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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 SECOND QUARTER ENDED 30 JUNE 2009 BY A LISTED ASSOCIATE — MELCO CROWN ENTERTAINMENT LIMITED**

**This is not the announcement of the financial results of Melco International Development Limited (the “Company”). This announcement is made by the Company pursuant to the requirements of Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) to provide shareholders of the Company and the public with information of the financial results of a listed associate of the Company, Melco Crown Entertainment Limited, which has announced on 6 August 2009 its unaudited financial results for the second quarter ended 30 June 2009.**

Melco Crown Entertainment Limited, a 34.10% 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 on 6 August 2009 its unaudited financial results for the second quarter ended 30 June 2009.

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

Melco Crown Entertainment Limited (“**Melco Crown Entertainment**”), a 34.10% 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 on 6 August 2009 its unaudited financial results for the second quarter ended 30 June 2009. Extracts of the unaudited financial results are provided below:

## **The second quarter results of Melco Crown Entertainment**

For the second quarter of 2009, net revenue was US\$215.8 million, down from US\$384.6 million for the comparable period ended 30 June 2008. The decrease in net revenue was the result of greater rolling chip volume at Altira Macau in the second quarter of 2008, combined with low rolling chip hold percentages at Altira Macau and City of Dreams in the second quarter of 2009.

Adjusted EBITDA (i.e. earnings before interest, taxes, depreciation, amortization, pre-opening costs, stock-based compensation costs and other non-operating income and expenses) was a loss of US\$23.8 million for the second quarter of 2009, as compared to a gain of US\$36.4 million in the second quarter of 2008. The EBITDA loss in the second quarter of 2009 was largely attributable to lower than expected rolling chip hold percentages achieved at City of Dreams and Altira Macau. Assuming that both properties had achieved a theoretical rolling chip hold percentage of 2.85%, adjusted EBITDA for the second quarter of 2009 would have been US\$15.2 million.

Adjusted net loss for the second quarter of 2009 was US\$78.5 million, or US\$0.17 per ADS (i.e. American Depositary Share), compared to an adjusted net loss of US\$1.7 million in the second quarter of 2008, or US\$0.004 per ADS. The increase in adjusted net loss was driven primarily by the aforementioned factors, as well as incremental depreciation and amortization expenses associated with the opening of City of Dreams, combined with an increase in non-capitalized loan interest expense in the quarter under review.

On a GAAP (i.e. generally accepted accounting principles) basis, Melco Crown Entertainment recorded a net loss for the second quarter of 2009 of US\$144.0 million, or US\$0.30 per ADS, compared to a loss of US\$5.7 million, or US\$0.01 per ADS, in the second quarter of 2008. The net loss in the second quarter of 2009 was negatively affected by non-recurring, pre-opening expense in the quarter of US\$61.3 million and a non-recurring US\$3.2 million write down in the carrying value of various project assets.

## **Six months results of Melco Crown Entertainment**

For the six months ended 30 June 2009, Melco Crown Entertainment reported net revenue of US\$432.3 million versus US\$867.5 million in the six months ended 30 June 2008. The year-over-year decrease in net revenue was driven by lower rolling chip volume at Altira Macau in the first six months of 2009 as compared to the same period in 2008 and lower rolling chip hold percentage in 2009 as compared to 2008.

Melco Crown Entertainment reported net loss of US\$179.3 million for the first six months of 2009, compared to a net gain of US\$37.5 million for the first six months of 2008. The net loss per ADS for the six month period ended 30 June 2009 was US\$0.39 compared to a net gain per ADS of US\$0.09 for the same period in 2008.

The condensed consolidated statement of operations for the second quarter ended 30 June 2009 and the condensed consolidated balance sheet as at 30 June 2009 of Melco Crown Entertainment are provided below:

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009 (Unaudited)	2008 (Unaudited) <sup>(1)</sup>	2009 (Unaudited)	2008 (Unaudited) <sup>(1)</sup>
<b>OPERATING REVENUES</b>				
Casino	\$ 211,408	\$ 382,357	\$ 424,409	\$ 862,047
Rooms	6,997	4,160	11,448	8,241
Food and beverage	4,817	4,347	8,391	8,821
Entertainment, retail and others	1,508	1,349	3,831	2,626
	<u>224,730</u>	<u>392,213</u>	<u>448,079</u>	<u>881,735</u>
Gross revenues				
Less: promotional allowances	(8,893)	(7,599)	(15,751)	(14,253)
	<u>215,837</u>	<u>384,614</u>	<u>432,328</u>	<u>867,482</u>
<b>OPERATING COSTS AND EXPENSES</b>				
Casino	(197,807)	(319,534)	(370,382)	(695,164)
Rooms	(1,355)	(191)	(1,866)	(698)
Food and beverage	(3,679)	(3,459)	(6,338)	(6,815)
Entertainment, retail and others	(811)	(302)	(990)	(597)
General and administrative	(39,196)	(26,569)	(61,489)	(53,487)
Pre-opening costs	(61,277)	(3,735)	(79,563)	(5,709)
Amortization of gaming subconcession	(14,310)	(14,310)	(28,619)	(28,619)
Amortization of land use rights	(4,542)	(4,573)	(9,085)	(9,174)
Depreciation and amortization	(29,128)	(15,798)	(43,837)	(28,982)
Property charges and other	(4,134)	(289)	(4,134)	(289)
	<u>(356,239)</u>	<u>(388,760)</u>	<u>(606,303)</u>	<u>(829,534)</u>
Total operating costs and expenses				
	<u>(140,402)</u>	<u>(4,146)</u>	<u>(173,975)</u>	<u>37,948</u>
<b>OPERATING (LOSS) INCOME</b>				
<b>NON-OPERATING EXPENSES</b>				
Interest (expenses) income, net	(3,851)	769	(3,730)	5,058
Other finance costs	(1,424)	(3,475)	(2,620)	(6,951)
Foreign exchange gain, net	628	493	175	308
Other income, net	1,000	598	1,000	613
	<u>(3,647)</u>	<u>(1,615)</u>	<u>(5,175)</u>	<u>(972)</u>
Total non-operating expenses				

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(Unaudited)	(Unaudited) <sup>(1)</sup>	(Unaudited)	(Unaudited) <sup>(1)</sup>
<b>(LOSS) INCOME BEFORE INCOME TAX</b>	<u>(144,049)</u>	<u>(5,761)</u>	<u>(179,150)</u>	<u>36,976</u>
<b>INCOME TAX CREDIT (EXPENSE)</b>	<u>88</u>	<u>75</u>	<u>(134)</u>	<u>571</u>
<b>NET (LOSS) INCOME</b>	<u>\$ (143,961)</u>	<u>\$ (5,686)</u>	<u>\$ (179,284)</u>	<u>\$ 37,547</u>
<b>(LOSS) INCOME PER SHARE:</b>				
Basic	<u>\$ (0.101)</u>	<u>\$ (0.004)</u>	<u>\$ (0.131)</u>	<u>\$ 0.028</u>
Diluted	<u>\$ (0.101)</u>	<u>\$ (0.004)</u>	<u>\$ (0.131)</u>	<u>\$ 0.028</u>
<b>(LOSS) INCOME PER ADS:</b>				
Basic	<u>\$ (0.304)</u>	<u>\$ (0.013)</u>	<u>\$ (0.392)</u>	<u>\$ 0.085</u>
Diluted	<u>\$ (0.304)</u>	<u>\$ (0.013)</u>	<u>\$ (0.392)</u>	<u>\$ 0.085</u>
<b>WEIGHTED AVERAGE SHARES USED IN (LOSS) INCOME PER SHARE CALCULATION:</b>				
Basic	<u>1,418,841,637</u>	<u>1,320,938,904</u>	<u>1,370,943,132</u>	<u>1,320,938,904</u>
Diluted	<u>1,418,841,637</u>	<u>1,320,938,904</u>	<u>1,370,943,132</u>	<u>1,323,269,450</u>

<sup>(1)</sup> The unaudited condensed consolidated financial statements for 2008 reflect certain reclassifications, which have no effect on previously reported net (loss) income, to conform to current period presentation.

**Melco Crown Entertainment Limited**  
**Condensed Consolidated Balance Sheets**  
*(in Thousands of U.S. dollars)*

	<b>June 30, 2009 (Unaudited)</b>	December 31, 2008 (Audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 655,632	\$ 815,144
Restricted cash	–	67,977
Accounts receivable, net	167,428	72,755
Amounts due from affiliated companies	2	650
Inventories	4,379	2,170
Prepaid expenses and other current assets	41,870	17,556
	<hr/>	<hr/>
Total current assets	<b>869,311</b>	976,252
	<hr/>	<hr/>
PROPERTY AND EQUIPMENT, NET	2,726,872	2,107,722
GAMING SUBCONCESSION, NET	742,597	771,216
INTANGIBLE ASSETS, NET	4,220	4,220
GOODWILL	81,915	81,915
LONG-TERM PREPAYMENT AND DEPOSITS	37,456	60,894
DEFERRED TAX ASSETS	–	28
DEFERRED FINANCING COST	43,848	49,336
DEPOSIT FOR ACQUISITION OF LAND INTEREST	–	12,853
LAND USE RIGHTS, NET	424,768	433,853
	<hr/>	<hr/>
TOTAL	<b>\$ 4,930,987</b>	<b>\$ 4,498,289</b>
	<hr/>	<hr/>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 6,560	\$ 2,494
Accrued expenses and other current liabilities	592,167	442,671
Income tax payable	580	1,954
Amounts due to affiliated companies	11,687	1,985
Amounts due to shareholders	74	1,032
	<hr/>	<hr/>
Total current liabilities	<b>611,068</b>	450,136
	<hr/>	<hr/>

	<b>June 30, 2009 (Unaudited)</b>	December 31, 2008 (Audited)
LONG-TERM DEBT	<b>1,683,207</b>	1,412,516
OTHER LONG-TERM LIABILITIES	<b>35,503</b>	38,304
DEFERRED TAX LIABILITIES	<b>18,630</b>	19,191
LOANS FROM SHAREHOLDERS	<b>115,647</b>	115,647
LAND USE RIGHT PAYABLE	<b>46,751</b>	53,891
<b>SHAREHOLDERS' EQUITY</b>		
Ordinary shares	<b>14,664</b>	13,216
Treasury shares	<b>(21)</b>	(4)
Additional paid-in capital	<b>2,875,744</b>	2,689,257
Accumulated other comprehensive losses	<b>(32,742)</b>	(35,685)
Accumulated losses	<b>(437,464)</b>	(258,180)
Total shareholders' equity	<b>2,420,181</b>	2,408,604
<b>TOTAL</b>	<b>\$ 4,930,987</b>	<b>\$ 4,498,289</b>

The full text of Melco Crown Entertainment's unaudited financial results for the second quarter ended 30 June 2009 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**  
**Tsang Yuen Wai, Samuel**  
*Company Secretary*

Hong Kong, 6 August 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.*