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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website : <http://www.melco-group.com>

(Stock Code : 200)

**ANNOUNCEMENT OF UNAUDITED FINANCIAL RESULTS
FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2016
AND DECLARATION OF QUARTERLY DIVIDEND
BY A LISTED SUBSIDIARY
— MELCO CROWN ENTERTAINMENT LIMITED**

This is not an announcement of financial results of Melco International Development Limited (the “Company”). This announcement is made by the Company pursuant to the requirements of Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) to provide shareholders of the Company with information of the financial results of a listed subsidiary of the Company, Melco Crown Entertainment Limited, which has announced its unaudited financial results for the fourth quarter and full year ended 31 December 2016 and declared quarterly dividend on 16 February 2017.

Melco Crown Entertainment Limited, a listed subsidiary of the Company, whose shares are listed by way of American Depositary Receipts on the NASDAQ Global Select Market in the United States, has announced its unaudited financial results for the fourth quarter and full year ended 31 December 2016 and declared quarterly dividend on 16 February 2017.

Melco Crown Entertainment Limited (“**Melco Crown Entertainment**”), a listed subsidiary of the Company, whose shares are listed by way of American Depositary Receipts on the NASDAQ Global Select Market in the United States, has announced its unaudited financial results for the fourth quarter and full year ended 31 December 2016 and declared quarterly dividend on 16 February 2017. Extracts of the unaudited financial results of Melco Crown Entertainment are provided below:

The Fourth Quarter 2016 Results of Melco Crown Entertainment

Net revenue of Melco Crown Entertainment for the fourth quarter of 2016 was US\$1,192.9 million, representing an increase of approximately 13% from US\$1,058.0 million for the comparable period in 2015. The increase in net revenue was primarily attributable to the net

revenue generated by a fully-operating Studio City, which started operations in October 2015, and the increase in casino revenues at City of Dreams Manila, partially offset by lower casino revenues at City of Dreams in Macau and Altira Macau.

On a U.S. GAAP (i.e. general accepted accounting principles) basis, operating income for the fourth quarter of 2016 was US\$116.0 million, compared with operating loss of US\$17.8 million in the fourth quarter of 2015.

Adjusted property EBITDA (i.e. earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and others, share-based compensation, payments to the Philippine parties under the cooperative arrangement (the “**Philippine Parties**”), land rent to Belle Corporation, net gain on disposal of property and equipment to Belle Corporation, corporate and others expenses and other non-operating income and expenses) was US\$304.3 million for the fourth quarter of 2016, as compared to Adjusted property EBITDA of US\$236.4 million in the fourth quarter of 2015, representing an increase of 29%. This year-on-year improvement in Adjusted property EBITDA was mainly attributable to the contribution from a fully-operating Studio City and increase in casino revenues at City of Dreams Manila, partially offset by lower contribution from Altira Macau.

On a U.S. GAAP basis, net income attributable to Melco Crown Entertainment for the fourth quarter of 2016 was US\$43.3 million, or US\$0.09 per ADS, compared with a net loss attributable to Melco Crown Entertainment of US\$12.3 million, or US\$0.02 per ADS, in the fourth quarter of 2015. The net loss attributable to noncontrolling interests during the fourth quarter of 2016 of US\$26.8 million was related to Studio City and City of Dreams Manila.

Other Factors Affecting Earnings

Total net non-operating expenses for the fourth quarter of 2016 were US\$95.3 million, which mainly included interest expenses, net of capitalized interest, of US\$56.2 million, loss on extinguishment of debt of US\$17.4 million, other finance costs of US\$13.3 million and costs associated with debt modification of US\$8.1 million. Melco Crown Entertainment recorded US\$7.7 million of capitalized interest during the fourth quarter of 2016, primarily relating to the development of Morpheus at City of Dreams.

The year-on-year increase of US\$35.4 million in net non-operating expenses was primarily a result of loss on extinguishment of debt arising from the refinancing of the Studio City project facility and lower capitalized interest in the current quarter.

Depreciation and amortization costs of US\$137.5 million were recorded in the fourth quarter of 2016, of which US\$14.3 million was related to the amortization of Melco Crown Entertainment’s gaming subconcession and US\$5.7 million was related to the amortization of land use rights.

Financial Position and Capital Expenditure

Total cash and bank balances as of 31 December 2016 totaled US\$2.0 billion, including US\$210.8 million of bank deposits with original maturities over three months and US\$39.3 million of restricted cash, primarily related to Studio City. Total debt, net of unamortized deferred financing costs at the end of the fourth quarter of 2016 was US\$3.7 billion.

Capital expenditures for the fourth quarter of 2016 were US\$78.9 million, which predominantly related to various projects at City of Dreams, including Morpheus.

Full Year Results of Melco Crown Entertainment

For the year ended 31 December 2016, Melco Crown Entertainment reported net revenue of US\$4.5 billion versus US\$4.0 billion in the prior year. The year-on-year increase in net revenue was primarily attributable to the net revenue generated by a fully-operating Studio City and the increase in casino revenues at City of Dreams Manila, partially offset by lower casino revenues at City of Dreams in Macau and Altira Macau.

On a U.S. GAAP basis, operating income for 2016 was US\$363.1 million, compared with operating income of US\$98.4 million for 2015.

Adjusted property EBITDA for the year ended 31 December 2016 was US\$1,087.5 million, as compared with Adjusted property EBITDA of US\$932.0 million in 2015. The 17% year-on-year improvement in Adjusted property EBITDA was mainly attributable to the contribution from a fully-operating Studio City and increase in casino revenues at City of Dreams Manila, partially offset by lower contribution from City of Dreams in Macau and Altira Macau.

On a U.S. GAAP basis, net income attributable to Melco Crown Entertainment for 2016 was US\$175.9 million, or US\$0.35 per ADS, compared with a net income attributable to Melco Crown Entertainment of US\$105.7 million, or US\$0.20 per ADS, for 2015. The net loss attributable to noncontrolling interests for 2016 of US\$109.0 million was related to Studio City and City of Dreams Manila.

Quarterly Dividend Declaration

On 16 February 2017, the Board of Melco Crown Entertainment considered and approved the declaration and payment of a quarterly dividend of US\$0.03 per share (equivalent to US\$0.09 per ADS) for the fourth quarter of 2016 (the “**Quarterly Dividend**”). The Quarterly Dividend will be paid on or about Wednesday, 15 March 2017 to shareholders of Melco Crown Entertainment whose names appear on the register of members of Melco Crown Entertainment at the close of business on Monday, 27 February 2017, being the record date for determination of entitlements to the Quarterly Dividend.

Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheets

The condensed consolidated statements of operations for the three months and year ended 31 December 2016 and the condensed consolidated balance sheets as at 31 December 2016 of Melco Crown Entertainment and its subsidiaries are provided below:

Melco Crown Entertainment Limited and Subsidiaries Condensed Consolidated Statements of Operations (In thousands of U.S. dollars, except share and per share data)

| | Three Months Ended 31 December | | Year Ended 31 December | |
|--------------------------------------|-----------------------------------|---------------------|---------------------------|-------------------|
| | 2016 (Unaudited) | 2015 (Unaudited) | 2016 (Unaudited) | 2015 (Audited) |
| OPERATING REVENUES | | | | |
| Casino | \$ 1,099,844 | \$ 981,121 | \$ 4,176,667 | \$ 3,767,291 |
| Rooms | 69,338 | 61,136 | 265,289 | 199,727 |
| Food and beverage | 47,904 | 37,635 | 177,515 | 126,848 |
| Entertainment, retail and others | 51,893 | 41,480 | 197,011 | 117,543 |
| Gross revenues | 1,268,979 | 1,121,372 | 4,816,482 | 4,211,409 |
| Less: promotional allowances | (76,101) | (63,342) | (297,086) | (236,609) |
| Net revenues | 1,192,878 | 1,058,030 | 4,519,396 | 3,974,800 |
| OPERATING COSTS AND EXPENSES | | | | |
| Casino | (750,898) | (692,606) | (2,904,922) | (2,654,760) |
| Rooms | (8,260) | (8,078) | (33,218) | (23,419) |
| Food and beverage | (18,212) | (19,271) | (65,781) | (43,295) |
| Entertainment, retail and others | (27,326) | (25,978) | (109,817) | (77,506) |
| General and administrative | (120,510) | (110,141) | (446,591) | (383,874) |
| Payments to the Philippine Parties | (9,928) | (4,553) | (34,403) | (16,547) |
| Pre-opening costs | (1,671) | (52,501) | (3,883) | (168,172) |
| Development costs | (88) | (53) | (95) | (110) |
| Amortization of gaming subconcession | (14,309) | (14,309) | (57,237) | (57,237) |
| Amortization of land use rights | (5,704) | (5,703) | (22,816) | (54,056) |
| Depreciation and amortization | (117,515) | (109,941) | (472,219) | (359,341) |

| | | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| Property charges and others | <u>(2,489)</u> | <u>(32,729)</u> | <u>(5,298)</u> | <u>(38,068)</u> |
| Total operating costs and expenses | <u>(1,076,910)</u> | <u>(1,075,863)</u> | <u>(4,156,280)</u> | <u>(3,876,385)</u> |
| OPERATING INCOME (LOSS) | <u>115,968</u> | <u>(17,833)</u> | <u>363,116</u> | <u>98,415</u> |
| NON-OPERATING INCOME (EXPENSES) | | | | |
| Interest income | 1,738 | 3,129 | 5,951 | 13,900 |
| Interest expenses, net of capitalized interest | (56,170) | (44,116) | (223,567) | (118,330) |
| Other finance costs | (13,344) | (14,000) | (55,796) | (45,839) |
| Foreign exchange (loss) gain, net | (2,919) | 1,381 | 7,356 | (2,156) |
| Other income, net | 936 | 735 | 3,572 | 2,317 |
| Loss on extinguishment of debt | (17,435) | - | (17,435) | (481) |
| Costs associated with debt modification | <u>(8,101)</u> | <u>(7,011)</u> | <u>(8,101)</u> | <u>(7,603)</u> |
| Total non-operating expenses, net | <u>(95,295)</u> | <u>(59,882)</u> | <u>(288,020)</u> | <u>(158,192)</u> |
| INCOME (LOSS) BEFORE INCOME TAX | 20,673 | (77,715) | 75,096 | (59,777) |
| INCOME TAX EXPENSE | <u>(4,162)</u> | <u>(266)</u> | <u>(8,178)</u> | <u>(1,031)</u> |
| NET INCOME (LOSS) | 16,511 | (77,981) | 66,918 | (60,808) |
| NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS | <u>26,765</u> | <u>65,642</u> | <u>108,988</u> | <u>166,555</u> |
| NET INCOME (LOSS) ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED | \$ <u>43,276</u> | \$ <u>(12,339)</u> | \$ <u>175,906</u> | \$ <u>105,747</u> |
| NET INCOME (LOSS) ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED PER SHARE: | | | | |
| Basic | \$ <u>0.030</u> | \$ <u>(0.008)</u> | \$ <u>0.116</u> | \$ <u>0.065</u> |
| Diluted | \$ <u>0.029</u> | \$ <u>(0.008)</u> | \$ <u>0.115</u> | \$ <u>0.065</u> |
| NET INCOME (LOSS) ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED PER ADS: | | | | |
| Basic | \$ <u>0.089</u> | \$ <u>(0.023)</u> | \$ <u>0.348</u> | \$ <u>0.196</u> |

| | | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| Diluted | \$ <u>0.088</u> | \$ <u>(0.023)</u> | \$ <u>0.346</u> | \$ <u>0.195</u> |
| WEIGHTED AVERAGE SHARES USED IN NET INCOME (LOSS) ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED PER SHARE CALCULATION: | | | | |
| Basic | <u>1,463,660,679</u> | <u>1,617,943,012</u> | <u>1,516,714,277</u> | <u>1,617,263,041</u> |
| Diluted | <u>1,473,600,609</u> | <u>1,617,943,012</u> | <u>1,525,284,272</u> | <u>1,627,108,770</u> |

Melco Crown Entertainment Limited and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands of U.S. dollars)

| | 31 December 2016 | 31 December 2015 |
|---|-----------------------------|-----------------------------|
| | (Unaudited) | (Audited) ⁽¹⁾ |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 1,702,310 | \$ 1,611,026 |
| Bank deposits with original maturities over three months | 210,840 | 724,736 |
| Restricted cash | 39,152 | 317,118 |
| Accounts receivable, net | 225,438 | 271,627 |
| Amounts due from affiliated companies | 1,103 | 1,175 |
| Deferred tax assets | - | 19 |
| Income tax receivable | 52 | 62 |
| Inventories | 32,600 | 33,074 |
| Prepaid expenses and other current assets | 68,059 | 61,324 |
| Total current assets | 2,279,554 | 3,020,161 |
| PROPERTY AND EQUIPMENT, NET | 5,655,823 | 5,760,229 |
| GAMING SUBCONCESSION, NET | 313,320 | 370,557 |
| INTANGIBLE ASSETS | 4,220 | 4,220 |
| GOODWILL | 81,915 | 81,915 |
| LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS | 194,911 | 192,012 |
| RESTRICTED CASH | 130 | - |
| DEFERRED TAX ASSETS | 152 | 83 |
| LAND USE RIGHTS, NET | 810,316 | 833,132 |
| TOTAL ASSETS | \$ 9,340,341 | \$ 10,262,309 |

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

| | | | | |
|--|----|------------------|----|------------------|
| Accounts payable | \$ | 17,434 | \$ | 15,588 |
| Accrued expenses and other current liabilities | | 1,369,943 | | 1,056,850 |
| Income tax payable | | 7,422 | | 3,487 |
| Capital lease obligations, due within one year | | 30,730 | | 29,792 |
| Current portion of long-term debt, net | | 50,583 | | 102,836 |
| Amounts due to affiliated companies | | <u>3,028</u> | | <u>2,464</u> |
| Total current liabilities | | <u>1,479,140</u> | | <u>1,211,017</u> |

LONG-TERM DEBT, NET 3,669,692 3,712,396

OTHER LONG-TERM LIABILITIES 49,287 80,962

DEFERRED TAX LIABILITIES 56,451 55,598

CAPITAL LEASE OBLIGATIONS,
DUE AFTER ONE YEAR 262,357 270,477

SHAREHOLDERS' EQUITY

| | | | | |
|---|----|-------------------------|----|--------------------------|
| Ordinary shares | | 14,759 | | 16,309 |
| Treasury shares | | (108) | | (275) |
| Additional paid-in capital | | 2,783,062 | | 3,075,459 |
| Accumulated other comprehensive losses | | (24,768) | | (21,934) |
| Retained earnings | | <u>570,925</u> | | <u>1,270,074</u> |
| Total Melco Crown Entertainment Limited shareholders' equity | | 3,343,870 | | 4,339,633 |
| Noncontrolling interests | | <u>479,544</u> | | <u>592,226</u> |
| Total equity | | <u>3,823,414</u> | | <u>4,931,859</u> |
| TOTAL LIABILITIES AND EQUITY | \$ | <u><u>9,340,341</u></u> | \$ | <u><u>10,262,309</u></u> |

(1): The condensed consolidated balance sheets as of 31 December 2015 have been adjusted for the retrospective application of the authoritative guidance on the presentation of debt issuance costs which was adopted by Melco Crown Entertainment in 2016. The consolidated financial statements as of 31 December 2014 and 2015 and for the years ended 31 December 2013, 2014 and 2015, retrospectively adjusted to reflect retrospective adoption of such new guidance was included in the form 6-K furnished to the U.S. Securities and Exchange Commission on 14 December 2016.

The full text of Melco Crown Entertainment's unaudited financial results for the fourth quarter and full year ended 31 December 2016 and declaration of Quarterly Dividend has been posted on the Company's website at <http://www.melco-group.com> and on the website of The Stock Exchange of Hong Kong Limited at <http://www.hkex.com.hk>, as an overseas regulatory announcement, for the information of the Company's shareholders.

By Order of the Board of
Melco International Development Limited
Leung Hoi Wai, Vincent
Company Secretary

Hong Kong, 16 February 2017

As at the date of this announcement, the board of directors of the Company comprises four Executive Directors, namely Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Evan Andrew Winkler (Managing Director), Mr. Tsui Che Yin, Frank and Mr. Chung Yuk Man, Clarence; one Non-executive Director, namely Mr. Ng Ching Wo; and three Independent Non-executive Directors, namely Mr. Chow Kwong Fai, Edward, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kan Hee, Anthony.