GENTING BERHAD
(No. 7916-A)

PRESS RELEASE **For Immediate Release**

GENTING BERHAD ANNOUNCES SECOND QUARTER RESULTS FOR THE PERIOD ENDED 30 JUNE 2017

KUALA LUMPUR, 24 August 2017 - Genting Berhad today announced its financial results for the second quarter ("2Q17") and first half ("1H17") of 2017.

In 2Q17, Group revenue was RM4,953.2 million which was a 17% increase over that of the previous year's corresponding quarter's ("2Q16") revenue of RM4,225.4 million.

Business momentum remained healthy for Resorts World Sentosa ("RWS") with increased revenue attributable to higher rolling win percentage in the premium player business. Adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") improved significantly in 2Q17 with all major businesses registering stronger EBITDA on the back of improved operating margin as RWS continued with its strategy of focusing on better margin business and maintaining lower impairment of receivables.

Higher revenue generated by Resorts World Genting ("RWG") in 2Q17 was mainly attributable to the higher volume of business from the mass market as well as mid to premium segments of the business, partially offset by a lower hold percentage. The opening of new attractions in SkyPlaza in March 2017 has contributed to higher volume of business from the mass market. However, EBITDA was lower due mainly to higher costs relating to the premium players business as well as higher operating costs incurred for the new facilities opened under Genting Integrated Tourism Plan ("GITP").

Revenue and EBITDA from the casino business in United Kingdom ("UK") decreased in 2Q17 due mainly to overall lower volume of business, lower hold percentage of its premium gaming segment and the weaker Sterling Pound exchange rate to the Malaysian Ringgit.

The higher revenue from leisure and hospitality business in United States of America ("US") and Bahamas was due mainly to improved commission structure with the New York state authority on Resorts World Casino New York City ("RWNYC")'s gaming operations as well as the stronger US Dollar against the Malaysian Ringgit. This increase was partially offset by lower revenue from Resorts World Bimini ("Bimini operations"). The higher EBITDA was due mainly to higher revenue from RWNYC operations and lower adjusted loss before interest, tax, depreciation and amortisation ("LBITDA") from Bimini operations as a result of lower operating costs.

Increased revenue from Plantation Division was due to the combination of stronger palm products selling prices, higher fresh fruit bunches ("FFB") production and higher sales of biodiesel and refined palm products. The intra segment adjustment represents internal sales of crude palm oil ("CPO") by Plantation-Malaysia to its Downstream Manufacturing operation. EBITDA for the Plantation segment improved underpinned by the higher palm products selling prices and higher FFB production.

Revenue and EBITDA of the Power Division in 2Q17 arose mainly from sale of electricity by the Indonesian Banten coal-fired power plant following the start of commercial operations on 28 March 2017. Revenue in 2Q16 was mainly from construction revenue recognised based on the percentage of completion of the Banten Plant.

Higher revenue and EBITDA from the Oil & Gas Division were due mainly to higher average oil prices.

A higher LBITDA was recorded from “Investments & Others” due mainly to net foreign exchange losses on net foreign currency denominated financial assets compared with net foreign exchange gain in 2Q16.

The Group’s profit before tax in 2Q17 was RM1,148.7 million compared with RM742.5 million in 2Q16. The increase was due mainly to higher EBITDA and gain on disposal of available-for-sale financial assets. Included in the profit before tax for 2Q17 is an impairment loss of RM76.6 million on the carrying value of the Group’s investment in Lanco Kondapalli Power Limited (“LKPL”), an associated company, due to the adverse performance of its power plant in India for a prolonged period. In addition to the long term shortage of gas in India, LKPL’s sale of electricity has also been impacted by uncertainty over the extension of the Phase I Power Purchase Agreement and its inability to procure new sales contracts for Phase II and Phase III of the plant. In view of these adverse conditions, the entire carrying value of the investment in LKPL has been impaired in 2Q17. Impairment losses also included impairment of certain assets relating to the Bimini operations. The increase in “Others” was due mainly to Genting Malaysia Berhad (“GENM”) Group’s higher pre-opening expenses for the new GITP attractions and project bid costs written-off.

In 1H17, Group revenue was RM9,721.4 million, recording an increase of 9% compared with RM8,929.1 million in first half of 2016 (“1H16”).

Increased revenue from RWS was contributed mainly by its gaming segment as well as the stronger Singapore Dollar exchange rate to the Malaysian Ringgit in 1H17. The significant growth in its EBITDA was mainly attributable to the higher revenue, lower impairment of receivables and cost efficiency arising from the initiatives implemented since 2016.

The increase in revenue from RWG was due mainly to overall higher volume of business from the mass market and mid to premium segments of the business. Higher revenue was also due to the partial opening of new facilities under GITP since December 2016. However, EBITDA decreased due mainly to higher costs relating to the premium players business and higher operating costs incurred for the new facilities under GITP.

Lower revenue and EBITDA from the casino business in UK was due mainly to lower hold percentage and lower volume of business from the premium gaming segment partially offset by higher bad debts recovery. The weaker Sterling Pound exchange rate to the Malaysian Ringgit also contributed to the lower revenue in 1H17.

The leisure and hospitality business in the US and Bahamas generated higher revenue due to improved commission structure with the New York state authority on RWNYC's gaming operations as well as the stronger US Dollar exchange rate to the Malaysian Ringgit partially offset by lower revenue recorded by Bimini operations. The higher EBITDA was due mainly to higher revenue from RWNYC operations and lower operating costs following the cessation of Bimini SuperFast cruise ferry operations in the first quarter of previous year.

Revenue from Plantation Division increased due to stronger palm products selling prices, higher FFB production and higher sales of biodiesel and refined palm products. The intra segment adjustment represents internal sales of CPO by Plantation-Malaysia to its Downstream Manufacturing operation. Overall EBITDA increased due to higher palm products selling prices and higher FFB production.

Revenue of Power Division for 1H17 comprised revenue from sale of electricity by the Indonesian Banten Plant as well as construction revenue from the Banten Plant before the start of commercial operations on 28 March 2017. EBITDA improved significantly in 1H17 due mainly to sales by the Banten Plant.

The Oil & Gas Division recorded higher revenue and EBITDA due mainly to higher average oil prices.

The Group's profit before tax in 1H17 was RM2,587.6 million, a significant improvement over 1H16 profit of RM1,272.7 million. The increase was due mainly to higher EBITDA, gain of RM302.2 million recognised from the completion of the disposal of Genting Singapore PLC ("GENS") Group's 50% interest in its associate, Landing Jeju Development Co., Ltd and gain on disposal of available-for-sale financial assets. Impairment losses for 1H17 included an impairment loss on the carrying value of the Group's investment in LKPL as well as impairment of certain assets relating to the Bimini operations. Included in "Others" are GENM Group's pre-opening expenses primarily related to GITP and write-off of project bid expenses.

The performance of the Group for the remaining period of the current financial year may be impacted as follows:

a) In Malaysia, the development of the new GITP facilities at RWG remains the focus of the GENM Group. As the GENM Group continues to ramp up pre-opening activities in preparation for the progressive roll out of the remaining attractions and facilities, it remains committed on enhancing service delivery as well as optimising yield management, database marketing efforts and overall operational efficiencies at RWG. Upon completion, these additions are expected to further enhance guest experience and elevate RWG's position as the destination of choice in the region;

b) As Asia's premier integrated resort destination, RWS remains committed to pioneering tourism innovation and transformation to create unparalleled visitor experiences. Over the next few months, gourmet seekers can look forward to a series of major culinary events.

In the gaming business segment, RWS delivered steady earnings as the VIP business remains stable. Following the execution of a more measured credit policy, the impairment of receivables has been reduced significantly. To further broaden RWS' appeal as the lifestyle destination, RWS is preparing a five-year strategic roadmap that will significantly enhance its destination appeal in the targeted market segments as well as adopting innovative technology to drive productivity, efficiency and customer experience.

GENS is closely following the progress of the Japan IR Execution Bill, which will pave the way for the formal bidding process of the Japan gaming licences;

c) In the UK, the GENM Group will continue its efforts to strengthen its position in the non-premium gaming segment of its casino business and further improve business efficiency. As for the international premium gaming segment, the GENM Group remains cautious on the volatility implicit in this business. Resorts World Birmingham has continued to show improvement and plans to introduce new attractions such as virtual reality games are well under way. Its online business has also continued to perform better as a result of improvements in product mix and targeted marketing. Nevertheless, Genting UK management remains cautious due to the highly competitive nature of the UK online market;

d) In the US, RWNYC continued its growth path and remains the market leader in terms of gaming revenue in the Northeast US region amid growing regional competition. Recently, RWNYC broke ground on a USD400 million expansion, which includes the construction of a new hotel, F&B outlets, retail and entertainment facilities. This expansion is expected to turn the site into a world-class integrated resort destination. The GENM Group will continue to fortify its direct marketing efforts to encourage increased visitation and frequency of play at the resort. In the Bahamas, cost rationalisation initiatives will continue in addition to implementing revised marketing strategies to drive increased visitation to the resort;

e) The performance of the Plantation segment in the second half of 2017 tracks on the movements in palm product prices and crop production. In addition to the overall supply and demand balance of the global edible oil markets, the palm oil market is also influenced by weather conditions, currency movements, global economic conditions and the development in the implementation of biodiesel mandates, particularly in Malaysia and Indonesia.

   Based on the crop trend observed in the first half of 2017 and barring any weather anomalies, Genting Plantations Berhad ("GENP") Group expects a continued year-on-year recovery in the second half of 2017 particularly from their Indonesian estates as a result of additional newly-mature areas and the progression of existing mature areas into higher yielding brackets. However, the growth in output from its Malaysian estates is expected to be moderated by the escalation of replanting activities.

   Continued efforts are being made for the Downstream Manufacturing segment to extend the market reach for its products and to improve the capacity utilisation of the GENP Group's maiden palm oil refinery. Concurrently, GENP Group will continue with the production of biodiesel to cater to Malaysia's mandatory B7 biodiesel programme.

   Overall, the property market is expected to remain soft in the second half of 2017 and given this environment, the GENP Group will align its new launches to meet market demand with particular focus on the affordable residential segment which is less affected by the challenging market conditions;

f) Contribution from the Indonesian Banten coal-fired power plant is expected to be stable following the start of commercial operations in first quarter 2017. This is due mainly to capacity payments which are based on the availability of the power plant to the offtaker. Contribution from the Jangi wind farm in Gujarat, India is expected to be lower due to seasonal factors as the region comes off its high wind season after July; and

g) The contribution from the Genting CDX Singapore Pte Ltd production oil field in the Chengdaoxi block in China is expected to be stable with production improving following optimisation work in drilling. The Plan of Development for the Kasuri block in Indonesia has been recommended by the Indonesian oil & gas regulator to the Ministry of Energy and Mineral Resources for its approval.

The Board of Directors has declared an interim single-tier dividend of 8.5 sen per ordinary share for 1H17. No interim dividend had been declared in 1H16.

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GENTING BERHAD SUMMARY OF RESULTS	2Q17 RM'million	2Q16 RM'million Restated	2Q17 vs 2Q16 %	1H17 RM'million	1H16 RM'million Restated	1H17 vs 1H16 %
Revenue						
Leisure & Hospitality						
- Malaysia	1,443.8	1,349.3	+7	2,787.3	2,654.6	+5
- Singapore	1,853.7	1,415.5	+31	3,693.0	3,237.2	+14
- UK	411.2	504.2	-18	878.5	1,033.1	-15
- US and Bahamas	384.9	351.6	+9	765.9	702.0	+9
	4,093.6	3,620.6	+13	8,124.7	7,626.9	+7
Plantation						
- Malaysia	225.3	202.1	+11	446.7	350.4	+27
- Indonesia	126.0	60.5	>100	272.1	116.2	>100
- Downstream Manufacturing	196.6	22.9	>100	322.5	46.5	>100
	547.9	285.5	+92	1,041.3	513.1	>100
- Intra segment	(124.8)	-	NM	(232.0)	-	NM
	423.1	285.5	+48	809.3	513.1	+58
Power*	267.9	201.8	+33	473.3	558.4	-15
Property	57.6	45.5	+27	96.5	96.6	-
Oil & Gas	73.8	51.4	+44	157.9	93.1	+70
Investments & Others	37.2	20.6	+81	59.7	41.0	+46
	4,953.2	**4,225.4**	+17	**9,721.4**	**8,929.1**	+9
Profit for the period						
Leisure & Hospitality						
- Malaysia	580.9	611.8	-5	1,159.1	1,193.1	-3
- Singapore	918.5	370.0	>100	1,815.1	960.6	+89
- UK	35.7	92.8	-62	113.4	191.5	-41
- US and Bahamas	92.8	47.8	+94	134.2	67.0	>100
	1,627.9	1,122.4	+45	3,221.8	2,412.2	+34
Plantation						
- Malaysia	101.5	73.6	+38	188.2	128.8	+46
- Indonesia	40.4	(0.5)	>100	99.9	4.1	>100
- Downstream Manufacturing	2.7	0.3	>100	2.3	(0.1)	>100
	144.6	73.4	+97	290.4	132.8	>100
Power	124.0	16.2	>100	184.3	30.2	>100
Property	26.1	15.7	+66	40.3	33.1	+22
Oil & Gas	54.3	41.2	+32	115.5	81.9	+41
Investments & Others	(138.4)	(48.6)	>-100	(347.0)	(360.5)	+4
Adjusted EBITDA	1,838.5	1,220.3	+51	3,505.3	2,329.7	+50
Net fair value loss on derivative financial instruments	(7.3)	(38.9)	+81	(24.1)	(68.5)	+65
Net gain/(loss) on disposal of available-for-sale financial assets	139.1	(0.2)	>100	224.9	(0.2)	>100
Gain on deemed dilution of shareholding in associate	-	3.7	-100	-	26.1	-100
Gain on disposal of assets and liabilities classified as held for sale	-	-	-	302.2	-	NM
Impairment losses	(113.4)	-	NM	(113.4)	(61.7)	-84
Depreciation and amortisation	(550.0)	(475.1)	-16	(1,097.4)	(976.7)	-12
Interest income	188.2	254.6	-26	501.8	480.6	+4
Finance cost	(233.9)	(174.0)	-34	(444.4)	(347.1)	-28
Share of results in joint ventures and associates	(34.6)	(10.4)	>-100	(42.0)	(24.2)	-74
Others	(77.9)	(37.5)	>-100	(225.3)	(85.3)	>-100
Profit before taxation	**1,148.7**	**742.5**	+55	**2,587.6**	**1,272.7**	>100
Taxation	(265.4)	(139.7)	-90	(541.7)	(375.2)	-44
Profit for the period	**883.3**	**602.8**	+47	**2,045.9**	**897.5**	>100
Basic earnings per share (sen)	12.16	7.80	+56	28.20	11.19	>100

NM= Not meaningful

* Included in the revenue of the Power segment is revenue from energy payment and capacity payment of the Banten Plant of RM133.4 million and RM116.1 million respectively for 2Q17 and RM140.7 million and RM116.1 million respectively for 1H17.

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About GENTING (www.genting.com):

The Genting Group comprises the holding company Genting Berhad, its listed subsidiaries Genting Malaysia Berhad, Genting Plantations Berhad and Genting Singapore PLC, as well as its wholly owned subsidiary Genting Energy Limited. The Group is involved in leisure and hospitality, oil palm plantations, power generation, oil and gas, property development, life sciences and biotechnology activities, with operations spanning across the globe, including in Malaysia (our country of origin), Singapore, Indonesia, India, China, the United States of America, Bahamas and the United Kingdom.

In the core leisure and hospitality business, the Genting Group and Genting Hong Kong Limited, an affiliate which is similarly controlled by Tan Sri Lim Kok Thay, market and offer a suite of products under a number of premier brands including **Genting, Resorts World, Genting Grand, Genting Club, Crockfords, Maxims, Crystal Cruises, Dream Cruises** and **Star Cruises.** Genting companies also have tie ups with established names such as Universal Studios®, Twentieth Century Fox, Premium Outlets®, Hard Rock Hotel and other renowned international brand partners.

For more information, please visit the following websites:
www.genting.com
www.gentingmalaysia.com
www.gentingsingapore.com
www.gentingplantations.com
www.gentinghk.com

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