



NagaCorp Announces 2010 Annual Results

* * * * *

73% Increase in Net Profit

Hong Kong, February 14, 2011 – **NagaCorp Ltd.** (“NagaCorp” or the “Group”, SEHK stock code: 3918), the largest leisure & entertainment gaming company in Phnom Penh, Cambodia, announced today that it maintained its growth momentum with net profit up by 73% for the year ending December 31, 2010, amidst a competitive and robust gaming climate throughout the Asia Pacific region.

1) 73% increase in net profit and gross profit margin of 71%: net profit for the fiscal year 2010 rose by 73% to approximately US\$44.1 million, compared to US\$25.5 million in 2009. The Group achieved these results by staying focused on its remodeled strategy of building up its public floor and gaming machines business, driven by market demand. This resulted in a healthier and more efficient business mix, and also produced lower earnings volatility for the Group. Gross profit margin rose to 71% from 60%; while net profit margin improved to 29%, from 22% for 2009. During the period, 64% of the Group’s total revenues were derived from its non-junket business, compared to 55% in 2009.

2) 70% Dividend Payout Ratio: The Board has resolved to declare a final dividend of US cents 0.77 per share (or equivalent to HK cents 6.00 per share). The proposed final dividend, together with the interim dividend paid is US cents 1.48 per share (or equivalent to HK cents 11.5 per share), representing a dividend payout ratio of 70% for the year ended 31 December, 2010. The total dividends of US cents 1.48 per share for 2010 represents an increase of 103% compared to 2009 dividends of US cents 0.73. Earnings per share for the year 2010 were up 72% to US cents 2.12 (or equivalent to HK cents 16.5 per share).

3) Strong demand and increased number of gaming machines to 1,032 boosted segment profit: The growth of the Group’s gaming machine business was fueled by both a demand for the up-to-date gaming machines it offers, targeted marketing initiatives, and continued enforcement of the closure of other slot machine and sports betting station outlets in Phnom Penh. During the year, revenue from the gaming machine stations rose by 31% to US\$44.9 million. As at 31 December, 2010, there were 1,032 slot stations (2009: 618).

4) Public & Junket Floor business continued to grow: During the review year, revenue from public floor gaming tables continued its growth, demonstrating that NagaCorp’s business strategy, revised to focus on the mass gaming market, was a step

in the right direction in the evolution of its business. By concentrating on untapped markets, revenue of the segment rose by 69% to US\$41.5 million in fiscal year 2010 from US\$24.6 million in 2009. Win rates also improved to 20.4% from 16.3% in 2009.

For the Group's junket segment, revenue was US\$54.1 million, compared to US\$53.4 million in 2009. There were approximately 7,928 VIP players visited NagaWorld during 2010, and the win rate stood at 2.3%. As NagaCorp continues to push forward with its strategy of maintaining a conservative gaming policy aimed at regional mid-sized players, and fostering relationships with key junket operators, the Group is convinced that it is on a positive trajectory toward steady growth in its VIP floor business.

5) 82% Increase in non-gaming revenue: Hotel and entertainment operations represent the non-gaming revenue of NagaWorld. During the year under review, revenue derived from this business segment was US\$10.0 million, up 82% from US\$5.5 million for the same period in 2009. The revenue was derived from providing hotel and entertainment services to both gaming and non-gaming patrons.

BUSINESS OVERVIEW

NagaWorld aims to be the entertainment capital of Indochina.

During the year under review, the Group achieved total revenue of US\$150.5 million, an increase of 28%. Of this, revenue from public floor tables increased by 69% to US\$41.5 million; revenue from gaming machine stations rose by 31% to US\$44.9 million; revenue from junket floor tables rose by 1% to US\$54.1 million; and revenue from non-gaming operations grew 82% to US\$10.0 million.

Sustained tourist arrivals in Cambodia, along with a stable political environment, have enabled the Group to continue penetrating the mass gaming market and delivering on its business remodeling strategy. This remodeling has focused on a shift in the Group's business mix and has meant more build-up of its public floors and gaming machines, driven by market demand. At the same time, NagaCorp has maintained a prudent, conservative approach on its junket segment.

Within a competitive and burgeoning gaming climate throughout the Asia Pacific region, NagaWorld's performance has kept pace with the robust levels of intra-regional travel and consumer spending which is driving steady growth in gaming revenue. In fact, financial indicators point to NagaWorld's competitive efficiency and margin levels compared to other gaming operations throughout the region. Even as new gaming facilities have been launched in Singapore, and Macau sees record levels of revenue, NagaWorld has remained comparatively in line with its regional competitors.

During 2010, NagaWorld co-marketed and hosted promotional events. These efforts, along with streamlining and constantly improving the Group's food and beverage outlets, helped the Group secure a number of awards during 2010, affirming NagaWorld's stature as a destination in Indochina. The Group's marketing and promotional work, as well as regional recognition, has resulted in an increase in non-gaming revenue of 82% to US\$10.0 million in 2010.

PROSPECTS

With the corporate vision of becoming a world class corporation ‘with excellence in products, people and profitability’ for the benefit of its host nation and all of its shareholders, NagaCorp is focused on continuing to create value for its shareholders.

During 2010, the Group surpassed its revenue goals, achieving a 73% increase in net profit compared to the same period last year. NagaCorp achieved these results by staying focused on a remodeled strategy of building-up its public floor and gaming machines business, driven by market demand. The Group believes that its business remodeling strategy is the right direction going forward and is part of an evolutionary process for NagaCorp.

Tourist arrivals to Cambodia for the first 11 months of 2010 increased approximately 17% to 2.3 million visitors. The majority of these visitors to Phnom Penh also visited NagaWorld, making the hotel and entertainment complex one of the most visited sites in the Kingdom of Cambodia. The Group has an integrated marketing strategy in place to pursue market opportunities as they emerge. It also works with various local, regional and worldwide travel and tour professionals to bring tour groups to NagaWorld. The Group believes that as long as the country’s tourist numbers continue to increase, the number of visitors to NagaWorld will increase proportionately. This important component of NagaWorld’s daily foot traffic is also a key to the growth of its mass market business.

The company will continue to pursue the following strategic priorities in 2011:

- Higher earnings – Pushing for greater regional gaming market share through providing innovative mass market appeal, as well as non-junket programs.
- Earnings stability – Lowering daily earnings fluctuations by maintaining popular and reasonable table limits and higher business volume from the mass market.
- Cost control and margin improvement – Efficient and yet competitive commissions to operators, along with higher business volume from the mass market, where no commissions are paid.
- Continue to maintain a solid cash position – gaming on cash terms only.

Achieving these priorities and continuing the Group’s positive trajectory will require focus and tenacity. Specifically, NagaCorp will:

- 1) Continue driving its mass market growth by tapping into economically burgeoning markets through focused marketing initiatives, and adding additional slots and gaming tables as appropriate.
- 2) Continue its prudent junket strategy – this includes pursuing new markets and continuing to position NagaWorld as the number one destination for mid-size junket players.

With a strong management team in place, NagaWorld is intent on positioning itself as one of Indochina's premier tourist destinations, offering international standard services and products to its customers and visitors from surrounding and growing economies. NagaCorp's successful gaming and entertainment business will in turn benefit Cambodia as a host nation and continue to generate returns for the Company, its shareholders and investors.

BOARD AND MANAGEMENT CHANGES

The Group also announced today that Chen Yepern has been appointed to the Board of Directors as an Executive Director, and Chen Yiy Fon has resigned from his position as Non-executive Director on the company's Board of Directors. Chen Yepern is the son of Tan Sri Dr Chen Lip Keong, the Chief Executive Officer, Executive Director and controlling shareholder of the company.

NagaCorp also today announced that Philip Lee has been appointed as Chief Financial Officer and remains an Executive Director of the Board, and Eric Chan has been appointed as Chief Marketing Officer. Prior to these appointments, Philip Lee had been serving as Senior Vice President, Finance and Treasury in NagaWorld Ltd., (an indirect wholly-owned subsidiary of NagaCorp), while Eric Chan had been serving as Managing Director, Sales & Marketing in NagaWorld Ltd.

###

ABOUT NAGACORP LTD

NagaCorp Ltd. was listed on The Hong Kong Stock Exchange in October 2006 (SEHK stock code: 3918). Established in 1995, NagaCorp 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).

For further information, please contact Hill & Knowlton Asia Ltd., or NagaCorp's Investor Relations Department

NagaCorp

Kevin Nyland

Vice President, Investor Relations

Tel: +855 15 88 1129

E-mail: kevinnyland@nagaworld.com

Hill & Knowlton Asia Limited

Daphne Chan

Tel: +852 2894 6217

E-mail: daphne.chan@hillandknowlton.com.hk