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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)

APPROVAL OF MACAU GOVERNMENT FOR GRANT OF MACAU GAMING SUBCONCESSION CLARIFICATION OF PRESS REPORT AND RESUMPTION OF TRADING

Approval of Macau Government for grant of Macau gaming subconcession

The Company is pleased to announce that PBL announced today that it has signed a gaming subconcession agreement with Wynn Resorts (Macau) for the grant of a Macau gaming subconcession to a subsidiary of PBL, that the requisite approval of the Macau Government has been obtained and that the consideration of US\$900 million for the grant of the subconcession has been paid to Wynn Resorts (Macau). The gaming subconcession permits the subconcession holder to operate casinos in Macau. A further approval from the Macau Government is expected to be granted later this month, allowing the ownership of the company holding the gaming subconcession to be transferred to the Company's gaming joint venture with PBL. Upon completion of that transfer, as described in the Company's shareholders' circular dated 30 May 2006, the Company and PBL will participate in all present and future projects and businesses of the gaming joint venture, including the gaming subconcession, on a 50:50 basis.

Clarification of press report and resumption of trading

A confidential hearing of the Listing Committee of the Stock Exchange was held on the afternoon on Thursday, 7 September 2006 to consider an application by the Company under Practice Note 15 of the Listing Rules for a separate listing of the Company's Macau gaming joint venture. Approval of that application by the Listing Committee would have permitted the separate listing to take place as early as calendar year 2006. Before the outcome of that hearing had been notified to the Company or its advisers by the Stock Exchange, a report appeared in the Hong Kong Economic Times on the morning of Friday, 8 September 2006 to the effect that the Company's application had not been approved by the Listing Committee. In order to avoid confusion and a further uneven distribution of information in relation to the Company, the Company considered that it was in the best interests of its shareholders to request a short suspension of trading in the Company's shares. The Company was ultimately informed by the Stock Exchange in the afternoon of Friday, 8 September 2006 that the Listing Committee had not approved the Company's application under Practice Note 15 for a separate listing of the Macau gaming joint venture. The Company will exercise its right under Listing Rule 2B.06 to have the decision of the Listing Committee reviewed. In the event that the review is unsuccessful, the Company may make a new Practice Note 15 application after considering the financial results of the group for the year ending 31 December 2006, with a view to listing the Macau gaming joint venture as soon as practicable. **Having said that, there is no certainty that a separate listing will be completed and, accordingly, shareholders and investors should bear this in mind when dealing in the Company's shares.** In the meantime, the Company will continue to actively consider, in conjunction with PBL, a number of alternative or complimentary financing options in connection with the gaming joint venture (including but not limited to an issuance of debt securities by the joint venture). Further announcements will be made as and when appropriate.

In view of the impending announcement, on Monday, 11 September 2006, of the grant of the Macau gaming subconcession referred to above, the suspension of the Company's shares was continued for that day. Application has been made by the Company to the Stock Exchange for resumption of trading in the Company's shares with effect from 9:30 a.m. on Tuesday, 12 September 2006.

Approval of Macau Government for grant of Macau gaming subconcession

On 9 March 2006, Melco International Development Limited (the "Company") announced that it had entered into a Memorandum of Agreement with its joint venture partner, Publishing and Broadcasting Limited ("PBL"), relating to the grant of a Macau gaming subconcession to a subsidiary of PBL and the subsequent transfer of the company holding that gaming subconcession to the gaming joint venture carried on by the Company and PBL. Those transactions were approved by the Company's shareholders at a shareholders' meeting held on 16 June 2006.

The Company is pleased to announce that, as contemplated by that Memorandum of Agreement, PBL announced today that it has signed a gaming subconcession agreement with Wynn Resorts (Macau) for the grant of the gaming subconcession and that the requisite approval of the Macau Government has been obtained. Under the terms of the agreement with Wynn Resorts (Macau), PBL has paid US\$900 million to Wynn Resorts (Macau) as consideration for the gaming subconcession. As referred to in the Company's shareholders' circular dated 30 May 2006, the consideration has been provided as to an amount of US\$160 million by the Company, an amount of US\$240 million by PBL and the balance of US\$500 million by third party bank financing. The gaming subconcession permits the subconcession holder to operate casinos in Macau.

A further approval from the Macau Government is expected to be granted later this month, allowing the ownership of the company holding the gaming subconcession to be transferred to the Company's gaming joint venture with PBL. Upon completion of that transfer, as described in the Company's shareholders' circular dated 30 May 2006, the Company and PBL will participate in all present and future projects and businesses of the gaming joint venture, including the gaming subconcession, on a 50:50 basis.

It is not anticipated that any further gaming concessions will be issued in Macau in the near future and, accordingly, the grant of the gaming subconcession and its expected transfer to the joint venture will be a significant milestone in the development of the gaming business of the joint venture.

Clarification of press report and resumption of trading

At the request of the Company, trading in the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") was suspended with effect from 9:42 a.m. on Friday, 8 September 2006. The Company voluntarily requested a suspension of its shares following the appearance of a report in the Hong Kong Economic Times on the morning of Friday, 8 September 2006 relating to the Company. That report stated that the Company's application to the Listing Committee of the Stock Exchange (under Practice Note 15 of the Listing Rules) to permit the separate listing of the Company's Macau gaming joint venture had not been approved by the Listing Committee. The Company also received several telephone calls from shareholders and others asking whether the report was accurate.

A confidential Listing Committee hearing was held on the afternoon of Thursday, 7 September 2006 to consider an application by the Company under Practice Note 15 of the Listing Rules for a separate listing of the Macau gaming joint venture. Approval of the Company's application by the Listing Committee would have permitted the separate listing of the Macau gaming joint venture to take place as early as calendar year 2006. Following the conclusion of that hearing, and several requests from the Company's advisers to the Exchange, the Company was informed by the Exchange that the Exchange would inform the Company of the Listing Committee's decision as soon as practicable, on the following business day.

When the report in the Hong Kong Economic Times appeared and the Company received enquiries from its shareholders and others as to the accuracy or otherwise of that report, neither the Company nor any of its advisers had been informed of the outcome of the Listing Committee hearing by the Stock Exchange and the Company had no information with which to respond to those enquiries or to issue any form of clarification announcement. In order, therefore, to avoid confusion and a further uneven distribution of information in relation to the Company as a result of the incident, the Company considered that it was in the best interests of its shareholders to request a short suspension of trading in the Company's shares.

The Company is investigating the incident and, following the conclusion of that investigation, will take such action as it considers appropriate in the circumstances.

The Company was ultimately informed by the Stock Exchange in the afternoon of Friday, 8 September 2006 that the Listing Committee had not approved the Company's application under Practice Note 15 for a separate listing of the Macau gaming joint venture. The Company will exercise its right under Listing Rule 2B.06 to have the decision of the Listing Committee reviewed. In the event that the review is unsuccessful, the Company may make a new Practice Note 15 application after considering the financial results of the group for the year ending 31 December 2006, with a view to listing the Macau gaming joint venture as soon as practicable. **Having said that, there is no certainty that a separate listing will be completed and, accordingly, shareholders and investors should bear this in mind when dealing in the Company's shares.** In the meantime, the Company will continue to actively consider, in conjunction with PBL, a number of alternative or complementary financing options in connection with the gaming joint venture (including but not limited to an issuance of debt securities by the joint venture). Further announcements will be made as and when appropriate.

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

Hong Kong, 11 September 2006

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 Sir Roger Lobo, Dr. Lo Ka Shui and Mr. Sham Shui Leung, Daniel.

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