
GENTING MALAYSIA BERHAD

Analysts Briefing

1 July 2010



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Agenda

- **Genting Malaysia Berhad (“GENM”)**
 - GENM’s Business Strategy
 - Rationale for the Expansion
- **Details of the Genting UK Acquisition**
- **Overview of Aqueduct Racetrack bid**
- **Why Now?**

Appendices

Appendix 1 *Genting UK’s Casino Businesses*

Appendix 2 *Snapshot of Genting Malaysia Berhad*

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GENM's Business Strategy

GENM's STRATEGY

**TO EXPAND INTERNATIONALLY FOCUSING ON LEISURE,
HOSPITALITY AND ENTERTAINMENT**

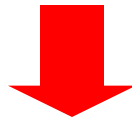


- Proposed acquisition of Genting Singapore PLC's casino businesses in the United Kingdom for a total cash consideration of £340 million (~RM1,668 million) ("UK Acquisition")
- Submission of bid to develop and operate a Video Lottery Facility (~4,500 video lottery terminals ("VLT")) at Aqueduct Racetrack in New York

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Rationale for the Expansion

- In line with GENM's strategic direction to expand overseas and grow its earnings and revenue base
- Access to highly regulated gaming jurisdictions - Direct entry into the UK and USA leisure, hospitality and entertainment industry
- The expansions have synergistic effects
- Reduce concentration risk in a single geographical location



ENHANCE SHAREHOLDERS' VALUE IN THE LONG TERM

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Details of Genting UK Acquisition



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Value Creation: Win-Win Opportunity

For Genting Malaysia Berhad

- Grow its earnings and revenue base
- Genting UK's existing leadership position and GENM's expertise to grow market share
- Genting UK's established infrastructure enables rapid roll out of marketing strategies and new leisure concepts
- Benefit from efficient operating cost structure post rationalisation
- Benefit from future growth prospects of UK gaming industry (new licensing opportunities arising from the Gaming Act, 2005)

For Genting UK

- Leverage on GENM's extensive management expertise (pooling of resources)
- Capitalise on GENM's large Asian clientele base
- Leverage on GENM's marketing capabilities and implementation of membership and database management to grow business
- GENM has the financial resources to support and fuel Genting UK's future growth

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Why Genting UK?

- Largest casino operator in the UK
 - Total of 44 casino out of 144 casinos operating in the UK
- Experienced casino operator with over 30 years of operating track record
- Extensive network of casinos offering full range of slots and table games
- Established brand names - Crockfords, The Colony Club & Maxims Casino Club
- A platform for GENM to tap into future growth potential of leisure, hospitality and entertainment industry in the UK, European Union and The Middle East



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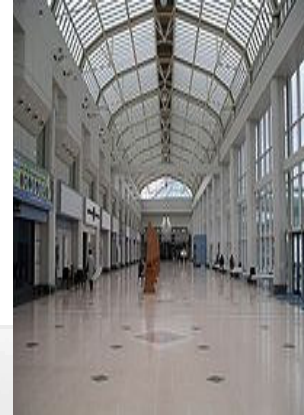


Genting UK's Growth Opportunities

- Has applied for a new large casino license in Newham, East London
- In the midst of applying for a second license in Birmingham, West Midlands, partnering The National Exhibition Centre ("NEC") Group for a proposed development of a leisure and entertainment complex at NEC, Birmingham
- Selected as the new operator of the casino at The Nile Ritz Carlton Hotel in Cairo, Egypt (expected opening in 2012)
- Repositioning of certain existing properties (leisure concept)

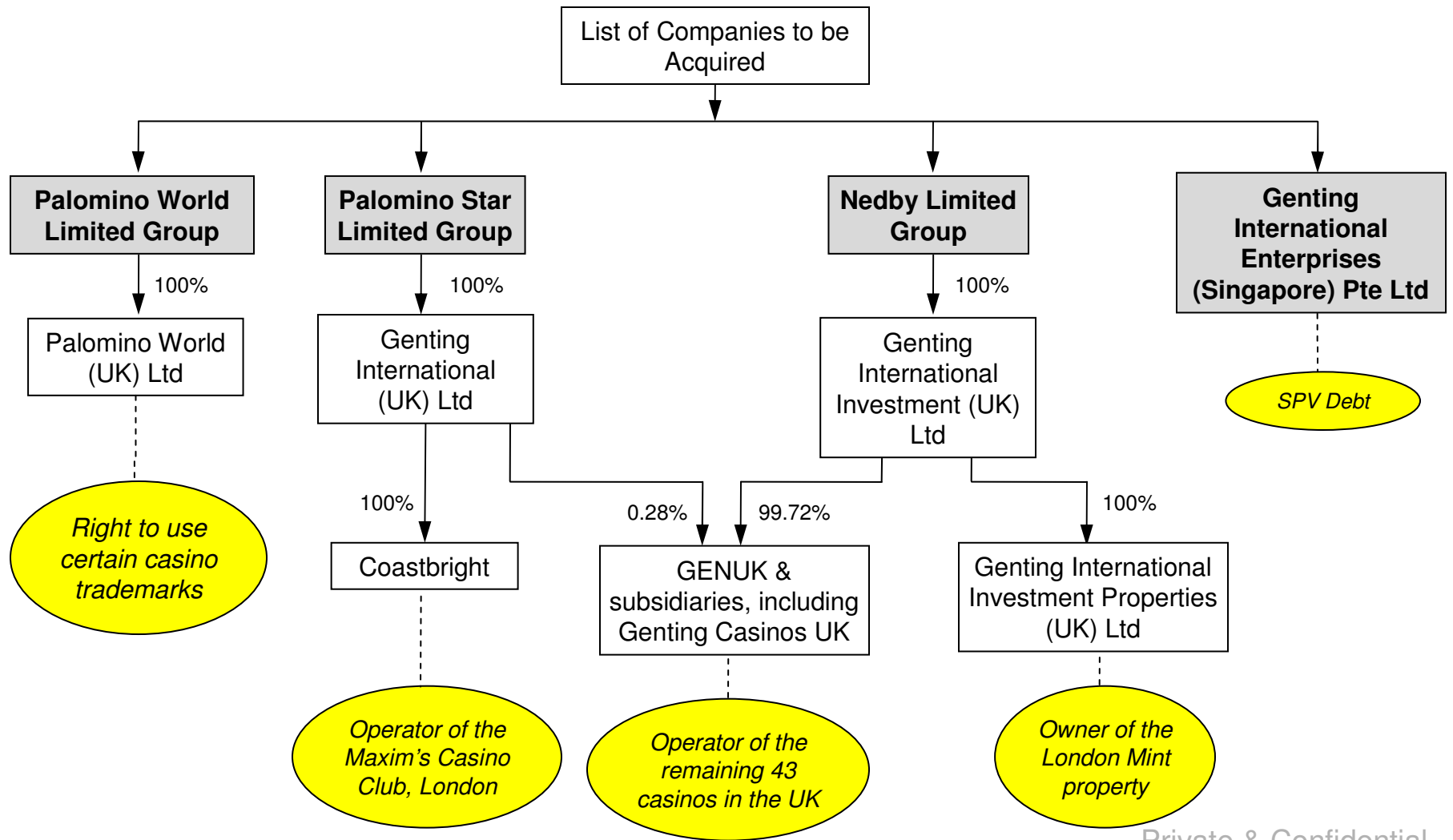


Cairo Egypt



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List of Companies to be Acquired



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Key Financials of Genting UK

GBP ('000)	FY2009	Pro forma for 3 Months ended Mar 2010
Revenue	194,097	52,172
EBITDA	30,153	8,304
EBITDA Margin (%)	15.5	15.9
Operating Profit	14,922	1,326
Net Assets	56,196	288,883
Total Borrowings	126,811	99,158
Gearing	2.3	0.3

Improved financial position:

- EBITDA margin improved by 0.4% point to 15.9%
- Capitalisation of inter-co loans
 - reduction in gearing
 - improvement in net assets

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The Purchase Consideration

- Purchase consideration amounts to **£340 million**, to be satisfied via cash from internally-generated funds
- The purchase consideration was arrived at on a willing buyer-willing seller basis after taking into consideration, amongst others, the following:
 - Valuation of the equity value of Genting UK of between £310 million and £370 million, as conducted by JPMorgan Securities (Malaysia) Sdn Bhd* (“JPMorgan”)
 - Genting UK’s unaudited pro forma net assets as at 31 March 2010 of £289 million
 - Genting UK’s unaudited pro forma net debt of £86 million
 - Evaluation of the UK Acquisition by the Independent Adviser, RHB Investment Bank Berhad including the fairness and reasonableness of the purchase consideration

**Appointed to provide its valuation to non-interested directors of GENM*

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The Sale and Purchase Agreement

Salient Terms

- Purchase consideration will be settled in Singapore Dollars (S\$) at the prevailing average exchange rate for three months prior to date of completion.
- Conditions precedent include:-
 - Approvals from GENM and GENS's non-interested shareholders in an EGM
 - Approvals from Bank Negara Malaysia and British's Gambling Commission;
 - Receipt of necessary consents / approvals from lenders, authorities & third parties;
 - Satisfactory due diligence
- Unaudited pro forma net debt of £86 million

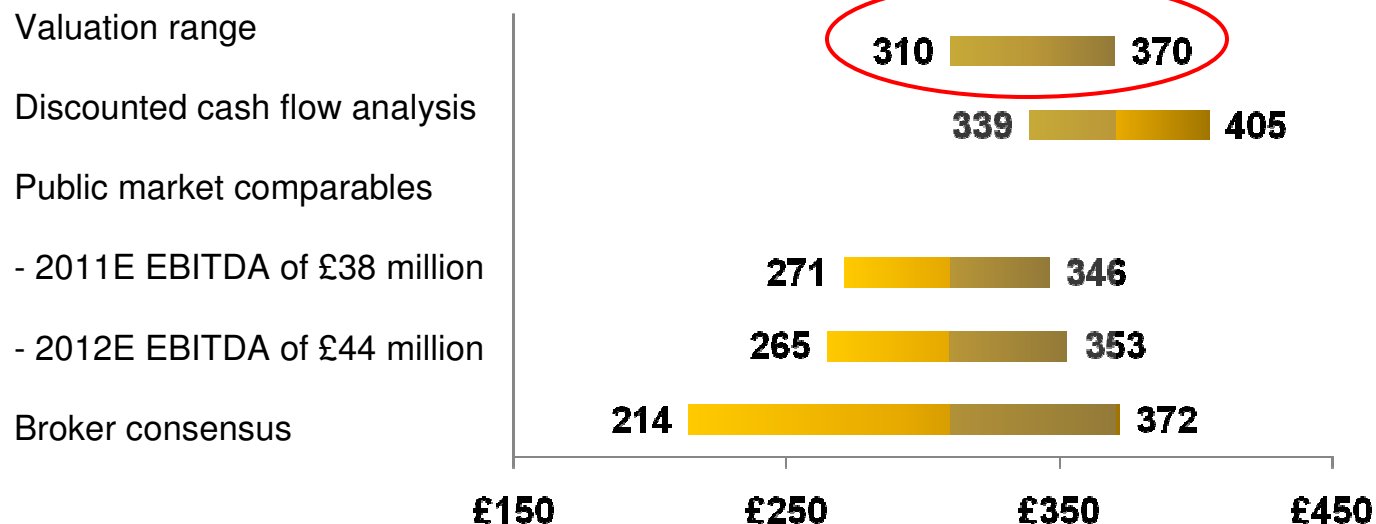
The UK Acquisition is expected to be completed in the second half of 2010.

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Valuation Range

Equity value of Genting UK (GBP mm)



Implied multiples FV/2011E EBITDA
10.6 – 12.2x
11.3 – 13.1x
9.5 – 11.5x
9.4 – 11.7x
8.0 – 12.2x

EBITDA estimates for 2011/2012 based on management projections
 FV = Net debt + equity value

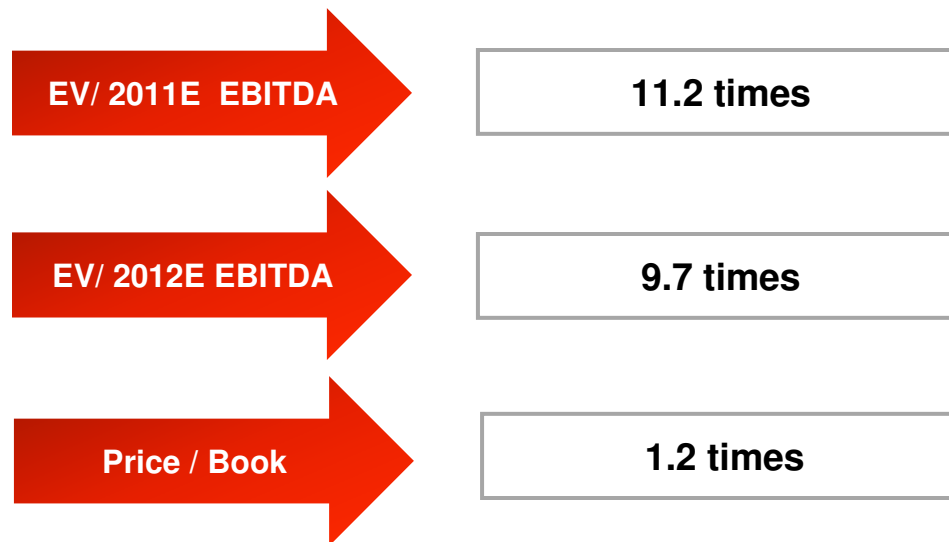
Source: JPMorgan report

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Purchase Price Multiples

- Based on the purchase consideration of £340 million and net debt of £86 million, the valuation multiples for the UK Acquisition are:



Assumptions

- Enterprise Value ("EV") of £426 million is computed as the sum of the Equity Value of £340 million and net debt of £86 million
- 2011E EBITDA of £38 million
- 2012E EBITDA of £44 million
- Book Value of Genting UK is £289 million

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Effects of the UK Acquisition

Issued and Paid-Up Capital

- No effect

Net Assets per share and gearing

- No material effect on net assets per share of GENM
- Upon completion of the UK Acquisition, GENM Group will have gearing of 0.05 times

Earnings

- No material effect on 2010 GENM's results
- Expected to contribute positively in the long run

Substantial shareholders shareholdings

- No effect

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Overview of Aqueduct Racetrack bid



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Aqueduct Racetrack

- The New York State Division of Lottery (“NYSL”) issued a Request for Proposal (“RFP”) for the development and operation of a video lottery facility (“VLF”) at Aqueduct Racetrack
- Aqueduct Racetrack (Racino) occupies 210 acres in South Ozone Park in the Borough of Queens, the City of New York
- NYSL will announce the winning bid on 3 August 2010
- The winning bidder will be awarded with a video lottery license of 30 years, with an option to extend for another 10 years
- The VLF will house 4,500 video lottery terminals (“VLTs”) in addition to retail outlets, food & beverage outlets and other planned constructions
- A similar operation to Aqueduct is the Empire City Casino at Yonkers Raceway

Weblinks for Reference

Details on the RFP is set out in Aqueduct Racetrack’s website:

http://www.nylottery.org/ny/nyStore/cgi-bin/ProdSubEV_Cat_1574549_NavRoot_307.htm

Empire City Casino at Yonkers Raceway:-

<http://www.yonkersraceway.com>

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Terminology

Racinos

Racinos are horse or greyhound race tracks which have casinos. In some cases, the casino games are limited to slot machines or VLTs only. However, many locations are beginning to include table games such as blackjack, poker, and roulette.

VLTs

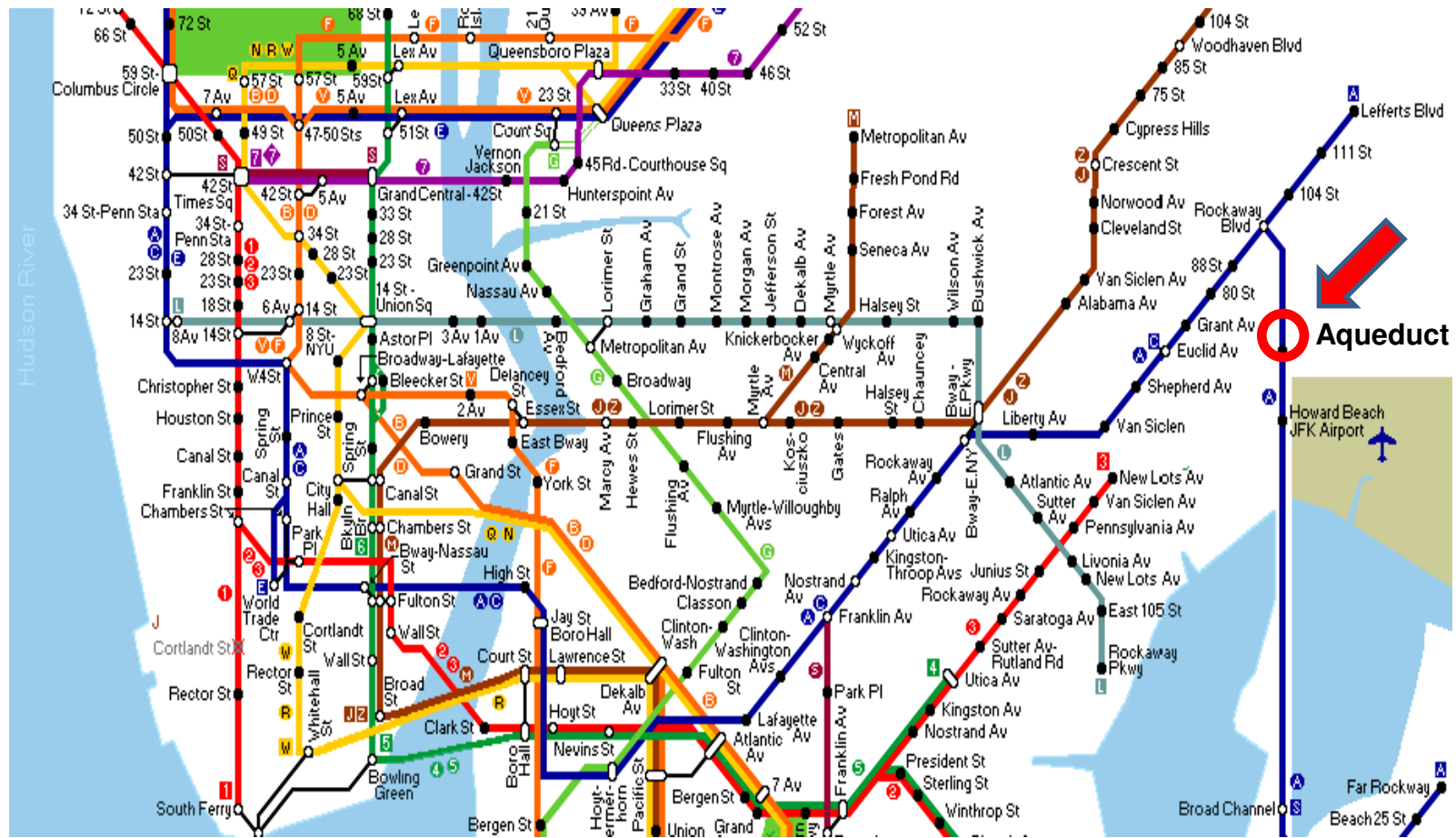
VLT is a gaming machine that allows gamblers to bet on the outcome of a video game. A VLT is similar to a slot machine except that it is connected to a centralized computer system that determines the outcome of each wager using a random number generator. Although the outcome of each wager is random, VLT operators are able to program in advance the total amount and number of payouts that its central computer system will allow at its connected VLTs.

Source: Wikipedia

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Strategic Location of Aqueduct Racetrack

Strategically located, with two subway stops on the New York Subway



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Why Now?



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Why Now?

**Expansion overseas
and grow earnings
and revenue base**

**Access to regulated
growing markets**

Synergistic Benefits

**Long term
enhancement of
Shareholders Return**

**Reduce
Concentration Risk**



The UK Acquisition – Genting UK

- Opportunity to expand into the UK, EU and The Middle East
- Genting UK's existing infrastructure and leadership position are major advantages
- An opportunistic move in view of the growth potential in UK and the EU

Submission of bid – Aqueduct Racetrack

- Competitive – Strategic location provides a strong competitive edge
- Possibility of new product offering – potential inclusion of table games
- Platform to explore other business opportunities in the US

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Appendices



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Appendix 1 GENTING UK's Casino Businesses

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Genting UK Overview

- Largest casino operator in UK in terms of number of casinos since December 2006
- Known under the brand Genting Casinos
- Has a total of 44 casino clubs across UK
 - Operates 39 casino clubs within the provinces under 3 key brands
 - Circus Casino
 - Maxims Casino
 - Mint Casino
 - Operates 5 casino clubs in London
 - Maxims Casino Club
 - Crockfords
 - Colony Club
 - Palm Beach
 - Mint
- Offers a wide range of slots and table games

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Genting UK Overview

LONDON CASINOS

- **Maxims Casino Club**
 - Most prestigious club within the Royal Borough of Kensington and Chelsea
 - A short walk from Kensington Palace and its gardens
 - Has a high stakes poker game
- **Crockfords Clubs**
 - Oldest private gaming club in the world
 - Caters to the elite
 - Offers gaming and fine dining
 - 24-hour gaming since 2008
- **The Colony Club**
 - Most stylish and contemporary casino in London
 - Adjacent to Metropolitan Hotel and opposite Hilton Park Lane
 - Began 24-hour opening initiative in 2008
 - Opened for all-day trading in 2009 during busy summer months



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Genting UK Overview

LONDON CASINOS

- **The Palm Beach**

- One of the most vibrant gaming rooms in London
- Situated in Berkeley Square in Mayfair
- Opened for all-day trading in 2009 during busy summer months



- **London Mint**

- Busy and vibrant club in the heart of South Kensington
- Refurbished in December 2008
- Exudes a modern feel and atmosphere



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Genting UK Overview

PROVINCIAL CASINOS

- **Circus Casino**

- A mass market proposition designed for players looking for a livelier atmosphere
- Offers an energetic and busy leisure destination for fun day or night out
- Located in 11 sites: Birmingham City Centre, Birmingham Star City, Blackpool, Edinburgh, Liverpool, Luton, Manchester, Margate, Newcastle, Nottingham and Stoke



- **Maxims Casino**

- Aimed at aspirational end of market
- Offers high-class gaming experience and cuisine
- Located in 8 sites: Birmingham, Bournemouth, Coventry, Derby, Edinburgh, Reading, Southampton and Southend



- **Mint Casino**

- Targeted more towards the 'true gamers'
- Located in 18 sites: Bolton, Brighton, Bristol, Coventry, Derby, Glasgow, Great Yarmouth, Leicester, Leith, Liverpool, Luton, Manchester, Salford, Southampton, Southport, Southend, Torquay and Wirral



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Genting UK Operations

West

Bournemouth
Bristol
Coventry (x2)
Plymouth
Reading
Southampton(x2)
Stoke
Torquay

London

Crockfords Club
The Colony Club
Maxims Casino
Club
The Palm Beach
Mint Casino



Scotland & North

Blackpool
Bolton
Edinburgh (x2)
Glasgow
Liverpool (x2)
Leith
Manchester (x2)
Newcastle
Salford
Southport
Wirral

East

Birmingham (x3)
Brighton
Derby (x2)
Great Yarmouth
Leicester (x2)
Luton (x2)
Margate
Nottingham
Southend (x2)

Appendix 2

Snapshot of Genting Malaysia Berhad

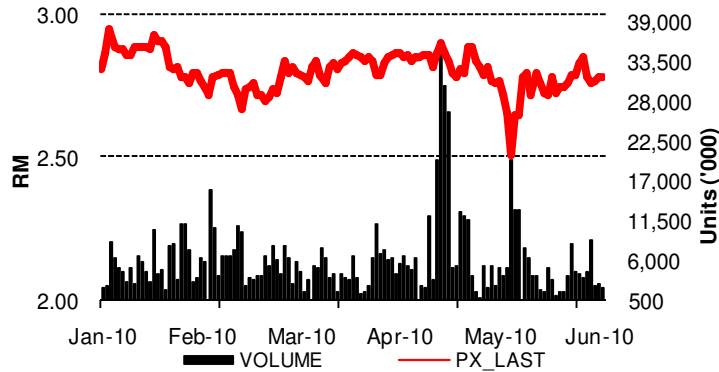


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Snapshot of GENM

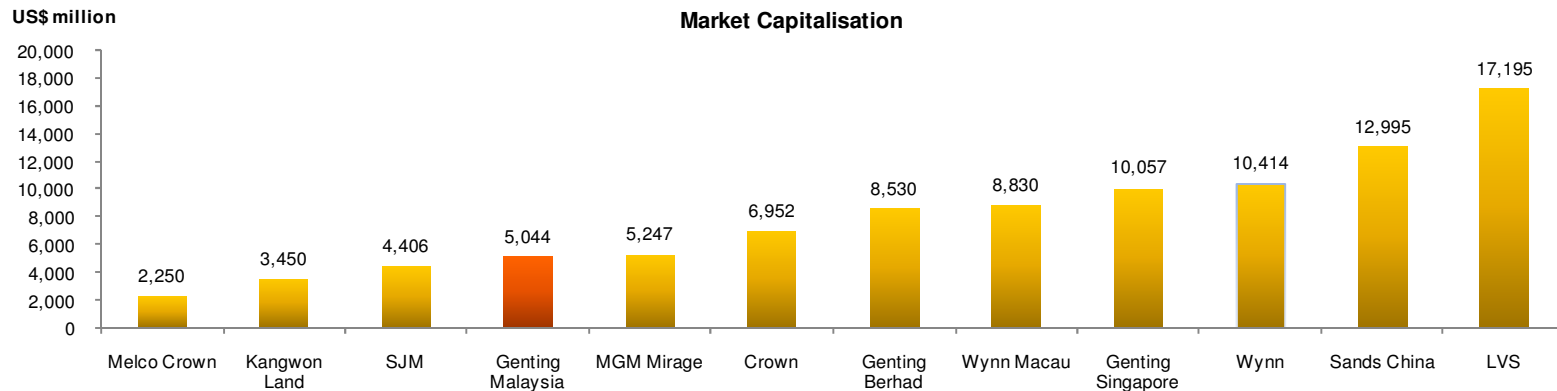
Share Price and Volume Traded



Average Volume Traded Daily

Past 1 month	5,319,214
Past 3 months	6,669,723
Past 6 months	6,101,859

Currently the 9th largest gaming company



Source: Bloomberg as at 25 June 2010

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These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors some of which are beyond the control of the Group and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks. The Group does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.

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