

**For Immediate Release**



## **NagaCorp Announces 2014 Annual Results**

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**VIP GGR growth of 41%**

**Mass Tables GGR growth of 21%**

Hong Kong, 5 February 2015 – **NagaCorp Ltd.** (“NagaCorp” or the “Company”, SEHK stock code: 3918), which owns, manages and operates NagaWorld, the largest integrated gaming and entertainment hotel complex in Indochina, today announced financial and operating results for the full year ended 31 December 2014.

**1) Gross Gaming Revenue (“GGR”) increased by 23%** to US\$381 million\*

**2) VIP GGR increased by 41%** to US\$188 million

**3) Mass Tables GGR increased by 21%** to US\$109 million

**4) Net Profit increased by 9%** to US\$136 million\*

**5) 70% Dividend Payout Ratio:** A final dividend of 2.10 US cents per share (or equivalent to HK cents 16.28 per share) has been recommended, together with the interim dividend, it will represent a dividend payout ratio of approximately 70% based on the net profit generated for the year.

*\*Note: During the previous year ended 31 December 2013, the Group received a non-refundable entrance fee of US\$15.0 million from an electronic gaming machine operator for the placement of up to 200 gaming machines in NagaWorld. As there were no fees of a similar nature in the current year ended 31 December 2014, comparable GGR and Net Profit for 2013 is shown excluding the effects of this fee.*

### **BUSINESS OVERVIEW**

The Cambodian economy continues to grow steadily amidst an uncertain global economic backdrop, with the World Bank estimating real gross domestic product

("GDP") growth to be 7.2% in 2014, and 7.5% in 2015. Tourism continues to flourish; there were 4 million visitors in the first 11 months of 2014, a 6% increase on the corresponding period in 2013. Vietnam (20%), China (13%) and Laos (10%) together constituted 43% of the visitation. In particular, visitors from China increased by 22% year-on-year to over 500,000. The Group believes that continued visitor growth from these gaming-centric countries will be a driver of the Group's business growth.

Situated in Phnom Penh, Cambodia's capital city, NagaWorld continues to generate positive results with 23% GGR growth to US\$381 million, contrary to the decline of GGR in Macau. The Group's net profit for 2014 increased by 9% to US\$136 million.

The Group's Mass Market segment continued to benefit from Phnom Penh's increasing tourism, with Mass GGR growing 21%. Buy-ins on public floor tables grew by 16% and the win-rate increased to 23.3%, attributable to the steady growth in property visitation and improvement in table game productivity.

The Group's VIP incentive program has continued to ramp up with a sequential increase in rollings under the incentive junket halls for the year ended 31 December 2014. Total VIP rollings increased by 35% to US\$6.2 billion and the overall win rate was 3.0% (2013: 2.9%). This resulted in total VIP GGR increasing by 41% to US\$188 million.

Non-Gaming revenue, derived from hotel, food & beverages and entertainment businesses increased by 14% to US\$22 million. This was primarily due to an increase in the number of room nights sold at NagaWorld.

## **PROSPECTS**

The downturn in the Macau gaming sector presents opportunities for the Group to further penetrate into the Chinese gaming market, for both the VIP and Mass Market segments. With NagaWorld's low-cost structure, it will be able to continue to offer better commercial terms to junket operators and agents. In the coming months, the Group plans to sign up more Macau-based junket operators, seeking to diversify their operations to other parts of Asia.

For the Mass Market segment, the appeal of Cambodia as a travel destination for Chinese tourists is evident from the continued strong growth in Chinese visitation, which the Group will be looking to leverage. Focused on developing the China market, the Group aims to improve accessibility to Phnom Penh with the use of its recently acquired Airbus A320s and by collaborating with key Chinese travel agents.

In 2014, NagaWorld also entered into an agreement to lease not less than 2,400 square metres in the NagaCity Walk to China Duty Free Group, the largest duty-free operator in China, to operate duty-free shopping in the premises. The expected completion of the NagaCity Walk in the third quarter of 2015 and its subsequent opening in early 2016 will enhance the retail experience available to the patrons and further strengthen NagaWorld's overall appeal to both the Mass Market and VIP Market.

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Note: For comparative purposes, the above numbers exclude the one-time Electronic Gaming Machines Entrance Fee of US\$15 million received in 2013. No similar Entrance Fee was received in 2014.

#### **ABOUT NAGACORP LTD.**

NagaCorp Ltd. was listed on The Hong Kong Stock Exchange in October 2006 (SEHK stock code: 3918). Established in 1995, NagaCorp's wholly owned subsidiary NagaWorld Ltd. owns, manages and operates the only world class comprehensive hotel casino entertainment complex in Phnom Penh, the capital city of the Kingdom of Cambodia. It owns a casino license valid for 70 years and exclusive gaming rights for a period of around 41 years (1995-2035). NagaCorp was selected in the Hang Seng Foreign Companies Composite Index and the Hang Seng Global Composite Index launched on 5 September 2011.

NagaCorp is currently embarking on its Naga2 project, which has a total built-up area of approximately 123,353 square metres. Naga2 includes the NagaCity Walk for retail and public space and the TSCLK Complex that will feature approximately hotel rooms, luxury VIP suites, a multipurpose-entertainment/theatre and casino.

The Company has also had entered into an agreement to invest not less than US\$350 million in a gaming and resort development resort in Vladivostok, Russia under the name 'Primorsky Entertainment Resort City' sited on an area with dual frontage and majestic views to the sea and an inland lake flanked by two hills.

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