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## **Melco International Development Limited**

*(Incorporated in Hong Kong with limited liability)*

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

(Stock Code : 200)

### **ANNOUNCEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016 AND DECLARATION OF QUARTERLY DIVIDEND BY A LISTED ASSOCIATE — MELCO CROWN ENTERTAINMENT LIMITED**

**This is not an announcement of financial results of Melco International Development Limited (the “Company”). This announcement is made by the Company pursuant to the requirements of Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) to provide shareholders of the Company with information of the financial results of a listed associate of the Company, Melco Crown Entertainment Limited, which has announced its unaudited financial results for the first quarter ended 31 March 2016 and declared quarterly dividend on 4 May 2016.**

Melco Crown Entertainment Limited, a 34.29% owned associate of the Company, whose shares are listed by way of American Depositary Receipts on the NASDAQ Global Select Market in the United States, has announced its unaudited financial results for the first quarter ended 31 March 2016 and declared quarterly dividend on 4 May 2016.

Melco Crown Entertainment Limited (“**Melco Crown Entertainment**”), a 34.29% owned associate of the Company, whose shares are listed by way of American Depositary Receipts on the NASDAQ Global Select Market in the United States, has announced its unaudited financial results for the first quarter ended 31 March 2016 and declared quarterly dividend on 4 May 2016. Extracts of the unaudited financial results of Melco Crown Entertainment are provided below:

#### **The First Quarter 2016 Results of Melco Crown Entertainment**

Net revenue of Melco Crown Entertainment for the first quarter of 2016 was US\$1,103.6 million, representing an increase of approximately 5% from US\$1,054.3 million for the comparable period in 2015. The increase in net revenue was primarily attributable to the net revenue generated by Studio City, which started operations in October 2015 and City of Dreams Manila, which commenced rolling chip operations in February 2015, partially offset by lower rolling chip revenues and mass market table games revenues at City of Dreams and Altira Macau.

Adjusted property EBITDA (i.e. earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and others, share-based compensation, payments to the Philippine parties under the cooperative arrangement (the “**Philippine Parties**”), land rent to Belle Corporation, corporate and others expenses and other non-operating income and expenses) was US\$248.8 million for the first quarter of 2016, as compared to Adjusted property EBITDA of US\$253.3 million in the first quarter of 2015. The 2% year-over-year decline in Adjusted property EBITDA was mainly attributable to lower contribution from the group-wide rolling chip segment, partially offset by the contribution from newly-opened Studio City and fully-operating City of Dreams Manila.

On a U.S. GAAP (i.e. general accepted accounting principles) basis, net income attributable to Melco Crown Entertainment for the first quarter of 2016 was US\$39.8 million, or US\$0.07 per ADS (i.e. American Depositary Share), compared with net income attributable to Melco Crown Entertainment of US\$60.6 million, or US\$0.11 per ADS, in the first quarter of 2015. The net loss attributable to noncontrolling interests during the first quarter of 2016 of US\$35.1 million was related to Studio City and City of Dreams Manila.

### **Other Factors Affecting Earnings**

Total net non-operating expenses of Melco Crown Entertainment for the first quarter of 2016 were US\$60.1 million, which mainly included interest income of US\$2.8 million and interest expenses, net of capitalized interest, of US\$52.5 million and US\$13.8 million of other finance costs. Melco Crown Entertainment recorded US\$10.5 million of capitalized interest during the first quarter of 2016, primarily relating to the development of the fifth hotel tower at City of Dreams.

The year-on-year increase of US\$24.3 million in net non-operating expenses was primarily due to lower capitalized interest in the current quarter.

Depreciation and amortization costs of US\$140.0 million were recorded in the first quarter of 2016, of which US\$14.3 million was related to the amortization of gaming subconcession of Melco Crown Entertainment and US\$5.7 million was related to the amortization of land use rights.

### **Financial Position and Capital Expenditure**

Total cash and bank balances of Melco Crown Entertainment as of 31 March 2016 totaled US\$2.3 billion, including US\$0.3 billion of bank deposits with original maturity over three months and US\$0.2 billion of restricted cash, primarily related to Studio City. Total debt at the end of the first quarter of 2016 was US\$4.0 billion.

Capital expenditure of Melco Crown Entertainment for the first quarter of 2016 were US\$118.1 million, which predominantly related to various projects at City of Dreams, including the fifth hotel tower development.

## Quarterly Dividend Declaration

On 4 May 2016, the Board of Melco Crown Entertainment considered and approved the declaration and payment of a quarterly dividend of US\$0.0073 per share (equivalent to US\$0.0219 per ADS) for the first quarter of 2016 (the “**Quarterly Dividend**”). The Quarterly Dividend will be paid on or about Tuesday, 31 May 2016 to shareholders of Melco Crown Entertainment whose names appear on the register of members of Melco Crown Entertainment at the close of business on Tuesday, 17 May 2016, being the record date for determination of entitlements to the Quarterly Dividend.

## Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheets

The condensed consolidated statements of operations for the three months ended 31 March 2016 and the condensed consolidated balance sheets as at 31 March 2016 of Melco Crown Entertainment and its subsidiaries are provided below:

**Melco Crown Entertainment Limited and Subsidiaries**  
**Condensed Consolidated Statements of Operations**  
**(In thousands of U.S. dollars, except share and per share data)**

	<b>Three Months Ended</b>	
	<b>31 March</b>	
	<b>2016</b>	<b>2015</b>
	(Unaudited)	(Unaudited)
<b>OPERATING REVENUES</b>		
Casino	\$ 1,022,258	\$ 1,011,242
Rooms	63,452	44,563
Food and beverage	40,984	29,507
Entertainment, retail and others	<u>48,202</u>	<u>23,217</u>
Gross revenues	1,174,896	1,108,529
Less: promotional allowances	<u>(71,329)</u>	<u>(54,277)</u>
Net revenues	<u>1,103,567</u>	<u>1,054,252</u>
<b>OPERATING COSTS AND EXPENSES</b>		
Casino	(723,583)	(716,794)
Rooms	(8,536)	(5,255)
Food and beverage	(18,073)	(8,001)
Entertainment, retail and others	(29,075)	(15,122)

General and administrative	(110,319)	(93,430)
Payments to the Philippine Parties	(7,160)	(3,136)
Pre-opening costs	(635)	(41,278)
Development costs	(6)	(20)
Amortization of gaming subconcession	(14,309)	(14,309)
Amortization of land use rights	(5,704)	(16,118)
Depreciation and amortization	(119,971)	(80,277)
Property charges and others	<u>(404)</u>	<u>(301)</u>
Total operating costs and expenses	<u>(1,037,775)</u>	<u>(994,041)</u>
OPERATING INCOME	<u>65,792</u>	<u>60,211</u>
NON-OPERATING INCOME (EXPENSES)		
Interest income	2,804	1,820
Interest expenses, net of capitalized interest	(52,490)	(27,039)
Other finance costs	(13,838)	(12,382)
Foreign exchange gain, net	2,556	1,254
Other income, net	<u>842</u>	<u>548</u>
Total non-operating expenses, net	<u>(60,126)</u>	<u>(35,799)</u>
INCOME BEFORE INCOME TAX	5,666	24,412
INCOME TAX EXPENSE	<u>(938)</u>	<u>(574)</u>
NET INCOME	4,728	23,838
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	<u>35,068</u>	<u>36,791</u>
NET INCOME ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED	\$ <u><u>39,796</u></u>	\$ <u><u>60,629</u></u>

NET INCOME ATTRIBUTABLE TO  
MELCO CROWN ENTERTAINMENT LIMITED  
PER SHARE:

Basic	\$	<u>0.025</u>	\$	<u>0.038</u>
Diluted	\$	<u>0.024</u>	\$	<u>0.037</u>

NET INCOME ATTRIBUTABLE TO  
MELCO CROWN ENTERTAINMENT LIMITED  
PER ADS

Basic	\$	<u>0.074</u>	\$	<u>0.113</u>
Diluted	\$	<u>0.073</u>	\$	<u>0.112</u>

WEIGHTED AVERAGE SHARES USED IN  
NET INCOME ATTRIBUTABLE TO  
MELCO CROWN ENTERTAINMENT LIMITED  
PER SHARE CALCULATION:

Basic	<u>1,618,015,902</u>	<u>1,616,031,719</u>
Diluted	<u>1,626,113,586</u>	<u>1,627,484,296</u>

**Melco Crown Entertainment Limited and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
(In thousands of U.S. dollars)

	<b>31 March 2016</b>	<b>31 December 2015</b>
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,715,244	\$ 1,611,026
Bank deposits with original maturity over three months	320,493	724,736
Restricted cash	236,956	317,118
Accounts receivable, net	248,536	271,627
Amounts due from affiliated companies	989	1,175
Deferred tax assets	-	19
Income tax receivable	-	62
Inventories	33,665	33,074
Prepaid expenses and other current assets	62,862	61,324
Total current assets	2,618,745	3,020,161
PROPERTY AND EQUIPMENT, NET	5,764,173	5,760,229
GAMING SUBCONCESSION, NET	356,248	370,557
INTANGIBLE ASSETS	4,220	4,220
GOODWILL	81,915	81,915
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	155,226	159,677
DEFERRED TAX ASSETS	43	83
DEFERRED FINANCING COSTS, NET	168,035	179,808
LAND USE RIGHTS, NET	827,428	833,132
TOTAL ASSETS	\$ 9,976,033	\$ 10,409,782

## LIABILITIES AND SHAREHOLDERS' EQUITY

### CURRENT LIABILITIES

Accounts payable	\$	14,690	\$	15,588
Accrued expenses and other current liabilities		936,300		1,056,850
Income tax payable		2,063		3,487
Capital lease obligations, due within one year		31,117		29,792
Current portion of long-term debt		156,661		106,505
Amounts due to affiliated companies		2,630		2,464
Amount due to a shareholder		434		-
Total current liabilities		<u>1,143,895</u>		<u>1,214,686</u>

LONG-TERM DEBT 3,811,823 3,856,200

OTHER LONG-TERM LIABILITIES 90,554 80,962

DEFERRED TAX LIABILITIES 55,018 55,598

CAPITAL LEASE OBLIGATIONS,  
DUE AFTER ONE YEAR 278,156 270,477

### SHAREHOLDERS' EQUITY

Ordinary shares 16,309 16,309

Treasury shares (273) (275)

Additional paid-in capital 2,971,674 3,075,459

Accumulated other comprehensive losses (20,466) (21,934)

Retained earnings 1,071,284 1,270,074

Total Melco Crown Entertainment Limited  
shareholders' equity 4,038,528 4,339,633

Noncontrolling interests 558,059 592,226

Total equity 4,596,587 4,931,859

TOTAL LIABILITIES AND EQUITY \$ 9,976,033 \$ 10,409,782

The full text of Melco Crown Entertainment's unaudited financial results for the first quarter ended 31 March 2016 and declaration of Quarterly Dividend has been posted on the Company's website at <http://www.melco-group.com> and on the website of The Stock Exchange of Hong Kong Limited at <http://www.hkex.com.hk>, as an overseas regulatory announcement, for the information of the Company's shareholders.

By Order of the Board of  
**Melco International Development Limited**  
**Leung Hoi Wai, Vincent**  
*Company Secretary*

Hong Kong, 4 May 2016

*As at the date of this announcement, the board of directors of the Company 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 Mr. Chow Kwong Fai, Edward, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kan Hee, Anthony.*