

For Immediate Release



NagaCorp Announces 2013 Annual Results

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25% Gross Gaming Revenue (GGR) Growth in Phnom Penh

Higher than Macau

Hong Kong, 13 February 2014 – **NagaCorp Ltd.** (“NagaCorp” or the “Group”, SEHK stock code: 3918), which owns, manages and operates NagaWorld, the largest integrated gaming and entertainment hotel complex in Indochina, announced today a 25% increase in Gross Gaming Revenue and 24% increase in net profit for the year ended 31 December 2013.

- 1) **Net Profit increased by 24%** to US\$140.3 million. This was achieved through higher business volume from both the Mass and VIP Markets and improved margins from the VIP Market.
- 2) **Earnings per share of US cents 6.28 per share**, an improvement of 16% on prior year.
- 3) **70% Dividend Payout Ratio:** The Board of Directors has recommended the payment of a final dividend of US cents 2.38 per share (or equivalent to HK cents 18.45 per share) for the year ended 31 December 2013. The proposed final dividend, together with the interim dividend, represents a dividend payout ratio of 70 % based on the net profit generated for the year.

BUSINESS OVERVIEW

Strong tourism and economic growth in Cambodia contributed to the higher business volume of the Group. International tourist arrivals to Cambodia continued to significantly outpace worldwide tourism growth, increasing of 17% to approximately 4.2 million visitors in 2013. Vietnam, China and Korea comprise the top three countries of total tourist arrivals. Of particular interest, visitors from China increased by 39% year-on-year, to 463,123 visitors in 2013.

The Group's revenue increased by 24% to US\$344.9 million and net profit increased by 24% to US\$140.3 million for the year ended 31 December 2013, led by higher business volumes from the Mass Market and VIP Market as well as higher margins from the VIP Market. As at 31 December 2013, NagaWorld had available in operation 172 gaming tables and 1,543 Electronic Gaming Machines ("EGM").

The premium mass gaming areas, namely NagaRock, Saigon Palace and Aristocrat Private Club, continued to attract higher-end public floor players with increasing visitations during the year. In addition, the Group raised the minimum table bets on its normal public floor gaming areas towards the end of the year to better segment the mass market and optimise resource utilisation. Meanwhile, the revenue growth in the EGM segment was a result of higher bills-in.

In March 2013, the Group introduced an incentive program for its overseas junket operators in addition to the traditional rolling commission-based model. This program enabled the Group to raise the existing table limits, whilst managing volatility and credit risk to gain a wider segment of the VIP business. Since implementing this program, the Group observed an increase in better quality VIP players, which contributed to the increase in rollings and win rate.

Non-gaming revenue continued to grow through the increase in room revenue as a result of higher average room rates.

PROSPECTS

The World Bank continues to remain positive on foreign direct investments ("FDI") inflows to Cambodia, projecting a growth of 12% in 2014 to US\$1.6 billion. Meanwhile, the International Monetary Fund (IMF) is projecting Cambodia's gross domestic product (GDP) at 7.2% and inflation at 3.4% in 2014. Tourism remain one of the key pillars of Cambodia's growth. In June 2013, the Ministry of Tourism, Cambodia revised upwards the forecast for international tourist arrivals from 7.0 million to 7.5 million by 2020. Therefore, the stable economic environment in Cambodia, positive FDI inflows and strong tourism growth will continue to benefit the Group's business growth.

One of the focuses for 2014 is to increase connectivity to NagaWorld, which would translate into higher visitations for both the Mass and VIP Markets. The frequency of direct weekly flights to Cambodia has increased from 360 in 2012 to 396 at the end of 2013. Despite the increasing frequency of direct flights to Cambodia, there are several major cities within China and Southeast Asia that presently do not have direct flights to Cambodia. To increase visitation to NagaWorld, the Group is collaborating with travel agents to organise chartered flights to Phnom Penh.

To penetrate the lucrative VIP Market in Macau, the Group plans to charter flights between Macau and Phnom Penh to facilitate Macau-based junket operators sending their players to NagaWorld. To cope with the expected increase in VIP headcount, the Group plans to have up to 63 VIP gaming tables in 2014.

In the medium term, the Group is on track to launch Naga2 in 2016. Naga2, with a total built-up area of 116,358 square metres, will feature over 1,000 hotel rooms, 50 luxury VIP suites, up to 18,738 square metres of retail space, MICE / theatre facilities with a 4,000 seat capacity and additional gaming space (up to 300 gaming tables and 500 EGM).

For the longer term, the Group's investment in Vladivostok, Russia, not expected to be operational before 2018, will be the next catalyst of growth. The Group believes that its participation in an exciting new casino market in a different geography offers the potential for attractive investment returns.

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