CROWN

ASX / MEDIA RELEASE
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UPDATE ON CANNERY TRANSACTION

MELBOURNE: Crown Limited (ASX: CWN) today issued an update to the market on the Cannery transaction which has been the subject of previous announcements by Crown in the last few months.

Millennium Gaming and an affiliate of Oaktree Capital Management, L.P. (collectively, the "Sellers") and Crown have today terminated the Cannery Purchase Agreement which was entered into in December 2007. The parties recognised that the preconditions to completion would not be satisfied in time to allow the purchase as proposed to proceed. Under the termination agreement a full release has been given to all parties, including Crown and associated entities. A termination fee of US$50 million, due under the Cannery Purchase Agreement, has been paid by Crown to the Sellers.

Crown and the Sellers have also entered into further binding commitments in relation to Cannery ("New Cannery Agreements"). The material commitments under the New Cannery Agreements are as follows:

1. Crown has agreed to pay Cannery US$320 million to subscribe for a preferred instrument. The preferred instrument has no coupon and is non-participating. In order for Cannery to issue Crown the preferred instrument, Cannery must receive any required gaming regulatory approval in Nevada and Pennsylvania. The US$320 million is being held by an escrow agent on the terms set out below. Under the New Cannery Agreements, Crown has 60 days to obtain all required gaming approvals which period may be extended by the Sellers for a further 30 days. If the approvals are obtained, the preferred instrument will be issued to Crown and the US$320 million will be released from the escrow to Cannery. The preferred instrument is non-voting and a non-controlling interest. Crown is hopeful that regulatory approval can be obtained within that time period.

   If the regulatory approvals are obtained and the preferred instrument is issued to Crown:

   (i) Then within two years and with the completion of Crown's licensing in applicable jurisdictions, Crown can convert the preferred instrument into equity units representing 24.5% of the equity of Cannery but with additional rights including a right to nominate one non-voting director to the Cannery board; and

   (ii) The Sellers have also granted Crown an option exercisable over a two year period to purchase the remaining 75.5% equity interests in Cannery on materially the same terms as the original Cannery Purchase Agreement, except that the purchase price is reduced by US$350 million being the aggregate of the termination fee of US$50 million and US$300 million of the purchase price paid by Crown for the preferred interest. Any purchase of the remaining 75.5% equity interests, which is at Crown's option, would be on a debt free basis and would require Crown to be licensed in the applicable jurisdictions.

2. If regulatory approval is not granted in the 60 day period (or 90 day period if the Sellers elect to extend the period) then Crown will not be issued with the preferred instrument with the result that:

   (i) a further termination fee of US$200 million will be paid to the Sellers by the escrow agent;

   (ii) the escrow agent will pay US$40 million to Cannery in return for Cannery issuing an approximate 4.1% preferred equity interest to Crown; and

   (iii) the escrow agent will transfer the balance of US$80 million back to Crown.

In summary, Crown will pay US$370 million for an approximate 24.5% equity interest in Cannery in a two step regulatory process and will have an option to acquire the balance of the equity interests on a debt free basis for approximately US$1.4 billion exercisable at any time over the next 2 years but each of the two transactions is subject to regulatory approval. If the regulatory approval for issue of the preferred instrument is not received within the timeframes set out above, Crown will have paid a total termination fee of US$250 million and have paid US$40 million for an approximate 4.1% preferred interest in Cannery.

Any payments to be made by Crown under the termination arrangements and the New Cannery Agreements will be funded from existing US dollar cash reserves. If the preferred equity instrument is issued, then Crown's net debt is expected to be less than A$600 million.

Crown considers these new arrangements represent a satisfactory outcome for its shareholders. Crown is looking forward to working cooperatively with the Cannery team to continue to grow the business including the launch of the new Meadows permanent casino in Pittsburgh which is due to open in April 2009.

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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.crownlimited.com.