



[For Immediate Release]

## **Melco Announces 2016 Interim Results**

### **Melco Becomes the Single Largest Shareholder of Melco Crown Entertainment Further Bolstering the Group's Financial Position**

#### **Highlights**

- Profit attributable to owners of the Company was HK\$10.4 billion for the six-month period ended 30 June 2016, significant increase from a profit attributable to owners of the Company of HK\$111.1 million for the same period in 2015. Basic earnings per share attributable to owners of the Company was HK\$6.73 for the six-month period ended 30 June 2016 compared to HK\$0.07 for the six-month period ended 30 June 2015.
- Effective 9 May 2016, the Group has become the single largest shareholder of core gaming arm and key revenue driver, Melco Crown Entertainment Limited ("MCE"), as shareholding increased to 37.89% from 34.29%. In addition, Melco has gained control over MCE and therefore, consolidated the financial results of MCE for the first time in history.
- The unleash of HK\$10.4 billion in fair value gain over cost of MCE bolsters the Group's financial position and equity attributable to shareholders increased to HK\$22.4 billion in June 2016 from HK\$12.4 billion in December 2015, whilst net asset value attributable to shareholders per share increased by more than 80% to HK\$14.5 in June 2016 from HK\$8.0 in December 2015.
- Melco, through its wholly-owned subsidiary, has entered into a strategic cooperation arrangement on the provision of consultancy services for a casino project on Jeju Island, South Korea, spearheading the Group's further penetration into the Asian market.
- Attributable to the satisfactory performance of Studio City and the fully-operating City of Dreams Manila, net revenue of MCE for the first half of 2016 increased by 10.3% to US\$2,174.0 million (approximately HK\$16.9 billion), while Adjusted property EBITDA increased by 7.8% to US\$494.1 million (approximately HK\$3.8 billion) for the first half of 2016.
- In view of the consolidation of the financial results of MCE and given the Group's strong cash position with bank deposits and cash of HK\$13,339.5 million as of 30 June 2016, the Board has declared the payment of a special interim dividend of HK1.5 cents (six-month period ended 30 June 2015: HK1.5 cents per share) per share for the six-month period ended 30 June 2016 for achieving this significant milestone.

**(Hong Kong, 31 August 2016) --- Melco International Development Limited** ("Melco" or the "Group", HKEx Code: 200) has today announced its interim results for the six-month period ended 30 June 2016.

During the period under review, profit attributable to owners of the Company was HK\$10.4 billion (six-month period ended 30 June 2015: HK\$111.1 million), a significant increase from last period in 2015, principally deriving from the special gain as the Company became MCE's single largest shareholder and gained control over MCE and therefore, consolidated the results of MCE for the first time in history. Basic earnings per share attributable to owners of the Company were thereby increased to HK\$6.73 (six-month period ended 30 June 2015: HK\$0.07).



In view of this remarkable event, and given the Group's strong cash position with bank deposits and cash of HK\$13,339.5 million as of 30 June 2016, the Board has declared the payment of a special interim dividend of HK1.5 cents (six-month period ended 30 June 2015: HK1.5 cents per share) per share for the six-month period ended 30 June 2016 for achieving this significant milestone.

**Mr. Lawrence Ho, Group Chairman and CEO of Melco**, said: "Despite fluctuations in the global economy and challenges faced by the gaming industry in Macau, Melco has continued to expedite its international expansion guided by its vision to seize opportunities in order to ensure longer-term success.

"We are thrilled that Melco has become the single largest shareholder of our core gaming arm and key revenue driver, Melco Crown Entertainment, earlier this year. The shift in shareholding structure bolsters the Group's financial position and facilitates our efforts in realizing global expansion.

"The opening of Studio City is clear evidence of the Group's dedication to provide a distinctive portfolio of non-gaming, mass market-focused amenities, which has been proven rewarding with increased visitation and significant improvement of mass table yield as observed in July 2016. We believe the resilient mass market segment will continue to be the main profit and growth driver to support a stable and sustainable industry development. Our leading premium-focus integrated resort, City of Dreams, is also opening an upgraded retail precinct in phases from June to December this year. Together with its fifth hotel tower in the pipeline, City of Dreams will further capitalize on the potential in the premium mass segment and retain its coveted position.

"Elsewhere in Asia, City of Dreams Manila continues to provide a strong and diversified earnings stream to the Group as a result of the robust growth delivered by its gaming operations. Earlier this year during May, the Group's wholly-owned subsidiary, Melco Gaming Assets Management (Korea) Limited has entered into a strategic cooperation arrangement on the provision of consultancy services for a casino project on Jeju Island, South Korea, spearheading the Group's further penetration into the Asian market.

"Outside Asia, apart from Tigre de Cristal in Russia in which we have interest, Melco is also actively evaluating development opportunities in emerging gaming jurisdictions such as Spain and Cyprus, as part of our strategic expansion plan to further diversify the revenue stream and strengthen our international presence.

"Going forward, as Macau's gaming industry has seemingly bottomed out and started to stabilize, we remain cautiously positive about its long-term outlook. Nonetheless, Melco resolves to accelerate its efforts in boosting its market share and presence in Asia, while evaluating development opportunities in other emerging gaming jurisdictions overseas, in order to realize its vision of becoming a world-leading gaming, entertainment and leisure developer and operator."

### ***MCE Delivers Strong Operational and Financial Results for the First Half of 2016***

Effective 9 May 2016, the Group has become the single largest shareholder of core gaming arm and key revenue driver, MCE, as shareholding increased to 37.89% from 34.29%. In addition, Melco has gained control over MCE and therefore, consolidated the financial results of MCE for the first time in history. The unleash of HK\$10.4 billion in fair value gain over cost of MCE bolsters the Group's financial position and equity attributable to shareholders increased to HK\$22.4 billion in June 2016 from HK\$12.4 billion in

December 2015, whilst net asset value attributable to shareholders per share increased by more than 80% to HK\$14.5 in June 2016 from HK\$8.0 in December 2015.

Under the United States Generally Accepted Accounting Principles ("U.S. GAAP"), net revenue from MCE for the first half of 2016 increased 10.3% to US\$2,174.0 million (six-month period ended 30 June 2015: US\$1,971.0 million). Adjusted property EBITDA amounted to US\$494.1 million (six-month period ended 30 June 2015: US\$458.2 million), representing a 7.8% increase. These improvements were mainly attributable to the satisfactory performance of Studio City and the fully-operating City of Dreams Manila.

### ***Innovation in Flagship Properties to Achieve Further Growth in Macau Market***

As a large-scale cinematically-themed integrated entertainment, retail and gaming resort in Macau, Studio City has been delivering the best-of-class entertainment-fuelled offerings to thrill-seekers since opening its doors. The 5,000-seat state-of-the-art Studio City Event Center has been the performance choice of a number of Asian and international top singers including Madonna, Leon Lai, Aaron Kwok, Super Junior and S.H.E., consolidating Studio City as a top-tier regional entertainment attraction. Apart from securing a strong customer base with its full array of non-gaming attractions, Studio City has also become a top choice of film setting for popular TV shows and movies, such as "Up Idol II", a Hunan TV reality show with more than 100 million viewers; "Cook up a Storm", the first-ever 4D Chinese food movie starring Nicholas Tse; and the movie "Line Walker", featuring household names such as Francis Ng, Nick Cheung, Louis Koo and Charmaine Sheh.

MCE's flagship integrated resort, City of Dreams, is enhancing its leisure and entertainment offerings. Opening in phases from June to December this year, the new shopping precinct at City of Dreams is three times larger than the former retail space, and it boasts the largest collection of luxury brands in Cotai. The construction of the fifth hotel tower is also well underway.

### ***Continuing with Diversification of Earnings Stream in Overseas Markets***

In the Philippines, City of Dreams Manila delivered impressive results in all gaming segments. With the continuing ramp-up of the rolling chip business complementing its mass market gaming and non-gaming segments, City of Dreams Manila provides the Group with a strong and diversified earnings stream to complement its operations in Macau.

Entertainment Gaming Asia Inc. ("EGT"), the Group's 64.84%-owned subsidiary, recorded consolidated revenue of US\$6.1 million for the six-month period ended 30 June 2016, down 31% year-on-year due to a decrease in gaming operations revenue. EGT is focused allocating more resources towards the development of new business projects, including the internal development of a social gaming platform for the Asian markets.

MelcoLot Limited ("MelcoLot"), in which the Group holds an equity interest of 40.65%, registered a revenue of HK\$34.0 million, representing a significant year-on-year increase of 41%. The distribution business continues as MelcoLot's principal revenue driver, contributing approximately 99% of the Company's revenue for the period. While meeting the challenges brought by the changing regulatory environment in China's lottery market, MelcoLot will continue to pursue opportunities to develop international projects as well as business opportunities in the PRC.



## Other Achievements

In 2016, the strong management team has garnered prestigious leadership awards from the business and investor community. Group Chairman and Chief Executive Officer, Mr. Lawrence Ho, was honoured as “Asia’s Best CEO” by *Corporate Governance Asia* for five consecutive years. Additionally the Group has captured the “Best Investor Relations Company” award from *Corporate Governance Asia*. These accolades serve as testimony to the Group’s continued commitment to achieving the highest standards of corporate governance.

On the corporate social responsibility front, the Group has once again earned “Asia’s Best CSR” presented by *Corporate Governance Asia* for the fourth year and has earned the “President’s Award” from *The Community Chest*. The Group’s ardent support for sustainable development for the community and environment has been acknowledged through these coveted honours and the Group will continue its endeavours to remain a responsible corporate citizen in the future.

On the property level, Altira Macau and Crown Towers at City of Dreams have been honoured with Forbes Five-Star Awards for the seventh and fourth consecutive year, respectively, in 2016. The recently opened Studio City has earned “Casino Resort of the Year” at the International Gaming Awards 2016, further demonstrating the Group’s superior hospitality, leisure and entertainment offerings to customers.

## Entertaining Possibilities • Achieving Growth

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### About Melco International Development Limited

Founded in 1910 and listed on the Hong Kong Stock Exchange since 1927, Melco International Development Limited (“Melco”, HKEx Code: 200) was among the first one hundred companies established in Hong Kong. Today, under the leadership of its Chairman and Chief Executive Officer, Mr. Lawrence Ho, Melco has become a world leader in the leisure and entertainment sector with operations in China, Philippines and Russia. Its promising performance and distinctive leadership in the industry are also well recognized worldwide.

In May 2016, Melco became the single largest shareholder of Melco Crown Entertainment (NASDAQ ticker symbol “MPEL”), a leading developer, owner and operator of casino gaming and entertainment casino resort facilities in Asia, further bolstering the Group’s financial position through incorporation of the accounting subsidiary’s full financial contributions. Through different companies, the Group is also actively pursuing expansion opportunities in Spain and Cyprus.

As a dynamic enterprise, Melco has garnered numerous accolades for excellence in corporate governance and contribution to CSR. Melco has been honoured with the “Corporate Governance Asia Annual Recognition Award” by Corporate Governance Asia magazine for the tenth year in 2015. It is also the first entertainment company to receive the “Hong Kong Corporate Governance Excellence Awards” by the Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy of the Hong Kong Baptist University.

For more information about Melco, please visit [www.melco-group.com](http://www.melco-group.com).



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