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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 CHANGE IN FINANCIAL PERFORMANCE MADE PURSUANT TO RULE 13.09(1) OF THE LISTING RULES

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

For the year ended 31 December 2007, the Group reported a net profit of approximately HK\$2.67 billion included within which were significant accounting gains made as a result of the application of the fair value accounting concept pursuant to the Hong Kong Accounting Standard 39. Such gains were primarily of non-cash and non-operating nature. Due to the recent global stock market meltdown, the market prices of many of the financial assets held by the Group (principally made up of the Group's holding of its listed associates) have fallen substantially. As a result, it is expected that the Group will report in its financial results for the year ended 31 December 2008 a substantial loss arising predominantly from the impairment of financial assets, effectively reversing the accounting gains booked in previous years. The Board of the Company wishes to inform its shareholders and potential investors that such losses are primarily of a non-cash nature and do not affect the operating capability of the Group. This announcement of change in financial performance is based on a preliminary review of the management accounts of the Group, which have not been confirmed nor audited by the Company's auditors. In particular, the Board wishes to inform shareholders of the Company and potential investors that the Group has engaged an independent valuer to conduct a valuation of the various financial assets held by the Group the result of which has not yet been made available.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Melco International Development Limited (the “**Company**”) and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

For the year ended 31 December 2007, the Group reported a net profit of approximately HK\$2.67 billion included within which were significant accounting gains made as a result of the application of the fair value accounting concept pursuant to the Hong Kong Accounting Standard 39. Such gains were primarily of non-cash and non-operating nature.

Due to the recent global stock market meltdown, the market prices of many of the financial assets held by the Group (principally made up of the Group's holding of its listed associates) have fallen substantially. As a result, based on a preliminary review by the Company's management of the information currently available, the board of directors of the Company (the "**Board**") is informing the shareholders of the Company and potential investors that it is expected that the Group will report in its financial results for the year ended 31 December 2008 a substantial loss arising predominantly from the impairment of such financial assets, effectively reversing the accounting gains booked in previous years. The Board of the Company wishes to inform its shareholders and potential investors that such losses are of a non-cash nature and do not affect the operating capability of the Group.

Further, the Board wishes to inform shareholders of the Company and potential investors that the Group has engaged an independent valuer to conduct a valuation of the various financial assets held by the Group the result of which has not yet been made available.

As the Company is still in the process of finalizing its final results for the year ended 31 December 2008, this announcement is only a preliminary estimate performed by the management of the Company based on the information currently available and is not based on any figures or information audited or reviewed by the Company's auditors. The audited final results of the Group for the year ended 31 December 2008 are expected to be published on or before 31 March 2009.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 13 February 2009

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 (Chief Operating Officer); 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.