



GENTING MALAYSIA BERHAD
(58019-U)

PRESS RELEASE

For Immediate Release

**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE
FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016**

- **Group performance remains resilient despite a challenging operating environment**
- **Significant contribution from UK operations**
- **Net profit improved significantly due to disposal of shares in Genting Hong Kong**
- **Resorts World Genting welcomed 20.2 million visitors in 2016**
- **New Awana SkyWay cable car system and SkyAvenue mall have been well received**

KUALA LUMPUR, 23 February 2017 – Genting Malaysia Berhad (“Group”) today announced its financial results for the fourth quarter of 2016 (“4Q16”) and financial year ended 31 December 2016 (“FY16”).

In 4Q16, the Group reported a total revenue of RM2,282.9 million. The adjusted earnings before interest, taxation, depreciation and amortisation (“EBITDA”) grew by 43% to RM743.6 million. There were significant increases in profit before tax (“PBT”) and net profit to RM1,796.8 million and RM1,659.2 million respectively.

In FY16, the Group’s total revenue and adjusted EBITDA increased by 6% to RM8,931.6 million and 5% to RM2,432.8 million respectively. PBT and net profit were significantly higher at RM3,090.6 million and RM2,800.7 million respectively.

The significant increase in earnings in 4Q16 and FY16 was mainly contributed by better operational performance and a one-off gain from the disposal of shares in Genting Hong Kong Limited.

4Q16 Results

Despite the challenging operating environment, the leisure and hospitality business in Malaysia achieved higher revenue and adjusted EBITDA during the quarter. This was mainly contributed by higher volume of business and lower operating costs from the mid to premium players segment.

In the United States of America (“US”) and Bahamas, the Group registered lower revenue mainly due to lower volume of business and hold percentage from Resorts World Bimini (“Bimini”). However, this was partly cushioned by higher revenue from Resorts World Casino New York City (“RWNYC”). Adjusted EBITDA for the operations in the US and Bahamas was higher as a result of net reversal of expenses over accrued in previous periods.

The Group reported lower revenue in the United Kingdom (“UK”) mainly due to unfavourable foreign exchange movement of GBP against RM. This was mitigated by higher volume of business from its non-premium players business as well as higher contribution from Resorts World Birmingham. UK operations registered a higher adjusted EBITDA in 4Q16 contributed by higher bad debt recoveries.

FY16 Results

In FY16, the leisure and hospitality business in Malaysia recorded growth in revenue and adjusted EBITDA despite the disruptions arising from ongoing development under the Genting Integrated Tourism Plan (“GITP”). Revenue and adjusted EBITDA were at RM5.62 billion and RM1.94 billion respectively. The adjusted EBITDA margin was maintained at 35%.

Resorts World Genting (“RWG”) welcomed 20.2 million visitors in 2016, an encouraging 4% growth from last year. Day-trippers made up approximately 71% of the total visitor arrivals, with the remaining 29% being the hotel guests. Occupancy rate at RWG’s hotels stood at 93% in 2016.

GITP has seen great progress in 2016. The new Awana SkyWay cable car system, which is located at the mid-hill, commenced operations in December 2016. Visitors can now travel up to the hilltop in approximately 10 minutes. The initial phase of SkyAvenue lifestyle mall also started operations in December 2016. The lifestyle mall features a well-balanced variety of brands and dining options including famous overseas franchises such as Burger & Lobster, Cafés Richard and Motorino. All the new offerings under GITP have been well received by visitors since they opened.

In the US and Bahamas, the Group achieved a higher revenue in FY16 mainly contributed by higher volume of business from RWNYC, and aided by a favourable foreign exchange movement of USD against RM. Adjusted EBITDA for the US and Bahamas operations was also higher mainly due to overall higher revenue and net reversal of expenses over accrued in previous periods.

The Group reported higher revenue in the UK. This was mainly contributed by better hold percentage from the premium players business, higher volume of business from the non-premium players business and higher contribution from Resorts World Birmingham. The Group recorded an adjusted EBITDA of RM260.4 million in FY16 as compared to a loss of RM124.2 million in FY15. Additionally, the Group has also benefited from lower bad debts written off.

The Board declared a special single-tier dividend of 7.30 sen per share. The Board has also recommended a final single-tier dividend of 6.20 sen per share. If approved, total dividend for FY16 would amount to 16.50 sen per share, comprising an interim single-tier dividend of 3.00 sen per share, a special single-tier dividend and a proposed final single-tier dividend mentioned above. This represents a significant increase from last year.

Outlook

The global economy is expected to improve in 2017 but at an uneven pace across major economies. The challenges for global growth are mainly due to uncertainties surrounding the policy decisions and geopolitical development in certain advanced economies. In Malaysia, domestic demand is expected to continue to be the key driver of growth for the economy.

Some of the gaming operators in Macau had recently reported improved performance. Nevertheless, the regional gaming market is expected to face continuing challenges in the Asian premium players business. In 2016, both Macau and Singapore reported growth in international tourist arrivals. Similarly, Malaysia had also seen higher tourist arrivals in 2016. The outlook for the regional and domestic tourism is expected to remain positive in 2017.

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

In Malaysia, the Group remains focused on the development of GITP, with some offerings opened last year. The remaining attractions and facilities under the GITP will open progressively in 2017. Meanwhile, the Group will continue to improve on overall operational efficiencies and service delivery, as well as to optimise yield management and database marketing efforts to grow volume of business and visitations.

In the UK, the non-premium players business has continued to perform commendably. The Group remains committed to further strengthening its position in this segment and improving its business efficiency. While the premium players business remains a volatile segment, it has delivered encouraging results on a full year basis following the revised strategies adopted to reposition this part of the business. Emphasis will be placed on stabilising the operations and growing the business at Resorts World Birmingham as well as the online operation.

In the US, RWNYC has maintained its position as the market leader in terms of gaming revenue in the Northeast US region despite growing regional competition, and has successfully achieved sustained business growth. The Group will continue to step up its direct marketing efforts to increase visitations and frequency of play. In the Bahamas, the Group will focus on implementing targeted marketing initiatives to attract higher level of visitations and volume of business at the resort.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Var %	FINANCIAL YEAR ENDED 31 DECEMBER		Var %
	4Q2016	4Q2015	4Q16 vs 4Q15	2016	2015	FY16 vs FY15
	RM'Mil	RM'Mil		RM'Mil	RM'Mil	
Revenue						
Leisure & Hospitality						
- Malaysia	1,507.7	1,480.8	2%	5,623.2	5,576.6	1%
- United Kingdom	403.2	430.4	-6%	1,816.3	1,350.2	35%
- United States of America and Bahamas	341.3	350.9	-3%	1,365.0	1,288.2	6%
	<u>2,252.2</u>	<u>2,262.1</u>	0%	<u>8,804.5</u>	<u>8,215.0</u>	7%
Property	15.7	18.9	-17%	67.5	73.9	-9%
Investments & others	15.0	10.9	38%	59.6	107.0	-44%
	<u>2,282.9</u>	<u>2,291.9</u>	0%	<u>8,931.6</u>	<u>8,395.9</u>	6%
Adjusted EBITDA						
Leisure & Hospitality						
- Malaysia	521.5	503.9	3%	1,942.4	1,930.8	1%
- United Kingdom	26.8	24.3	10%	260.4	(124.2)	>100%
- United States of America and Bahamas	92.3	23.2	>100%	191.5	112.8	70%
	<u>640.6</u>	<u>551.4</u>	16%	<u>2,394.3</u>	<u>1,919.4</u>	25%
Property	0.3	3.3	-91%	11.0	20.5	-46%
Investments & others	102.7	(33.4)	>100%	27.5	366.5	-92%
	<u>743.6</u>	<u>521.3</u>	43%	<u>2,432.8</u>	<u>2,306.4</u>	5%
Property, plant and equipment written off	(16.5)	(3.7)	>100%	(21.0)	(10.0)	>100%
Impairment losses	(5.0)	(27.3)	82%	(10.6)	(27.3)	61%
Net (loss)/gain on disposal of property, plant and equipment	(0.1)	-	NC	37.2	(0.5)	>100%
Pre-opening expenses	(14.8)	(25.7)	42%	(49.5)	(85.6)	42%
Reversal of previously recognised impairment losses	-	-	NC	49.2	24.3	>100%
Gain on disposal of available-for-sale financial assets	1,272.9	-	NC	1,272.9	3.7	>100%
Others	-	52.4	NC	15.0	(56.0)	>100%
	<u>1,980.1</u>	<u>517.0</u>	>100%	<u>3,726.0</u>	<u>2,155.0</u>	73%
Depreciation and amortisation	(238.6)	(186.4)	-28%	(800.7)	(684.1)	-17%
Interest income	72.6	40.1	81%	235.7	95.0	>100%
Finance costs	(17.3)	(12.8)	-35%	(70.4)	(35.9)	-96%
Profit before taxation	<u>1,796.8</u>	<u>357.9</u>	>100%	<u>3,090.6</u>	<u>1,530.0</u>	>100%
Taxation	<u>(137.6)</u>	<u>(11.8)</u>	>100%	<u>(289.9)</u>	<u>(287.0)</u>	-1%
Profit for the financial period/year	<u>1,659.2</u>	<u>346.1</u>	>100%	<u>2,800.7</u>	<u>1,243.0</u>	>100%
Basic earnings per share (sen)	<u>29.81</u>	<u>5.99</u>	>100%	<u>50.91</u>	<u>22.21</u>	>100%
Diluted earnings per share (sen)	<u>29.73</u>	<u>5.98</u>	>100%	<u>50.78</u>	<u>22.17</u>	>100%

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 RM30 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. The new cable car system, Awana SkyWay, commenced operations in December 2016. In the same month, SkyAvenue also opened its initial phase to the public. Other attractions and facilities under the Genting Integrated Tourism Plan will be progressively opened in 2017.

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

~ END OF RELEASE ~