



GENTING MALAYSIA BERHAD
(58019-U)

PRESS RELEASE

For Immediate Release

**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE
SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018**

- **Net profits more than doubled this quarter, aided by Malaysian operations**
- **Visitations to Resorts World Genting (RWG) grew by 18%, boosted by new GITP attractions**

KUALA LUMPUR, 29 August 2018 – Genting Malaysia Berhad (Group) today announced its financial results for the second quarter (2Q18) and half year ended 30 June 2018 (1H18).

The Group's 2Q18 total revenue increased by 6% to RM2,422.1 million while adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) grew by 31% to RM701.8 million. During the quarter, profit before tax (PBT) increased significantly by 88% to RM465.1 million while net profit more than doubled to RM378.2 million.

For 1H18, the Group's total revenue grew by 7% to RM4,821.6 million. Adjusted EBITDA and PBT increased by 19% and 46% to RM1,309.5 million and RM862.6 million respectively compared to the same period last year. Net profit improved by 54% to RM720.3 million.

2Q18 Results

The Malaysian leisure and hospitality business recorded higher revenue by 10% to RM1,591.9 million while adjusted EBITDA grew by 24% to RM540.2 million in 2Q18. This was mainly attributable to an improved hold percentage in the mid to premium players segment. The improved performance was also contributed by the new facilities and attractions under the Genting Integrated Tourism Plan (GITP), which have been well received.

RWG's new mid-hill and hilltop dining, retail and entertainment offerings attracted an increase in visitations by 18% this quarter. Meanwhile, RWG's hotels continued to record strong occupancy rates of 97% in 2Q18. The Skytropolis indoor theme park is projected to open in the coming months and the Group remains focused on the roll out of the highly anticipated Twentieth Century Fox World Theme Park next year. With the addition of these exciting new attractions to RWG's existing array of entertainment offerings, guests will be able to enjoy a wholesome world-class experience at the resort.

In the United Kingdom (UK) and Egypt, the Group's operations reported higher revenue by 6% to RM436.0 million primarily attributable to higher contribution from Crockfords Cairo and its UK interactive business, offset by overall lower business volumes from its UK land based casinos. However, the Group's adjusted EBITDA decreased to RM29.5 million mainly due to higher debts written off.

The Group's operations in the United States of America (US) and Bahamas recorded lower revenues by 10% to RM344.7 million while adjusted EBITDA declined by 16% to RM77.6 million in 2Q18. This was largely attributable to lower business volumes from Resorts World Casino New York City (RWNYC) as a result of increased competition. The US and Bahamas revenue and adjusted EBITDA were also impacted by foreign exchange translation losses as a result of the weakening of USD against RM. Excluding the impact of foreign exchange translation losses, revenue and adjusted EBITDA from the US and Bahamas operations decreased by 2% and 8% respectively.

The Group's overall adjusted EBITDA was aided by higher foreign exchange translation gains on its USD denominated assets in 2Q18 of RM29.7 million as compared to a foreign exchange translation loss of RM42.7 million in the same period last year.

1H18 Results

In 1H18, the Malaysian leisure and hospitality business recorded higher revenue and adjusted EBITDA by 14% and 23% to RM3,191.4 million and RM1,073.9 million respectively. This was primarily attributable to the overall higher volume of business recorded at RWG following the roll out of new attractions under the GITP and higher hold percentage from the mid to premium players segment. The adjusted EBITDA margin improved to 34% in 1H18 from 31% in the same period last year.

In the UK and Egypt, the Group recorded lower revenue and adjusted EBITDA of RM848.4 million and RM60.1 million respectively largely due to lower volume of business in the premium gaming segment. However, the decline in revenue and adjusted EBITDA was mitigated by higher revenue contribution from Crockfords Cairo and the Group's UK interactive business.

In the US and Bahamas, the Group's operations reported lower revenue by 10% to RM691.1 million mainly due to foreign exchange translation losses as a result of the weakening of USD against RM during the period. Excluding this impact, revenue from the Group's operations in the US and Bahamas increased by 1%. Meanwhile, adjusted EBITDA grew by 6% to RM142.4 million during the period mainly contributed by lower operating costs as a result of improved operational efficiencies at Resorts World Bimini. Excluding the impact of foreign exchange translation losses, adjusted EBITDA from the US and Bahamas operations increased by 18%.

The Group's overall adjusted EBITDA was aided by lower foreign exchange translation losses on its USD denominated assets of RM14.4 million recorded in 1H18 compared to RM53.2 million reported in the same period last year.

The Board declared an interim single-tier dividend of 6.00 sen per share. This represents an increase of 50% compared to last year.

Outlook

The global economy remains stable albeit at an uneven pace across advanced economies and developing markets. However, the increasing uncertainties surrounding geopolitical developments in certain major economies may pose near term threat to global growth. In Malaysia, domestic demand is expected to continue to be the key driver of growth for the economy.

The confidence surrounding international tourism continues to be strong. In line with this, the regional gaming market is anticipated to remain buoyant, supported by the expansion of new properties in the region. The outlook for regional and domestic tourism is expected to remain positive in 2018.

The Group remains optimistic on the opportunities and growth potential of the leisure and hospitality industry.

In Malaysia, the Group remains focused on the development of the GITP at RWG. Pre-opening activities continue to ramp up as the Group prepares for the roll out of the Skytropolis indoor theme park and the highly anticipated 20th Century Fox World Theme Park. The Group will continue to focus on expanding into regional markets by enhancing its digital marketing efforts to improve customer reach and attract foreign visitations to the resort. Additionally, the Group is steadfast in growing business volumes and improving yield contribution at the resort by further leveraging on the new GITP assets. To this end, the Group remains committed to intensifying database marketing efforts and upholding high standards of service delivery.

In the UK, the Group remains resolute in delivering sustainable performance by managing business volatility in the premium players segment. Amid the challenging operating environment, the Group will focus on strengthening its position in the non-premium players segment by improving overall business efficiency and growing market share. The Group will also continue to place emphasis on stabilising operations at Resorts World Birmingham and growing volume of business at the property.

In the US, RWNYC maintained its position as market leader by gaming revenue in the Northeast US region. Nevertheless, the Group will continue enhancing and intensifying direct marketing efforts to drive visitation and frequency of play at the property to ensure that RWNYC continues to deliver a steady performance despite increasing competition. Meanwhile, the development of the USD400 million expansion at RWNYC is well underway. The project, which is anticipated to open in phases starting from the end of 2019, will transform RWNYC into a premium integrated resort destination with a multitude of gaming and non-gaming amenities. In Miami, the Group will continue leveraging on the upgraded Hilton Miami Downtown to attract visitation and higher spend at the property. In the Bahamas, the Group is committed to improving overall operational efficiencies and growing business volumes at the resort by focusing marketing efforts on the leisure market.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Variance		SIX MONTHS ENDED 30 JUNE		Variance	
	(Restated)		2Q18 vs 2Q17		(Restated)		1H18 vs 1H17	
	2Q2018 RM'Mil	2Q2017 RM'Mil	RM'Mil	%	2018 RM'Mil	2017 RM'Mil	RM'Mil	%
Revenue								
Leisure & Hospitality								
- Malaysia	1,591.9	1,445.4	146.5	10%	3,191.4	2,789.7	401.7	14%
- United Kingdom and Egypt	436.0	411.2	24.8	6%	848.4	878.5	-30.1	-3%
- United States of America and Bahamas	344.7	384.9	-40.2	-10%	691.1	765.9	-74.8	-10%
	<u>2,372.6</u>	<u>2,241.5</u>	131.1	6%	<u>4,730.9</u>	<u>4,434.1</u>	296.8	7%
Property	23.3	30.6	-7.3	-24%	47.0	50.3	-3.3	-7%
Investments & others	26.2	19.9	6.3	32%	43.7	31.8	11.9	37%
	<u>2,422.1</u>	<u>2,292.0</u>	130.1	6%	<u>4,821.6</u>	<u>4,516.2</u>	305.4	7%
Adjusted EBITDA								
Leisure & Hospitality								
- Malaysia	540.2	434.7	105.5	24%	1,073.9	872.1	201.8	23%
- United Kingdom and Egypt	29.5	35.7	-6.2	-17%	60.1	113.4	-53.3	-47%
- United States of America and Bahamas	77.6	92.8	-15.2	-16%	142.4	134.2	8.2	6%
	<u>647.3</u>	<u>563.2</u>	84.1	15%	<u>1,276.4</u>	<u>1,119.7</u>	156.7	14%
Property	13.4	20.2	-6.8	-34%	28.0	29.5	-1.5	-5%
Investments & others	41.1	(47.9)	89.0	>100%	5.1	(48.5)	53.6	>100%
Adjusted EBITDA	701.8	535.5	166.3	31%	1,309.5	1,100.7	208.8	19%
Pre-opening expenses	(15.7)	(22.5)	6.8	30%	(32.3)	(39.6)	7.3	18%
Property, plant and equipment written off	(3.5)	(1.9)	-1.6	-84%	(19.2)	(2.8)	-16.4	->100%
Net (loss)/gain on disposal of property, plant and equipment	(0.1)	0.4	-0.5	->100%	0.1	0.6	-0.5	-83%
Impairment losses	(33.3)	(36.8)	3.5	10%	(33.3)	(36.8)	3.5	10%
Others	-	(16.9)	16.9	NC	18.1	(22.9)	41.0	>100%
EBITDA	649.2	457.8	191.4	42%	1,242.9	999.2	243.7	24%
Depreciation and amortisation	(238.0)	(253.3)	15.3	6%	(478.7)	(501.6)	22.9	5%
Interest income	92.2	73.5	18.7	25%	171.6	144.2	27.4	19%
Finance costs	(38.3)	(30.8)	-7.5	-24%	(73.2)	(49.9)	-23.3	-47%
Profit before taxation	465.1	247.2	217.9	88%	862.6	591.9	270.7	46%
Taxation	(86.9)	(73.2)	-13.7	-19%	(142.3)	(122.7)	-19.6	-16%
Profit for the financial period	378.2	174.0	204.2	>100%	720.3	469.2	251.1	54%
Basic earnings per share (sen)	6.99	3.42	3.6	>100%	13.33	9.15	4.2	46%
Diluted earnings per share (sen)	6.99	3.42	3.6	>100%	13.31	9.13	4.2	46%

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 resort properties including Resorts World Genting (RWG), Resorts World Casino New York City (RWNYC), Resorts World Bimini, Resorts World Birmingham and over 40 casinos, including Crockfords Cairo in Egypt.

Resorts World Genting is a premier leisure and entertainment resort in Malaysia. It is equipped with about 10,500 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 enables guests to enjoy a truly wholesome and world class experience at the resort. This includes the First World Hotel Tower 3, the new Awana SkyWay cable car system, the newly refurbished Theme Park Hotel, the new Crockfords Hotel as well as new attractions in the SkyAvenue entertainment complex. The 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) at the mid-hill also complements the new and existing offerings at RWG. Other attractions and facilities under the GITP which are yet to be opened include the world's first Twentieth Century Fox World Theme Park and the new Skytropolis indoor theme park.

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 42 operating casinos. It operates 6 casinos in London and 36 casinos outside of London. The Group also operates an interactive business, which includes the online casino and sports book operations, to provide customers a seamless multi-channel experience. Additionally, Genting Malaysia 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 Middle East, Crockfords Cairo, an exclusive casino situated inside The Nile Ritz-Carlton Hotel in Cairo, is the Group's first venture into the region.

In the United States of America, Genting Malaysia operates RWNYC, 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. The Group also owns a 30-acre prime freehold waterfront site in Miami, which includes the newly renovated 527-room Hilton Miami Downtown.

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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