



[For Immediate Release]

## Melco announces 2011 Annual Results

### *Highlights*

- Melco International Development Limited (“Melco”) achieved exceptional performance with an overall business turnaround. Profit attributable to owners of the Company was HK\$280.1 million for the year ended 31 December 2011, as compared with a loss of HK\$209.5 million last year
- Core Gaming and Macau business units under the Group’s major associate, Melco Crown Entertainment Limited (“Melco Crown Entertainment”) reported under US GAAP a record-setting net revenue of US\$3.8 billion and Adjusted EBITDA of US\$809.4 million for the year, an increase of 45% and 88% respectively, demonstrating strong top line growth together with impressive operating leverage, driven mainly by strong rolling chip and mass market volumes, as well as improving mass market table hold percentages
- The dual listing of Melco Crown Entertainment by way of introduction in the Hong Kong Stock Exchange and the completion of the acquisition of a 60% stake in the Studio City Project marked strategically significant milestones in the history of the Group
- Melco’s 38.5%-owned associate, Entertainment Gaming Asia Inc. (“EGT”) achieved record high Adjusted EBITDA of US\$11.7 million, up 41% compared to US\$8.4 million last year, and turnaround to a positive net income of US\$642,000 for the year
- EGT is expanding its gaming business in Cambodia, with development projects strategically located near the borders with Thailand and Vietnam, which are expected to provide higher long-term growth and incremental returns in the future
- Melco maintained a strong balance sheet with net asset value per share attributable to owners of the Company rising by 5% to HK\$5.83 and gearing ratio improved to 17% as of 31 December 2011.

**(Hong Kong, 28 March 2012) --- Melco International Development Limited** (“Melco” or the “Group”, HKEx Code: 200) today announced its annual results for the year ended 31 December 2011. The Group reported a significant business turnaround with profit attributable to owners of the Company improving to HK\$280.1 million, as compared with a loss of HK\$209.5 million last year.

The Board has recommended the payment of a final dividend of HK1.5 cents (2010: Nil) per share.

During the year, the Group continued to maintain a healthy balance sheet with net asset value per share attributable to owners of the Company increasing by 5% to HK\$5.83 and the gearing ratio improving to 17% as of 31 December 2011.

**Mr. Lawrence Ho, Group Chairman and CEO of Melco**, said: “Melco Group achieved exceptional results in 2011, in particular, our core gaming and entertainment business in Macau and gaming machine revenue participation business in Southeast Asia, which drove an overall business turnaround.



At the same time, MelcoLot Limited, our lottery business in China, recorded an improved performance and is on course to capitalize on the rapid development of the China Lottery market segment.

“Moreover, we have embarked on significant strategic initiatives that take the Group further forward. The dual listing of Melco Crown Entertainment by way of introduction on the Hong Kong Stock Exchange and the completion of the acquisition of a 60% stake in the Studio City Project marked strategically significant milestones in the history of the Group and will pave the way for substantial future business growth.

“Looking into 2012, we are very confident about the outlook of Macau and believe we can sustain our excellent performance. The shift of Macau’s gaming epicenter to Cotai, where our flagship property City of Dreams and pipeline development project Studio City are located, strategically positions Melco to achieve another year of remarkable growth. The steady strengthening in underlying profitability of City of Dreams clearly demonstrates the success of our strategic focus on driving our mass market operations, which we believe will continue to underpin our future profitability and cash flow.

“Outside Macau, our gaming machine revenue participation businesses in Cambodia and the Philippines are expected to sustain healthy growth as well, with EGT’s gaming operations in Dreamworld Casino Pailin, Cambodia scheduled to commence this year and two other development projects in the pipeline within that country, strategically located near the borders with Thailand and Vietnam, are expected to provide higher long-term growth and incremental returns. Leveraging our insight into the preferences of the Asia market and unrivalled expertise in gaming and entertainment development, we are constantly evaluating opportunities to enrich our portfolio and extend our geographic reach.”

***Enhanced operating leverage and ramped up mass market operations in Macau***

The Group’s core gaming and entertainment business in Macau operated by its 33.7%-owned associate company Melco Crown Entertainment recorded outstanding performance with record-setting net revenue of US\$3.8 billion and Adjusted EBITDA of US\$809.4 million for the year, surges of 45% and 88% respectively, demonstrating strong top line growth together with impressive operating leverage. The record-setting performance was driven mainly by significantly improved gaming fundamentals, including strong rolling chip and mass market volumes, as well as improving mass market table hold percentages.

Having ramped up City of Dream’s gaming infrastructure to tap the burgeoning mass market segment, Melco Crown Entertainment’s efforts have paid off with increased visitation and strong growth in its mass tables business. City of Dreams recorded a year-over-year improvement in net revenue and Adjusted EBITDA, driven by record rolling chip and mass market table volumes and ongoing improvements in mass market table hold percentages supplemented by strong contributions from hotel revenues and other non-gaming amenities. On the other hand, stimulated by increased rolling chip and mass market volumes, together with a stronger mass market table games hold percentage, Altira Macau recorded improvement in net revenue and Adjusted EBITDA in 2011.

***Sustained growth in gaming machine revenue participation and lottery businesses in Asia***

The Group’s gaming machine revenue participation business is operated through its 38.5%-owned associate EGT. With an established presence in Cambodia and the Philippines, EGT achieved record high Adjusted EBITDA of US\$11.7 million, an increase of 41% compared to US\$8.4 million last year and



a positive net income of US\$642,000, as it benefited from a significant increase in revenue from its gaming machine participation business, a more refined business model and efficient operating structure. The gaming machine operations at NagaWorld Hotel and Casino Resort in Phnom Penh, Cambodia have been strong contributors to EGT's financial performance.

At the same time, MelcoLot Limited, its lottery business in China, recorded improved performance and is on course to capitalize on the rapid development of the China Lottery market. It significantly increased its revenues from the provision of management services for distribution of lottery products by 8.8%.

### **Other Achievements**

In 2011, Melco has garnered the Corporate Governance Asia Annual Recognition Award for the sixth consecutive year and "Best Investor Relations by a Hong Kong Company" by *Corporate Governance Asia* magazine. It has been recognized as having the "Best Corporate Governance," and "Best Investor Relations," being the "Best in Corporate Social Responsibility," and selected among "Hong Kong's Best Managed Companies," all within the annual poll of the authoritative *FinanceAsia* magazine in 2011. Group Chairman and CEO, Mr. Lawrence Ho, was selected as one of the "Best CEOs in Hong Kong" for the third year running. These selections reflect the trust in Melco's strategic development and its influence in the investment community.

### **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 CEO Mr. Lawrence Ho, Melco is a dynamic New Generation Asia 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. Melco also granted the "Corporate Governance Asia Annual Recognition Award" by *Corporate Governance Asia* magazine in 2011 for the sixth consecutive year.

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