

Packer's loss on Crown nears \$350m

How the rich invest

John Stensholt



James Packer is closing in on a \$350 million loss mark on his Crown Resorts shares since the casino and entertainment giant revealed double-digit revenue and profit falls for 2017 last Friday.

The results were not met positively by many of the analysts covering the stock, who have since cut their 12-month price targets for a company that has had its fair share of tumult in the past year. Crown recorded normalised net profit after tax of \$343 million from revenue of \$3.24 billion, down 15.7 per cent and 10 per cent respectively from the previous year as VIP gambling revenue took a hit after the arrest of its employees in China last year.

Deutsche analyst Mark Wilson described the result as "disappointing" and that a 3.5 per cent fall in net operating cash flow was "well below our forecast", while Rohan Sundram of Citi cut his price target from \$14.30 to \$13.75 due to soft trading conditions on Crown's

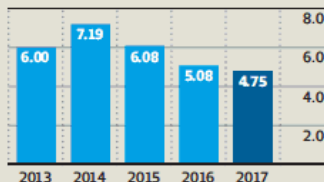
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James Packer

Age: 49
Sector: Gambling
Lives: Sydney

Wealth (\$b)



KEY POINTS

- Crown shares are down since last Friday's results
- Re-joined the Crown board recently and sold Contango shares
- Still holds stock in soon-to-be privatised Zhaopin and Zillow

SOURCE: FINANCIAL REVIEW RICH LIST

Melbourne and Perth casino main gaming floors.

Crown shares are down about 7 per cent since the result, wiping about \$320 million off Packer's stake in the company, offsetting a previous rise in the stock since the beginning of 2017. Crown shares are now up about 3 per cent since January 1 but are down about 10 per cent since last August.

Packer re-joined the Crown board last week as a director and it is clear the group is now by far his most important asset, having sold many listed and unlisted assets in recent years. But some of his remaining share assets have performed well for him of late.

Two weeks ago, his Consolidated Press Holdings backed out of the investment vehicle he owned with former Crown chairman Rob Rankin, Pacific Point Partners. Pacific had bought into Charlie Aitken's Contango Asset Management last year, but on

August 27, Contango revealed it had halved its stake due to the end of its association with Packer. On the same day, Packer sold the Contango shares it owned. Packer had bought shares around 60¢, and sold out less than a year later for more than \$1 each.

Packer is also set to benefit from the pending privatisation of Chinese job site Zhaopin from the New York Stock Exchange by Seek, which will own the company along with HillHouse Capital Management and FountainVest.

His stake in Zhaopin has risen 27 per cent in the past 12 months.

Packer also has a stake in Nasdaq-listed US real estate firm Zillow, which is up 31 per cent year to date.

But it has been a less happy story for his shares in broadcaster Ten Network, currently suspended from trading after being put into voluntary administration in June.

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