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Melco International Development Limited

新 濠 國 際 發 展 有 限 公 司

(Incorporated in Hong Kong with limited liability)

Website: <http://www.melco-group.com>

(Stock Code: 200)

PRICING OF THE AMERICAN DEPOSITORY SHARES OF MELCO PBL ENTERTAINMENT (MACAU) LIMITED AND COMMENCEMENT OF TRADING ON NASDAQ

The Company is pleased to announce that the pricing of the ADSs of Melco PBL Entertainment (Macau) was successfully completed on 18 December 2006 (New York time) and that trading in the ADSs on NASDAQ will commence on 19 December 2006 (New York time).

The ADSs were priced at US\$19 per ADS and, due to strong demand, the Global Offering was increased to 60,250,000 ADSs, representing 180,750,000 ordinary shares or approximately 15.3% of the enlarged issued share capital of Melco PBL Entertainment (Macau), before the exercise of the over allotment option granted in connection with the Global Offering.

Pricing and Commencement of Trading on the NASDAQ

Reference is made to the shareholders' circular of Melco International Development Limited (the "Company") dated 2 December 2006 (the "Circular") and the announcement of the Company dated 18 December 2006 (the "Announcement"), in respect of the Proposed Spin-off, being the proposed separate listing of Melco PBL Entertainment (Macau), an associated company of the Company, on the NASDAQ Stock Market's Global Market. Terms used herein shall have the same meanings as defined in the Circular unless otherwise specified.

The Company is pleased to announce that, as contemplated by the Announcement, the pricing of the ADSs occurred on 18 December 2006 (New York time) and that trading of the ADSs on NASDAQ will commence on 19 December 2006 (New York time).

The offering initially comprised an initial public offering of 53,000,000 ADSs representing 159,000,000 ordinary shares with each ADS representing 3 ordinary shares of Melco PBL Entertainment (Macau), par value US\$0.01 per ordinary share, at an initial price range of US\$16-US\$18 per ADS. Due to strong demand, the initial public offering was increased to 60,250,000 ADSs representing 180,750,000 ordinary shares at an initial public offering price of US\$19 per ADS. The offering represents approximately 15.3% of the enlarged issued share capital of Melco PBL Entertainment (Macau), before any shares that may be issued on the exercise of the over allotment option referred to below. This is within the range of approximately 10% to 17.5% (before any shares to be issued on the exercise of the over allotment option granted in connection with the Global Offering) of the enlarged issued share capital of Melco PBL Entertainment (Macau) to be offered as contemplated by the Circular and the Announcement.

The underwriters have an option to purchase up to an additional 9,037,500 ADSs from Melco PBL Entertainment (Macau) at the initial public offering price of US\$19 per ADS less the underwriting commission to cover over-allotments of the ADSs.

Credit Suisse, Citigroup and UBS Investment Bank acted as joint book runners for the offering, and CLSA Asia-Pacific Markets, JP Morgan, CIBC World Markets and Deutsche Bank acted as co-managers for the offering.

Distribution in Specie

Under the Distribution in Specie, Qualifying Shareholders holding not less than 4,000 Shares whose names appeared in the register of members of the Company on the record date for the Distribution in Specie, which is 4:00 p.m. on 19 December 2006 (Hong Kong time), will be entitled to receive 1 Distribution ADS for every whole multiple of 4,000 Shares held on the record date. The final offer price of US\$19 per Distribution ADS is translated into Hong Kong dollars of HK\$148.2 at an exchange rate of US\$1.00:HK\$7.80.

Qualifying Shareholders holding not less than 4,000 Shares whose names appeared in the register of members of the Company on the record date for the Distribution in Specie and who have elected to receive a cash payment in lieu of all the Distribution ADSs to which they would otherwise be entitled will be entitled to receive an amount of approximately HK\$0.037 for every Share held by them on the record date for the Distribution in Specie. Qualifying Shareholders holding less than 4,000 Shares whose names appeared in the register of members of the Company on the record date for the Distribution in Specie will be entitled to receive a cash payment of approximately HK\$0.037 for every Share held by them on the record date for the Distribution in Specie.

Fractional entitlements to Distribution ADSs will not be distributed to Qualifying Shareholders and will be paid in cash.

Non-Qualifying Shareholders and Listco Affiliates appearing on the record date for the Distribution in Specie and who have not waived their respective entitlements will receive cash in lieu of the relevant number of Distribution ADSs to which they would otherwise have been entitled and will be entitled to receive an amount of approximately HK\$0.037 in respect of each Share held by them.

The cash payment per Share of HK\$0.037 has been calculated based on the final offer price of US\$19 per Distribution ADS, translated into Hong Kong dollars at an exchange rate of US\$1.00:HK\$7.80.

The cash payments to be received by the relevant Shareholders will be rounded down to the nearest Hong Kong dollar.

In each case referred to above, cash amounts of less than HK\$100 will not be distributed but will be retained for the benefit of the Company.

Completion of the Global Offering is expected to occur on 22 December 2006. Cheques for all cash payments are expected to be despatched by ordinary post to the address specified in the register of members, at the risk of the relevant Shareholder, and Distribution ADSs are expected to be delivered to those entitled to receive them, in each case, as soon as practicable after completion of the Global Offering. A further announcement will be made when those cheques are despatched and Distribution ADSs transferred.

By order of the Board of
Melco International Development Limited
Tsang Yuen Wai, Samuel
Company Secretary

Hong Kong, 19 December 2006

As at the date of this announcement, the Board comprises three executive directors; namely, Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Tsui Che Yin, Frank and Mr. Chung Yuk Man, Clarence; one non executive director, namely Mr. Ng Ching Wo; and three independent non executive directors, namely Sir Roger Lobo, Dr. Lo Ka Shui and Mr. Sham Sui Leung, Daniel.

Please also refer to the published version of this announcement in South China Morning Post - Classified.