

[For Immediate Release]

Melco announces 2009 Annual Results

Highlights

- **Sharpened competitive edge by strengthening business focus on its core leisure, gaming and entertainment businesses in Macau and divesting non-core businesses.**
- **Net loss after tax is HK\$1.45 billion in FY2009, representing 38% improvement over net loss after tax of HK\$2.35 billion in FY2008.**
- **Of this loss, approximately HK\$476 million was attributable to non-cash and non-operational items, primarily relating to fair-value adjustments, impairment losses and reduced interests in net assets of associates.**
- **Operating efficiency improved 37% via various cost rationalization initiatives in FY2009.**
- **Maintained strong balance sheet with a net asset value of HK\$6.7 billion where HK\$860.8 million were bank deposits, cash and cash equivalents and gearing ratio at a satisfactory 0.23 times as of 31 December 2009.**
- **Core Gaming & Macau business units reported improving results at the beginning of 2010 with City of Dream's performance in mass market improving significantly and Altira Macau showing strong return of rolling chip levels under a more profitable commission environment.**

(Hong Kong, 30 March, 2010) --- Melco International Development Limited ("Melco" or the "Group", HKEx Code: 200) today announced its annual results for the year ended December 31, 2009.

Mr Lawrence Ho, Group Chairman and CEO of Melco, said: "The global economy continued its struggle in the aftermath of the world's worst-ever financial crisis over the first half of 2009. Adding to that, the spread of the human swine flu dampened tourism significantly for a few months, hindering improvements of the overall economic environment. However, despite continued challenges in the operating environment, we devoted the year to strengthening our business focus on Leisure, Entertainment and Macau and achieved the most important milestone in the Group's development."

For the year under review, the Group's net loss after tax decreased 38% to HK\$1.45 billion for the year, as compared to HK\$2.35 billion in the previous year. Of this loss, HK\$476 million was attributable to non-cash and non-operational items, primarily relating to fair-value adjustments, impairment losses and reduced interests in net assets of associates.

To cope with the unfavorable market environment in 2009, the Group implemented several cost rationalization initiatives, resulting in a 37% improvement in operational efficiency across its businesses units. The Group's balance sheet remains strong with a net asset value of HK\$6.7 billion where HK\$860.8 million were bank deposits, cash and cash equivalents as of 31 December 2009. The gearing ratio, expressed as a percentage of total borrowings (including bank borrowings, shareholder's loan, long term payable and convertible loan note) over shareholders' fund, was at a satisfactory level of 0.23 times.

Enhancement of Core Leisure, Gaming and Entertainment Portfolio

Melco Crown Entertainment opened its flagship property, City of Dreams, on time and on budget on 1 June 2009. Although City of Dreams could only contribute seven months' revenue to the Group in 2009, it has quickly become the "must experience" integrated urban entertainment resort in Macau, enabling Melco to tap into the high-growth mass market in Macau.

Since its opening, City of Dreams continuously fine-tuned its offerings. Over the fourth quarter, City of Dreams reconfigured its casino floor to provide a more comfortable and exciting gaming atmosphere. Together with Grand Hyatt Macau's 800 rooms in full operation and a new casino brand-reinforcement marketing campaign, City of Dreams enjoyed increased traffic and increased length of play over the past few months. Sequential improvement in mass market hold and table drop were reported, with drop volume breaking US\$150 million for the first time in December 2009. Strong operational performance continued at the beginning of 2010, with January's drop volume surpassing US\$170 million.

On City of Dreams' plans in 2010, **Mr. Ho** shared: "We will continue to enhance our entertainment offerings at City of Dreams. We will transform the second floor of City of Dreams into the center of entertainment and nightlife in Macau, providing visitors with a true Las Vegas-style gaming and entertainment experience right in the heart of Cotai.

"The world's largest water-based show 'The House of Dancing Water' will debut at the purpose-built Theater of Dreams in mid-2010. We anticipate a surge in the number of visitors to Macau and City of Dreams in the coming year."

The re-branded Taipa casino property, Altira Macau, maintained its reputation as the benchmark-quality property in Macau by winning multiple awards. Altira Macau was one of the only two laureates in Macau to win the prestigious Forbes Five-Star Rating for both Lodging and Spa categories in 2009. The commission cap legislation effective in December last year catalyzed a strategic change for Altira Macau, transitioning from out-sourced credit provision model under a single aggregator to a more traditional business model where relationships with gaming promoters are direct. The transition posed a temporary negative impact on its rolling chip volume in the fourth quarter. However, Altira Macau's financial performance has rebounded in January 2010. Its rolling chip levels have bounced back to approximately MOP 30 billion

resulting in Melco Crown Entertainment's market share rebounding to 16%. This combined with reduced junket commission rates have solidly improved the property's profitability.

Looking forward, **Mr Ho** said, "We expect 2010 to be an exciting and rewarding year for Melco, particularly given the positive economic outlook in China, the continued strong support from both the Central Government of China and the Macau SAR Government, as well as Macau's geographic advantage of being in proximity to a huge population base. Although new casinos have been opened in Singapore recently, it is expected to have minimal impact on Macau. We expect to see notable improvement in our core leisure and entertainment units' performance, with full operating results and increased market share from our comprehensive portfolio comprising City of Dreams, Altira Macau and Mocha Clubs. Our key businesses are on a positive trajectory."

Other Achievements in 2009

Melco's continuous efforts in striving for the highest corporate governance standards, business ethics and board leadership have been widely recognized by the investment and business communities.

Year 2009 was the fourth time for Melco to receive the Corporate Governance Asia Annual Recognition Award from Corporate Governance Asia magazine, and the third consecutive year to be selected by FinanceAsia magazine as one of Hong Kong's Best Managed Companies. It was also the year Melco became the first-ever leisure and entertainment company to receive the Corporate Governance Award by the Chamber of Hong Kong Listed Companies and Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University (CCGFP).

About Melco International Development Limited

Founded in 1910 and listed on the Hong Kong Stock Exchange in 1927, Melco was among the first one hundred companies established in the city. 2010 marks the 100th anniversary of Melco. Today, under the leadership of its Chairman and Chief Executive Officer Lawrence Ho, Melco is a dynamic New Generation Asian leisure and entertainment company focused on Gaming and Macau. Its promising performance and distinctive leadership in the industry are also well recognized worldwide. Melco was recognized by FinanceAsia magazine as one of Hong Kong's Best Managed Companies for the third year in 2009. It is also the first entertainment company to receive the "Hong Kong Corporate Governance Excellence Awards 2009" by the Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University. For more information about Melco, please visit www.melco-group.com.

Media Enquiries:

Melco International Development Limited

Maggie Ma Tel: (852) 3151 3767
 Fax: (852) 3162 3579

Email: maggiema@melco-group.com

Strategic Financial Relations Limited

Mandy Go Tel: (852) 2864 4812
Angela Ng Tel: (852) 2864 4855
Sherman Yu Tel: (852) 2114 4956
 Fax: (852) 2804 2789

Email: mandy.go@sprg.com.hk

Email: angela.ng@sprg.com.hk

Email: sherman.yu@sprg.com.hk