



[For Immediate Release]

## Melco Announces 2012 Annual Results

### *Highlights*

- Melco International Development Limited (“Melco”) achieved solid revenue growth and a significant surge in net profit. Profit attributable to owners of the Company was HK\$1,121.9 million for the year ended 31 December 2012, as compared with HK\$280.1 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\$4.1 billion and Adjusted EBITDA of US\$920.2 million for the year, an increase of approximately 8% and 11% respectively, mainly attributable to substantially improved mass table games and gaming machine revenues together with a strict cost-control focus.
- Studio City, in which Melco Crown Entertainment holds a majority stake, remains on track to open around mid-2015, and additional funds have been secured on favorable terms. Together with full contribution of committed shareholder equity, these financings, upon full drawdown, are expected to deliver a fully funded project at the Studio City level.
- Melco Crown Entertainment has recently closed the transaction with the Philippines counterparties contemplated under the cooperative agreement for the development of an integrated resort in Manila. The new development is expected to be completed in mid-2014, with casino, five-star luxury hotels, and specialty restaurants and bars.
- Melco’s 38.2%-owned associate, Entertainment Gaming Asia Inc. (“EGT”) achieved continued improvement in both revenue and net income from the prior year, with net income of US\$1.8 million for the year, up 200% compared to US\$642,000 the year before. Riding on strategic marketing efforts and investment in product development, EGT’s gaming chips and plaques business contributed US\$6.5 million to revenue for the period under review.
- EGT opened its first casino in Cambodia in May 2012, and has delivered continued improvement in its slot business and casino operations in Cambodia and the Philippines.
- Melco maintained a strong balance sheet with net asset value per share attributable to owners of the Company rising by 5% to HK\$6.12, and gearing ratio improved to 5% as of 31 December 2012 from 17% last year.

(Hong Kong, 28 March 2013) --- Melco International Development Limited (“Melco” or the “Group”, HKEx Code: 200) today announced its annual results for the year ended 31 December 2012. The Group reported strong financial performance with profit attributable to owners of the Company increasing to HK\$1,121.9 million, as compared with HK\$280.1 million last year.

The Board has recommended the payment of a final dividend of HK1.5 cents (2011: HK1.5 cents) 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 HK6.12 and the gearing ratio significantly improving to 5%, compared to 17% last year, as of 31 December 2012.

**Mr. Lawrence Ho, Group Chairman and CEO of Melco**, said: “I am glad to announce that Melco Group has achieved exceptional results in 2012. The remarkable growth in our financial performance was mainly attributable to the significantly higher contribution from our key associate Melco Crown Entertainment, with strong mass market segments at City of Dreams providing us with greater earnings stability. Our gaming business in Asia has also delivered an impressive performance through EGT which showed continued improvement in its slot business and casino operations in Cambodia and the Philippines.

“The development of Studio City, a cinematically-themed integrated entertainment, retail and gaming resort on the Cotai Strip, in which Melco Crown Entertainment owns a majority stake, is now well underway. Melco Crown Entertainment has recently closed the transaction with the Philippines counterparties contemplated under the cooperative agreement for the development of an integrated resort in Manila. The new development is expected to be completed in mid-2014, with casino, five-star luxury hotels, and specialty restaurants and bars. These exciting developments in the pipeline are all future drivers for sustainable growth of the Group and will serve as a platform for our further expansion in Asia and beyond.

“Looking into 2013, we are very confident about the outlook of Macau and its surrounding region, especially the nearby Hengqin New Area, as substantial improvements to infrastructure and transport are well underway, which will enable Macau to cater to a wider spectrum of visitors. Our flagship property in Macau, City of Dreams, is expected to continue to deliver impressive results with its improving operating fundamentals, particularly as it relates to the increasingly important premium mass segment. We also have in our pipeline a promising development project in Cotai, Studio City, which remains on track to open around mid-2015. With our enviable portfolio of entertainment assets established, we are committed to strongly supporting the Macau Government’s policy to diversify tourism in order to further enhance a sustainable business environment in the city.

“Outside Macau, we continue to expand our reach in Asia and are constantly eyeing favorable opportunities. Besides the investment in Manila by Melco Crown Entertainment, EGT is also expanding its gaming operations within its own regional casinos under its “Dreamworld” brand in Cambodia. Its first casino project has already opened in May 2012, which has started to generate satisfactory revenue. Riding on our successful experience operating in Macau, we are confident that we will bring unique world-class entertainment experiences that attract international audience to these overseas markets, as we capture the immense growth potentials there and create greater value for our shareholders.”

### ***Enhanced Operating Fundamentals in Macau and Across Asia***

After constant dedication of unstinting effort to expanding our core gaming, leisure and entertainment business in Macau and across Asia, the Group has begun to reap the rewards, realizing impressive year-on-year growth in both revenue and profit despite the turbulent global economic conditions.



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\$4.1 billion and Adjusted EBITDA of US\$920.2 million for the year, representing an increase of approximately 8% and 11% respectively. The improved revenue is driven by substantial improvement in mass table games volumes and blended hold percentages, as well as larger volumes in the gaming machines segment, while the increased adjusted EBITDA was primarily attributable to substantially improved mass table games and gaming machine revenues together with a strict cost control focus. City of Dreams recorded particularly strong increase in mass market volumes and mass table games hold percentage. On the other hand, table yields in the rolling chip segment at both Altira Macau and City of Dreams also grew.

EGT, the Group's 38.2%-owned associate, operated gaming machine revenue participation business in Cambodia and the Philippines. EGT achieved continued improvement in both revenue and net income from the prior year, with net income of US\$1.8 million for the year, up 200% compared to US\$642,000 the year before, mainly attributable to its slot operations in Cambodia and its gaming machine revenue participation business in the Philippines, new casino development operations, as well as gaming chips and plaques business. Riding on strategic marketing efforts and investment in product development, EGT's gaming chips and plaques business contributed US\$6.5 million to revenue for the period under review. After opening its first casino project in May 2012, there is another project strategically located at the important Cambodia-Thailand border crossings under construction, which is expected to open in the first half of 2013.

At the same time, MelcoLot Limited, in which the Group holds an equity interest of 51.64%, recorded a profit for the year of HK\$70.5 million, mainly arising from its reorganization with gains on disposals of certain subsidiaries which offset the repurchases of convertible bonds. Determined to focus on its strategic development in the China lottery market, MelcoLot is expected to benefit from a richer range of paperless lottery products, penetration of the third-party mobile payment platform, and proliferating lottery buying channels.

### **Other Achievements**

In 2012, Melco was once again awarded the "Corporate Governance Asia Annual Recognition Award" for the seventh consecutive year and the "Best Investor Relations by a Hong Kong Company" in the Asia Excellence Awards for the second year running by *Corporate Governance Asia* magazine. Group Chairman and Chief Executive Officer, Mr. Lawrence Ho, not only garnered one of the "Asian Corporate Director Recognition Awards" presented by *Corporate Governance Asia* magazine, but was also named one of the "Best CEOs in Hong Kong" by *FinanceAsia* magazine within the "Asia Best Companies Awards" for the fourth consecutive year. These accolades demonstrated the recognition by the investment community of Melco's high standards of corporate governance.



### **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 has been honoured with the “Corporate Governance Asia Annual Recognition Award” by *Corporate Governance Asia* magazine for the seventh year in 2012. 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 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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