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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)

**EXERCISE OF OVER ALLOTMENT OPTION IN RELATION TO  
MELCO PBL ENTERTAINMENT (MACAU) LIMITED**

The Company is pleased to announce that the underwriters of the Global Offering of ADSs of Melco PBL Entertainment (Macau) have fully exercised the over allotment option granted to them to cover over allotments of the ADSs. The exercise in full of the over allotment option has resulted in the sale by Melco PBL Entertainment (Macau) of an additional 9,037,500 ADSs, representing 27,112,500 ordinary shares, at the initial public offering price of US\$19 per ADS less the underwriting commission.

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 19 December 2006, in respect of the 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 the underwriters of the Global Offering have fully exercised the over allotment option granted to them to cover over allotments of the ADSs. The exercise in full of the over allotment option has resulted in the sale by Melco PBL Entertainment (Macau) of an additional 9,037,500 ADSs, representing 27,112,500 ordinary shares, at the initial public offering price of US\$19 per ADS less the underwriting commission.

As referred to in the Company's announcement dated 19 December 2006, the Global Offering comprised an initial public offering of 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. Following the exercise of the over allotment option, an aggregate of 69,287,500 ADSs, representing 207,862,500 ordinary shares or approximately 17.2% of the enlarged issued share capital of Melco PBL Entertainment (Macau), have been issued and sold under the Global Offering.

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

Hong Kong, 9 January 2007

*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.