GENTING BERHAD
(No. 7916-A)

**PRESS RELEASE** **For Immediate Release**

# GENTING BERHAD ANNOUNCES SECOND QUARTER RESULTS FOR THE PERIOD ENDED 30 JUNE 2012

**KUALA LUMPUR, 29 AUGUST 2012** - Genting Berhad today announced its financial results for the second quarter ("2Q12") and first half ("1H12") of 2012.

In 2Q12, Group revenue was RM4,512.6 million compared with RM4,462.8 million in the previous year's corresponding quarter ("2Q11"), a marginal increase of 1%. Higher revenue was recorded from the leisure and hospitality and property divisions. Group profit before tax decreased by 10% to RM1,391.2 million compared with RM1,548.5 million in 2Q11.

Revenue from Resorts World Sentosa ("RWS") was affected by the marginally lower casino business when compared with 2Q11. Consequently, the adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") of RWS was lower than 2Q11.

Revenue from the leisure and hospitality business at Resorts World Genting in Malaysia ("RWG") was higher due mainly to the overall higher volume of business and higher hold percentage in the premium players business. This contributed to the higher EBITDA of RWG in 2Q12.

Revenue from the United Kingdom ("UK") operations was also higher due mainly to the overall higher volume of business and higher hold percentage of its London casino operations. This contributed to the improved EBITDA of the UK segment in 2Q12.

Revenue and EBITDA from the leisure and hospitality business in the United States of America ("US") in 2Q12 were mainly from the operations of Resorts World Casino New York City ("RWNYC"), which marked its debut on 28 October 2011. The revenue and EBITDA recorded in 2Q11 were in respect of construction revenue and construction profit from the development of RWNYC which was completed in 2011.

Revenue from the Power Division decreased due mainly to lower generation by the Meizhou Wan and Kuala Langat power plants. However, EBITDA of the Power Division was higher than in 2Q11 due mainly to the contribution from the Jangi Wind Farm in India, a renewable energy plant which started commercial operation in December 2011.

The Plantation Division owned by Genting Plantations Berhad ("GENP") recorded lower revenue due to lower palm product selling prices and lower FFB production as well as lower EBITDA due to the foregoing and rising input costs.

The Property Division's revenue included rental income from properties owned by the Genting Malaysia Berhad ("GENM") Group in the City of Miami, Florida, US, which were acquired in 2Q11. The revenue from these properties contributed to a higher EBITDA from this Division.

In 1H12, Group revenue decreased by 4% to RM8,933.7 million, compared with RM9,352.0 million generated in first half of 2011 ("1H11"). All business segments recorded lower revenue other than the Property Division. Group profit before tax was RM2,848.1 million, a decrease of 17% compared with RM3,439.1 million in 1H11.

In Singapore, RWS recorded lower revenue and EBITDA in 1H12 due to lower business volume in the premium player business and higher impairment on trade receivables. However, there was healthy growth in the hotel and Universal Studios Singapore's businesses.

In Malaysia, RWG recorded higher revenue due mainly to the overall higher volume of business despite a lower hold percentage in the premium players business in 1Q12. EBITDA decreased marginally in 1H12.

The UK casino operations saw an improvement in revenue and EBITDA due mainly to higher volume of business and higher hold percentage of its London casino operations.

In US, revenue for 1H12 was mainly from the operations of RWNYC while 1H11 was in respect of construction revenue from the development of RWNYC which was completed in 2011. EBITDA in 1H12 included a construction loss of RM48.2 million arising from cost overrun from the development of RWNYC.

The Power Division recorded lower revenue in 1H12 due mainly to lower dispatch from the Meizhou Wan power plant. The revenue in 1H11 had also included a compensation from the Fujian government in respect of an increase in tariff rate. The lower EBITDA was due mainly to the lower revenue, which was partially offset by the contribution from the Jangi Wind Farm in 1H12.

The Plantation Division recorded lower revenue in 1H12 due to lower palm product selling prices and lower FFB production. Consequently, lower revenue and rising input costs resulted in a lower EBITDA in 1H12.

Higher revenue from the Property Division arose mainly from rental income from properties owned by the GENM Group in the City of Miami. Likewise, EBITDA increased over that of 1H11.

The Group's profit before tax in 1H12 included a gain on disposal of subsidiaries of RM174.3 million arising from the disposal of the Company's indirect 100% equity interests in Genting Oil Natuna Pte Ltd and Sanyen Oil & Gas Pte Ltd to AWE Limited, which was completed in February 2012.

Profit before tax in 1H11 had included the following one-off items: (a) gain on disposal of available-for-sale financial assets by Genting Singapore PLC ("GENS") of RM112.3 million; (b) construction profit of RM28.4 million from the progressive development of RWNYC; and (c) property related termination costs of RM39.4 million.

The performance of the Group for the remaining period of the current financial year may be impacted as follows:

a) Growth prospects in the Eurozone countries are expected to be constrained and will increase risks of prolonged uncertainties affecting the rest of the world.

   The regional gaming business, as reported in Macau and Singapore, continues to grow albeit at a slower rate. Tourist arrivals in the ASEAN region continued to register growth, which augurs well for the leisure and hospitality industry. Whilst encouraged by these industry indicators, the GENM Group is nevertheless cautious on the industry outlook especially on the potential risks and spillover effects that may arise from a global economic slowdown.

   In Malaysia, GENM continues to focus on yield management strategies and operational efficiencies in addressing regional competition. For the non-premium players business, GENM continues to focus on growing visitations. In addition, it will enhance its marketing activities to grow the premium players business. GENM has also embarked on various expansion and refurbishment initiatives at RWG with the aim of enhancing its hospitality offerings to cater for the evolving customer preferences;

b) GENS is moving steadily towards the full opening of RWS by the end of 2012, with the construction and pre-opening operations of the Marine Life Park progressing well. New products which enhanced RWS's appeal as a premier end-destination resort have been added.

   With the anticipated completion of the West Zone, RWS will be gearing up for its Grand Opening celebrations in the last quarter of 2012. The full opening of RWS will allow them to reach out to a wider base of affluent travelers from new markets.

   The Singapore government is set to make amendments to the Casino Control Act and RWS fully supports its aim of protecting financially vulnerable persons. RWS will continue to work closely with the authorities on implementing responsible gambling measures.

   The global economy looks increasingly unfavourable. As RWS moves into the pre-operations phase of the Marine Life Park over the next few months, RWS will continue to see similar narrower EBITDA margins as in the current quarter.

   RWS's operating activities have generated continuing steady cashflow. Looking ahead into 2013, this cashflow will improve further as its capital expenditure slows and RWS starts to see additional revenue from the new attractions in the West Zone;

c) In the first half of 2012, the UK economy performed weaker than expected, to some extent as a result of the continuing uncertainties in Europe. The outlook will remain subdued with limited economic growth prospects for the foreseeable future. The GENM Group's focus on growing its premium players business, mainly the London casinos, has continued to gather traction, driven especially by its ability to harness its well established networks in Asia. As a result of the GENM Group's investments to improve the competitiveness of its provincial casinos outside of London, it is able to leverage on the heightened awareness of Genting's branding and its ability to provide high class offerings in the UK;

d) In the US, RWNYC's performance remains commendable given that operations had started less than a year ago. Marketing efforts will be directed to build the US customers database and expand on loyalty programs. The GENM Group will also continue to intensify its efforts to build its presence in the US;

e) The contribution of the Power Division in Malaysia will be reduced on the proposed sale of the Kuala Langat power plant to 1Malaysia Development Berhad. The Jangi Wind Farm is expected to perform well in the second half of 2012 due to the high wind season in Gujarat, India. The performance of the Meizhou Wan power plant in Fujian, China, is expected to stabilise in the second half of 2012 due to the softening of coal prices; and

f) The direction of palm product prices and the FFB production trend will be the major drivers of the GENP Group's performance for the second half of the year. The protracted European financial crisis and the sluggish pace of recovery in the US, along with renewed concerns over a possible moderation in China's economic expansion, may continue to restrain upside in global commodity prices. However, should projections of severe drought damage to the US soybean crop and potential deterioration in weather conditions in oil palm growing regions materialise, any resultant tightening of world edible oil supplies would lend support to soyoil and CPO prices.

   Notwithstanding weather patterns, the GENP Group is optimistic that its estates in Malaysia should recover from the lagged effect of the 2010 drought to stage a meaningful improvement in production in the second half of 2012 and help make up for the slow start to the year.

   Historically, production of FFB peaks in the second half of the year. Barring any adverse weather developments, the expected improvement in production in Malaysia will be complemented by higher crop contribution from the Indonesia operations, where additional planted areas will progressively be reaching maturity over the course of the remainder of the year. Furthermore, the scheduled completion of the GENP Group's palm oil processing capacities in third quarter of 2012 will provide a timely boost to the Indonesia operations in terms of operational efficiency while plantation development activities continue.

   Notwithstanding the better production outlook, the GENP Group expects the prevailing upward pressure on operating costs to continue in view of higher input costs for fertiliser, fuel and labour.

The Board of Directors has declared a gross interim dividend of 3.5 sen per ordinary share of 10 sen each, less 25% tax for 1H12. The interim dividend declared in 1H11 was also 3.5 sen per ordinary share of 10 sen each, less 25% tax.

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| **GENTING BERHAD**<br>SUMMARY OF RESULTS | 2Q2012<br>RM'million | 2Q2011<br>RM'million | 2Q12 vs<br>2Q11<br>% | 1H2012<br>RM'million | 1H2011<br>RM'million | 1H12 vs<br>1H11<br>% |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Leisure & Hospitality | | | | | | |
| - Malaysia | 1,397.7 | 1,327.2 | +5 | 2,708.2 | 2,650.0 | +2 |
| - Singapore | 1,728.9 | 1,758.9 | -2 | 3,632.2 | 3,943.7 | -8 |
| - United Kingdom | 470.9 | 187.0 | >100 | 812.9 | 533.7 | +52 |
| - United States of America | 216.7 | 363.1 | -40 | 435.1 | 627.7 | -31 |
| | 3,814.2 | 3,636.2 | +5 | 7,588.4 | 7,755.1 | -2 |
| Power | 371.5 | 438.3 | -15 | 713.2 | 920.6 | -23 |
| Plantation | 266.5 | 340.9 | -22 | 514.9 | 594.5 | -13 |
| Property | 45.4 | 29.4 | +54 | 86.0 | 51.0 | +69 |
| Oil & Gas | - | - | - | - | - | - |
| Investments & Others | 15.0 | 18.0 | -17 | 31.2 | 30.8 | +1 |
| | **4,512.6** | **4,462.8** | +1 | **8,933.7** | **9,352.0** | -4 |
| **Profit before tax** | | | | | | |
| Leisure & Hospitality | | | | | | |
| - Malaysia | 696.5 | 647.0 | +8 | 1,283.3 | 1,310.1 | -2 |
| - Singapore | 768.6 | 866.2 | -11 | 1,699.4 | 2,149.6 | -21 |
| - United Kingdom | 130.2 | (7.7) | >100 | 164.6 | 68.1 | >100 |
| - United States of America | 60.6 | 15.0 | >100 | 61.9 | 28.4 | >100 |
| | 1,655.9 | 1,520.5 | +9 | 3,209.2 | 3,556.2 | -10 |
| Power | 141.6 | 123.7 | +14 | 266.9 | 334.1 | -20 |
| Plantation | 92.9 | 192.3 | -52 | 191.4 | 328.7 | -42 |
| Property | 19.2 | 5.6 | >100 | 39.5 | 11.6 | >100 |
| Oil & Gas | (15.7) | (15.8) | -1 | (30.5) | (40.2) | -24 |
| Investments & Others | (68.7) | (17.3) | >100 | (53.0) | 25.2 | >100 |
| **Adjusted EBITDA** | 1,825.2 | 1,809.0 | +1 | 3,623.5 | 4,215.6 | -14 |
| Net fair value gain/(loss) on derivative financial instruments | 59.9 | (3.2) | >100 | 44.7 | (0.5) | >100 |
| Net fair value (loss)/gain on financial assets at fair value through profit or loss | (2.0) | 2.1 | >100 | 3.9 | (0.1) | >100 |
| Gain on disposal of available-for-sale financial assets | 20.4 | 144.0 | -86 | 21.1 | 144.0 | -85 |
| Gain on disposal of subsidiaries | - | - | - | 174.3 | - | NM |
| Property related termination costs | - | (39.4) | -100 | - | (39.4) | -100 |
| Impairment losses | - | - | - | (2.8) | (3.9) | -28 |
| Others | (44.3) | (19.4) | >100 | (80.8) | (96.3) | -16 |
| **EBITDA** | 1,859.2 | 1,893.1 | -2 | 3,783.9 | 4,219.4 | -10 |
| Depreciation and amortisation | (434.8) | (331.1) | +31 | (841.9) | (655.8) | +28 |
| Interest income | 64.0 | 45.9 | +39 | 108.8 | 83.0 | +31 |
| Finance cost | (117.5) | (107.7) | +9 | (228.9) | (256.7) | -11 |
| Share of results in jointly controlled entities and associates | 20.3 | 48.3 | -58 | 26.2 | 49.2 | -47 |
| **Profit before tax** | **1,391.2** | **1,548.5** | -10 | **2,848.1** | **3,439.1** | -17 |
| Taxation | (339.4) | (350.9) | -3 | (652.8) | (795.5) | -18 |
| **Profit for the period** | **1,051.8** | **1,197.6** | -12 | **2,195.3** | **2,643.6** | -17 |
| Basic earnings per share (sen) | 14.47 | 18.17 | -20 | 33.26 | 40.42 | -18 |

NM= Not meaningful

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**About GENTING (www.genting.com):**

Genting Berhad, its subsidiaries and affiliates operating under the "Genting" name, is recognised as one of Asia's leading and best managed multinationals. There are 5 public companies listed in 3 jurisdictions operating under the "Genting" name, namely Genting Berhad, its subsidiaries Genting Malaysia Berhad, Genting Plantations Berhad and Genting Singapore PLC as well as its affiliate, Genting Hong Kong Limited, with a combined market capitalisation of about RM110 billion (US$35 billion) as at 29 August 2012.

These public companies and their subsidiaries and affiliates are involved in various businesses, including leisure & hospitality, power generation, oil palm plantation, property development, biotechnology and oil & gas. Collectively, they have over 52,000 employees, 4,500 hectares of prime resort land and about 166,000 hectares of plantation land.

The leisure & hospitality business operates using various brand names including "Resorts World", "Maxims", "Crockfords", "Awana", "Star Cruises" and "Norwegian Cruise Line". In addition to Premium Outlets®, Genting companies have tie ups with Universal Studios, Hard Rock Hotel and other renowned international brands.


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