

For Immediate Release



NagaCorp 2009 Results

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Stable Business

Hong Kong, February 10, 2010 – NagaCorp Ltd. (“NagaCorp” or the “Group”, SEHK stock code: 3918), the largest leisure & entertainment gaming company in Phnom Penh, Cambodia, ends the Year 2009 with a Net Profit of US\$25.5 million amidst a challenging global gaming market. NagaWorld Cambodia is today a social, events, business and tourist destination, well patronized and frequented by locals and overseas customers from both public and private sectors.

Stable Business

What is remarkable is the revenue derived from Public Floor Tables increased by 151.3 % to US\$24.6 million, and the revenue from Gaming Machine Stations increased by 1,006.5% to US\$34.3 million which signifies more stable, reliable income. Attainment of high gross profit margin of 60.4% in 2009 (compared with 45.5% in 2008) has been achieved at the backdrop of cost reduction measures and better business efficiency. Direct costs have been cut down by 56%. Non gaming revenue has been increased by 120% as the full impact of a completed NagaWorld with all the amenities are fully functional.

NagaWorld remains a net cash position with nil gearing and cash position has been improved by about 100% with cash coming from both operating income and the collection from debtors. The resultant effect is a dividend yield of about 7% (assuming closing market price of HK\$0.83 as at February 9, 2010), an impressive number in the world gaming market. The Board has resolved to declare a dividend of 0.44 US cents per share (approximately 3.43 HK cents per share), together with the interim dividend paid of 0.33 US cents per share, representing a dividend payout ratio of approximately 60% based on net profit for the 12 months ended December 31 2009.

The global financial tsunami seems to have impacted NagaWorld and Cambodia to a lesser degree. The IMF's 2009 mid-term country report on Cambodia has summarized its observation on the country as one of cautious optimism. We quote *“Under the current baseline, growth is projected to rise gradually to 7-7½ percent a year”, “current account deficit would narrow to 5-6 percent of GDP with further export diversification”* , *“Underpinning stabilization efforts would be modest fiscal consolidation over the medium term”*.

1,006% increase in Slot Revenue

Improving regulatory and supervisory environment of gaming machine stations in Cambodia and the closure of slot machines outlets and sports betting stations have since witnessed a notable growth in the number of slot machines and business in NagaWorld. The average number of slot stations in 2009 was 523, compared with 200 slot machines in 2006. As of the date hereof the number of slot stations has increased to 738.

151.3% increase in Public Floor Revenue

Improving political stability and acceptance and success of NagaWorld as a social, recreational, events, business, tourists destination centre well patronized by locals and overseas visitors underpinned the 151.3% increase in revenue on the public floors. 2009 buys-in had consistently above the level in 2008 and the number of tourists visitation especially from Vietnam had continued to increase.

Steady visitor numbers and improving Junket Floor business

NagaCorp is optimistic and confident in improving its junket business for 2 important reasons. One is NagaWorld is able to continue to exercise flexibility of enhancing its commissions structure to benefit junkets because of the low tax rate (for instance our commission payable today is 1.7%). The other key reason is our ability to offer competitive hotel Casino Services (such as pricing our 5-star hotel room at below our competitors' rates **and offering superb** VIP Casino services and gaming leisure related entertainment under one roof). More comprehensive marketing planning initiatives have been launched by dividing the Asia marketing map into 3-polar zones i.e. Indo China, China and Southeast Asia. NagaWorld has also been talking to regional airlines like Air Shenzhen, Malaysia Airline (MAS) and Cambodia Angkor Air (CAA) in order to create more synergism with these airlines. The launch of the Premium Floors (without Junket VIP operators) has been generating good gaming results. Although the 2009 junkets visitation was 11,368 (compared to 15,196 in 2008), the November and December numbers in 2009 indicated its return to the pre-crisis level and check in have also increased.

120% Increase in non-gaming revenue

A fully completed NagaWorld with all the up market amenities offered to our guests means more income from the non-gaming division, reflecting truly the role of NagaWorld in enhancing tourism in today Cambodia.

56% Costs Savings

Companies all over the world have been anticipating a slowdown in 2009 and NagaWorld's efforts on costs efficiency have scored costs savings of 55.8% and 16.9% in direct and indirect costs respectively. 2009 sees the double barreled effects of not only higher revenue in the Public Floors and Slots revenue but also lower business costs as a result of a number of initiatives, such as the variability on the commission structure offered to our junket to create bilateral beneficial effects to both NagaWorld and the operator. Hence despite a drop of revenue of 34.9% (excluding the one off management fee income from POIBOS in 2008), Gross Profit and EBITDA remain fairly stable.

Dividend Yield of approximately 7%

The following table shows the earnings picture in 2009:

	2009	2008
Earnings per share (US cents)	1.23 (approx. 9.6 HK cents)	1.93 (approx. 15 HK cents)
Interim Dividend per share (US cents)	0.33	0.74
Final Dividend per share (US cents)	0.40	0.13
Dividend Payout Ratio	60%	45%

The Board has resolved to declare a final dividend of 0.40 US cents per share (approximately 3.12 HK cents per share), together with the interim dividend of 0.33 US cents per share (approximately 2.57 HK cents per share), representing a dividend payout ratio of approximately 60% based on net profit for the year ended 2009.

Based on the closing market price of HK\$0.83 on February 8, 2010, the dividend yield shall be about 7%, which is commendable amongst the gaming companies in the world.

Outlook

As a landmark quality building, our hotel and entertainment operations attract both locals and overseas patrons and recorded growth as these quality amenities and operations gain in popularity and acceptance by everyone. As of to date, we have 11 food and beverage outlets catering to both gaming and non-gaming patrons and around 508 hotel rooms. Also, we have the largest and the most comprehensive MICE facility in Cambodia and are a busy and popular venue for holding meetings and events by both public and the private sectors. NagaCorp's conservative gaming policy pays in today uncertainty namely, no gearing, low table limit, catering to regional mid size players and provision of top competitive services.

We have strategized our priority on the followings:

Higher earnings - Pushing for more regional gaming market share especially Vietnam, provision of innovative Junket programs and producing more non-gaming revenue

Earnings stability - Lessening daily earnings fluctuations by maintaining popular and reasonable table limits

Costs control and improving margins – Smaller and yet competitive commissions to operators

Improving on cash position - Gaming on cash terms only

Enhancing our gaming revenue through more innovative Junket programs running on regional captive markets has always been an aim of our international marketing team. Commissions at 1.7% remain one of the highest in the world. Despite this, we are successful in reducing our costs by the adoption of a few cost reduction measures.

Our **corporate vision** is to become a world class corporation “with excellence in our products, people and profitability” for the benefits of the host nation and all our shareholders. We also have stopped the policy of granting credit facilities to our customers, thus stopping the exposure to gaming patrons and reducing our debtors position. With the prudent and appropriate policies in place, NagaWorld can distinguish itself as the Indo-China hotel casino complex and continue to offer international, competitive and quality service and product to its customers and visitors coming from the surrounding and growing economies. The success of the gaming and leisure industries will, in turn, benefit the host nation and generate return for the Company, its shareholders and investors.

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 and largest 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).

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