

[For Immediate Release]

Melco announces 2008 Interim Results

Highlights

- Stripping out non-cash and non-operating items, the Group's results actually improved from a net loss of approximately HK\$323 million in 1H07 to a net profit of approximately HK\$16 million in 1H08.
- The Group's Macau gaming business, operated through 37.9%-owned NASDAQ listed *Melco Crown Entertainment Limited* ("MPEL") staged a major turnaround. The Group's attributable profit from MPEL amounted to approximately HK\$131 million in 1H08 (1H07: attributable loss of HK\$298 million).
- Adjusted EBITDA of MPEL increased dramatically from a negative amount of US\$13.3 million to a positive amount of US\$113.5 million.
 - *Crown Macau* delivered impressive returns with VIP rolling chip volume increasing by 3,690% on a year-on-year basis to approximately HK\$294.9 billion (US\$37.9 billion) in 1H08. Crown Macau's market share jumped to around 14% in June 2008, making it one of the largest VIP casinos in the world in terms of betting volume.
 - *Mocha Clubs* continued to deliver a steady source of income to MPEL.
 - *City of Dreams* has its first phase and four hotels topped out and is scheduled to open in 1H09.

(Hong Kong, August 28, 2008) --- Melco International Development Limited ("Melco" or the "Group", HKEx Code: 200) announced its interim results for the six months ended June 30, 2008.

For the six months ended 30 June 2008, net loss attributable to shareholders amounted to approximately HK\$614 million. However, stripping out those non-cash and non-operating items, results actually improved from a net loss of approximately HK\$323 million in 1H 2007 to a net profit of approximately HK\$16 million in 1H 2008. Please refer to the Results Announcement on the Stock Exchange website for detailed Financial Review.

Mr Lawrence Ho, Group Chairman and CEO of Melco, said, "I am delighted that Melco secured separate listing for most of its business units at different stock exchanges in major financial centres around the world. In addition to giving the different business units their independent financing platforms to support development, the endeavour also helped to consolidate Melco's leadership in the leisure, gaming and entertainment sector in Asia. All business units are moving on the right track and we are confident that their efforts in streamlining their businesses are going to bear fruits soon and make further contribution to Melco."

Business Review

LEISURE, GAMING AND ENTERTAINMENT

Melco Crown Entertainment Limited (NASDAQ Ticker: MPEL)

The Group's gaming operation is principally conducted through 37.9%-owned NASDAQ listed associate **Melco Crown Entertainment Limited** ("MPEL"). The Group's attributable contribution from MPEL swung from a loss of approximately HK\$298 million in 1H07 to a profit of approximately HK\$131 million in 1H08. The turnaround was primarily due to Crown Macau's strategy to enhance its focus on the VIP rolling chip segment in Macau.

Crown Macau, the Group's first hotel-cum-casino project targeting the high rollers segment, reported substantially improved operating performance with VIP rolling chip volume increasing by 3,690% on a year-on-year basis to approximately HK\$294.9 billion (US\$37.9 billion) in 1H08. Crown Macau's market share jumped to around 14% in June 2008, making it one of the largest VIP casinos in the world in terms of betting volume.

Mocha Clubs also reported improved results with solid growth in net operating revenue and adjusted EBITDA. Average net win per machine per day also improved to US\$228 in the second quarter of 2008 from US\$223 for the corresponding period in 2007.

Development of **City of Dreams** remains on track. The first phase of the project was topped out in April 2008 and is scheduled to open in 1H09. All four hotel towers in the project, namely, Crown Towers, Hard Rock and the twin-towered Grand Hyatt hotels, had topped out and interior fit-out work is well underway.

Elixir Gaming Technologies, Inc. (AMEX Ticker: EGT)

Elixir Gaming Technologies, Inc. (AMEX:EGT) ("EGT"), in which the Group has an effective equity interest of 39.8%, has made solid progress. As at 12 August 2008, there were 1,262 gaming machines installed on a revenue participation basis across 14 venues in the Philippines and Indo China. As a result of some start-up problems and delay in ramping up, contribution from EGT in 1H08 was below expectation. However, management have proactively made significant effort and initiatives to improve performance. These initiatives have started to bear fruits, as evidenced by the net win per machine per day improving to US\$51 in July 2008, up from US\$29 for the second quarter and US\$33 in the month of June. Management expects to see continuing improvement in the second half of this year.

Melco LottVentures Limited (HKEx: 8198)

Melco LottVentures Limited, in which the Group has an effective interest of 37.5% on a fully diluted basis (assuming full conversion of all outstanding convertibles), made its first move to build a Pan Asian portfolio of lottery business. In March 2008, it announced the acquisition of the entire issued share capital of KTeMS Co. Ltd., which has a 14% equity interest in Nanum Lotto Co. Ltd., a consortium holding exclusive rights to operate off-line lotto games in South Korea. The acquisition was approved by shareholders at an extraordinary general meeting on 15 April 2008. Detailed due diligence check is near completion and the transaction is scheduled for formal closing before the end of September 2008.

Melco China Resorts (Holding) Limited (TSXV: MCG, MCG.WT)

In May 2008, the Group successfully obtained a listing status for its ski resort business in China on the TSX Venture Exchange in Toronto, Canada. Through a series of complex transactions involving the reverse take-over of Virtual China Travel Services Co., Ltd. ("VCTS") (formerly NEX: CTX.H), the Group now owns 49.3% of Melco China Resorts (Holding) Limited (TSXV: MCG, MCG.WT) ("MCR"). This is an important step for MCR which aspires to build a portfolio of premier ski resort destinations in China.

MCR acquired 5 ski resorts last year and plans to develop them into world-class luxury all-year mountain resorts. These mountain resorts also have significant potential for the development of premium real estates for discerning buyers. Related works have commenced, beginning with Sun Mountain Yabuli, situated in Harbin. The development at Yabuli comprises three new five-star hotels and is expected to be re-opened for business in the coming winter season towards the end of 2008. It has topped out two of the hotels and broken ground on its first luxury home project which will be available for sale later this year. Initial improvement work of the Sky Mountain Beidahu and Star Mountain Beijing resorts were completed. Plans for the development of Adventure Mountain Changchun resort and the private Lotus Mountain Club are also underway.

OTHER BUSINESS HIGHLIGHTS

Value Convergence Holdings Limited (HKEx: 821)

Leveraging on the Group's extensive network in Macau, **Value Convergence Holdings Limited** ("Value Convergence"), the financial arm owned 43.4% by the Group, signed a joint venture agreement with Macquarie Macau (a member of Macquarie Group) ("Macquarie") to form a private equity property development fund, which will focus on the development of mid to high-end residential properties in Macau. The joint venture has recently entered into a deed of undertaking to acquire a plot of land in Macau as a seed project of the proposed fund.

On 15 August 2008, Value Convergence transferred its listing from the Growth Enterprise Market to the Main Board of the Hong Kong Stock Exchange. The new listing status not only helped to lift its profile, but also increased the trading liquidity of its shares, making them more appealing to both institutional and retail investors. More importantly, this will enhance the ability of Value Convergence to raise funding for its future business development in due course.

Note: Please refer to the Results Announcement on the Stock Exchange website for a detailed Business Review.

"Melco is expanding its portfolio of leisure and entertainment facilities to serve the needs of an increasing number of middle-income leisure seekers in Asia. Despite economic uncertainties and tightened travel restrictions for Mainland tourists visiting Macau, we remain optimistic on the medium and long term growth potential of China and the Asia-Pacific region. We will continue to respond to changing dynamics with well-thought-out strategies and imaginative products. While pursuing these ambitious goals, Melco will continue upholding the highest standards of corporate governance and social responsibility while remains committed to bringing its shareholders the highest possible returns," **Mr. Ho** concluded.

About Melco International Development Limited

Melco is one of the companies with the longest history in Hong Kong. Founded in 1910, Melco was among the first one hundred companies established in the city and was listed on the Hong Kong Stock Exchange in 1927. Today, under the leadership of its Chairman and Chief Executive Officer Lawrence Ho, Melco is a dynamic New Generation Asian Conglomerate focused on leisure and entertainment. Under his stewardship, Melco Group now has significant interests in six listed entities, including three in Hong Kong, two in the US and one in Canada. 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 second year in 2008. For more information about Melco, please visit www.melco-group.com.

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