who applies under the General Offer.
<b>General Offer</b>	The invitation to members of the general public who are resident in Australia or New Zealand to apply for Notes under this Prospectus.
<b>Group</b>	Crown and its subsidiaries.
<b>HIN</b>	Holder Identification Number for Ordinary Shares or Notes (when issued) (as applicable) held on the CHESS sub-register.
<b>Holder</b>	A person registered in the Register as a holder of Notes.
<b>Holding Statement</b>	A statement issued to Holders by the Registry which sets out details of Notes issued to them under the Offer.
<b>Institutional Investor</b>	An investor to whom offers or invitations in respect of Notes 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 in the Bookbuild.
<b>Institutional Offer</b>	The invitation by Crown or the Joint Lead Managers to Institutional Investors to bid for Notes in the Bookbuild.
<b>Intermediate Equity Credit</b>	Classification of the approximate proportion of Notes proceeds (being 50%) to be characterised as equity for quantitative ratio calculation purposes by the Relevant Rating Agency and one other Rating Agency.
<b>Issue Price</b>	The issue price for Notes under this Prospectus, being \$100 per Note.

Term	Meaning
<b>JBWere</b>	JBWere Pty Ltd (ABN 68 137 978 360).
<b>Joint Lead Managers</b>	ANZ Securities, Deutsche Bank, NAB, UBS and Westpac.
<b>Listing Rules</b>	The listing rules of ASX.
<b>Margin</b>	5.00% per annum, as determined under the Bookbuild, and as may be increased pursuant to the Terms.
<b>Melco Crown</b>	Melco Crown Entertainment Limited.
<b>Melco International</b>	Melco International Development Limited.
<b>Moody's</b>	Moody's Investors Service Pty Limited (ABN 61 003 399 657).
<b>MTN</b>	Medium Term Notes.
<b>NAB</b>	National Australia Bank Limited (ABN 12 004 044 937).
<b>NASDAQ</b>	The National Association of Securities Dealers Automated Quotations.
<b>Net Debt</b>	Total current and non-current interest bearing liabilities only, less cash and cash equivalents.
<b>Net Interest Paid</b>	Interest expense net of interest earned.
<b>Normalised Net Profit After Tax</b>	Normalised Net Profit After Tax represents Statutory Profit adjusted to exclude the impact of any variance from theoretical win rate on VIP program play at Crown Melbourne, Burswood, Aspinall's Club and Melco Crown and pre-opening costs in respect of City of Dreams (if applicable).
<b>Notes or Crown Subordinated Notes</b>	Crown Limited Subordinated Notes with terms and conditions set out in Appendix A.
<b>NZCO</b>	New Zealand Companies Office.
<b>Offer</b>	The offer by Crown of Notes under this Prospectus to raise \$525 million with the ability to raise more or less.
<b>Offer Management Agreement</b>	The offer management agreement entered into between Crown and the Joint Lead Managers, as described in Section 9.2.
<b>Offer Period</b>	The period from the Opening Date to the Closing Date.
<b>Opening Date</b>	The day the Offer opens, being 21 August 2012, unless varied.
<b>Ord Minnett</b>	Ord Minnett Limited (ABN 86 002 733 048).
<b>Ordinary Share</b>	A fully paid ordinary share in the capital of Crown.
<b>Original Prospectus</b>	The prospectus dated 13 August 2012 which was lodged with ASIC and NZCO on that date and which is replaced by this Prospectus.
<b>Privacy Act</b>	Privacy Act 1988 (Cth).
<b>Prospectus</b>	This document (including the electronic form of this Prospectus), as supplemented or replaced.
<b>Rating Agency</b>	Standard & Poor's, Moody's and/or Fitch.
<b>Register</b>	The official register of Notes (if issued) maintained by the Registry on Crown's behalf and including any subregister established and maintained in CHESS.
<b>Registry</b>	Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other registry that Crown appoints to maintain the Register.
<b>Regulations</b>	Corporations Regulations 2001 (Cth).
<b>Regulation S</b>	Regulation S of the U.S. Securities Act 1933, as amended.
<b>Relevant Rating Agency</b>	Standard & Poor's.

Term	Meaning
<b>SEHK</b>	Stock Exchange of Hong Kong.
<b>Shareholder Applicant</b>	An Eligible Shareholder who applies under the Shareholder Offer.
<b>Shareholder Application Form</b>	The application form for the Shareholder Offer is attached to or accompanying this Prospectus (including the electronic form provided by an online application facility).
<b>Shareholder Offer</b>	The invitation to Eligible Shareholders to apply for Notes under this Prospectus.
<b>Statutory Profit</b>	Statutory Profit represents Net Profit after tax as disclosed in the Income Statement of the Crown consolidated financial statements.
<b>SRN</b>	Securityholder Reference Number for Ordinary Shares or Notes (when issued) (as applicable) held on any Crown sponsored sub-register.
<b>Standard &amp; Poor's</b>	Standard & Poor's (Australia) Pty Ltd (ABN 62 007 324 852).
<b>Syndicate Broker</b>	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).
<b>Terms</b>	Terms and conditions of Notes as set out in Appendix A.
<b>TFN</b>	Tax File Number.
<b>Theoretical Win Rate</b>	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.
<b>Trust</b>	The Trust established pursuant to the Trust Deed.
<b>Trust Deed</b>	The deed dated 13 August 2012 (as amended) between Crown and the Trustee governing the issue of Notes described in Section 9.1.
<b>Trustee</b>	Australian Executor Trustees Limited (ABN 84 007 869 794).
<b>UBS</b>	UBS AG, Australia Branch (ABN 47 088 129 613).
<b>US Person</b>	Has the meaning given in Regulation S.
<b>USPP</b>	U.S. Private Placement.
<b>US Securities Act</b>	U.S. Securities Act of 1933, as amended.
<b>Westpac</b>	Westpac Institutional Bank — a division of Westpac Banking Corporation (ABN 33 007 457 141).
<b>Wilson HTM</b>	Wilson HTM Corporate Finance Ltd (ABN 65 057 547 323).

# Corporate directory

## Issuer

### **Crown Limited**

Level 3, 8 Whiteman St,  
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**

8 Exhibition Street  
Melbourne VIC 3000

## Registry

### **Computershare Investor Services Pty Limited**

452 Johnston Street  
Abbotsford, Victoria 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, 2 Chifley Square  
Sydney NSW 2000

## Joint Lead Managers

### **ANZ Securities Limited**

Level 9, 833 Collins Street  
Docklands VIC 3008

### **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

### **Bell Potter Securities Limited**

Level 38, Aurora Place  
88 Phillip Street  
Sydney NSW 2000

### **JBWere Pty Ltd**

Level 16  
101 Collins Street  
Melbourne VIC 3000

### **Ord Minnett Limited**

Level 8, NAB House  
255 George Street  
Sydney NSW 2000

### **Wilson HTM Corporate Finance Ltd**

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

## How to contact us

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

## Website

[www.crownlimited.com/notes](http://www.crownlimited.com/notes)

[www.colliercreative.com.au](http://www.colliercreative.com.au)



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