



ASX/MEDIA RELEASE
FOR IMMEDIATE RELEASE
16 April 2020

RESPONSE TO COVID-19 – MARKET UPDATE

MELBOURNE: Crown Resorts Limited (ASX: CWN) (Crown) announced today the following progress on its response to the Covid-19 pandemic.

Supporting Crown's Workforce

Following the cessation of gaming activities and other non-essential services at Crown Melbourne and Crown Perth on 23 March 2020, Crown has been forced to substantially reduce its workforce through a series of stand downs. The stand down process is now substantially complete. Crown has progressively stood down, on either a full or partial basis, approximately 95% or over 11,500 of its employees. Only employees in business-critical functions remain actively working.

To support employees during this period, Crown has agreed to provide an ex gratia payment of two weeks' pay to those full-time and part-time employees who have been stood down (other than senior management) and a lump sum payment of \$1,000 to eligible casual workers. Employees will also be able to draw down on existing annual and long-service leave entitlements in a range of flexible manners.

Crown's Chief Executive Officer and Managing Director, Ken Barton, along with certain other senior management, have taken a 20% reduction in fixed remuneration until 30 June 2020. Crown's Chair and Non-Executive Director fees have also been reduced by 20% until 30 June 2020.

Crown has registered for the Commonwealth Government's JobKeeper payment and is currently working through the implementation of this scheme.

While its gaming and other non-essential business activities remain suspended, Crown expects its underlying operating cash costs to reduce to between \$20-30 million per month.¹

Securing Adequate Funding

Further to Crown's announcement of 2 April 2020, Crown has entered into new bilateral facilities with relationship banks for a total of \$560 million.

In addition, Crown has agreed terms with three relationship banks in relation to a \$450 million project finance facility to support the continuation of the construction of Crown Sydney. This facility remains subject to final credit approvals and long form documentation.

Crown's current cash balance of approximately \$500 million, together with Crown's ability to secure over \$1 billion in additional debt facilities, reflects Crown's strong financial position as we enter this period of capital market, economic and social disruption.

Crown will pay the F20 interim dividend on 17 April 2020.

¹ Underlying operating cash costs excludes the payment of accrued expenses, including the payment of annual and long service leave entitlements, and also excludes capital expenditure.

Completing Crown Sydney

Crown intends to continue construction of the Crown Sydney project as planned and, absent any further delays arising from the impact of COVID-19, remains on track for completion of the Crown Sydney Hotel Resort by the end of the year. The project cost remains unchanged, with the gross project cost expected to be approximately \$2.2 billion and the net project cost expected to be approximately \$1.4 billion.

Currently, there are over 1,300 people employed on the construction of Crown Sydney, which is expected to be maintained until completion. In the lead up to the full opening of Crown Sydney, Crown expects to recruit over 2,000 people to work in the Hotel Resort.

Supporting the Community

In consultation with the Victorian and Commonwealth Governments, Crown is actively supporting Government initiatives and the Community. This includes working with the Victorian Government and service providers to establish a pilot program to provide safe accommodation, at no cost, to those experiencing domestic violence.

To date, Crown has also provided approximately 950 rooms in Melbourne and approximately 600 rooms in Perth across its Crown Metropal and Crown Promenade hotels to accommodate those who are required to self-isolate for two weeks when returning from overseas.

Crown donated nine tonnes of produce to the Victorian Parliament catering team to create packaged meals for the Salvation Army, the Father Bob McGuire Foundation, the St Vincent de Paul Society and St Mary's House of Welcome.

During this period, Crown will continue to consider other ways in which its facilities may be used to support the community.

Statement by Chief Executive Officer

Ken Barton, Crown's Chief Executive Officer, said:

"We have taken the tough but necessary decision to stand down a large number of our employees.

"I have a deep gratitude to our employees for their understanding and commitment during this painful and highly uncertain time. We are continuing to investigate ways in which we can support our employees on an ongoing basis. Crown welcomes the Commonwealth Government's JobKeeper scheme, which will be critical in keeping our business and our employees connected.

"We would also like to acknowledge the tremendous support we have received from our relationship lenders, with financing in place or terms agreed for over \$1 billion in additional debt funding which should enable us to weather the storm caused by the COVID-19 pandemic.

"We will continue with the construction of Crown Sydney which remains on track for completion progressively from the end of this year, absent any further impact relating to COVID-19.

"As a result of today's announcement, Crown is well placed to withstand an extended period of closure."

Conference Call

Crown's Chief Executive Officer, Mr Ken Barton, will host a conference call for investors and analysts at 12:00pm AEST today to discuss this announcement.

A link to an audio webcast of the conference call will be available on Crown's website at <https://www.crownresorts.com.au/Investors-Media>.

ENDS

This announcement was authorised for release by Crown's Disclosure Committee.

Investor and Analyst Enquiries – Matthew Young, Investor Relations, 03 9292 8848.

COPIES OF RELEASES

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

For personal use only