

For Immediate Release



## NagaCorp Announces 2013 Interim Results

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- **Public Floor Gaming Tables Buy-ins Increased by 20%**
- **Electronic Gaming Machines Bills-in Increased by 20%**
- **Revenue Increased by 15%**
- **Net Profit Increased by 20%**

Hong Kong, 8 August 2013 – **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, announced today a 20% increase in net profit with encouraging financial and operational results for the six months ended 30 June 2013.

**1) Public Floor Gaming Tables Buy-ins increased by 20.2%.** Public Floor Gaming Tables continued to record a healthy 15.8% increase in revenue to US\$44.3 million.

**2) Electronic Gaming Machines (“EGM”) Bills-in increased by 19.9%.** EGM revenue increased by 24.3% to US\$44.0 million.

**3) VIP Rollings** approximately flat and win rate increased from 2.5% to 2.6%.

**4) Revenue increased by 14.7%** from US\$132.2 million to US\$151.6 million for the six months ended 30 June 2013.

**5) Net Profit rose by 20.0%** from US\$52.4 million to US\$62.9 million for the six months ended 30 June 2013. The Company achieved this through higher business volume from the Mass Market and improved margins from the VIP Market, coupled with continuous improvement in operational efficiency and measures implemented in cost controls.

**6) Non-gaming Revenue increased by 19.6%** to US\$9.9 million.

**7) Earnings per share of US cents 2.87 per share**, an improvement of 13.9% for the six months ended 30 June 2013.

**8) 70% Dividend Payout Ratio:** The Board has resolved to declare an interim dividend of US cents 1.93 per share (or equivalent to HK cents 14.96 per share) for the six months ended 30 June 2013, representing a dividend payout ratio of approximately 70% based on the net profit generated for the period.

## **BUSINESS OVERVIEW**

Strong tourism growth and sustained economic growth in Cambodia contributed to the higher business volume of the Company. International tourist arrivals to Cambodia continued to significantly outpace worldwide tourism growth by recording an increase of 19% to approximately 1.8 million visitors in the first five months of 2013, compared with the same period in 2012. Vietnam, Korea and China comprise the top three countries of all tourist arrivals. Of particular interest, visitors from China increased by 53% year-on-year (“YOY”), to 202,427 visitors in the first five months of 2013.

As a result, the Company’s revenue continued to achieve encouraging growth in 1H2013. The Company’s revenue increased from US\$132.2 million to US\$151.6 million and net profit increased by approximately 20.0% to US\$62.9 million YOY, led by higher business volumes from the Mass Market and higher margins from the VIP Market. As at 30 June 2013, NagaWorld had available in operation approximately 178 gaming tables and 1,450 Electronic Gaming Machines (“EGM”). The number of EGM increased from 1,351 to 1,450, primarily due to additional EGM in Saigon Palace.

NagaRock and Saigon Palace, two successful examples of the Mass Market, continued to attract higher-end public floor players. Meanwhile, the Electronic Table Games (“ETG”), included in EGM, helped redirect players with smaller bet sizes from the Public Floor Gaming Tables, thus freeing up space whilst enabling these players to enjoy the ETG at their own pace and discretion.

In March 2013, in addition to the traditional rolling commission-based model, the Company introduced a new incentive programme for its junket operators under the VIP Market. This enables the Company to raise the existing table limits, whilst managing volatility and credit risks to gain a wider segment of the VIP business. Since implementing this, the Company observed an increase in better quality VIP players and higher win rates.

Non-gaming revenue continued to grow through the increase in average room rates and higher food & beverage revenue, in tandem with the increase in overall visitations to NagaWorld during the period.

## **PROSPECTS**

The increase in foreign direct investments and tourist visitations point to the rising profile of Cambodia as a business and leisure destination, boding well for the Company’s operations. The Company believes that the momentum of growth in its business will carry over to the second half of 2013.

Following the success of NagaRock and Saigon Palace, the Company continues its strategy to segmentise the Mass Market by opening the Aristocrat Private Club in July 2013, a premium Mass Market private club with 30 EGM and 5 gaming tables offering even higher table limits.

As part of its strategies to develop the VIP Market, the Company opened 5 luxury private gaming suites in January 2013 (another 2 are slated for opening later in 2013), to further enhance the VIP experience. These luxury VIP suites provide individual private gaming space for higher-end VIP players who seek ultimate comfort, convenience and privacy. In addition, the Company is planning to launch a new luxurious VIP gaming area, integrated with entertainment and restaurants on the rooftop of the existing Pool Block by 2014.

Furthermore, Naga2 will feature over 1,000 hotel rooms, 50 luxury VIP suites, up to 18,738 square metres of retail space, a 4,000 seating capacity theatre and additional gaming space (up to 300 gaming tables and 500 EGM). The project is currently in progress and slated for completion by end 2015 or early 2016. This will position the Company as the leading integrated gaming and entertainment destination in Indochina.

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## **CORPORATE ECOLOGICAL RESPONSIBILITY (CER)**

In addition to Corporate Social Responsibility, NagaCorp Ltd. (“NagaCorp”) expands its focus to include the importance of ecological safety as the highest manifestation of our sense of corporate responsibility to the community in Cambodia and other regions of the world. It is our belief and responsibility to strike a balance between *human economy* and *natural ecology* in order to preserve a livable natural world for all of us.

Playing a corporate non-governmental leadership role by creating awareness of combating the ill effects of climate change, our Founder, Dr. Chen Lip Keong, is now the Co-President and Vice Chairman of the International Ecological Safety Collaborative Organization (IESCO), an affiliate of International Conference of Asian Political Parties (ICAPP) and Centrist Asia Pacific Democrats International (CAPDI). A founder of IESCO, Mr Jiang Ming Jun is currently the President of IESCO and also the Ecological Civilization Committee of the United Nations (UN) Alliance of Civilization and observer, with special consultative status, at the UN Economic and Social Council (ECOSOC) general sessions. A corporate sponsor of IESCO, NagaCorp aims to promote ecological safety as a recognized standard of corporate responsibility worldwide.

NagaCorp is committed towards expanding the awareness of *ecological safety* as a fundamental part of our Corporate Ecological Responsibility.

## **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 Ltd. was selected in the Hang Seng Foreign Companies Composite Index and the Hang Seng Global Composite Index launched on 5 September 2011.

**For further information, please contact Hill+Knowlton Strategies Asia, or NagaCorp's Investor Relations Department**

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