



Crown Melbourne Limited

Current Issues

Australian Resorts Marketing and HR Initiatives

- Crown website traffic continued its strong growth with over 1,000,000 visits combined across the Crown Melbourne and Crown Perth websites during April. Crown Melbourne received its highest ever traffic to the website at 703,000 visits (up 38% on the pcp). Crown Perth had a steady month at 304,000 visits (up 1% on the pcp after a strong month in April 2015). Traffic in May is trending up 10% on the pcp. Key drivers of the traffic in both States were Google SEO (Search Engine Optimisation) and paid advertising for San Antone, eSports and Win a Winnebago.
- The Crown Mobile App had 145,000 downloads at the end of April, targeting 150,000 by the end of the financial year. Work is underway with the business units to agree functionality updates to the app for F17.
- Crown's Social media footprint now covers 365,000 users on Facebook (255,000 Melbourne and 110,000 Perth), with 33,000 followers on Instagram and 23,500 on Twitter. Hotels advertising had an exceptional month in Melbourne, with Facebook advertisements driving \$195k in value and a positive (12x) return on investment for the Winter packages, some 32% higher than the Easter Promenade Packages campaign. In Perth, the Hotel Winter Packages campaign tracked well generating \$59k in revenue. The team also promoted a Cats video campaign for Theatre which drove \$30k in show bookings.
- The Crown Loyalty transformation project is on track with the program infrastructure largely completed. The project is on target for an October 2016 launch of a unified program and further enhancements post that point.
 - Marketing infrastructure improvements were delivered in April relating to analytics, automation, on floor new member recruitment and self-registration recruitment.
 - Scoping and planning of the technical developments for the October launch are well under way, with solution development commencing over the coming weeks.
 - Work on the new loyalty program brand name is also well progressed, with naming options being presented late May and finalisation by mid-July, following a wide ranging stakeholder review.
- There are currently 107 people employed in the CROWNability program across both properties with 61 at Crown Perth and 46 at Crown Melbourne. To date, Crown has provided employment for 148 people under the Crownability program.
- The Crown Indigenous Employment Program (IEP) has continued to grow in Crown Perth with current numbers at 86 employees with an additional 4 employees confirmed to start in May taking the program to 90 employees in Perth. Crown Melbourne holds its numbers at 102 with an additional five confirmed to commence in May. The total number of hires under the program is 551 employees to date.
- Enhancing the frontline employment offering for Indigenous candidates, Crown Melbourne will pilot an Indigenous Food & Beverage Skills workshop with an Indigenous Traineeship program to be held for successful participants.



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- The quarterly Employment Parity Initiative report has been provided to the Office of Prime Minister & Cabinet demonstrating that Crown is tracking slightly ahead of employment commitments made with respect to this funding.
- Additionally, the following key activities have taken place with respect to the IEP:
 - AMP (one of Crown's superannuation partners) delivered ongoing superannuation and financial guidance to Crown's Indigenous employees as a follow on from the financial literacy session held in February;
 - Group Manager Sean Armistead and Manager Sharon Ninyette attended Sodexo employment launch with Minister Nigel Scullion (media coverage of the event included Crown's participation);
 - EGM Alicia Gleeson and Group Manager Sean Armistead met with Medibank to offer assistance and guidance on their Indigenous program;
 - Crown Melbourne IEP Team and representatives of the Executive attended the opening of the Melbourne Indigenous Transition School with Minister Josh Frydenberg and Senator Nova Peris;
 - Crown Perth hosted the Yokai "Bridging the Gap on Employment Forum" with 55 stakeholders from government, social services and private sector in attendance;
 - Indigenous Recruitment Advisor Chance Bateman attended the Ministerial Launch of Aboriginal Workforce Development Centre – Jobs Board; and
 - Crown IEP team members met with AIME (supported by Crown Foundation) to assist in building a pipeline of Indigenous candidates in addition to building a stronger relationships with a community partner.
- Crown Learning and Development have launched the online Learner Management System, Crown Learn. Crown Learn is the first Group Learning Management System for Crown Resorts, supporting all online training needs for Crown Perth, Crown Melbourne, Betfair and Crown Resorts employees.
- At Crown Melbourne the 500 Training Places initiative continues with 166 enquiries and 49 participants enrolled in courses with 18 having completed qualification. Six have been employed by Crown. There are currently eight students in the Certificate II in Security Operations course and seven students in the Certificate III in Hospitality Course.
- Gender Diversity initiatives are also progressing including initiatives to enable the target of at least 45% female participation in Crown's leadership and development programs to be met. For the month of April Crown Melbourne was sitting at 52.2%. Following the launch of the Women of Crown Management Program in March, the next stage of the program is underway whereby participants have all undergone a full day mentee session and selected their top three choices for their mentor. A mentor can be any Crown Melbourne Executive or Business Operations Team member.



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Performance Enhancement

- The April marketing effort in Melbourne focused on premium gaming customers with tier and room-based promotions such as The Teak Car promotion, 15 Minute Frenzy in Riverside and a strong cash/points draw and events schedule to drive visits from key member groups. This included the Gaming Machine Platinum Points Draws, Black Tier Cash Draws, Boat Cruises and Specialty Dinners. The mainstream mass market promotional effort included 6 Cars in 6 Days on the Main Gaming Floor, a launch of the new Birthday Bonus terminals and a focus on raising awareness of the re-opened Kitchen Workshop buffet restaurant at new price points and the Value Meals campaign targeting the 55+ gaming-oriented market.
- Local Table Games contribution for April YTD of \$276.4m was \$21.4m (8.4%) above budget and \$40.1m (16.9%) above the pcp driven by strong volume growth (6.8% and 12.7% respectively) and assisted by a better than expected hold.
- The April contribution result of \$26.0m was driven by strong volume metrics in the Main Floor Premium business supplemented by a stronger than expected hold. The volume growth vs pcp in the Main Floor Premium sector has softened since Lunar New Year. However, despite this, double digit growth to both budget and the pcp is still being recorded. The gains in Main Floor Premium were able to offset continued volume weakness in Mahogany, the latter of which was also impacted by some hold dilution.
- Main Floor (excluding Poker and eTGs) table volumes April YTD were 3.1% above budget and 9.3% above the pcp with continued benefit of the casino expansion works and the associated additional product. Through April, volumes softened on expectations and despite a slightly stronger hold, revenue fell marginally short. To the pcp, all metrics were positive as a result of good cost management.
- Electronic Table Games (eTG) activity April YTD was 2.0% above budget and 11.5% above pcp. Hold was slightly above expectations with revenue 6.0% above budget and 16.8% above the pcp. April performance was solid with volumes a little softer than expected, most likely the result of strong hold rather than participation decline. Multi-game products continue to set the standards in terms of participation and growth rates.
- Premium Table Games revenue April YTD was \$27.4m (8.8%) above budget and \$53.9m (18.9%) above pcp. The strong performance has been driven by Main Floor Premium (up 21.9% and 25.1% respectively) while Mahogany volumes have exhibited strong pcp growth but with some weakness in the hold. April saw a continuation of this trend with top end Mahogany customer absence primarily driven by business travel being offset to some degree by enhanced hosting and marketing (promotions and events). Total Premium hold of 20.3% is ahead of expectations by 0.3%.
- Poker cash games continue to show encouraging performance with revenue April YTD 8.8% above budget and 10.6% above the pcp driven by key initiatives. The back end of April did see the commencement of the second tier tournament, Crown Poker Championships, which did provide some lift into this area. Margins continue to improve year on year with April YTD contribution margin of 20.3%, well up on the prior year's 13.7%.



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- For the balance of the year, Table Games growth to the pcp will continue to show more moderate levels as the business laps some of the key F15 initiatives.
- Gaming Machines April YTD contribution of \$203m was \$0.2m (0.1%) above budget and \$9.3m (4.8%) above the pcp.
- VIP player transition to Your Play continues, as do the discussions with the Department of Justice with reference to outtakes from our research findings and proposed modifications to the system.
- Key jackpot and bonusing initiatives continue to be executed in both the Mainstream and VIP markets. Additions to the Member Money Jackpot are planned for implementation in June and work is well under way for other new initiatives including a new first to market jackpot labelled 'Slot Lotto' and the new intelligent bonusing module.
- Representatives of the Red Carpet Program participated in the Melbourne Retirement Lifestyle & Travel Expo on 8, 9 and 10 April. Over 430 people visited the booth for information with new groups visiting the casino within the month.
- On the back of the successful Christmas and Easter hampers, Crown introduced a Mother's Day hamper prize as a members' competition from 11 April to 8 May for bus patrons. The results from the promotion were pleasing with a 47% increase in member swipes and a record number of acquisitions, three times the usual monthly number. Revenue for the month was up 3% on pcp with own transport leading the way with growth of 26%.
- Signature club acquisition for the month was 15% above the pcp with 75% of new members phone numbers and email addresses obtained.
- Key recent Local VIP events included The Deep Sea Treasure cash draw conducted at Melbourne Aquarium (which was very well received), Event 3 Capital Championship Series and 'Ladies Weekend' including horseback riding and winery tour. The monthly Platinum Points Draw moved to the Palladium with a new Food & Beverage offer and attracted strong volumes with over 600 patrons in attendance.
- Key performing Gaming Machine markets domestically were NSW, supported by a comprehensive event schedule and the jet program over the ANZAC long weekend. International featured strong growth out of China and SE Asia, supported by key player visits.
- Food & Beverage contribution April YTD was \$1.4m (3.1%) below budget and \$0.9m (2.3%) above the pcp. The results continue to be affected by the ongoing softer results in Margos and Main Gaming Floor outlets in general. Events and Conferencing numbers were strong in April, while Premium restaurant business was solid. Bars was slightly down on budget but well up on the pcp.
- Hotels March YTD was \$1.6m (2.0%) above budget and \$3.6m (4.6%) up on last year. April was well behind budget, the majority being due to the timing of the Grand Prix originally scheduled and budgeted in April, but switched to March.



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Other Issues

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- The Age has been reporting on a series of matters arising out of the last casino licence review, namely:
 - Poker tournaments and the Aussie Millions and whether Crown should pay casino tax on entry fees;



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- Fully Automated Table Games and their regulated status;
- Play periods and data use by Crown to potentially identify problem gamblers and the related report Crown provided to the VCGLR on this, pursuant to casino licence review VCGLR Recommendation 5.

The Age also made a request to access the above Report via Freedom of Information processes. The VCGLR has refused access on the basis of legislative secrecy provisions. The FOI Commissioner has upheld this decision. The Age has a right of appeal to VCAT.

The Greens moved a motion in the Victorian parliament for the Gaming Minister to obtain a copy of the Report and produce it to the parliament by 8 June 2016. The motion was passed. The Minister is likely to respond that, as the independent casino Regulator, it is appropriate for the VCGLR to consider the Report and complete its deliberations on it unhindered.

While Crown is not concerned about the content of the report, the protection of information provided by Crown to the Regulator is an important principle to safeguard and Crown has reinforced this with the VCGLR who have agreed.

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- It is Privacy Awareness Week (PAW) from 15 to 21 May. Crown Melbourne has partnered with the privacy regulator, the Office of the Australian Information Commissioner (OAIC), to become a PAW partner. As a PAW partner, Crown will continue to promote good privacy practices. There will be a series of staff communications during PAW promoting Crown's privacy processes and procedures. The OAIC will acknowledge Crown's participation as a PAW partner by displaying our logo on the OAIC website.

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