

Crown Casinos trading 'satisfactorily'

Casino operator Crown says its Australian casinos have been trading satisfactorily since the start of the 2008/09 financial year.

Crown, which was spun off from James Packer's gaming and media group Publishing and Broadcasting (PBL) last year, today reported a annual normalised net profit of AUD 370.1 million.

The reported net profit of AUD 3.56 billion, like the first half result, was inflated by one-off results of discontinued operations and net gains from the demerger of PBL, which Crown is required to bring to account under Australian accounting standards.

„Recent trading for the Australian casino businesses has been satisfactory, with total revenue (excluding VIP commission-based play) to 14 August up four per cent on last year,“ Crown said.

„Year-on-year growth in VIP commission program play has been strong over the same period.

Crown said following the 8.2 per cent growth in annual earnings before interest, tax, depreciation and amortisation (EBITDA) for the Crown Melbourne and Burswood casinos, growth in 2008/09 is expected to be only slightly lower.

This is despite Crown's anticipation of a more difficult trading environment and some disruption from the refurbishment programs at both properties.

Crown declared a final dividend of 29 cents per share.

„The past year has been one of significant activity with the most important event being the separation of Crown and PBL

into two separately listed companies," executive chairman James Packer said.

During 2007/08, Crown Melbourne generated normalised EBITDA of AUD 433.3 million, up 6.4 per cent on the prior year.

„This result was achieved despite the introduction of full smoking bans in bars on the main gaming floor and an increase in the Victorian gaming machine levy during the year," Crown said.

Main floor gaming revenue grew 5.7 per cent to AUD 801.8 million and VIP commission program play fell 3.5 per cent to AUD 289.3 million.

The Burswood casino in Perth made EBITDA of AUD 195.3 million, up 12.6 per cent.

„Crown Melbourne and Burswood further cemented their leadership position in the Australian Casino industry," Crown chief executive Rowen Craigie said.

The Melco Crown Entertainment (MPEL) joint venture in Macau, in which Crown has a 37.9 per cent interest, made a net loss of USD 44.2 million for the year.

The result included a USD 57.2 million amortisation charge for a gaming sub-concession acquired in 2006 and pre-opening costs at the City of Dreams site of USD 10.5 million.

„MPEL is on track to open City of Dreams in the first half of 2009," Mr Craigie said.

„We are very excited about this project and think it will be a truly spectacular property."