



GENTING MALAYSIA BERHAD  
(58019-U)

---

**PRESS RELEASE**

**For Immediate Release**

---

**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE  
THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2017**

- **Significant visitation growth at Resorts World Genting (“RWG”) as the public warms up to new GITP attractions**
- **RWG recorded stronger occupancy rates at 96% in 3Q17 amidst higher room inventory**
- **Lower hold percentage and higher ramp up costs impacted Group’s performance in Malaysia in 3Q17**

**KUALA LUMPUR, 23 November 2017** – Genting Malaysia Berhad (“Group”) today announced its financial results for the third quarter (“3Q17”) and nine months ended 30 September 2017 (“9M17”).

The Group’s 3Q17 total revenue grew by 3% to RM2,269.3 million. However, the adjusted earnings before interest, taxation, depreciation and amortisation (“EBITDA”) decreased by 25% to RM437.9 million. During the quarter, profit before tax (“PBT”) and net profit declined to RM249.8 million and RM172.2 million respectively.

Compared to the same period last year, the Group’s 9M17 revenue was up by 2% to RM6,784.7 million. However, adjusted EBITDA and PBT declined by 9% and 35% to RM1,537.8 million and RM840.9 million respectively. Net profit was 44% lower at RM640.7 million.

**3Q17 Results**

The Malaysian leisure and hospitality business reported lower revenue in 3Q17 despite higher volume of business aided by the opening of new attractions and facilities under the Genting Integrated Tourism Plan (“GITP”). This was primarily due to lower hold percentage in the mid to premium players business segment. This segment’s lower adjusted EBITDA for 3Q17 was attributable to high operating costs and a decline in revenue. The Group also incurred additional operating expenses from the ramping up of new facilities under GITP.

Despite the ongoing GITP development work at RWG, the resort welcomed 6.4 million visitors in 3Q17, a notable 25% growth from the same period last year. Occupancy rate at RWG’s hotels was higher at 96% amidst an increase in room inventory following the introduction of the newly refurbished Theme Park Hotel. Meanwhile, the Group anticipates the launch of the premium suites at SkyPlaza in the coming month to complement the new and existing attractions at RWG. The Group is also looking forward to the roll out of the much anticipated 20<sup>th</sup> Century Fox World Theme Park as well as the new indoor theme park in 2018 which will further enhance the guest experience at RWG.

The Group’s UK operations achieved higher revenue and adjusted EBITDA of RM516.3 million and RM53.8 million respectively in 3Q17, mainly attributable to higher volume of business and hold percentage from its premium players business segment. The Group also benefitted from the favourable foreign exchange movement of GBP against RM during the period.

In the US and Bahamas, the Group recorded higher revenue of RM363.2million, mainly due to an improved commission structure with the New York state authority for Resorts World New York City (“RWNYC”)’s gaming operations. The US and Bahamas operations also reported higher adjusted EBITDA mainly driven by lower operating costs incurred by the Bimini operations in the Bahamas as a result of its ongoing cost rationalisation initiatives.

In 3Q17, the Group’s overall adjusted EBITDA was impacted by foreign exchange translation loss on its USD denominated assets. Excluding the effects of foreign exchange, the Group’s overall adjusted EBITDA would have declined by 17% from the same period last year.

## **9M17 Results**

In 9M17, the leisure and hospitality business in Malaysia recorded a marginally higher revenue of RM4,141.8 million mainly from overall higher volume of business following the opening of new attractions and facilities under GTP since December 2016. This has contributed significantly to higher revenues from the mass segment. Adjusted EBITDA was lower by 15% to RM1,207.3 million, mainly due to higher cost associated with the premium players business and the ramping up of new facilities under GTP.

In the UK, the Group recorded marginally lower revenue mainly due to lower volume of business from the non-premium players business amid a subdued consumer sentiment. There were also higher bad debts written off during the period.

In the US and Bahamas, the Group achieved higher revenue and adjusted EBITDA of RM1,129.1 million and RM193.8 million respectively, mainly from favourable foreign exchange movement and higher revenue contribution from RWNYC. Additionally, the Group registered lower operating losses on its Bimini operations which contributed to the overall increase in adjusted EBITDA.

On 7 July 2017, the Group announced an update on its investment in promissory notes to finance the Mashpee Wampanoag Tribe (“the Tribe”)’s development of an integrated gaming resort in Taunton, Massachusetts, USA. The total investment (including accrued interest) as at 30 September 2017 amounted to USD368.9 million (or equivalent to RM1.56 billion). Parties (i.e. the Tribe and the Plaintiffs) have to-date submitted the materials required by the U.S. Federal Government for its review of the Tribe’s rights to trust land. The U.S. Federal Government has not announced a date upon which they will issue a final decision. The development of the project is currently stalled pending further court developments and/or actions by relevant governmental authorities. The Group will continue working with the Tribe to review all options available and assess the recoverability on its investment as well as its impact to the Group’s consolidated earnings and net assets for this financial year.

## **Outlook**

Global economic conditions are expected to further strengthen in the fourth quarter of 2017, driven by growth in consumption and investments in certain advanced economies and improvements in global trade. The Malaysian economy is expected to continue on its growth trajectory, primarily driven by stronger domestic and external demand.

The outlook for international tourism is expected to remain positive. Meanwhile, the regional gaming industry remains promising as evidenced by the continued improvements in performances recently reported by gaming operators in Macau and Singapore.

The Group remains optimistic on the growth potential of the leisure and hospitality industry in the medium to long term.

In Malaysia, the Group remains focused on the development of GITP at RWG as it prepares to roll out the much anticipated 20th Century Fox World Theme Park as well as the new indoor theme park next year. With the recent additions under GITP that complement the existing attractions at RWG, the Group will focus on optimising overall operational efficiencies and driving revenue growth.

In the UK, the Group is encouraged with its performance in the premium players business segment despite the challenging operating environment. The Group's strategy to reduce short term volatility in this segment continues to be successful in delivering sustainable performance. As for the non-premium players business, the Group will continue its efforts on strengthening its position and improving business efficiency in this segment. Visitation growth in Resorts World Birmingham has been encouraging and emphasis will continue to be placed on stabilising the operations and growing the business at the resort.

In the US, RWNYC maintained its steady business growth and remains the market leader in terms of gaming revenue in the Northeast US region, despite growing regional competition. The Group will continue intensifying its direct marketing efforts to drive visitations and frequency of play at the property. Additionally, RWNYC has embarked on a USD400 million expansion which will include various new attractions, such as a 400-room hotel, F&B outlets, retail stores and entertainment facilities. In the Bahamas, the Group will focus its marketing efforts on the leisure market to drive visitations and volume of business at the resort as well as continuing its cost rationalisation initiatives.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD  SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Variance		NINE MONTHS ENDED 30 SEPTEMBER		Variance	
	3Q2017	3Q2016	3Q17 vs 3Q16		9M2017	9M2016	9M17 vs 9M16	
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	RM'Mil	%
<b>Revenue</b>								
Leisure & Hospitality								
- Malaysia	1,352.9	1,461.3	-108.4	-7%	4,141.8	4,115.5	26.3	1%
- United Kingdom	516.3	380.0	136.3	36%	1,394.8	1,413.1	-18.3	-1%
- United States of America and Bahamas	363.2	321.6	41.6	13%	1,129.1	1,023.7	105.4	10%
	<u>2,232.4</u>	<u>2,162.9</u>	<u>69.5</u>	<u>3%</u>	<u>6,665.7</u>	<u>6,552.3</u>	<u>113.4</u>	<u>2%</u>
Property	23.8	16.2	7.6	47%	74.1	51.8	22.3	43%
Investments & others	13.1	20.6	-7.5	-36%	44.9	44.6	0.3	1%
	<u>2,269.3</u>	<u>2,199.7</u>	<u>69.6</u>	<u>3%</u>	<u>6,784.7</u>	<u>6,648.7</u>	<u>136.0</u>	<u>2%</u>
<b>Adjusted EBITDA</b>								
Leisure & Hospitality								
- Malaysia	336.0	497.3	-161.3	-32%	1,207.3	1,420.9	-213.6	-15%
- United Kingdom	53.8	42.1	11.7	28%	167.2	233.6	-66.4	-28%
- United States of America and Bahamas	59.6	21.2	38.4	>100%	193.8	88.2	105.6	>100%
	<u>449.4</u>	<u>560.6</u>	<u>-111.2</u>	<u>-20%</u>	<u>1,568.3</u>	<u>1,742.7</u>	<u>-174.4</u>	<u>-10%</u>
Property	13.0	6.9	6.1	88%	42.5	21.7	20.8	96%
Investments & others	(24.5)	15.2	-39.7	->100%	(73.0)	(75.2)	2.2	3%
	<u>437.9</u>	<u>582.7</u>	<u>-144.8</u>	<u>-25%</u>	<u>1,537.8</u>	<u>1,689.2</u>	<u>-151.4</u>	<u>-9%</u>
Pre-opening expenses	(19.5)	(13.2)	-6.3	-48%	(59.1)	(34.7)	-24.4	-70%
Property, plant and equipment written off	(0.8)	(3.1)	2.3	74%	(3.6)	(6.7)	3.1	46%
Net gain on disposal of property, plant and equipment	0.7	43.3	-42.6	-98%	1.3	37.3	-36.0	-97%
Reversal of previously recognised impairment losses	-	49.2	-49.2	NC	-	49.2	-49.2	NC
Impairment losses	(19.6)	(5.4)	-14.2	->100%	(56.4)	(5.6)	-50.8	->100%
Others	0.4	17.2	-16.8	-98%	(22.5)	17.2	-39.7	->100%
<b>EBITDA</b>	<u>399.1</u>	<u>670.7</u>	<u>-271.6</u>	<u>-40%</u>	<u>1,397.5</u>	<u>1,745.9</u>	<u>-348.4</u>	<u>-20%</u>
Depreciation and amortisation	(195.9)	(196.3)	0.4	<1%	(697.5)	(562.1)	-135.4	-24%
Interest income	77.7	63.5	14.2	22%	221.9	163.1	58.8	36%
Finance costs	(31.1)	(18.3)	-12.8	-70%	(81.0)	(53.1)	-27.9	-53%
<b>Profit before taxation</b>	<u>249.8</u>	<u>519.6</u>	<u>-269.8</u>	<u>-52%</u>	<u>840.9</u>	<u>1,293.8</u>	<u>-452.9</u>	<u>-35%</u>
<b>Taxation</b>	<u>(77.6)</u>	<u>12.5</u>	<u>-90.1</u>	<u>-&gt;100%</u>	<u>(200.2)</u>	<u>(152.3)</u>	<u>-47.9</u>	<u>-31%</u>
<b>Profit for the financial period</b>	<u>172.2</u>	<u>532.1</u>	<u>-359.9</u>	<u>-68%</u>	<u>640.7</u>	<u>1,141.5</u>	<u>-500.8</u>	<u>-44%</u>
<b>Basic earnings per share (sen)</b>	<u>3.41</u>	<u>9.82</u>	<u>-6.4</u>	<u>-65%</u>	<u>12.55</u>	<u>21.10</u>	<u>-8.6</u>	<u>-41%</u>
<b>Diluted earnings per share (sen)</b>	<u>3.41</u>	<u>9.81</u>	<u>-6.4</u>	<u>-65%</u>	<u>12.53</u>	<u>21.08</u>	<u>-8.6</u>	<u>-41%</u>

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 RM29 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 10,300 rooms spread across 7 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 RWG 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, SkyPlaza and the initial phase of the SkyAvenue lifestyle mall. The recent opening of the Genting Highlands Premium Outlet (a property of Genting Simon Sdn Bhd, a joint venture between Genting Plantations Berhad and Simon Property Group) also complements the new and existing offerings at RWG. 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 next 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 outside London 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](mailto:ir.genm@genting.com).

For information on the major properties of Genting Malaysia

Resorts World Genting, visit [www.rwgenting.com](http://www.rwgenting.com)

Genting Casinos UK Limited, visit [www.gentingcasinos.co.uk](http://www.gentingcasinos.co.uk)

Resorts World Casino New York City, visit [www.rwnewyork.com](http://www.rwnewyork.com)

Resorts World Birmingham, visit [www.resortsworldbirmingham.co.uk](http://www.resortsworldbirmingham.co.uk)

Resorts World Bimini, visit [www.rwbimini.com](http://www.rwbimini.com)

~ END OF RELEASE ~