



**ASX / MEDIA RELEASE
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CROWN PLANS NEW FIVE-STAR HOTEL IN MELBOURNE WITH SCHIAVELLO GROUP TO MEET TOURISM DEMAND

MELBOURNE: Crown Resorts Limited (ASX: CWN) announced today that it has agreed to acquire an interest in four adjoining parcels of land in Queensbridge Street, Southbank, Victoria, which are opposite the Crown Melbourne Integrated Resort.

The land is controlled by the Schiavello Group and Crown has agreed to an initial investment of \$50 million to participate in the joint development of the project with Schiavello.

Crown and the Schiavello Group are in the process of negotiating joint venture arrangements and finalising designs to develop and construct a new luxury five-star hotel and apartment complex on the land. It has been agreed in principle that Crown has the right to acquire and manage the hotel on completion and that the Schiavello Group has the right to acquire an office and showroom area within the complex. The parties will share the apartment development 50:50. It is not intended that any gaming operations will be conducted in the new building.

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

Crown Resorts' Chairman, Mr James Packer, said:

"This project will create hundreds of additional hospitality and tourism jobs and training opportunities and it demonstrates Crown's confidence in Melbourne as a world-class tourism destination."

"While Crown continues its domestic and global expansion, Crown Melbourne remains our flagship resort and this project will ensure it remains the best integrated resort in Australia and amongst the best in the world."

"Crown Melbourne's success in attracting international and interstate tourists is highlighted by the occupancy levels at our three hotels, which are consistently over 90 per cent. This demonstrates an urgent need for more hotel capacity at Crown Melbourne to meet both current and future demand. A new luxury Crown managed hotel will assist Melbourne to attract more high net worth tourists and reinforce Melbourne's appeal as a destination for important international conferences, sporting and cultural events."

On the partnership with Schiavello, Mr Packer said:

"Crown has had a long-standing relationship with the Schiavello Group. I am delighted to be working with them on this important project that will deliver jobs, taxes and economic activity for the City of Melbourne and the people of Victoria."

Schiavello Group Chairman, Mr Tony Schiavello, said:

"I am delighted to partner with Crown Resorts to jointly create a world-class asset for the City of Melbourne."

"Schiavello Group is focused on quality in everything we do. Once completed this project will become an iconic example of an integrated hotel and apartment complex, with premium quality leisure and hospitality facilities, and wonderfully positioned for easy access to Melbourne's finest entertainment, cultural, sporting, shopping and leisure venues."

"Schiavello Group has been proudly doing business in Melbourne for almost 50 years and I cannot think of a better way to memorialise this important milestone for our company than starting construction on what I believe will be an iconic addition to our city. The construction phase of the project will create full time

employment for an estimated 1,000 people on site with close to 1,000 more indirect jobs working off-site supplying materials and services to the project. As a top 100 Australian company, we are proud to be part of Victoria's growth story."

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COPIES OF RELEASES

Copies of previous media and ASX announcements issued by Crown are available at Crown's website at www.crownresorts.com.au

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