



[For Immediate Release]

Melco Announces 2016 Annual Results

*Well-positioned to Capitalize on Global Expansion Opportunities
with Strengthened Financial Position*

Highlights

- Melco International Development Limited (“Melco”) has continued to strengthen its global market presence in 2016, as Macau’s gaming market started to show signs of recovery. Profit attributable to owners of the Company was HK\$10.4 billion for the year ended 31 December 2016. As of 31 December 2016, Melco’s Net Assets Value (“NAV”) reached HK\$57.0 billion, and NAV per share attributable to owners of the Company increased to HK\$14.6.
- In February 2017, Melco completed the purchase of additional interest in Melco Crown Entertainment (“MCE”). Melco’s ownership in MCE increased from approximately 37.9% to 51.3%, taking the majority stake in MCE. This acquisition transaction not only strengthens Melco’s equity position in MCE, but also demonstrate the Group’s confidence in the long-term business outlook in Macau, and enables the Group to effectively capture the growth opportunities in Macau, Asia and from around the globe.
- The Group’s core gaming arm, MCE achieved a strong set of operating and financial results. Net revenue and adjusted property EBITDA amounted to US\$4.5 billion and US\$1,087.5 million respectively.
- The “Morpheus” brand has been created for City of Dreams’ new hotel tower, expected to commence operation in 2018. Designed by the late Dame Zaha Hadid, DBE., this world-leading architectural masterpiece is destined to set a new benchmark for contemporary ultra-luxurious hospitality.
- The multinational consortium formed between Melco, Hard Rock International and Cyprus Phasouri (Zakaki) Limited has now entered the final stage of obtaining a 30-year license for the operation of the new casino resort, with a 15-year exclusivity period, from the Cypriot government.
- Melco has always had a keen interest in the Japan market. The Group has recently unveiled the inspiration behind the concept of prospective integrated resorts for prime locations in Umekita and Yumeshima, Osaka, Japan, and reaffirmed its commitment to collaborate with potential host cities and the national government of Japan on the development of unique and exciting world-class integrated resorts that celebrate the best of Japan and its culture.
- The Board has recommended the payment of a special final dividend of HK2.0 cents per share for the year ended 31 December 2016 to the shareholders. The total dividends for the year amounted to HK3.5 cents per share (2015: HK3.5 cents per share) in an aggregate amount of approximately HK\$54.1 million for the year ended 31 December 2016.



(Hong Kong, 31 March 2017) --- Melco International Development Limited (“Melco” or the “Group”, HKEX Code: 200) has announced today its annual audited results for the year ended 31 December 2016. The Group recorded profit attributable to owners of the Company of HK\$10.4 billion for the year ended 31 December 2016. As of 31 December 2016, Melco’s NAV reached HK\$57.0 billion, and NAV per share attributable to owners of the Company increased to HK\$14.6.

The Company distributed an interim dividend of HK1.5 cents per share for the six-month period ended 30 June 2016 (six-month period ended 30 June 2015: HK1.5 cents per share), and the Board has recommended the payment of a special final dividend of HK2.0 cents per share for the year ended 31 December 2016 to the shareholders. The total dividends for the year amounted to HK3.5 cents per share (2015: HK3.5 cents per share), in an aggregate amount of approximately HK\$54.1 million, for the year ended 31 December 2016.

In December 2016, Melco announced that it had entered into an agreement to purchase additional interest in its core gaming arm Melco Crown Entertainment Limited (“MCE”). After the successful completion of the purchase in February 2017, Melco’s ownership in MCE increased from approximately 37.9% to 51.3%, making it MCE’s majority shareholder. The move not only strengthens Melco’s financial position, boosting its capability to realise its global expansion vision, but also underscores the confidence it has in Macau’s long-term prospects.

Mr Lawrence Ho, Group Chairman and CEO of Melco, said: “Melco has continued to strengthen its market presence globally in 2016. After a long period of struggling through different challenges affecting the gaming industry in Macau, we have finally begun to see positive signs of recovery in gaming revenue during the third quarter of 2016. With cautious optimism for a stable recovery and long-term trust in the Macau gaming market, Melco has assumed majority ownership of MCE in February 2017 and continues to focus its effort on supporting tourism diversification there. At the same time, the Group’s first overseas integrated resort - City of Dreams Manila - has achieved a commendable performance, and we have also been actively exploring opportunities in new markets, such as South Korea, Cyprus and Japan.”

“In Macau, one of the key milestones we achieved in 2016 was the unveiling of Morpheus, the highly anticipated new hotel brand created for the fifth hotel tower at City of Dreams, our flagship integrated resort in Macau. This architectural masterpiece embodies a new sophisticated luxury that illustrates what Melco has to offer in Macau’s quest to become a World Centre of Tourism and Leisure. On the other hand, the long-awaited new mall at City of Dreams was launched in December 2016, occupying an area three-fold the former retail space. The new shopping precinct offers a strategically designed, exclusive and eye-opening luxury shopping experience in the heart of Macau set to transform the city’s retail landscape.”

“Outside of Macau, City of Dreams Manila continues to increase its gaming market share by delivering strong revenue growth across all gaming segments. The improvement in gaming operations, together with cost efficiencies identified through our group-wide focus on managing reinvestment and other



operating expenses, contributed to a solid financial performance in 2016.”

“Elsewhere in Asia, our wholly-owned subsidiary, Melco Gaming Assets Management (Korea) Limited, entered into a strategic cooperation arrangement with New Silkroad Korea Development Limited for the provision of consultancy services for its casino project on Jeju Island, South Korea. We are also very excited that the multinational consortium, consisting of Melco, Hard Rock International and Cyprus Phasouri (Zakaki) Limited, has entered the final stage of obtaining a license to build and operate the first integrated casino resort in Cyprus. Also worth noting is the progress in our plan to secure a gaming license in Japan, as the legalisation of casinos in December 2016 has paved the way for tremendous business opportunities in this wealthy and populous country.”

“Looking ahead, Macau’s gaming industry continues to face market headwinds, but there is plenty of room for optimism. Riding on the ongoing recovery of Macau underpinned by a pivot of the market towards the mass market segment, Melco continues to further develop our operations in Macau as well as in overseas markets, including the Philippines, Russia, South Korea, mainland China and the Pan-Asian region. We are also resolved to advance our expansion plan in Cyprus, and to explore new opportunities in other countries, such as Japan. We look forward to an exciting ride which will take us to unprecedented new heights.”

Further Strengthens Leading Position in Macau Market

The Group’s core gaming and entertainment business in Macau is operated by its 51.3%-owned subsidiary MCE, which achieved a strong set of operating and financial results in 2016, despite the ongoing challenges in the Macau gaming market. Net revenue and adjusted property EBITDA increased by 13.7% and 16.7% to US\$4.5 billion and US\$1,087.5 million respectively for the full year. The improvements were mainly attributable to the contribution from a fully-operating Studio City and higher casino revenues at City of Dreams Manila.

City of Dreams, the Group’s flagship integrated resort in Macau, has witnessed another encouraging year in 2016, highlighted by the unveiling of its new hotel brand “Morpheus”. In the same year the full launch of the resort’s new mall also took place, having tripled in size to spread across 173,000 square feet, boasting the largest collection of luxury brands in Cotai.

The “Morpheus” brand has been created for City of Dreams’ new hotel tower, a world-leading architectural masterpiece that is destined to set a new benchmark for contemporary ultra-luxurious hospitality. Expected to commence operation in 2018, Morpheus is to be housed in the world’s first free-form exoskeleton architectural composition designed by the late Dame Zaha Hadid, DBE., and is expected to become an icon in the Macau skyline. Morpheus signifies the beginning of a new wave of opulent hospitality in Macau with the potential to attract visitors from around the world.

The new mall at City of Dreams features the largest shoe salon in Hong Kong and Macau, the largest beauty hall in Southern China, and a personal stylist team dedicated to guiding individual customers



through the latest offerings to perfectly match their personality and taste. The Group believes the new shopping precinct introduces a new concept that shapes the future of luxury retail, and enhances Melco's leading position in the premium mass market segment in the region.

Fully operational in 2016, the Hollywood-inspired, cinematically-themed integrated resort Studio City's mass table games revenues have continued to expand, leveraging its enthralling entertainment facilities. Combined with the rolling chip operations that began in November 2016, the property has delivered a strong improvement in underlying earnings during the year. While the rolling chip operations broaden the property's gaming proposition, Studio City's core focus remains on its mass market offerings which are ideally aligned to the demand landscape in Macau.

In just one year of operation, Studio City has garnered 39 awards for its fabulous gamut of world-class entertainment and the efforts lavished on creating memorable experiences for visitors to Macau.

Explore Opportunities in New Markets, Further Expansion of Global Network

Beyond Southeast Asia, the multinational consortium formed between Melco, Hard Rock International and Cyprus Phasouri (Zakaki) Limited, a member of the CNS group, has successfully satisfied the requirements of the tender process of licensing an integrated casino resort in the country in November 2016. The consortium has now entered the final stage of obtaining a 30-year license for the operation of the new casino resort, with a 15-year exclusivity period, from the Cypriot government. The soon-to-be developed landmark will include more than 500 luxury hotel rooms, 1,000 gaming machines, and 100 gaming tables, along with the rights to build a satellite casino, three slot parlours, and a 15-year term of gaming operation exclusivity in Cyprus.

Entertainment Gaming Asia Inc. ("EGT"), the Group's 64.84%-owned subsidiary, has recorded consolidated revenue of US\$2.0 million for the year 2016. During the year 2016, EGT has benefitted from an established presence in the gaming markets of Cambodia and the Philippines through its slot operations business. The company recorded a cash balance of US\$33.6 million and zero debt as of 31 December 2016.

MelcoLot Limited ("MelcoLot"), in which the Group holds a 40.65% equity interest, is engaged in the provision of lottery-related technologies, systems and solutions in the PRC. During the year, MelcoLot recorded revenue of HK\$60.3 million, representing a year-on-year growth of 5.4%.

For over a decade, the Group has always had a keen interest in the Japan market. With the eagerly anticipated integrated resorts promotion bill in Japan passed in December last year, Melco reaffirmed its commitment to collaborate with potential host cities and the national government of Japan on the development of unique and exciting world-class integrated resorts that celebrate the best of Japan and its culture. To extend its unsurpassed track record of developing and operating highly sophisticated and truly unique integrated resorts in Asia, Melco has recently unveiled the inspiration behind the concept of prospective integrated resorts for prime locations in Umekita and Yumeshima, Osaka, Japan.



Other Achievements

For the 11th year, the Group has been awarded the “Corporate Governance Asia Annual Recognition Award” from *Corporate Governance Asia* magazine in 2016. The Group has also reaped the title “Best Investor Relations” from the same publication for the sixth consecutive year in 2016. Mr Lawrence Ho, Group Chairman and Chief Executive Officer, was again named “Asia’s Best CEO” and won the “Asian Corporate Director Recognition Award” presented by *Corporate Governance Asia* magazine for the fifth time.

While Melco endeavours to be the leading global gaming and entertainment operator, the Group is equally committed to contributing to society. Melco has been included as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index for its noteworthy efforts in corporate sustainability since 2013. In recognition of the Group’s charitable efforts, *Corporate Governance Asia* magazine awarded “Asia’s Best CSR” to Melco for the fourth consecutive year in 2016, and was presented with the “President’s Award” from The Community Chest of Hong Kong. Its continued contributions to the Partnership Fund for the Disadvantaged and various welfare programs were also recognized with the “Outstanding Contribution Award” presented by the Social Welfare Department.

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.

Melco held a majority stake in Melco Crown Entertainment Limited (NASDAQ ticker symbol “MPEL”), a leading developer, owner and operator of casino gaming and entertainment casino resort facilities in Asia. The recent acquisition further bolsters the Group’s financial position and enables its growth opportunities in Macau, Asia and around the world. Through different companies, the Group is also actively pursuing expansion opportunities in 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 eleventh year in 2016. 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.

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