



Melco Crown Entertainment
新濠博亞娛樂

Melco Crown Entertainment Limited

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Resorts & Casinos

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Agenda

Opening Remarks
Company Overview
Industry/Sector Overview
Peer Comparison
Revenue & Earnings
Ratios
Technical Analysis
Recommendation

Opening Remarks

Preface:

- Rapid revenue growth, long term uptrend

Selection Methodology

- Add diversity to club's portfolio
- Exposure in Macau and secured permits
- Positive sentiment for gambling industry

MPEL Overview

- Engages in the development, ownership, and operation of casino gaming and entertainment resort facilities in Macau
- Premier casino – City of Dreams: 1,300 gaming machines; guest rooms; a stage performance theatre; 20 restaurants and bars, 69 retail outlets, and an audio visual multimedia experience; and recreation and leisure facilities, including health and fitness clubs, swimming pools, spa and salons, and banquet and meeting facilities
- Revenue Breakdown:
 - Casino: 94%
 - Rooms: 3%
 - Food and Beverage: 2%
 - Entertainment, Retail & Others: 1%

Company Risk & Metrics

- Beta: 2.15
 - Less volatile than competitors (LVS, MGM, WYNN)
- Moody's Rating: Ba3
- W.A.C.C.: 14.59%
- 52 Week Range: \$6.46/16.15
- Market Capitalization: \$6.25B
- P/E: 31

Casino Gambling Sector

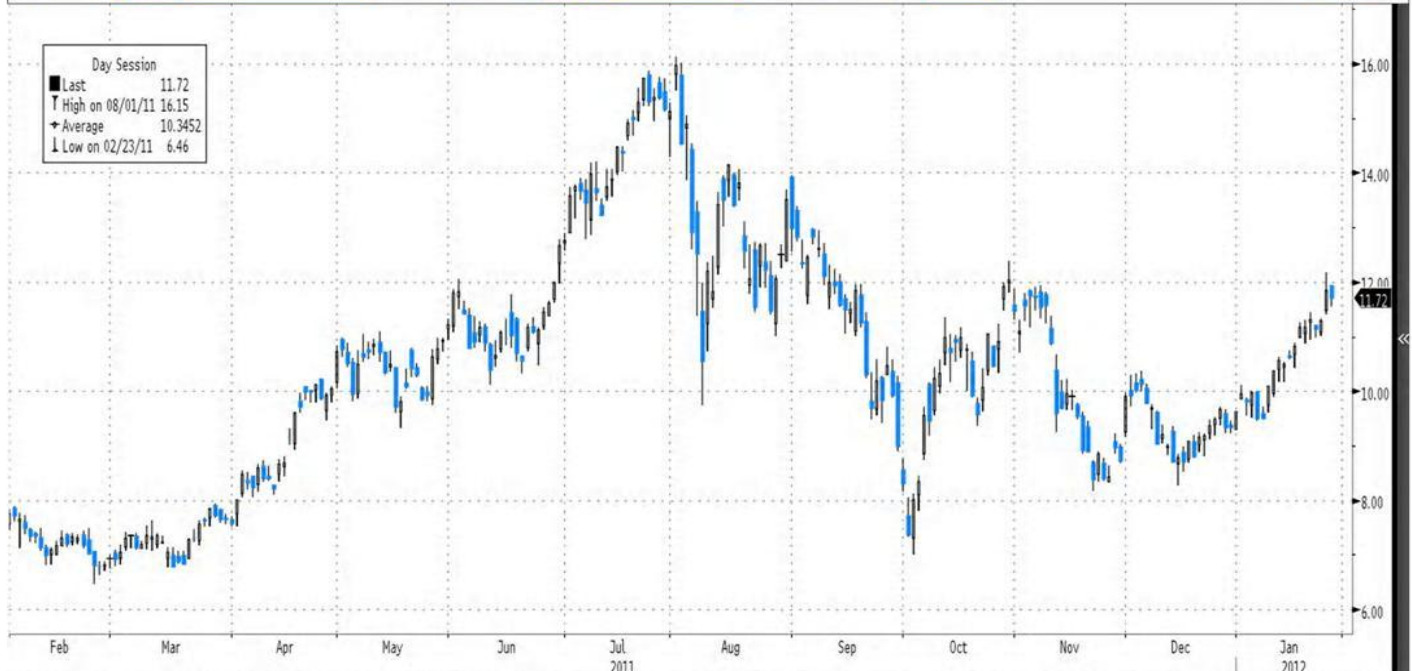
- Macau primarily tourism and gambling strip
- Gambling and tourism attribute 50% of Macau's GDP and 70% of Government revenue
- 50% tourists come from China, 30% from Hong Kong
- China's GDP Fourth-quarter year-to-year growth above consensus at 8.9%
- Macau's gambling revenue has shown rapid quarterly growth rates since Q3 2010 -5.5%, 16.1%, 6.2%, 12.0%, and 7.0%, respectively.

Price Chart

MPEL US \$ C **11.72** **-.14** D **↑11.71/11.72** 106x56 EquityGP
 As of Jan27 DELAYED Vol 6,148,660 Op 11.96 P Hi 11.96 P Lo 11.56 D

MPEL US EQUITY Save Chart Hide GPC - Candle Chart Page 1/19

Range **01/31/11** - **01/27/12** Upper **Candle Chart** Mov. Avgs Currency **USD**
 Period **Daily** Lower **None** Mov. Avg **Events**



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
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Peer Comparison



Revenue & Earnings

Revenues and net income presented in millions of USD

- Revenue Q3: 1055.96
 - Grown past 8 quarters, annual revenue up 45.4% from Q3 2009 to Q3 2010
 - Macau's constant GDP growth, China's and Hong Kong's consumer spending also increased with GDP-per-capita growth
 - Driving factor behind growth is exclusivity of the Macau Strip
- Net Income Q3: 113.30
 - 2011 Annual Projection -> \$244 million
 - From 2010 to 2011, annual net income expected to grow 2419%
 - Volatility due to expansionary projects
- EPS Annual Q2011: expected to be 0.50 cents , up from -0.02 in 2010
 - Improvements in gaming operations and rapid revenue growth were main catalyst

Annual Revenue (Millions)

<HELP> for explanation.

<Menu> to Return

EquityFA

Statement Summaries

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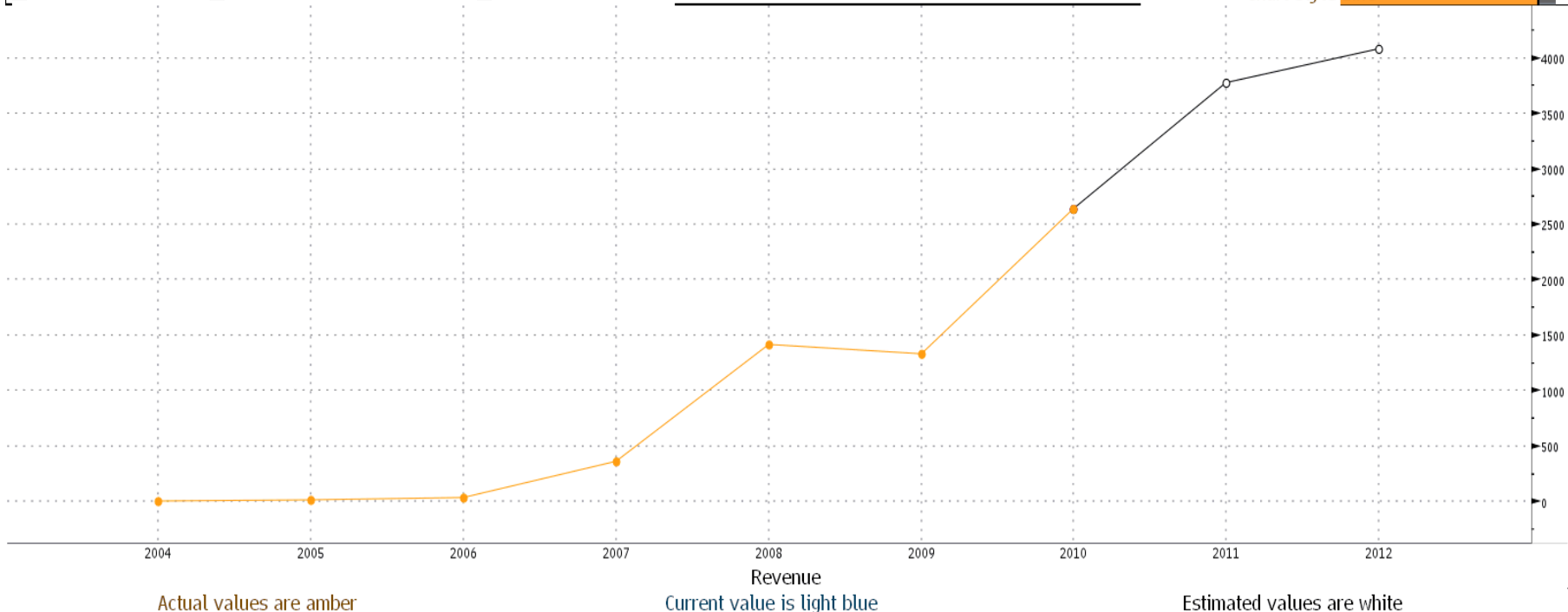
Financial Analysis

Periods **12** Ann Filing **MR** Curr **USD**

Melco Crown Entertainment Ltd (MPEL US)

Estimates Current Values Growth

Chart Style **Line**



Units **MLN**

| | | | | | | | | | | | | | | | | | | | | | | |
|-----------|----|---|------|------|-----------|------|------|------|--------|----|-----|------|------|-------------------------------------------------------|----|----|------|------|-----------|-----|------|------|
| Australia | 61 | 2 | 9777 | 8600 | Brazil | 5511 | 3048 | 4500 | Europe | 44 | 20 | 7330 | 7500 | Germany | 49 | 69 | 9204 | 1210 | Hong Kong | 852 | 2977 | 6000 |
| Japan | 81 | 3 | 3201 | 8900 | Singapore | 65 | 6212 | 1000 | U.S. | 1 | 212 | 318 | 2000 | Copyright 2012 Bloomberg Finance L.P. | | | | | | | | |
| | | | | | | | | | | | | | | SN 810038 EST GMT-5:00 H201-75-0 28-Jan-2012 17:18:07 | | | | | | | | |

Annual Net Income (Millions)

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EquityFA

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Statement Summaries

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Financial Analysis

Periods 12 Ann

Filing IR

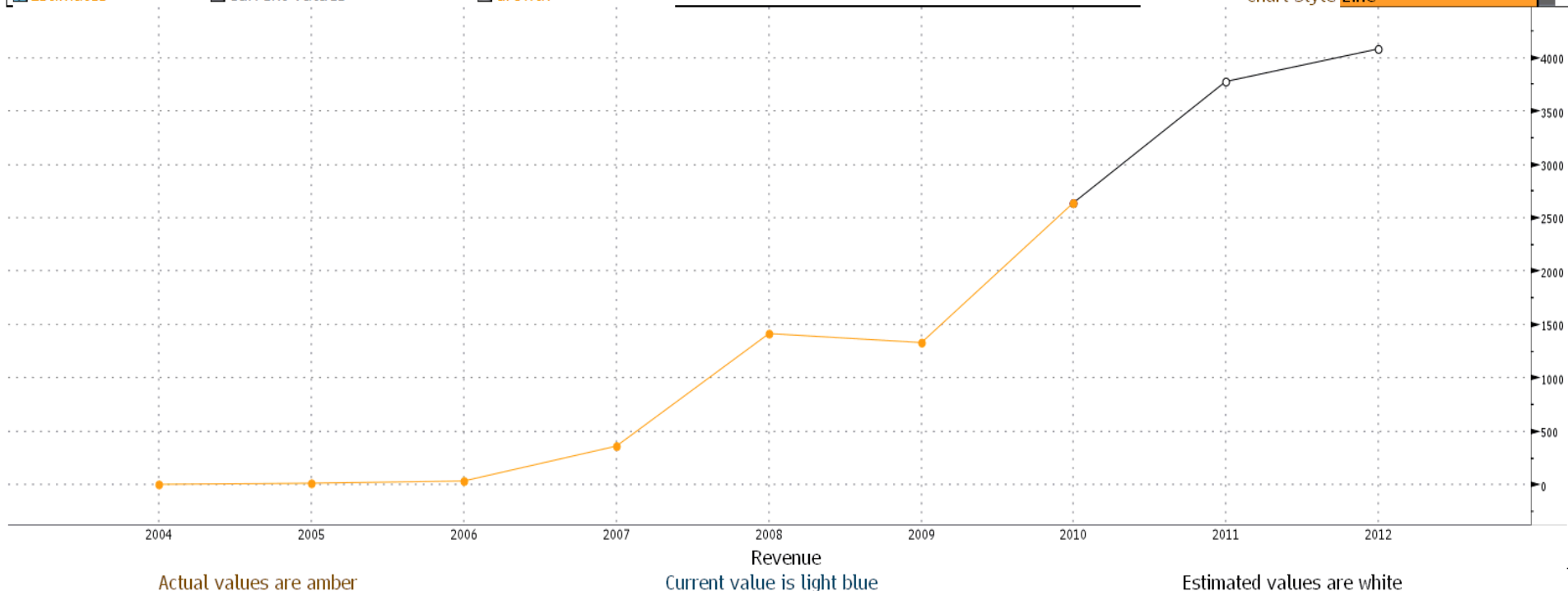
Curr USD

Melco Crown Entertainment Ltd (MPEL US)

Estimates Current Values

Growth

Chart Style Line



Actual values are amber

Current value is light blue

Estimated values are white

Units MLN

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2012 Bloomberg Finance L.P.
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Annual EPS

Equity **FA**

<HELP> for explanation.

<Menu> to Return

Statement Summaries

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Financial Analysis

Periods **12** Ann

Filing **MR**

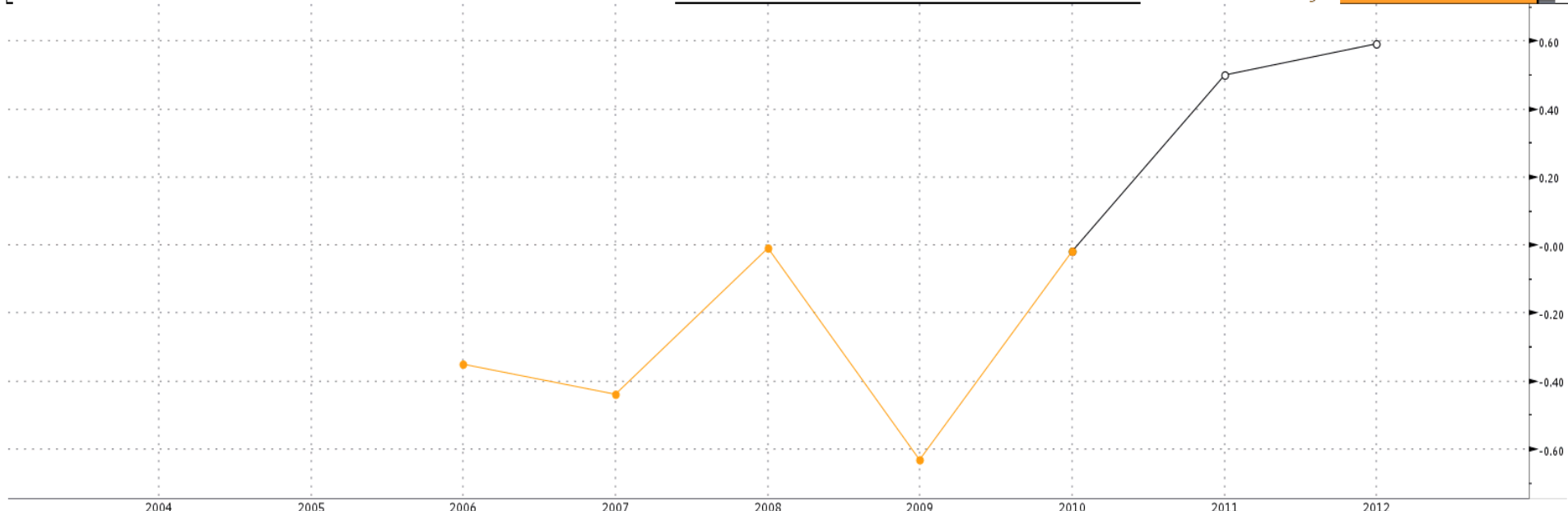
Curr **USD**

Melco Crown Entertainment Ltd (MPEL US)

Estimates Current Values

Growth

Chart Style **Line**



Actual values are amber

Current value is light blue

Estimated values are white

Units **MLN**

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
 SN 810038 EST GMT-5:00 H201-75-0 28-Jan-2012 17:20:27

Ratios

Revenue Growth (2010-2011)

96.20%

ROE

-0.42%

Current Ratio

1.33

Price to Book

1.35

Operating Margin

3.50%

ROA

-0.22%

Quick Ratio

1.32

Income Margin

-0.36%

P/E (Current)

23.21

Debt/Capital

0.39

- ROE and ROA expected to be positive for 2012
- P/E similar to LVS and WYNN
- Operating margin and income margin expected to increase with improvements in operations

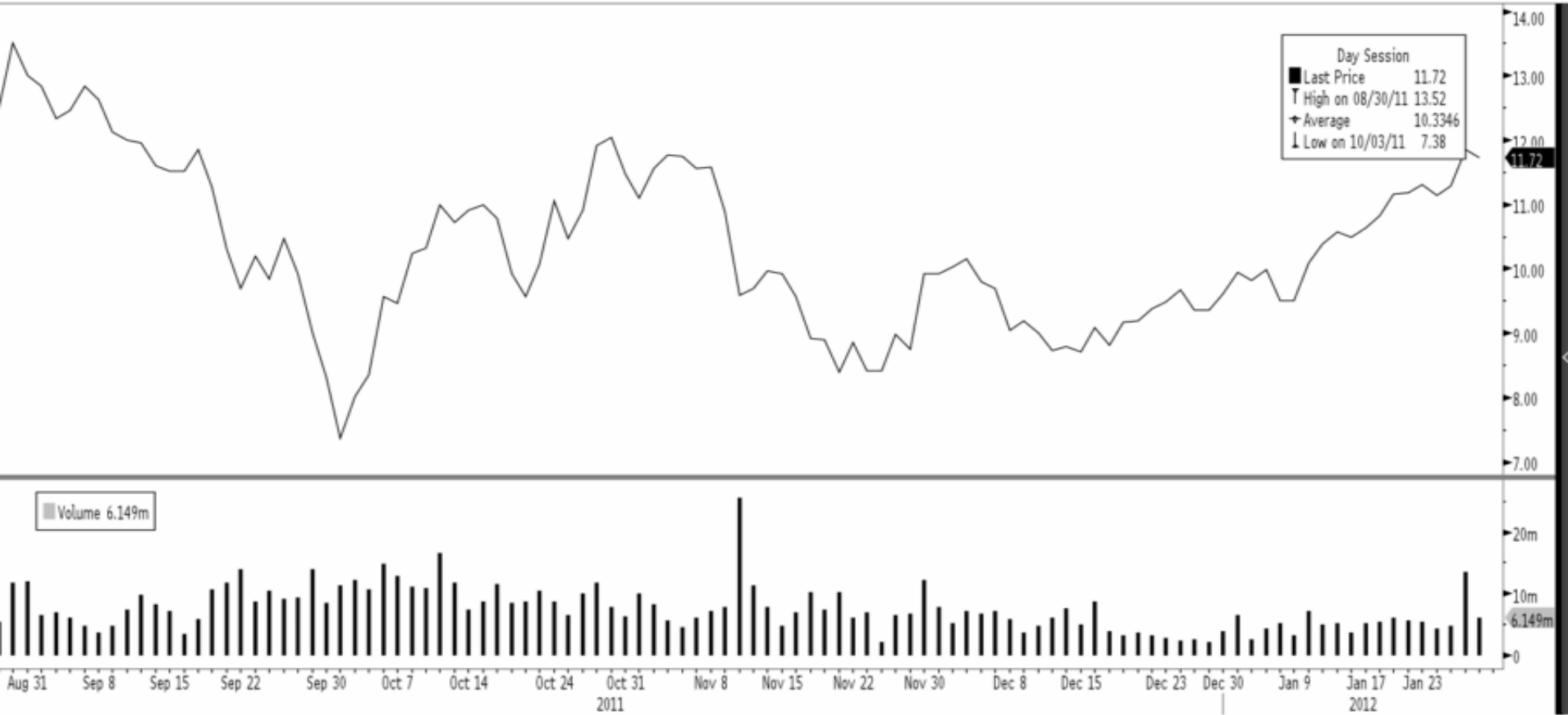
Technical Analysis



MPEL US \$ C **11.72** -.14 D ↑11.71/11.72 106x56 EquityGP
 As of Jan27 DELAYED Vol 6,148,660 Op 11.96 P Hi 11.96 P Lo 11.56 D

MPEL US EQUITY Save Chart Hide GP - Line Chart Page 1/4

Range 08/29/11 - 01/27/12 Upper Trade Line Mov. Avgs Currency USD
 Period Daily Lower Volume Mov. Avg Events



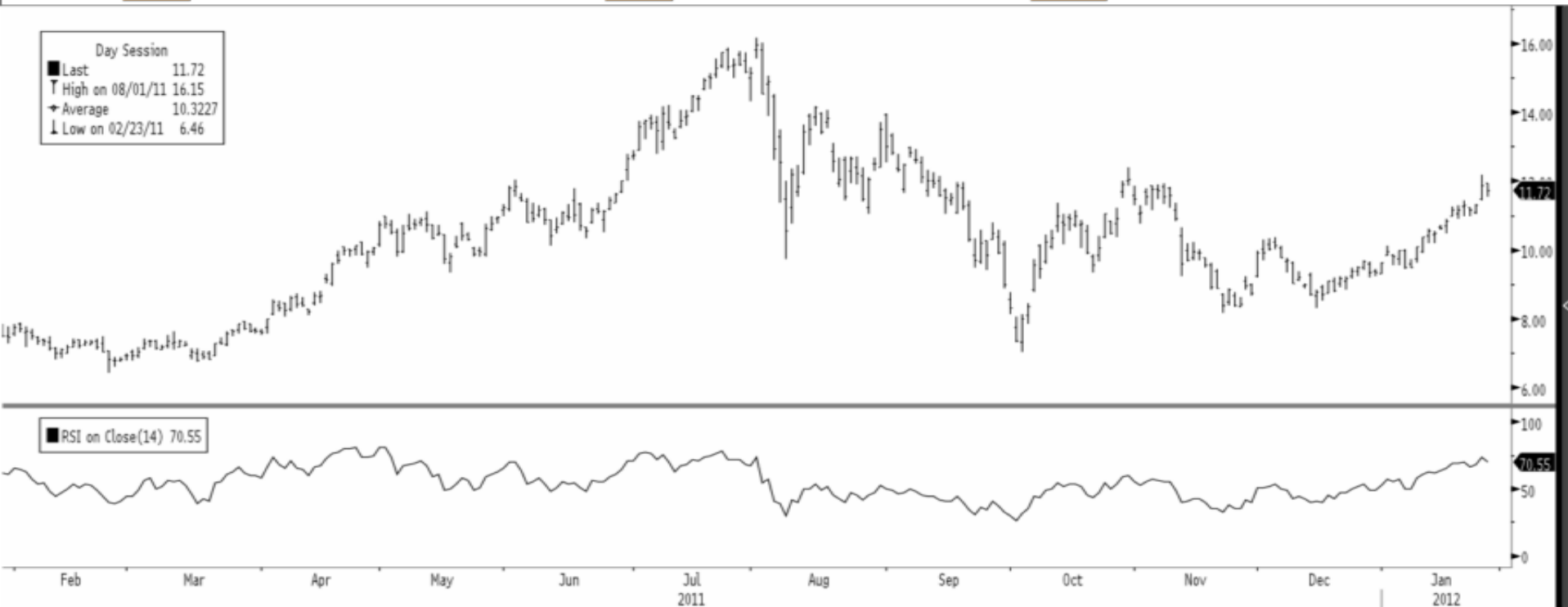
Relative Strength Index

MPEL US \$ C **11.72** **-.14** D **↑** 11.71/11.72 106x56 Equity **RSI**
 As of Jan27 DELAYED Vol 6,148,660 Op 11.96 P Hi 11.96 P Lo 11.56 D

MPEL US EQUITY Save Chart Hide Relative Strength Index Page 1/19

Range 01/27/11 - 01/27/12 Upper Bar Chart Mov. Avgs Currency USD
 Period Daily Lower None Mov. Avg Events
 RSI 14 OverB OverS

Day Session
 Last 11.72
 High on 08/01/11 16.15
 Average 10.3227
 Low on 02/23/11 6.46





Moving Average Convergence-Divergence

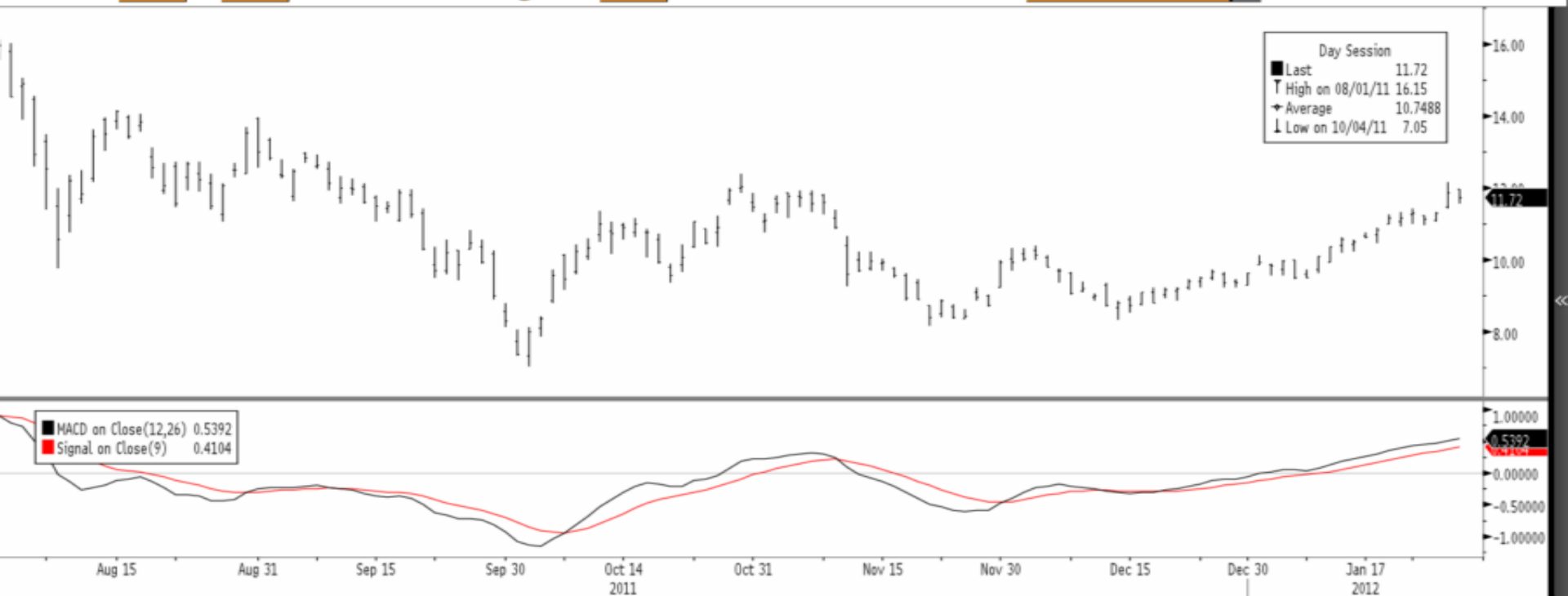
MPEL US \$ C **11.72** **-.14** D **↑**11.71/11.72 106x56 EquityMACD
 As of Jan27 DELAYED Vol 6,148,660 Op 11.96 P Hi 11.96 P Lo 11.56 D

MPEL US EQUITY Save Chart Hide Moving Avg Conv/Div Page 1/10

Range **08/01/11 - 01/27/12** Upper **Bar Chart** Mov. Avgs Currency **USD**

Period **Daily** Lower **None** Mov. Avg

MACD **12 - 26** Signal **9** MACDDiff **None** Events



Simple Moving Average

MPEL US \$ C **11.72** -.14 D ↑11.71/11.72 106x56 Equity **GPO**
 As of Jan27 DELAYED Vol 6,148,660 Op 11.96 P Hi 11.96 P Lo 11.56 D

MPEL US EQUITY Save Chart Hide GPO - Bar Chart Page 1/10

Range **08/01/11** - **01/27/12** Upper **Bar Chart** Mov. Avgs **50** **200** Currency **USD**
 Period **Daily** Lower **None** Mov. Avg **Events**



Fibonacci Retracement

MPEL US \$ C **11.72** -.14 D ↑11.71/11.72 106x56

Equity **GPF**

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MPEL US EQUITY Hide Fibonacci Retracement Page 1/10

Range **08/01/11** - **01/27/12** Upper **Bar Chart** Mov. Avgs Currency **USD**

Period **Daily** Lower **None** Mov. Avg Events



Bollinger Bands

MPEL US \$ C **11.72** **-.14** D **↑11.71/11.72** 106x56 Equity **BOLL**
 As of Jan27 DELAYED Vol 6,148,660 Op 11.96 P Hi 11.96 P Lo 11.56 D

MPEL US EQUITY Save Chart Hide Bollinger Bands Page 1/9
 Range **08/29/11 - 01/27/12** Upper **Bar Chart** Mov. Avgs Currency **USD**
 Period **Daily** Lower **None** Mov. Avg
 Boll **20** Upper Band **2.0** Lower Band **2.0** Bandwidth % B Shading



Recommendation

- Buy 300 shares of MPEL (Total cost of \$3450)
- Limit buy at \$11.50
- Aim to sell by April
- Aim to sell at \$13.25 (Potential gain: \$525)
- Stop loss at \$10.25 (Potential loss: \$375)

QUESTIONS?

THANK YOU!