



[For Immediate Release]

## Melco announces 2011 Interim Results

### **Highlights**

- Performance of Melco significantly turned around with profit attributable to owners of the Company amounting to HK\$173.8 million as compared to a loss of HK\$218.2 million for the same period last year. Basic earnings per share was HK\$0.14.
- Core Gaming & Macau business units under the Group's major associate, Melco Crown Entertainment, delivered encouraging interim results with record-setting gaming volumes and a record Adjusted EBITDA of US\$216.3 million for the second quarter of 2011, an increase of approximately 195% from US\$73.4 million for the comparable period in 2010.
- The newly acquired Studio City project of Melco Crown Entertainment is expected to complement its existing mass market offerings, meaningfully increase the Group's footprint in Macau and further strengthen its comprehensive portfolio of assets covering all market segments.
- The proposed dual listing of Melco Crown Entertainment would provide it with wider domestic and international shareholder base and increased exposure to Asian capital markets. Melco is set to benefit from not only the potential enhancement in the shareholder value of Melco Crown Entertainment but also an increase of its trading liquidity.
- Outside Macau, Melco is participating in two casino development projects in Cambodia via its 38.6% stake in its associate, Entertainment Gaming Asia Inc. (EGT). The two projects are anticipated to open during 2012 and will lead to higher long-term incremental returns on EGT's operations.
- Continued to enrich its portfolio of gaming and entertainment offerings in Asia through its associate companies and is keeping a close watch for new opportunities elsewhere in the region.
- Maintained a strong balance sheet with a net asset value of HK\$7.1 billion of which HK\$729.6 million were bank deposits, cash and cash equivalents, and a low gearing ratio of 19% as of 30 June 2011.

**(Hong Kong, 30 August, 2011) --- Melco International Development Limited** ("Melco" or the "Group", HKEx Code: 200) today announced its unaudited interim results for the six months ended 30 June 2011. The performance of Melco has significantly turned around with profit attributable to owners of the Company amounting to HK\$173.8 million as compared to a loss of HK\$218.2 million for the same period last year.



For the period under review, the Group continued to maintain a healthy balance sheet with a net asset value of HK\$7.1 billion of which HK\$729.6 million were bank deposits, cash and cash equivalents as of 30 June 2011. The gearing ratio, expressed as a percentage of total borrowings (including bank borrowings, convertible loan note and long term payable) over shareholders' funds, was at a satisfactory level of 19%.

**Mr. Lawrence Ho, Group Chairman and CEO of Melco**, said: "I'm glad to report a significant business turnaround for the first half of 2011, which laid a solid foundation for our future growth. During the period, the Group has exhibited continuing progress in maximizing the profitability of its high-quality portfolio of assets. Our major gaming businesses associate, Melco Crown Entertainment, has taken strategic step forward and acquired a 60% stake in the Studio City project, boosting the Group's foothold in the fast-growing Cotai area and fueling our future growth.

"Outside Macau, we are participating in two casino development projects in Cambodia via our associate, Entertainment Gaming Asia Inc. (EGT) in which we hold a 38.6% stake. The two casinos plan to open during 2012 and EGT is well-positioned to expand its gaming operations, including the development and operation of its own regional casinos, in select emerging gaming markets with high potential within the Indo-China region. These growth strategies are expected to lead to higher long-term incremental returns on EGT's operations.

"Melco's outlook for Macau and gaming remains positive, particularly with its optimistic outlook for the Chinese economy. Looking ahead, the Group will continue to enrich its portfolio of gaming and entertainment offerings in Asia, drive stronger operating leverage and will keep a close watch for new opportunities elsewhere in the region to enhance shareholder value and benefit our stakeholders and society at large."

### ***Significant growth momentum and enrichment in mass market offerings***

2011 has been a promising year for Melco with sustainable growth momentum within the flourishing Macau gaming market. Melco Crown Entertainment recorded an Adjusted EBITDA of US\$216.3 million, an increase of approximately 195% as compared to Adjusted EBITDA of US\$73.4 million in the second quarter of 2010. With the objective of profitably expanding its mass market business, particularly the premium mass segment, and driven by the good response from the non-gaming operations, City of Dreams also recorded a significant increase in net revenue compared with last year. This increase was attributable to substantial growth in both rolling chip and mass market volumes, improvements in mass market and rolling chip hold percentages, as well as increased hotel sales and contributions from The House of Dancing Water and Club Cubic. Since the grand opening of The House of Dancing Water in last September, the show has entertained over 700,000 guests with occupancy levels above 90% on average per show. The show has significantly reinforced City of Dreams' entertainment



proposition and has generated meaningful positive ripple effects throughout the business, including higher property visitation, hotel occupancy rates, and gaming spend.

On the other hand, Altira Macau also made good progress during the period with significant year-over-year improvements in net revenues and Adjusted EBITDA driven by strong rolling chip volume growth and substantially improved operating margins.

### ***Positive outlook as strong Mainland China economy continues to drive growth***

The powerful economy in Mainland China is expected to continue as the engine propelling significant growth of Macau in both visitation and spending. Melco already has plans in the pipeline to intensify its focus on this profitable mass market, while maintaining a disciplined approach in delivering solid rolling chip volume growth. Leveraging the Group's experience as a pioneer in developing inspirational leisure and entertainment projects in Macau, the management is positive it can bring new, unique, and exciting experiences to the market and further increase its market share.

Melco Crown Entertainment has also recently embarked on another strategic initiative in early August with the application for a dual listing on the Hong Kong Stock Exchange ("SEHK"), to put Melco Crown Entertainment on a par with its peers. The proposed dual listing would provide Melco Crown Entertainment with wider domestic and international shareholder base and increased exposure to Asian capital markets. With access to this additional source of capital, Melco Crown Entertainment is well positioned to expand its gaming businesses in the years to come. Melco is set to benefit from not only the potential enhancement in the shareholder value of Melco Crown Entertainment but also an increase of its trading liquidity.

### **Other Achievements**

In 2011, Melco has received multiple awards in recognition of the Group's achievements in corporate governance, operational standards and corporate social responsibility. Melco has garnered the "Best Corporate Governance" award and was named one of Hong Kong's "Best Managed Companies" for the fifth year running, by *FinanceAsia* magazine. It has also won the "Corporate Governance Asia Annual Recognition Award" for the sixth consecutive year by *Corporate Governance Asia* magazine. Mr. Lawrence Ho was selected as one of the "Best CEOs in Hong Kong" by *FinanceAsia* magazine and "Asia's Best CEO (Investor Relations)" by *Corporate Governance Asia* magazine. Melco was also honored by the Hong Kong Council for Social Service and The Community Chest, among other organizations, for its contributions to community services.



### **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. Today, under the leadership of its Chairman and Chief Executive Officer, Mr. 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 fifth year in 2011. 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](http://www.melco-group.com).

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