



GENTING

MALAYSIA

**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 2018**

KUALA LUMPUR, 30 November 2018 – Genting Malaysia Berhad (Group) today announced its financial results for the third quarter (3Q18) and nine months ended 30 September 2018 (9M18).

In 3Q18, the Group recorded a 15% growth in total revenue to RM2,598.9 million. The adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) increased significantly by 86% to RM814.8 million. However, the Group registered loss before tax (LBT) and net loss of RM1,267.1 million and RM1,512.1 million respectively.

In 9M18, the Group's total revenue grew by 9% to RM7,420.6 million while adjusted EBITDA improved by 38% to RM2,124.3 million. However, the Group recorded LBT and net loss of RM404.4 million and RM791.7 million respectively.

The Group's LBT and net loss in 3Q18 and 9M18 was mainly attributable to impairment loss on the Group's investment in the promissory notes issued by the Mashpee Wampanoag Tribe (Tribe).

3Q18 Results

The Malaysian leisure and hospitality business recorded higher revenue by 26% to RM1,704.6 million while adjusted EBITDA improved by 91% to RM641.2 million. The increase was mainly driven by higher volume of business in the mass market segment following the opening of new facilities and attractions under the Genting Integrated Tourism Plan (GITP) which have been well received. RWG also reported a higher hold percentage in the mid to premium segment of the business. Additionally, the improvement in adjusted EBITDA was contributed by lower costs incurred in relation to the premium players business.

The introduction of new dining, retail and entertainment offerings at the mid-hill and hilltop continue to record growth in visitations at RWG, welcoming over 6.4 million visitors this quarter. The Group added the High Line Roof Top Market to its vast F&B portfolio, providing guests an outdoor dining experience amid the crisp highland air. Meanwhile, RWG's hotels continue to outperform the industry with an average occupancy rate of 98%.

The Group's operations in the United Kingdom (UK) and Egypt recorded a slight decline in revenue by 2% to RM505.7 million, primarily due to the unfavourable foreign exchange translation of GBP against RM. Excluding the impact of the foreign exchange translation, revenue from the UK and Egypt operations increased by 2%, mainly attributable to higher contributions from Crockfords Cairo and its UK interactive business. Adjusted EBITDA improved by 12% to RM60.2 million during the period.

In the United States of America (US) and Bahamas, the Group registered lower revenue by 3% to RM350.7 million mainly attributable to foreign exchange translation losses from the weakening of USD against RM. Excluding the impact of the foreign exchange translation, the Group recorded marginally higher revenues compared to the same period last year. The increase in adjusted EBITDA by 20% to RM71.4 million was largely contributed by improved operational efficiencies at Resorts World Bimini which resulted in lower operating losses at the resort.

The Group's overall adjusted EBITDA was aided by higher foreign exchange translation gains on its USD denominated assets in 3Q18 of RM37.4 million as compared to a foreign exchange translation loss of RM25.9 million recorded in the same period last year.

9M18 Results

In 9M18, the leisure and hospitality business in Malaysia registered growth in revenue and adjusted EBITDA by 18% and 42% to RM4,896.0 million and RM1,715.1 million respectively. The improved performance was primarily attributable to higher hold percentage in the mid to premium segment, coupled with an increase in business volumes from the mass market segment following the introduction of new attractions under the GTP. However, the increase in adjusted EBITDA was offset by higher operating costs incurred for the new facilities during the period.

In the UK and Egypt, the Group reported a decline in revenue and adjusted EBITDA by 3% and 28% to RM1,354.1 million and RM120.3 million respectively. This was mainly due to the unfavourable foreign exchange translation of GBP against RM. Excluding the impact of the foreign exchange translation, revenue from the Group's operations in the UK and Egypt remains unchanged from the same period last year amid subdued consumer sentiment. Adjusted EBITDA was also impacted by higher debts written off during the period.

In the US and Bahamas, the Group recorded an 8% decline in revenue to RM1,041.9 million largely attributable to foreign exchange translation losses from the weakening of USD against RM. Excluding this impact, revenue from the Group's operations in the US and Bahamas increased by 1%. Adjusted EBITDA was 10% higher at RM213.8 million, mainly driven by lower operating costs at Resorts World Bimini as a result of continued improvements in operational efficiencies at the resort.

The Group has recorded an impairment loss of RM1,834.3 million in relation to the Group's total investment (including accrued interest) in the promissory notes issued by the Tribe. The impairment loss was due to the uncertainty of recovery of the Group's investment following the US Federal Government's decision concluding that the Tribe did not satisfy the conditions under the Indian Reorganisation Act that allow the Tribe to have the land in trust for an integrated gaming resort development. However, the Group continues to work closely with the Tribe on options which include a legislation being introduced in the US Congress which, if passed, will entail the US Federal Government to reaffirm the land in trust for the benefit of the Tribe. The impairment loss can be reversed when the promissory notes are assessed to be recoverable.

The Group's overall adjusted EBITDA was aided by higher foreign exchange translation gains on its USD denominated assets of RM25.3 million recorded in 9M18, compared to the foreign exchange translation losses of RM79.1 million reported in the same period last year.

Outlook

The expansion of the global economy is expected to continue at an uneven pace across advanced economies and emerging markets. Challenges to global growth are increasingly prevalent amid uncertainties surrounding geopolitical developments in certain major economies. In Malaysia, economic growth is expected to continue at a slower pace in view of the moderating global growth momentum.

In light of the uncertainties surrounding the macroeconomic environment, the regional gaming market may face increasing challenges especially in the premium players business.

The Group is cautious on the opportunities and growth potential of the leisure and hospitality industry amidst the uncertain consumer spending environment.

In Malaysia, the announcement of a revision in casino duties and casino license fee in the Malaysian Budget 2019 will impact the Group's earnings next year. The Group is reviewing its marketing strategies and will streamline its operations and cost structure to mitigate the impact of the tax increases. In the meantime, the Group remains focused on the progressive roll out of the new Skytropolis Funland indoor theme park this year. Meanwhile, the Group has commenced legal proceedings in relation to the development of the Twentieth Century Fox World theme park. The litigation is not expected to impact the Group's current business operations.

In the UK, the Group endeavours to continue delivering sustainable performance by strengthening its position in the non-premium gaming business. To this end, the Group is committed to improving overall business efficiency and growing its market share in this segment. Additionally, the Group is focused on enhancing the operating performance at Resorts World Birmingham as well as growing business volumes at the property. The Group will also continue growing its interactive business by improving its product mix and targeted marketing to reinforce its position in this business segment.

In the US, RWNYC 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 increase visitation and frequency of play at the property. Meanwhile, the USD400 million expansion at RWNYC is well underway and is expected to open in phases from the end of 2019. In Miami, the Group will continue leveraging on the newly renovated Hilton Miami Downtown Hotel to generate higher spend at the property. In the Bahamas, the Group will focus on improving the infrastructure to grow visitation and revenues at Resorts World Bimini.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Variance		NINE MONTHS ENDED 30 SEPTEMBER		Variance	
	(Restated)		3Q18 vs 3Q17		(Restated)		9M18 vs 9M17	
	3Q2018	3Q2017	3Q18 vs 3Q17	%	2018	2017	9M18 vs 9M17	%
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	RM'Mil	%
Revenue								
Leisure & Hospitality								
- Malaysia	1,704.6	1,353.3	351.3	26%	4,896.0	4,143.0	753.0	18%
- United Kingdom and Egypt	505.7	516.3	-10.6	-2%	1,354.1	1,394.8	-40.7	-3%
- United States of America and Bahamas	350.7	363.2	-12.5	-3%	1,041.9	1,129.1	-87.2	-8%
	<u>2,561.0</u>	<u>2,232.8</u>	<u>328.2</u>	<u>15%</u>	<u>7,292.0</u>	<u>6,666.9</u>	<u>625.1</u>	<u>9%</u>
Property	23.0	23.8	-0.8	-3%	70.0	74.1	-4.1	-6%
Investments & others	14.9	13.1	1.8	14%	58.6	44.9	13.7	31%
	<u>2,598.9</u>	<u>2,269.7</u>	<u>329.2</u>	<u>15%</u>	<u>7,420.6</u>	<u>6,785.9</u>	<u>634.7</u>	<u>9%</u>
Adjusted EBITDA								
Leisure & Hospitality								
- Malaysia	641.2	336.4	304.8	91%	1,715.1	1,208.5	506.6	42%
- United Kingdom and Egypt	60.2	53.8	6.4	12%	120.3	167.2	-46.9	-28%
- United States of America and Bahamas	71.4	59.6	11.8	20%	213.8	193.8	20.0	10%
	<u>772.8</u>	<u>449.8</u>	<u>323.0</u>	<u>72%</u>	<u>2,049.2</u>	<u>1,569.5</u>	<u>479.7</u>	<u>31%</u>
Property	0.3	13.0	-12.7	-98%	28.3	42.5	-14.2	-33%
Investments & others	41.7	(24.5)	66.2	>100%	46.8	(73.0)	119.8	>100%
Adjusted EBITDA	<u>814.8</u>	<u>438.3</u>	<u>376.5</u>	<u>86%</u>	<u>2,124.3</u>	<u>1,539.0</u>	<u>585.3</u>	<u>38%</u>
Pre-opening expenses	(14.6)	(19.5)	4.9	25%	(46.9)	(59.1)	12.2	21%
Property, plant and equipment written off	(2.4)	(0.8)	-1.6	->100%	(21.6)	(3.6)	-18.0	->100%
Net (loss)/gain on disposal of property, plant and equipment	(1.2)	0.7	-1.9	->100%	(1.1)	1.3	-2.4	->100%
Impairment losses	(1,912.4)	(19.6)	-1,892.8	->100%	(1,945.7)	(56.4)	-1,889.3	->100%
Reversal of previously recognised impairment losses	23.7	-	23.7	NC	27.1	-	27.1	NC
Others	0.2	0.4	-0.2	-50%	15.0	(22.5)	37.5	>100%
(LBITDA)/EBITDA	<u>(1,091.9)</u>	<u>399.5</u>	<u>-1,491.4</u>	<u>->100%</u>	<u>151.1</u>	<u>1,398.7</u>	<u>-1,247.6</u>	<u>-89%</u>
Depreciation and amortisation	(233.4)	(195.9)	-37.5	-19%	(712.1)	(697.5)	-14.6	-2%
Interest income	98.2	77.7	20.5	26%	269.8	221.9	47.9	22%
Finance costs	(40.0)	(31.1)	-8.9	-29%	(113.2)	(81.0)	-32.2	-40%
(Loss)/profit before taxation	<u>(1,267.1)</u>	<u>250.2</u>	<u>-1,517.3</u>	<u>->100%</u>	<u>(404.4)</u>	<u>842.1</u>	<u>-1,246.5</u>	<u>->100%</u>
Taxation	<u>(245.0)</u>	<u>(77.6)</u>	<u>-167.4</u>	<u>->100%</u>	<u>(387.3)</u>	<u>(200.2)</u>	<u>-187.1</u>	<u>-93%</u>
(Loss)/profit for the financial period	<u>(1,512.1)</u>	<u>172.6</u>	<u>-1,684.7</u>	<u>->100%</u>	<u>(791.7)</u>	<u>641.9</u>	<u>-1,433.6</u>	<u>->100%</u>
Basic (loss)/earnings per share (sen)	<u>(26.41)</u>	<u>3.42</u>	<u>-29.8</u>	<u>->100%</u>	<u>(13.08)</u>	<u>12.57</u>	<u>-25.7</u>	<u>->100%</u>
Diluted (loss)/earnings per share (sen)	<u>(26.41)</u>	<u>3.42</u>	<u>-29.8</u>	<u>->100%</u>	<u>(13.08)</u>	<u>12.55</u>	<u>-25.6</u>	<u>->100%</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 RM16 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 new Skytropolis Funland 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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