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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 THIRD QUARTER ENDED 30 SEPTEMBER 2016 AND DECLARATION OF QUARTERLY DIVIDEND BY A LISTED SUBSIDIARY — 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 subsidiary of the Company, Melco Crown Entertainment Limited, which has announced its unaudited financial results for the third quarter ended 30 September 2016 and declared quarterly dividend on 3 November 2016.

Melco Crown Entertainment Limited, an accounting subsidiary 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 third quarter ended 30 September 2016 and declared quarterly dividend on 3 November 2016.

Melco Crown Entertainment Limited (“**Melco Crown Entertainment**”), an accounting subsidiary 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 third quarter ended 30 September 2016 and declared quarterly dividend on 3 November 2016. Extracts of the unaudited financial results of Melco Crown Entertainment are provided below:

The Third Quarter 2016 Results of Melco Crown Entertainment

Net revenue of Melco Crown Entertainment for the third quarter of 2016 was US\$1,152.6 million, representing an increase of approximately 22% from US\$945.7 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 the increase in casino revenues at City of Dreams Manila, partially offset by lower casino revenues at City of Dreams in Macau and Altira Macau.

On a U.S. GAAP (i.e. general accepted accounting principles) basis, operating income for the third quarter of 2016 was US\$108.9 million, compared with operating income of US\$34.1 million in the third quarter of 2015, representing an increase of 220%.

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, net gain on disposal of property and equipment to Belle Corporation, corporate and others expenses and other non-operating income and expenses) was US\$289.2 million for the third quarter of 2016, as compared to Adjusted property EBITDA of US\$237.3 million in the third quarter of 2015, representing an increase of 22%. The 22% year-over-year improvement in Adjusted property EBITDA was mainly attributable to the contribution from Studio City and City of Dreams Manila, partially offset by lower contribution from City of Dreams in Macau.

On a U.S. GAAP basis, net income attributable to Melco Crown Entertainment for the third quarter of 2016 was US\$62.0 million, or US\$0.13 per ADS (i.e. American Depositary Share), compared with net income attributable to Melco Crown Entertainment of US\$33.2 million, or US\$0.06 per ADS, in the third quarter of 2015. The net loss attributable to noncontrolling interests during the third quarter of 2016 of US\$18.3 million was related to Studio City and City of Dreams Manila.

Other Factors Affecting Earnings

Total net non-operating expenses for the third quarter of 2016 were US\$63.6 million, which mainly included interest expenses, net of capitalized interest, of US\$56.4 million, other finance costs of US\$14.5 million and net foreign exchange gain of US\$5.2 million. Melco Crown Entertainment recorded US\$6.6 million of capitalized interest during the third quarter of 2016, primarily relating to the development of the fifth hotel tower at City of Dreams.

The year-on-year increase of US\$29.0 million in net non-operating expenses was primarily due to lower capitalized interest and capitalized amortization of deferred financing costs, partially offset by the net foreign exchange gain in the current quarter.

Depreciation and amortization costs of US\$137.1 million were recorded in the third 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 as of 30 September 2016 totaled US\$1.9 billion, including US\$92.8 million of bank deposits with original maturity over three months and US\$202.6 million of restricted cash, primarily related to Studio City. Total debt, net of unamortized deferred financing costs at the end of the third quarter of 2016, was US\$3.8 billion.

Capital expenditures for the third quarter of 2016 were US\$108.5 million, which predominantly related to various projects at City of Dreams, including the fifth hotel tower development.

Quarterly Dividend Declaration

On 3 November 2016, the Board of Melco Crown Entertainment considered and approved the declaration and payment of a quarterly dividend of US\$0.0126 per share (equivalent to US\$0.0378 per ADS) for the third quarter of 2016 (the “**Quarterly Dividend**”). The Quarterly Dividend will be paid on or about Wednesday, 30 November 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, 15 November 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 and nine months ended 30 September 2016 and the condensed consolidated balance sheets as at 30 September 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)

	Three Months Ended 30 September		Nine Months Ended 30 September	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
OPERATING REVENUES				
Casino	\$ 1,060,035	\$ 900,468	\$ 3,076,823	\$ 2,786,170
Rooms	68,082	45,577	195,951	138,591
Food and beverage	47,240	30,324	129,611	89,213
Entertainment, retail and others	54,063	28,360	145,118	76,063
Gross revenues	1,229,420	1,004,729	3,547,503	3,090,037
Less: promotional allowances	(76,867)	(58,999)	(220,985)	(173,267)
Net revenues	1,152,553	945,730	3,326,518	2,916,770
OPERATING COSTS AND EXPENSES				
Casino	(733,997)	(621,333)	(2,154,024)	(1,962,154)
Rooms	(8,537)	(5,475)	(24,958)	(15,341)
Food and beverage	(13,074)	(8,339)	(47,569)	(24,024)
Entertainment, retail and others	(27,865)	(18,237)	(82,491)	(51,528)
General and administrative	(112,065)	(91,373)	(326,081)	(273,733)

Payments to the Philippine Parties	(9,066)	(4,721)	(24,475)	(11,994)
Pre-opening costs	(1,489)	(46,388)	(2,212)	(115,671)
Development costs	-	(36)	(7)	(57)
Amortization of gaming subconcession	(14,309)	(14,309)	(42,928)	(42,928)
Amortization of land use rights	(5,704)	(16,117)	(17,112)	(48,353)
Depreciation and amortization	(117,059)	(83,833)	(354,704)	(249,400)
Property charges and others	<u>(451)</u>	<u>(1,500)</u>	<u>(2,809)</u>	<u>(5,339)</u>
Total operating costs and expenses	<u>(1,043,616)</u>	<u>(911,661)</u>	<u>(3,079,370)</u>	<u>(2,800,522)</u>
OPERATING INCOME	<u>108,937</u>	<u>34,069</u>	<u>247,148</u>	<u>116,248</u>
NON-OPERATING INCOME (EXPENSES)				
Interest income	1,210	4,237	4,213	10,771
Interest expenses, net of capitalized interest	(56,378)	(23,244)	(167,397)	(74,214)
Other finance costs	(14,549)	(9,547)	(42,452)	(31,839)
Foreign exchange gain (loss), net	5,245	(6,456)	10,275	(3,537)
Other income, net	917	501	2,636	1,582
Loss on extinguishment of debt	-	-	-	(481)
Costs associated with debt modification	<u>-</u>	<u>(47)</u>	<u>-</u>	<u>(592)</u>
Total non-operating expenses, net	<u>(63,555)</u>	<u>(34,556)</u>	<u>(192,725)</u>	<u>(98,310)</u>
INCOME (LOSS) BEFORE INCOME TAX	45,382	(487)	54,423	17,938
INCOME TAX EXPENSE	<u>(1,662)</u>	<u>(387)</u>	<u>(4,016)</u>	<u>(765)</u>
NET INCOME (LOSS)	43,720	(874)	50,407	17,173
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	<u>18,323</u>	<u>34,077</u>	<u>82,223</u>	<u>100,913</u>
NET INCOME ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED	<u>\$ 62,043</u>	<u>\$ 33,203</u>	<u>\$ 132,630</u>	<u>\$ 118,086</u>

NET INCOME
ATTRIBUTABLE TO
MELCO CROWN
ENTERTAINMENT LIMITED
PER SHARE:

Basic	\$	<u>0.042</u>	\$	<u>0.021</u>	\$	<u>0.086</u>	\$	<u>0.073</u>
Diluted	\$	<u>0.042</u>	\$	<u>0.020</u>	\$	<u>0.086</u>	\$	<u>0.073</u>

NET INCOME
ATTRIBUTABLE TO
MELCO CROWN
ENTERTAINMENT LIMITED
PER ADS:

Basic	\$	<u>0.127</u>	\$	<u>0.062</u>	\$	<u>0.259</u>	\$	<u>0.219</u>
Diluted	\$	<u>0.126</u>	\$	<u>0.061</u>	\$	<u>0.258</u>	\$	<u>0.218</u>

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

Basic		<u>1,463,450,519</u>		<u>1,617,905,348</u>		<u>1,534,527,893</u>		<u>1,617,033,893</u>
Diluted		<u>1,471,515,182</u>		<u>1,627,096,350</u>		<u>1,542,641,243</u>		<u>1,627,249,911</u>

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

	30 September 2016	31 December 2015
	(Unaudited)	(Note)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,631,447	\$ 1,611,026
Bank deposits with original maturity over three months	92,819	724,736
Restricted cash	202,600	317,118
Accounts receivable, net	189,307	271,627
Amounts due from affiliated companies	1,394	1,175
Amount due from a shareholder	164	-
Deferred tax assets	-	19
Income tax receivable	-	62
Inventories	33,667	33,074
Prepaid expenses and other current assets	69,507	61,324
Total current assets	2,220,905	3,020,161
PROPERTY AND EQUIPMENT, NET	5,714,021	5,760,229
GAMING SUBCONCESSION, NET	327,629	370,557
INTANGIBLE ASSETS	4,220	4,220
GOODWILL	81,915	81,915
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	170,027	192,012
DEFERRED TAX ASSETS	121	83
LAND USE RIGHTS, NET	816,020	833,132
TOTAL ASSETS	\$ 9,334,858	\$ 10,262,309

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$	17,783	\$	15,588
Accrued expenses and other current liabilities		1,299,913		1,056,850
Income tax payable		5,242		3,487
Capital lease obligations, due within one year		31,036		29,792
Current portion of long-term debt, net		201,911		102,836
Amount due to ultimate holding company		20		-
Amounts due to affiliated companies		<u>2,770</u>		<u>2,464</u>
Total current liabilities		<u>1,558,675</u>		<u>1,211,017</u>

LONG-TERM DEBT, NET 3,583,260 3,712,396

OTHER LONG-TERM LIABILITIES 46,868 80,962

DEFERRED TAX LIABILITIES 54,934 55,598

CAPITAL LEASE OBLIGATIONS,
DUE AFTER ONE YEAR 269,112 270,477

SHAREHOLDERS' EQUITY

Ordinary shares 14,759 16,309

Treasury shares (124) (275)

Additional paid-in capital 2,776,599 3,075,459

Accumulated other comprehensive losses (23,248) (21,934)

Retained earnings 546,090 1,270,074

Total Melco Crown Entertainment Limited
shareholders' equity 3,314,076 4,339,633

Noncontrolling interests 507,933 592,226

Total equity 3,822,009 4,931,859

TOTAL LIABILITIES AND EQUITY \$ 9,334,858 \$ 10,262,309

Note: Melco Crown Entertainment adopted the new guidance on simplifying the presentation of debt issuance costs issued by Financial Accounting Standards Board on a retrospective basis. As a result, debt issuance costs of \$143,804 related to Melco Crown Entertainment's non-current portion of long-term debt (excluding revolving credit facilities) were reclassified from deferred financing costs, net to a direct reduction of the long-term debt, net; debt issuance costs of \$3,669 related to Melco Crown Entertainment's current portion of long-term debt (excluding revolving credit facilities) were reclassified from deferred financing costs, net to a direct reduction of the current portion of long-term debt, net; and debt issuance costs of \$32,335 related to Melco Crown Entertainment's revolving credit facilities were reclassified from deferred financing costs, net to long-term prepayments, deposits and other assets in the accompanying condensed consolidated balance sheet as of 31 December 2015.

The full text of Melco Crown Entertainment's unaudited financial results for the third quarter ended 30 September 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, 3 November 2016

As at the date of this announcement, the board of directors of the Company comprises four Executive Directors, namely Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Evan Andrew Winkler (Managing Director), 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.