



**ASX / MEDIA RELEASE
FOR IMMEDIATE RELEASE
27 April 2018**

UPDATE ON REGULATORY MATTERS

MELBOURNE: Crown Resorts Limited (ASX: CWN) (Crown) refers to its previous announcements of 5 and 6 March 2018 regarding a trial conducted by Crown Melbourne Limited (Crown Melbourne) involving the use of blanking buttons on a limited number of electronic gaming machines (17 out of Crown Melbourne's total of 2,628 machines) for a three and a half week period between March and April 2017 (Gaming Machine Trial).

The Victorian Commission for Gambling and Liquor Regulation (Commission) has issued a letter of censure to Crown Melbourne and imposed a fine of \$300,000 on Crown Melbourne in relation to the Gaming Machine Trial. A copy of the release made by the Commission today is attached.

The Commission accepted that the contravention was not deliberate and that the Gaming Machine Trial did not impact on the return to player ratio.

While Crown Melbourne's position throughout this process was that the Gaming Machine Trial did not require the prior approval of the Commission, Crown Melbourne respects the Commission's decision, which brings this process to a close.

ENDS

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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Statement from the Victorian Commission for Gambling and Liquor Regulation

27 April 2018

The Victorian Commission for Gambling and Liquor Regulation (VCGLR) has determined to take disciplinary action against Crown Melbourne Limited (Crown) in relation to the unauthorised use of blanking plates on certain Electronic Gaming Machines.

The action relates to a trial conducted at the Melbourne Casino in March and April 2017 where blanking plates were placed over certain buttons on 17 Electronic Gaming Machines over a three and a half week period.

The blanking plates concealed play line options so that only minimum and maximum betting options were available.

The Commission considers that the way in which Crown used blanking plates in the trial constitutes a variation to the gaming machines and therefore required approval by the VCGLR, and that Crown's failure to obtain approval means it has contravened the *Gambling Regulation Act 2003*.

As a result, the Commission has issued Crown with a fine of \$300,000 and a letter of censure. The letter of censure requires that Crown present to the Commission its draft updated compliance framework within six months and explain how the updated framework will prevent a re-occurrence of this matter.

This is the largest fine the Commission has issued to Crown and reflects the seriousness with which it considers the matter.

In determining an appropriate action to take, the Commission considered submissions from Crown, the nature, extent and seriousness of the contravention, Crown's past compliance history, its level of co-operation, consideration of a proportionate response as well as the importance of deterring similar behaviour.

Specifically, the Commission considered that

- Crown fully co-operated with the VCGLR's investigation
- the contravention was not deliberate. The decision to conduct the trial was made by a small group of Crown staff who did not believe approval was required and who failed to consult internally, or with the VCGLR, to check whether approval was required before commencing the trial
- Crown acted quickly to cease the trial following a complaint and before the matter was raised with the VCGLR
- the relatively small number of machines that were modified during the trial
- the trial did not impact on the percentage of wagered money that was paid back to players (the Return to Player ratio)
- aside from this matter, Crown had no history of disciplinary action being taken relating to Electronic Gaming Machines
- the seriousness of varying an Electronic Gaming Machine with the purpose of increasing revenue without appropriate approval
- the importance of deterring the Casino operator, and venue operators generally, from varying machines without approval.

As a result of this matter, Crown has advised the Commission that it will be implementing a more robust compliance program and the Commission has requested to remain updated on this.

Victorian Commission for Gambling and Liquor Regulation

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