



GENTING

MALAYSIA

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

PRESS RELEASE

For Immediate Release

**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE
FIRST QUARTER ENDED 31 MARCH 2019**

KUALA LUMPUR, 23 May 2019 – Genting Malaysia Berhad (Group) today announced its financial results for the first quarter ended 31 March 2019 (1Q19). The Group reported a decline in profit before tax (PBT) by 29% to RM282.6 million while net profit was lower by 26% to RM253.1 million in the quarter.

The Malaysian leisure and hospitality business registered overall lower volume of business in the Group's gaming segment, largely due to lower incentives offered to customers. However, the impact to the Group's earnings was aided by exceptionally higher hold percentage recorded in the mid to premium players segment. The Group reported revenue of RM1,909.5 million while adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) was at RM555.6 million. Adjusted EBITDA was supported by lower marketing expenses for the mid to premium players business as well as lower payroll and related expenses due to a reduction in the number of employees. Nevertheless, the increase in adjusted EBITDA was offset by higher casino duties. The Group's earnings were also impacted by a provision for contract termination related costs of RM198.3 million in relation to the outdoor theme park at RWG.

In the United Kingdom (UK) and Egypt, the Group's operations recorded a marginal improvement in revenue to RM419.3 million while adjusted EBITDA grew by 34% to RM41.0 million despite lower debt recovery in the quarter. The increase in adjusted EBITDA was largely due to higher revenue and the adoption of a new accounting standard involving the reclassification of lease expenses. The Group's earnings were aided by the one-off gain of RM123.8 million recorded from the disposal of Maxims casino in Kensington, London, UK in the quarter.

In the United States of America (US) and Bahamas, the Group's revenue grew by 6% to RM367.0 million, mainly due to the favourable foreign exchange translation of USD against RM. Excluding this impact, revenue from the Group's operations in the US and Bahamas increased by 2%. Adjusted EBITDA also improved by 2% to RM66.0 million in the quarter.

Outlook

The expansion of the global economy is expected to moderate amid slower growth momentum in certain major economies and emerging markets, as the increasing prevalence of geopolitical and policy uncertainties continue to pose downside risk. In Malaysia, economic growth is expected to continue at a slower pace in view of the subdued sentiments surrounding the global and domestic environment.

Meanwhile, the regional gaming market is expected to be increasingly challenging amidst the uncertain economic backdrop, as evidenced by the recent performance of certain gaming operators in Macau and Singapore. The Group remains cautious on the opportunities and growth potential of the leisure and hospitality industry.

In Malaysia, the Group will continue to review its capital expenditure requirements and rationalise its operating cost structure to mitigate the impact of the hike in casino duties and the increasingly challenging operating environment. Additionally, the Group will focus on leveraging the new assets to grow key business segments. To this end, the Group will place emphasis on intensifying database marketing efforts to optimise yield management, as well as improving service delivery and operational efficiencies at RWG to enhance overall guest experience.

In the UK, the Group remains committed to streamlining its operations and improving overall operational efficiency to strengthen its position in the country. The Group endeavours to continue delivering sustainable performance by managing business volatility in the premium players segment. The Group will also place emphasis on efforts to grow its market share in the mass market segment. The Group is encouraged by the improvements recorded at Resorts World Birmingham and will continue implementing various initiatives to grow visitation and business volume at the property.

In the US, RWNYC remains the market leader by gaming revenue in the northeast US region. While the operations at RWNYC continue to deliver steady growth despite a crowded market, the Group will continue to boost its direct marketing efforts and introduce various promotional activities to drive visitation and frequency of play at the property. In Miami, the Group will continue leveraging the upgraded Hilton Miami Downtown hotel to grow visitation and revenue. In the Bahamas, the Group remains focused on enhancing infrastructure and connectivity at Resorts World Bimini. This includes leveraging partnerships with renowned brands to drive visitation and revenue at the resort.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Variance		PRECEDING QUARTER		Variance	
	1Q2019	1Q2018	1Q19 vs 1Q18		4Q2018	1Q19 vs 4Q18		
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	%	
Revenue								
Leisure & Hospitality								
- Malaysia	1,909.5	1,599.5	310.0	19%	1,698.6	210.9	12%	
- United Kingdom and Egypt	419.3	412.4	6.9	2%	426.6	-7.3	-2%	
- United States of America and Bahamas	367.0	346.4	20.6	6%	343.0	24.0	7%	
	2,695.8	2,358.3	337.5	14%	2,468.2	227.6	9%	
Property	26.7	23.7	3.0	13%	26.3	0.4	2%	
Investments & others	13.1	17.5	-4.4	-25%	12.5	0.6	5%	
	2,735.6	2,399.5	336.1	14%	2,507.0	228.6	9%	
Adjusted EBITDA								
Leisure & Hospitality								
- Malaysia	555.6	533.7	21.9	4%	582.2	-26.6	-5%	
- United Kingdom and Egypt	41.0	30.6	10.4	34%	62.1	-21.1	-34%	
- United States of America and Bahamas	66.0	64.8	1.2	2%	92.0	-26.0	-28%	
	662.6	629.1	33.5	5%	736.3	-73.7	-10%	
Property	14.9	14.6	0.3	2%	13.8	1.1	8%	
Investments & others	6.6	(36.0)	42.6	>100%	(1.6)	8.2	>100%	
	684.1	607.7	76.4	13%	748.5	-64.4	-9%	
Adjusted EBITDA	684.1	607.7	76.4	13%	748.5	-64.4	-9%	
Pre-opening expenses	(210.6)	(16.6)	-194.0	->100%	(69.4)	-141.2	->100%	
Property, plant and equipment written off	(0.7)	(15.7)	15.0	96%	(0.7)	-	-	
Net (loss) / gain on disposal of property, plant and equipment	(3.7)	0.2	-3.9	->100%	2.1	-5.8	->100%	
Impairment losses	(17.8)	-	-17.8	->100%	(24.2)	6.4	26%	
Gain on disposal of a subsidiary	123.8	-	123.8	100%	-	123.8	100%	
Others	-	18.1	-18.1	NC	0.2	-0.2	NC	
	575.1	593.7	-18.6	-3%	656.5	-81.4	-12%	
EBITDA	575.1	593.7	-18.6	-3%	656.5	-81.4	-12%	
Depreciation and amortisation	(256.6)	(240.7)	-15.9	-7%	(242.7)	-13.9	-6%	
Interest income	31.9	79.4	-47.5	-60%	29.2	2.7	9%	
Finance costs	(67.8)	(34.9)	-32.9	-94%	(42.6)	-25.2	-59%	
	282.6	397.5	-114.9	-29%	400.4	-117.8	-29%	
Profit before taxation	282.6	397.5	-114.9	-29%	400.4	-117.8	-29%	
Taxation	(29.5)	(55.4)	25.9	47%	305.0	-334.5	->100%	
	253.1	342.1	-89.0	-26%	705.4	-452.3	-64%	
Profit/(loss) for the financial period	253.1	342.1	-89.0	-26%	705.4	-452.3	-64%	
Basic earnings per share (sen)	4.75	6.33	-1.6	-25%	12.74	-8.0	-63%	
Diluted earnings per share (sen)	4.74	6.33	-1.6	-25%	12.69	-8.0	-63%	

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 RM18 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 approximately 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 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 approximately 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 182-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.

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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