



GENTING MALAYSIA BERHAD
(58019-U)

PRESS RELEASE

For Immediate Release

**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE
FIRST QUARTER ENDED 31 MARCH 2017**

- **Net profits more than doubled this quarter**
- **The Group launched SkyPlaza, our latest GITP attraction**
- **GITP pre-opening activities ramping up as more attractions continues to open this year**

KUALA LUMPUR, 29 May 2017 – Genting Malaysia Berhad (“Group”) today reported its financial results for the first quarter ended 31 March 2017 (“1Q17”).

The Group achieved revenues of RM2,223.8 million in 1Q17. The adjusted earnings before interest, taxation, depreciation and amortisation (“EBITDA”) and profit before tax (“PBT”) improved by 27% to RM564.8 million and 31% to RM344.3 million respectively compared to the same quarter last year (“1Q16”). During the quarter, net profit more than doubled to RM294.9 million.

The Group’s overall performance was aided by lower foreign exchange translation losses on its USD denominated assets of RM9.4 million recorded in 1Q17 compared to 1Q16 of RM138.8 million.

The Malaysian leisure and hospitality business recorded higher revenue in 1Q17 mainly contributed by a better hold percentage for the mid to premium segment of the business even though business volumes were lower. Adjusted EBITDA, however, was lower as compared to 1Q16, primarily due to higher cost relating to the premium players business and costs incurred for the new facilities under Genting Integrated Tourism Plan (“GITP”).

Whilst the GITP development works are still ongoing at Resorts World Genting (“RWG”), the resort nevertheless welcomed 4.9 million visitors in 1Q17. Occupancy rate at RWG’s hotels was higher at 90% amidst an increase in room inventory. The Group continues to introduce new attractions with the launch of the SkyPlaza this quarter. This latest offering boasts five levels of retail, F&B, leisure and entertainment options and is fitted with mesmerising floor-to-ceiling LED displays. This complements the new Awana SkyWay cable car system and SkyAvenue mall launched last year. More facilities and attractions under the GITP are expected to unfold from this year onwards. Meanwhile, the indoor theme park and retail outlets in First World Plaza are currently closed for a complete makeover and scheduled to re-open next year with more exciting entertainment options. Separately, the Group successfully raised the remaining RM2.6 billion under its RM5.0 billion Medium Term Note programme for working capital and funding of the GITP development.

In 1Q17, revenue for the Group’s US and Bahamas operations increased mainly due to higher revenue contribution from Resorts World Casino New York City (“RWNYC”) as a result of an improved commission structure with the New York state authority on RWNYC gaming operations. The increase in revenue was also aided by favourable foreign exchange translation. The US and Bahamas operations also recorded a higher adjusted EBITDA, mainly driven by higher revenue at RWNYC and narrowing losses for the Bimini operations in Bahamas.

The Group's UK operations achieved lower revenue and adjusted EBITDA for the quarter, mainly attributable to a lower hold percentage from its premium players business although higher business volumes were recorded for this segment. The Group's revenue and adjusted EBITDA were also impacted by the unfavourable foreign exchange movement of GBP against RM. The decrease in adjusted EBITDA was mitigated by higher bad debt recoveries during the quarter.

Outlook

Global economic conditions are expected to improve, supported by the expansion of economic activity in advanced and emerging markets and expansionary policy decisions in certain major economies. The Malaysian economy is expected to remain on a growth path underpinned by domestic demand.

The outlook for international tourism is expected to remain positive across all regions. Meanwhile, the operating environment for the regional gaming market has shown signs of recovery, as evidenced by the recent reported improved performance of regional gaming operators in Singapore and Macau. Notwithstanding this, the regional gaming market is expected to face continuous challenges in the Asian premium players business.

The Group remains cautious on the near term outlook of the leisure and hospitality industry, but remains optimistic on the growth potential of the industry in the longer term.

In Malaysia, the Group continues to focus on the development of GITP as the remaining facilities and attractions will open progressively from this year onwards, complementing the new and existing attractions. The significant expansion and redevelopment under the GITP, once completed, is expected to elevate RWG's position as the destination of choice in the region. Meanwhile, the Group remains committed on optimising overall operational efficiencies, yield management and database marketing efforts as well as enhancing service delivery at RWG.

In the UK, the Group is pleased with the strong performance from the non-premium players business where it continues to grow its market share. The strategy to reduce short term volatility in its premium players business continues to prove successful in developing a more sustainable business. The Group has seen an encouraging improvement in performance at Resorts World Birmingham and has recently announced plans to introduce new attractions such as virtual reality games which will be new to the UK.

In the US, Resorts World Casino New York City maintained steady business growth and continues to lead the Northeast US region in terms of gaming revenue amidst growing regional competition. The Group will continue to boost its direct marketing efforts to grow the visitation levels and frequency of play at the resort. In the Bahamas, the Group has embarked on cost rationalisation initiatives and will revise its marketing strategy to reposition the business.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Var %	PRECEDING QUARTER	Var %
	1Q2017	1Q2016	1Q17 vs	4Q2016	1Q17 vs
	RM'Mil	RM'Mil	1Q16	RM'Mil	4Q16
Revenue					
Leisure & Hospitality					
- Malaysia	1,343.9	1,305.1	3%	1,507.7	-11%
- United Kingdom	467.3	528.9	-12%	403.2	16%
- United States of America and Bahamas	381.0	350.4	9%	341.3	12%
	<u>2,192.2</u>	<u>2,184.4</u>	-	<u>2,252.2</u>	-3%
Property	19.7	17.8	11%	15.7	25%
Investments & others	11.9	12.1	-2%	15.0	-21%
	<u>2,223.8</u>	<u>2,214.3</u>	-	<u>2,282.9</u>	-3%
Adjusted EBITDA					
Leisure & Hospitality					
- Malaysia	437.0	451.5	-3%	521.5	-16%
- United Kingdom	77.7	98.7	-21%	26.8	>100%
- United States of America and Bahamas	41.4	19.2	>100%	87.7	-53%
	<u>556.1</u>	<u>569.4</u>	-2%	<u>636.0</u>	-13%
Property	9.3	5.6	66%	4.9	90%
Investments & others	(0.6)	(130.7)	100%	102.7	->100%
	<u>564.8</u>	<u>444.3</u>	27%	<u>743.6</u>	-24%
Pre-opening expenses	(23.1)	(10.7)	->100%	(14.8)	-56%
Property, plant and equipment written off	(0.9)	(1.7)	47%	(16.5)	95%
Net gain/(loss) on disposal of property, plant and equipment	0.2	(6.1)	>100%	(0.1)	>100%
Impairment losses	-	(0.2)	NC	(5.0)	NC
Gain on disposal of available-for-sale financial assets	-	-	-	1,272.9	NC
	<u>541.0</u>	<u>425.6</u>	27%	<u>1,980.1</u>	-73%
EBITDA					
Depreciation and amortisation	(248.3)	(188.1)	-32%	(238.6)	-4%
Interest income	70.7	38.9	82%	72.6	-3%
Finance costs	(19.1)	(14.3)	-34%	(17.3)	-10%
	<u>344.3</u>	<u>262.1</u>	31%	<u>1,796.8</u>	-81%
Profit before taxation					
Taxation	(49.4)	(118.0)	58%	(137.6)	64%
	<u>294.9</u>	<u>144.1</u>	>100%	<u>1,659.2</u>	-82%
Profit for the financial period					
Basic earnings per share (sen)	<u>5.72</u>	<u>2.86</u>	100%	<u>29.81</u>	-81%
Diluted earnings per share (sen)	<u>5.71</u>	<u>2.85</u>	100%	<u>29.73</u>	-81%

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 RM34 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 ("RWG") 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 ("GITP"). Genting Malaysia has introduced various new facilities and attractions under the GITP, which includes the First World Hotel Tower 3, the new Awana SkyWay cable car system and the initial phase of the SkyAvenue lifestyle mall and SkyPlaza. Meanwhile, the indoor theme park and retail outlets in First World Plaza are currently closed for a complete makeover. Other attractions and facilities under the GITP, which includes the world's first Twentieth Century Fox World theme park, are expected to unfold from this year onwards.

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 as well as an online operation to provide customers a seamless multi-channel experience. Genting Malaysia also operates Resorts World Birmingham, the first integrated leisure complex in the UK, offering gaming and entertainment facilities, retail and dining outlets and a 178-room four-star hotel.

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 ~