



GENTING

MALAYSIA

GENTING MALAYSIA BERHAD
(58019-U)

PRESS RELEASE

For Immediate Release

**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE
SECOND QUARTER (“2Q16”) AND HALF YEAR (“1H16”) ENDED 30 JUNE 2016**

- **Strong Group performance despite a challenging operating environment**
- **Profits doubled this quarter, underpinned by UK operations**

KUALA LUMPUR, 25 August 2016 – Genting Malaysia Berhad (“Group”) recorded an increase in its total revenue and profitability for 2Q16. Total revenue increased by 13% to RM2,234.6 million in 2Q16 as compared to the same quarter last year (“2Q15”). Adjusted earnings before interest, taxation, depreciation and amortisation (“EBITDA”) and profit before tax (“PBT”) grew by 52% to RM662.2 million and 89% to RM512.1 million respectively from 2Q15. Net profit more than doubled to RM465.3 million during the quarter.

For 1H16, the Group’s total revenue grew by 9% to RM4,448.9 million. Adjusted EBITDA and PBT increased by 6% and 4% to RM1,106.5 million and RM774.2 million respectively as compared to the same period last year. Net profit was higher by 5% at RM609.4 million.

2Q16 Results

The Malaysian leisure and hospitality business achieved higher revenue and adjusted EBITDA in 2Q16. This was mainly contributed by an improved hold percentage, which is in line with expectation, for the mid to premium segment of the business even though business volumes were lower. The increase in revenue and lower operating costs from this segment contributed primarily to an improved adjusted EBITDA margin this quarter.

Both Resorts World Casino New York City (“RWNYC”) and Resorts World Bimini (“Bimini”) recorded higher volumes of business. This, coupled with the favourable foreign exchange movement of USD against RM contributed to the higher revenue for the operations in the United States of America (“US”) and Bahamas. The US and Bahamas operations also registered a higher adjusted EBITDA primarily due to the improved performance from the Bimini operations in Bahamas.

In the United Kingdom (“UK”), the Group saw higher revenue for the quarter mainly contributed by the international premium players business. The better performance for this business segment was a result of revised marketing strategies adopted. The UK operations also recorded a substantially improved adjusted EBITDA, resulting from significantly higher revenue aided by some debt recovery.

1H16 Results

In 1H16, the Group reported marginally lower revenue for its Malaysian leisure and hospitality business. This was primarily attributable to the impact of Goods and Services Tax and a lower than expected hold percentage in the mid to premium segment of the business, although its business volumes were higher. Despite the lower revenue, the adjusted EBITDA improved mainly due to lower operating costs from the same segment.

The US and Bahamas operations achieved higher revenue in 1H16. This was mainly contributed by higher volume of business from RWNYC and Bimini operations and aided by a favourable foreign exchange movement of USD against RM. However, the adjusted EBITDA for the US and Bahamas operations was lower. This was mainly due to higher operating costs relating to premium players business for Bimini operations despite higher revenue at RWNYC and Bimini operations as well as lower operating costs following the cessation of Bimini SuperFast ferry.

The UK operations recorded EBITDA in 1H16 as compared to a loss in the same period last year. The improved performance was primarily due to higher revenue as a result of the implementation of revised marketing strategies for the international premium players segment. There was also net debt recovery in 1H16 as compared to a high level of bad debts last year.

The Group's adjusted EBITDA for 1H16 included the impact of a foreign exchange loss of RM92.7 million upon translating the Group's USD denominated assets. Excluding the foreign exchange impact, the Group's adjusted EBITDA for 1H16 would have increased by 17% from last year.

The Board declared an interim single-tier dividend of 3.00 sen per ordinary share of 10 sen each.

Outlook

The global economy is expected to remain challenging given the uncertainty over the pace of recovery in major economies as well as the impact of United Kingdom's exit from the European Union. In Malaysia, domestic demand is expected to continue to be the main growth driver for the economy.

International tourism outlook is expected to remain positive. Meanwhile, the recent reported numbers from the Macau and Singapore regional gaming operators indicate the continued uncertainties encountered by the Asian premium players business.

The Group remains cautious on the near term outlook of the leisure and hospitality industry, but is positive on the longer term outlook.

In Malaysia, the Group remains focused on the development of its Genting Integrated Tourism Plan ("GITP") at Resorts World Genting ("RWG"). Pre-opening activities continue to ramp up as the Group prepares for the opening of the various GITP attractions and facilities in stages, commencing before the end of the year. The significant redevelopment and expansion under the GITP, once completed, is expected to elevate the quality of guest experience at the resort. Meanwhile, the Group remains committed to optimising its operational efficiencies, yield management systems and database marketing efforts as well as enhancing customer service at RWG.

In the UK, the domestic market segment has performed commendably. The Group will further strengthen its position in this segment and improve business efficiency. As for the international premium players business, the Group is pleased with the improved performance as a result of its revised marketing strategies but maintains a cautious stance on the volatility implicit in this business. The Group remains focused on stabilising operations and growing business volumes at both Resorts World Birmingham and the online operation.

In the US, Resorts World Casino New York City remains the market leader in terms of gaming revenue for the Northeast US region. The Group will continue to intensify its direct marketing efforts and introduce additional promotional activities to attract new customers and increase the frequency of visitation to the property. Earlier this year, the Group completed the gaming and amenities expansion and improvements at the property to serve a growing market. This expansion is expected to further strengthen the Group's presence in the region.

In the Bahamas, the Group has now fully opened the 305-room Hilton hotel and the related hotel amenities. The Group will focus on growing visitations to Resorts World Bimini by launching a revamped marketing campaign to attract targeted domestic US customers as well as international customers.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Var %	SIX MONTHS ENDED 30 JUNE		Var %
	2Q2016	2Q2015	2Q16 vs	1H2016	1H2015	1H16 vs
	RM'Mil	RM'Mil	2Q15	RM'Mil	RM'Mil	1H15
Revenue						
Leisure & Hospitality						
- Malaysia	1,349.1	1,293.4	4%	2,654.2	2,685.9	-1%
- United Kingdom	504.2	295.4	71%	1,033.1	651.1	59%
- United States of America and Bahamas	351.6	310.9	13%	702.0	624.7	12%
	<u>2,204.9</u>	<u>1,899.7</u>	16%	<u>4,389.3</u>	<u>3,961.7</u>	11%
Property	17.8	18.3	-3%	35.6	37.3	-5%
Investments & others	11.9	65.2	-82%	24.0	77.3	-69%
	<u>2,234.6</u>	<u>1,983.2</u>	13%	<u>4,448.9</u>	<u>4,076.3</u>	9%
Adjusted EBITDA						
Leisure & Hospitality						
- Malaysia	472.1	420.7	12%	923.6	905.3	2%
- United Kingdom	92.8	(99.9)	>100%	191.5	(61.6)	>100%
- United States of America and Bahamas	51.8	38.0	36%	75.0	85.1	-12%
	<u>616.7</u>	<u>358.8</u>	72%	<u>1,190.1</u>	<u>928.8</u>	28%
Property	5.2	6.9	-25%	6.8	13.2	-48%
Investments & others	40.3	70.3	-43%	(90.4)	102.3	->100%
	<u>662.2</u>	<u>436.0</u>	52%	<u>1,106.5</u>	<u>1,044.3</u>	6%
Adjusted EBITDA						
Pre-opening expenses	(10.8)	(13.2)	18%	(21.5)	(27.7)	22%
Property, plant and equipment written off	(1.9)	(3.5)	46%	(3.6)	(5.4)	33%
Gain/(Loss) on disposal of property, plant and equipment	0.1	-	NC	(6.0)	(0.3)	->100%
Others	-	-	NC	(0.2)	28.7	->100%
	<u>649.6</u>	<u>419.3</u>	55%	<u>1,075.2</u>	<u>1,039.6</u>	3%
EBITDA						
Depreciation and amortisation	(177.7)	(163.3)	-9%	(365.8)	(322.0)	-14%
Interest income	60.7	22.9	>100%	99.6	44.3	>100%
Finance costs	(20.5)	(7.7)	->100%	(34.8)	(15.5)	->100%
	<u>512.1</u>	<u>271.2</u>	89%	<u>774.2</u>	<u>746.4</u>	4%
Profit before taxation						
Taxation	(46.8)	(47.9)	2%	(164.8)	(164.9)	0%
	<u>465.3</u>	<u>223.3</u>	>100%	<u>609.4</u>	<u>581.5</u>	5%
Profit for the financial period						
Basic earnings per share (sen)	8.42	4.07	>100%	11.28	10.46	8%
Diluted earnings per share (sen)	8.41	4.07	>100%	11.27	10.46	8%

NC : Not comparable

About Genting Malaysia

Genting Malaysia is one of the leading leisure and hospitality corporations in the world. Listed on Bursa Malaysia with approximately RM25 billion in market capitalisation, Genting Malaysia owns and operates major properties including Resorts World Genting, Resorts World Casino New York City, Resorts World Bimini, Resorts World Birmingham and other casinos in the United Kingdom.

Resorts World Genting is a premier leisure and entertainment resort in Malaysia. It is equipped with over 10,000 rooms spread across 6 hotels, theme parks and entertainment attractions, dining and retail outlets, international shows and business convention facilities. The Group has embarked on a 10-year master plan to reinvigorate and transform Resorts World Genting under the Genting Integrated Tourism Plan. This includes the development of the world's first Twentieth Century Fox World theme park. Its first offering, the new First World Hotel Tower 3, was fully opened in June 2015. First World Hotel is now the "World's Largest Hotel", as recognised by Guinness World Records. Other attractions and facilities under the Genting Integrated Tourism Plan are expected to open in stages, commencing before the end of 2016.

In Malaysia, Genting Malaysia also owns and operates Resorts World Kijal in Terengganu and Resorts World Langkawi on Langkawi island.

In the United Kingdom, Genting Malaysia is one of the largest casino operators with 43 operating casinos. It operates 6 casinos in London and 37 casinos in the UK provinces. The Group's latest property, Resorts World Birmingham, was opened in October 2015.

In the United States of America, Genting Malaysia operates Resorts World Casino New York City, the first and only video gaming machine facility in New York City, at the site of Aqueduct Racetrack. As a premier entertainment hub, Resorts World Casino New York City offers the ultimate gaming and entertainment experience, with electronic gaming machines, shows, events and culinary delights.

In the Bahamas, the Group operates Resorts World Bimini, which features a casino, villas, other accommodations, restaurants and bars, resort amenities and the largest yacht and marina complex in the Bahamas.

Genting Malaysia is a member of the Genting Group, one of Asia's leading and best-managed multinationals. The Genting Group is led by Tan Sri Lim Kok Thay, a visionary entrepreneur who has established Resorts World branded properties in Malaysia, Singapore, the Philippines, the United States, the Bahamas, the United Kingdom and soon in South Korea, as well as spearheading global investments in oil palm plantations, power generation, oil & gas, property development, cruise, biotechnology and other industries.

For more information, visit <http://www.gentingmalaysia.com> or contact ir.genm@genting.com.

For information on the major properties of Genting Malaysia

Resorts World Genting, visit www.rwgenting.com

Genting Casinos UK Limited, visit www.gentingcasinos.co.uk

Resorts World Casino New York City, visit www.rwnewyork.com

Resorts World Birmingham, visit www.resortsworldbirmingham.co.uk

Resorts World Bimini, visit www.rwbimini.com

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