



GENTING MALAYSIA BERHAD
(58019-U)

PRESS RELEASE

For Immediate Release

**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE
THIRD QUARTER (“3Q16”) AND NINE MONTHS (“9M16”) ENDED 30 SEPTEMBER 2016**

- **Group delivers strong operational performance amid a challenging business environment**
- **UK operations make significant contribution**

KUALA LUMPUR, 24 November 2016 – Genting Malaysia Berhad (“Group”) today announced its financial results for the third quarter of 2016 (“3Q16”) and nine months ended 30 September 2016 (“9M16”).

The Group’s 3Q16 total revenue grew by 8% to RM2,199.7 million. The adjusted earnings before interest, taxation, depreciation and amortisation (“EBITDA”) for the leisure and hospitality business was at RM563.6 million, which was 28% higher than the same quarter last year (“3Q15”). However, the 3Q16 results were primarily affected by unfavourable foreign exchange translation resulting in a lower Group’s overall adjusted EBITDA of RM582.7 million, which was 22% lower than 3Q15. During the quarter, both profit before tax (“PBT”) and net profit improved by 22% and 69% to RM519.6 million and RM532.1 million respectively.

For the nine months ended 30 September 2016, the Group registered a 9% growth in total revenue to RM6,648.7 million. The adjusted EBITDA for the leisure and hospitality business was up 28% to RM1,753.7 million. However, the Group’s overall adjusted EBITDA of RM1,689.2 million was 6% lower than the same period last year (“9M15”), primarily as a result of unfavourable foreign exchange translation. Meanwhile, PBT and net profit increased by 10% and 27% to RM1,293.8 million and RM1,141.5 million respectively from 9M15.

3Q16 Results

Higher revenue was recorded for the Malaysian leisure and hospitality business amid the current challenging business environment. This was mainly contributed by higher hold percentage in the mid to premium segment of the business despite registering lower business volumes. Adjusted EBITDA, however, was lower as compared to 3Q15. This was primarily due to higher operating expenses relating to the mid to premium segment of the business.

In the United States of America (“US”) and Bahamas, the Group reported higher revenue and adjusted EBITDA mainly driven by higher volumes of business from both Resorts World Casino New York City (“RWNYC”) and Resorts World Bimini (“Bimini”). The higher adjusted EBITDA was also contributed by lower operating cost from the Bimini operations following the cessation of the Bimini SuperFast ferry.

The Group’s United Kingdom (“UK”) operations recorded strong growth in revenue and adjusted EBITDA. This was mainly contributed by its premium players business which recorded a better hold percentage. There was also higher debt recovery during the quarter. In spite of the improved operational performance, revenue and adjusted EBITDA were dampened by the unfavourable foreign exchange movement of GBP against RM.

During the quarter, the Group’s overall adjusted EBITDA was impacted by a lower foreign exchange translation gain on its USD denominated assets. Excluding the foreign exchange impact, the Group’s overall adjusted EBITDA for 3Q16 would have increased by 23% from last year.

9M16 Results

In 9M16, the Malaysian leisure and hospitality business recorded marginal growth in revenue. The adjusted EBITDA was maintained at RM1.42 billion.

In the US, RWNYC recorded an increase in business volumes in 9M16. This, aided by favourable foreign exchange movement of USD against RM contributed to higher revenue for the operations in the US and Bahamas. Adjusted EBITDA was 11% higher for the US and Bahamas operations. Whilst the higher revenue contributed to the increase in adjusted EBITDA, this was offset by higher payroll costs for the RWNYC operations and higher operating expenses relating to the premium players business for the Bimini operations.

The UK operations registered an adjusted EBITDA of RM233.6 million in 9M16 as compared to a loss of RM148.5 million in 9M15. Higher revenue was contributed by the premium players business as a result of higher hold percentage, as well as higher business volumes from the non-premium players segment. The Group also gained from debt recovery as compared to a high level of bad debts in 9M15.

Despite the strong operational performance recorded by the Group 's leisure and hospitality segment, the Group's overall adjusted EBITDA was impacted by foreign exchange translation losses on its USD denominated assets, as a result of the strengthening of RM against USD, and the absence of dividend income from GENHK. Excluding the impact of these two factors, the Group's overall adjusted EBITDA for 9M16 would have increased by 24% from last year.

Outlook

Global economic conditions are expected to remain challenging in the fourth quarter of 2016 with subdued outlook for the major advanced economies. In Malaysia, the economic growth is expected to be supported by domestic demand amid uncertainties surrounding the external environment.

The demand for international tourism is expected to remain positive. Meanwhile, the regional gaming industry continues to face challenges, particularly in the Asian premium players business segment.

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

In Malaysia, the Group continues to place its emphasis on enhancing its yielding capabilities, operational efficiencies and database marketing efforts whilst improving service delivery at Resorts World Genting. Meanwhile, various attractions and facilities under the Genting Integrated Tourism Plan ("GITP") are geared towards a progressive opening before the year end. To this end, the Group will continue to ramp up its pre-opening activities in the coming months. Upon completion, these exciting additions under the GITP are expected to elevate RWG's position as the destination resort of choice in the region.

In the UK, the Group remains cautious on the volatility implicit in the premium players business. The non-premium players business continued to perform well and the Group will further grow its market share in this segment as well as improve its business efficiency. Additionally, there will be continuous efforts to stabilise the operations and grow business volumes at both Resorts World Birmingham and the online operation.

In the US, RWNYC continues to achieve steady business growth and has maintained its position as the leading gaming operator in the Northeast US amid growing regional competition. The Group will continue to introduce measures and enhance its direct marketing efforts to encourage higher level of visitation and frequency of play to the property.

In the Bahamas, the Group remains steadfast in its commitment to grow business volumes at Bimini following the full opening of the Hilton hotel in June 2016. The Group will focus on implementing targeted marketing initiatives to drive increased visitation to the resort.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Var %	NINE MONTHS ENDED 30 SEPTEMBER		Var %
	3Q2016 RM'Mil	3Q2015 RM'Mil	3Q16 vs 3Q15	2016 RM'Mil	2015 RM'Mil	9M2016 vs 9M2015
Revenue						
Leisure & Hospitality						
- Malaysia	1,461.3	1,409.9	4%	4,115.5	4,095.8	0%
- United Kingdom	380.0	268.7	41%	1,413.1	919.8	54%
- United States of America and Bahamas	321.6	312.6	3%	1,023.7	937.3	9%
	<u>2,162.9</u>	<u>1,991.2</u>	9%	<u>6,552.3</u>	<u>5,952.9</u>	10%
Property	16.2	17.7	-8%	51.8	55.0	-6%
Investments & others	20.6	18.8	10%	44.6	96.1	-54%
	<u>2,199.7</u>	<u>2,027.7</u>	8%	<u>6,648.7</u>	<u>6,104.0</u>	9%
Adjusted EBITDA						
Leisure & Hospitality						
- Malaysia	497.3	521.4	-5%	1,420.9	1,426.7	0%
- United Kingdom	42.1	(86.9)	>100%	233.6	(148.5)	>100%
- United States of America and Bahamas	24.2	4.5	>100%	99.2	89.6	11%
	<u>563.6</u>	<u>439.0</u>	28%	<u>1,753.7</u>	<u>1,367.8</u>	28%
Property	3.9	4.0	-3%	10.7	17.2	-38%
Investments & others	15.2	301.3	-95%	(75.2)	403.6	->100%
	<u>582.7</u>	<u>744.3</u>	-22%	<u>1,689.2</u>	<u>1,788.6</u>	-6%
Pre-opening expenses	(13.2)	(32.2)	59%	(34.7)	(59.9)	42%
Assets written off	(3.1)	(0.9)	->100%	(6.7)	(6.3)	-6%
Gain/(Loss) on disposal of property, plant and equipment	43.3	-	NC	37.3	(0.3)	>100%
Reversal of previously recognised impairment losses	43.8	24.3	80%	43.8	24.3	80%
Others	17.2	(137.1)	>100%	17.0	(108.4)	>100%
	<u>670.7</u>	<u>598.4</u>	12%	<u>1,745.9</u>	<u>1,638.0</u>	7%
EBITDA						
Depreciation and amortisation	(196.3)	(175.7)	-12%	(562.1)	(497.7)	-13%
Interest income	63.5	10.6	>100%	163.1	54.9	>100%
Finance costs	(18.3)	(7.6)	->100%	(53.1)	(23.1)	->100%
	<u>519.6</u>	<u>425.7</u>	22%	<u>1,293.8</u>	<u>1,172.1</u>	10%
Profit before taxation						
Taxation	12.5	(110.3)	>100%	(152.3)	(275.1)	45%
	<u>532.1</u>	<u>315.4</u>	69%	<u>1,141.5</u>	<u>897.0</u>	27%
Profit for the financial period						
Basic earnings per share (sen)	<u>9.82</u>	<u>5.76</u>	70%	<u>21.10</u>	<u>16.22</u>	30%
Diluted earnings per share (sen)	<u>9.81</u>	<u>5.76</u>	70%	<u>21.08</u>	<u>16.22</u>	30%

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 geared towards a progressive opening 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 and the United Kingdom, 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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