



**GENTING**

**MALAYSIA**

**GENTING MALAYSIA BERHAD  
(58019-U)**

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**PRESS RELEASE**

**For Immediate Release**

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**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE  
FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**KUALA LUMPUR, 27 February 2019** – Genting Malaysia Berhad (Group) today announced its financial results for the fourth quarter (4Q18) and financial year ended 31 December 2018 (FY18).

In 4Q18, the Group's total revenue declined marginally to RM2,507.0 million. However, adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) grew by 12% to RM748.5 million. Profit before tax (PBT) was lower at RM400.4 million but net profit improved by 64% to RM705.4 million.

In FY18, the Group recorded an increase in revenue and adjusted EBITDA by 6% and 30% to RM9,927.6 million and RM2,872.8 million respectively. However, the Group registered loss before tax (LBT) of RM4.0 million and net loss of RM86.3 million for the year. The Group's LBT and net loss recorded in FY18 were primarily attributable to the impairment loss of RM1,834.3 million on the Group's investment in the promissory notes issued by the Mashpee Wampanoag Tribe.

**4Q18 Results**

Revenue from the Group's leisure and hospitality business in Malaysia remained flat at RM1,698.6 million while adjusted EBITDA declined marginally to RM582.2 million. The Group's hotels at Resorts World Genting (RWG) continue to perform well with an average occupancy rate of 98% while overall visitation to RWG reached 6.6 million visitors. In the quarter, the Group successfully rolled out more attractions under the Genting Integrated Tourism Plan (GITP) which included Empire by Zouk, Zouk Club, the VOID, and the Skytropolis Funland indoor theme park. These new entertainment offerings have been well received by visitors since their respective launches.

In the United Kingdom (UK) and Egypt, the Group's operations recorded a decline in revenue and adjusted EBITDA to RM426.6 million and RM62.1 million respectively. This was mainly due to lower hold percentage and volume of business from the premium players segment amid subdued consumer sentiment.

In the United States of America (US) and Bahamas, the Group's operations registered a 12% increase in revenue to RM343.0 million while adjusted EBITDA more than doubled to RM92.0 million. This was mainly attributable to higher contributions from Resorts World Casino New York City (RWNYC). Additionally, Resorts World Bimini reported narrowing losses driven by ongoing improvements in operational efficiencies at the resort.

The Group's overall adjusted EBITDA was aided by lower foreign exchange translation losses on its USD denominated assets of RM2.3 million as compared to a foreign exchange translation loss of RM33.6 million recorded in the same period last year.

## **FY18 Results**

The Malaysian leisure and hospitality business recorded an increase in revenue and adjusted EBITDA by 13% and 27% to RM6,594.6 million and RM2,297.3 million respectively. This was mainly contributed by higher hold percentage in the mid to premium segment of the business. Additionally, RWG recorded growth in business volume from the mass market segment following the roll out of new facilities and attractions under the GITP.

In the UK and Egypt, the Group's operations registered a decrease in revenue and adjusted EBITDA to RM1,780.7 million and RM182.4 million respectively, largely due to lower volume of business from the premium gaming segment. Nevertheless, the decline was mitigated by higher contributions from Crockfords Cairo and the Group's interactive business. The impact to adjusted EBITDA was also alleviated by lower debts written off during the period.

The Group's operations in the US and Bahamas recorded a 4% decline in revenue to RM1,384.9 million, mainly due to the unfavourable foreign exchange translation of USD against RM. Excluding this impact, revenue increased by 3% primarily attributable to higher contribution from the Hilton Miami Downtown hotel. Adjusted EBITDA also improved by 32% to RM305.8 million, predominantly driven by lower operating costs as a result of ongoing improvements to operational efficiencies at Resorts World Bimini.

The Group's overall adjusted EBITDA was aided by higher foreign exchange translation gains on its USD denominated assets of RM23.0 million recorded in FY18, compared to the foreign exchange translation losses of RM112.7 million reported in the same period last year.

The Board of Directors (Board) has declared a special single-tier dividend of 8.0 sen per ordinary share. The Board has also recommended a final single-tier dividend of 5.0 sen per ordinary share. If approved, total dividend for FY18 would amount to 19.0 sen per ordinary share, comprising an interim single-tier dividend of 6.0 sen per ordinary share, a special single-tier dividend and a proposed final single-tier dividend mentioned above. This represents a 12% increase from the previous year.

## **Outlook**

Global economic conditions are expected to be challenging in 2019 amid softening global trade and heightened geopolitical and policy uncertainties in certain major economies and emerging markets. In Malaysia, economic growth is expected to continue albeit at a slower pace, supported by domestic demand.

Demand for international tourism is expected to remain relatively positive in 2019 although weakening economic sentiments may pose some downside risks. Consequently, the regional gaming market may also face increasing challenges, particularly in the premium players segment.

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

In Malaysia, the operating environment will be challenging as the Group adapts to the new fiscal operating landscape. In view of the severity of the casino duty increases announced in the Malaysian Budget 2019, the Group will continue reviewing and managing its cost structure. This includes reducing or delaying capital expenditures and the implementation of various cost rationalisation initiatives such as manpower optimisation. The Group will also continue placing emphasis on the execution of its marketing strategies as well as growing key business segments through yield management systems and database analytics. The Group will complete the roll out of the Skytropolis Funland indoor theme park and Imaginatrix, an attraction which combines physical rides with state-of-the-art virtual reality gaming technology. The development plans and options for the outdoor theme park are being reviewed amid ongoing legal proceedings. The Group remains committed to the outdoor theme park at RWG as a growth initiative in Malaysia.

In the UK, the Group remains focused on delivering sustainable performance amid the challenging operating environment by managing business volatility in the premium players segment. The Group will also place emphasis on strengthening its position in the non-premium players segment by growing market share and improving overall business efficiency. Meanwhile, the Group will continue its efforts in driving business volumes and enhancing the operating performance of Resorts World Birmingham. The Group is also committed to improving the product mix and targeted marketing of its interactive business to grow and reinforce its position in this business segment.

In the US, RWNYC maintained its position as the leading gaming operator in the northeast US region despite increased competition. Nevertheless, the Group will continue intensifying direct marketing efforts to grow visitation and drive frequency of play at the property. Meanwhile, the Group remains focused on the ongoing expansion works at RWNYC which is expected to open in phases from the end of 2019. In Miami, the Group will continue to leverage the Hilton Miami Downtown hotel to boost visitation and higher spend at the property. In the Bahamas, the Group remains committed to improving operational efficiency and infrastructure at Resorts World Bimini to grow visitation and revenue at the resort.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD  SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Variance		FINANCIAL YEAR ENDED 31 DECEMBER		Variance	
	(Restated)		4Q18 vs 4Q17		(Restated)		FY18 vs FY17	
	4Q2018	4Q2017	4Q18 vs 4Q17	%	2018	2017	FY18 vs FY17	%
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	RM'Mil	%
<b>Revenue</b>								
Leisure & Hospitality								
- Malaysia	1,698.6	1,693.8	4.8	<1%	6,594.6	5,836.8	757.8	13%
- United Kingdom and Egypt	426.6	498.6	-72.0	-14%	1,780.7	1,893.4	-112.7	-6%
- United States of America and Bahamas	343.0	306.1	36.9	12%	1,384.9	1,435.2	-50.3	-4%
	<u>2,468.2</u>	<u>2,498.5</u>	<u>-30.3</u>	<u>-1%</u>	<u>9,760.2</u>	<u>9,165.4</u>	<u>594.8</u>	<u>6%</u>
Property	26.3	30.5	-4.2	-14%	96.3	104.6	-8.3	-8%
Investments & others	12.5	15.4	-2.9	-19%	71.1	60.3	10.8	18%
	<u>2,507.0</u>	<u>2,544.4</u>	<u>-37.4</u>	<u>-1%</u>	<u>9,927.6</u>	<u>9,330.3</u>	<u>597.3</u>	<u>6%</u>
<b>Adjusted EBITDA</b>								
Leisure & Hospitality								
- Malaysia	582.2	597.6	-15.4	-3%	2,297.3	1,806.1	491.2	27%
- United Kingdom and Egypt	62.1	63.8	-1.7	-3%	182.4	231.0	-48.6	-21%
- United States of America and Bahamas	92.0	38.1	53.9	>100%	305.8	231.9	73.9	32%
	<u>736.3</u>	<u>699.5</u>	<u>36.8</u>	<u>5%</u>	<u>2,785.5</u>	<u>2,269.0</u>	<u>516.5</u>	<u>23%</u>
Property	13.8	11.9	1.9	16%	42.1	54.4	-12.3	-23%
Investments & others	(1.6)	(41.4)	39.8	96%	45.2	(114.4)	159.6	>100%
	<u>748.5</u>	<u>670.0</u>	<u>78.5</u>	<u>12%</u>	<u>2,872.8</u>	<u>2,209.0</u>	<u>663.8</u>	<u>30%</u>
Pre-opening expenses	(69.4)	(21.4)	-48.0	->100%	(116.3)	(80.5)	-35.8	-44%
Property, plant and equipment written off	(0.7)	(5.0)	4.3	86%	(22.3)	(8.6)	-13.7	->100%
Net gain on disposal of property, plant and equipment	2.1	29.1	-27.0	-93%	1.0	30.4	-29.4	-97%
Impairment losses	(24.2)	-	-24.2	NC	(1,969.9)	(54.6)	-1,915.3	->100%
Reversal of previously recognised impairment losses	-	-	-	-	27.1	-	27.1	NC
Others	0.2	(1.1)	1.3	>100%	15.2	(25.4)	40.6	>100%
	<u>656.5</u>	<u>671.6</u>	<u>-15.1</u>	<u>-2%</u>	<u>807.6</u>	<u>2,070.3</u>	<u>-1,262.7</u>	<u>-61%</u>
Depreciation and amortisation	(242.7)	(242.4)	-0.3	<-1%	(954.8)	(939.9)	-14.9	-2%
Interest income	29.2	82.4	-53.2	-65%	299.0	304.3	-5.3	-2%
Finance costs	(42.6)	(33.9)	-8.7	-26%	(155.8)	(114.9)	-40.9	-36%
	<u>400.4</u>	<u>477.7</u>	<u>-77.3</u>	<u>-16%</u>	<u>(4.0)</u>	<u>1,319.8</u>	<u>-1,323.8</u>	<u>-&gt;100%</u>
<b>Taxation</b>	<u>305.0</u>	<u>(47.0)</u>	<u>352.0</u>	<u>&gt;100%</u>	<u>(82.3)</u>	<u>(247.2)</u>	<u>164.9</u>	<u>67%</u>
<b>Profit/(loss) for the financial period</b>	<u>705.4</u>	<u>430.7</u>	<u>274.7</u>	<u>64%</u>	<u>(86.3)</u>	<u>1,072.6</u>	<u>-1,158.9</u>	<u>-&gt;100%</u>
<b>Basic earnings/(loss) per share (sen)</b>	<u>12.74</u>	<u>7.94</u>	<u>4.8</u>	<u>60%</u>	<u>(0.35)</u>	<u>20.51</u>	<u>-20.9</u>	<u>-&gt;100%</u>
<b>Diluted earnings/(loss) per share (sen)</b>	<u>12.69</u>	<u>7.92</u>	<u>4.8</u>	<u>60%</u>	<u>(0.35)</u>	<u>20.45</u>	<u>-20.8</u>	<u>-&gt;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 RM19 billion in market capitalisation, Genting Malaysia owns and operates major resort properties including Resorts World Genting (RWG) in Malaysia, Resorts World Casino New York City (RWNYC) in the United States (US), Resorts World Bimini (RW Bimini) in the Bahamas, Resorts World Birmingham and over 40 casinos in the United Kingdom (UK) and Crockfords Cairo in Egypt. Genting Malaysia also owns and operates two seaside resorts in Malaysia, namely Resorts World Kijal in Terengganu and Resorts World Langkawi on Langkawi island.

RWG 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, as well as international shows and business convention facilities. In December 2013, the Group embarked on a 10-year master plan to reinvigorate and transform RWG under the Genting Integrated Tourism Plan (GITP). Since then Genting Malaysia has introduced a plethora of new facilities and attractions under the GITP that promises to provide guests a truly wholesome and world-class experience at RWG. These include the First World Hotel Tower 3, the Awana SkyWay cable car system, the Theme Park Hotel, the Crockfords Hotel, new attractions in the SkyAvenue entertainment complex and the newly refurbished First World Plaza, as well as the new Skytropolis Funland indoor theme park. The opening of the Genting Highlands Premium Outlet (a joint venture between Genting Plantations Berhad and Simon Property Group) at the mid-hill in June 2017 further complements the new and existing offerings at RWG.

In the UK, Genting Malaysia owns and operates over 40 casinos, making it one of the largest casino operators in the country. The Group is also involved in an interactive business which operates an online gaming platform comprising an online casino and sports book operation aimed at providing customers a seamless multi-channel gaming experience. Additionally, Genting Malaysia operates Resorts World Birmingham, the first integrated leisure complex of its kind 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 nestled within the posh surroundings of The Nile Ritz-Carlton Hotel in Cairo, is the Group's first venture into the region.

In the US, Genting Malaysia operates RWNYC, the first and only video gaming machine facility in New York City, at the site of the Aqueduct Racetrack. As a premier entertainment hub, RWNYC offers the ultimate gaming and entertainment experience, with electronic gaming machines, shows, events and culinary delights. Additionally, RWNYC embarked on an expansion project in July 2017 to add new facilities and attractions to its portfolio, such as a 400-room hotel, additional gaming space, F&B outlets, retail stores and entertainment facilities. Over in Miami, the Group owns the 527-room Hilton Miami Downtown which sits on 30 acres of prime freehold waterfront land.

In the Bahamas, the Group operates RW Bimini, which features a casino, The Hilton at RW Bimini, restaurants and bars, various resort amenities as well as the largest yacht and marina complex on the island surrounded by turquoise waters and white-sand beaches.

Genting Malaysia is a member of the Genting Group, one of Asia's leading and best-managed multinational companies. 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 US, the Bahamas and the UK, as well as significant investments in oil palm plantations, power generation, oil and gas, property development, cruise, biotechnology and other industries globally.

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)

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