



GENTING BERHAD

(Incorporated in Malaysia under Company No. 7916-A)

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THIRD QUARTERLY REPORT

Quarterly report on consolidated results for the third quarter ended 30 September 2001. The figures have not been audited.

CONSOLIDATED INCOME STATEMENT

		INDIVIDUAL QUARTER PRECEDING YEAR	CUMULATIVE PERIOD PRECEDING YEAR		
		CURRENT YEAR QUARTER 30/09/2001 RM'000	CORRES- PONDING QUARTER 30/09/2000 RM'000	CURRENT YEAR- TO-DATE 30/09/2001 RM'000	CORRES- PONDING PERIOD 30/09/2000 RM'000
1(a)	Revenue	<u>729,061</u>	<u>825,143</u>	<u>2,290,389</u>	<u>2,353,335</u>
(b)	Investment income	<u>1,420</u>	<u>570</u>	<u>4,460</u>	<u>8,557</u>
(c)	Other income	<u>13,949</u>	<u>36,708</u>	<u>38,839</u>	<u>78,049</u>
2(a)	Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	<u>347,994</u>	<u>412,187</u>	<u>1,025,824</u>	<u>1,000,484</u>
(b)	Finance cost	<u>(18,658)</u>	<u>(15,505)</u>	<u>(61,242)</u>	<u>(31,941)</u>
(c)	Depreciation and amortisation	<u>(61,218)</u>	<u>(55,645)</u>	<u>(179,028)</u>	<u>(160,425)</u>
(d)	Exceptional items	<u>(15,491)</u>	<u>(139,578)</u>	<u>(200,869)</u>	<u>(290,282)</u>
(e)	Profit/(loss) before income tax, minority interests and extraordinary items	<u>252,627</u>	<u>201,459</u>	<u>584,685</u>	<u>517,836</u>
(f)	Share of profits and losses of associated companies	<u>84,398</u>	<u>62,799</u>	<u>146,547</u>	<u>118,225</u>

		INDIVIDUAL QUARTER PRECEDING YEAR		CUMULATIVE PERIOD PRECEDING YEAR	
		CURRENT YEAR QUARTER 30/09/2001 RM'000	CORRES- PONDING QUARTER 30/09/2000 RM'000	CURRENT YEAR- TO-DATE 30/09/2001 RM'000	CORRES- PONDING PERIOD 30/09/2000 RM'000
(g)	Profit/(loss) before income tax, minority interests and extraordinary items after share of profits and losses of associated companies	337,025	264,258	731,232	636,061
(h)	Income tax	(93,739)	(99,214)	(276,437)	(267,075)
(i)	(i) Profit/(loss) after income tax before deducting minority interests	243,286	165,044	454,795	368,986
	(ii) Minority interests	(78,989)	(24,067)	(144,797)	(66,258)
(j)	Pre-acquisition profit/(loss), if applicable	-	-	-	-
(k)	Net profit/(loss) from ordinary activities attributable to Members of the Company	164,297	140,977	309,998	302,728
(l)	(i) Extraordinary items	-	-	-	-
	(ii) Minority interests	-	-	-	-
	(iii) Extraordinary items attributable to Members of the Company	-	-	-	-
(m)	Net profit/(loss) attributable to Members of the Company	164,297	140,977	309,998	302,728

		INDIVIDUAL QUARTER PRECEDING YEAR		CUMULATIVE PERIOD PRECEDING YEAR	
		CURRENT YEAR QUARTER 30/09/2001 RM'000	CORRES- PONDING QUARTER 30/09/2000 RM'000	CURRENT YEAR- TO-DATE 30/09/2001 RM'000	CORRES- PONDING PERIOD 30/09/2000 RM'000
3	Earnings per share based on 2(m) above after deducting any provision for preference dividends, if any :				
	(a) Basic [based on 704,338,954 ordinary shares] (sen)	23.3	20.0	44.0	43.0
	(b) Fully diluted [based on 704,338,954 ordinary shares] (sen)	23.3	20.0	44.0	43.0
4	(a) Dividend per share (sen)	-	-	6.5	6.5
	(b) Dividend description	-	-	Interim dividend per ordinary share, less 28% tax	Interim dividend per ordinary share, less 28% tax

GENTING BERHAD
CONSOLIDATED BALANCE SHEET

	UNAUDITED	AUDITED
	AS AT	AS AT
	END OF	PRECEDING
	CURRENT	FINANCIAL
	QUARTER	YEAR END
	30/09/2001	31/12/2000
	RM'000	RM'000
ASSETS		
1. PROPERTY, PLANT AND EQUIPMENT	4,497,946	4,194,854
2. REAL PROPERTY ASSETS	622,541	631,225
3. ASSOCIATED COMPANIES	2,073,666	1,927,242
4. OTHER LONG TERM INVESTMENTS	111,097	113,966
5. EXPLORATION COST	-	439,178
6. LONG TERM RECEIVABLES	38,775	10,081
7. CURRENT ASSETS		
Property development	122,739	117,340
Inventories	209,181	227,843
Trade & other receivables	256,319	241,428
Amount due from associated companies	1,324	4,061
Short term investments	751,632	546,824
Bank balances and deposits	1,222,401	846,711
	2,563,596	1,984,207
8. LESS CURRENT LIABILITIES		
Trade & other payables	505,257	537,236
Amount due to associated companies	491	-
Short term borrowings	132	385,585
Taxation	201,203	268,953
Dividends	32,963	63,390
	740,046	1,255,164
9. NET CURRENT ASSETS	1,823,550	729,043
	9,167,575	8,045,589
FINANCED BY		
10. SHAREHOLDERS' EQUITY		
SHARE CAPITAL	352,169	352,169
RESERVES		
Share premium	97,803	97,803
Revaluation reserve	384,180	384,548
Unappropriated profit	4,772,919	4,495,517
Exchange differences	47,707	54,053
	5,654,778	5,384,090
11. MINORITY INTERESTS	2,135,010	2,046,590
12. LONG TERM LIABILITIES		
Long term loans	1,166,589	406,588
Deferred taxation	10,559	15,238
Provision for retirement gratuities	181,477	179,833
Other liabilities	19,162	13,250
TOTAL LONG TERM LIABILITIES	1,377,787	614,909
	9,167,575	8,045,589
13. NET TANGIBLE ASSETS PER SHARE (RM)	8.03	7.64

GENTING BERHAD

NOTES TO THE QUARTERLY REPORT

1. The accounting policies and methods of computation adopted for the quarterly financial statements are consistent with those adopted for the audited financial statements for the year ended 31 December 2000.
2. The exceptional items for the current quarter and financial year-to-date refer to charges in respect of investments and exploration costs written off by the Oil and Gas Division. The comparative figure represents allowance for diminution in value of short term quoted shares.
3. There are no extraordinary items for the current quarter and financial year-to-date.
4. The breakdown of tax charges for the current financial year-to-date are as set out below :

	30/09/2001	30/09/2000
	RM'000	RM'000
Current taxation		
Malaysian taxation	253,025	214,868
Foreign taxation	556	720
	253,581	215,588
Under provision in respect of prior years	1,265	291
	254,846	215,879
Deferred taxation (credit)/charge	(3,950)	4,888
Share of taxation of associated companies	25,541	46,308
	276,437	267,075

The effective tax rate of the Group for the financial year-to-date is higher than the statutory tax rate due mainly to non deductibility of expenses for tax purposes such as charges relating to investments, loss on disposal of quoted shares, certain interest and other operating expenses as well as losses incurred in the Oil & Gas Division arising from exploration costs written off.

The effective tax rate of the Group for the current quarter is in line with the statutory tax rate.

5. The results for the current quarter and financial year-to-date do not include any profit or loss on sale of unquoted investments and properties which are not in the ordinary course of business.

6. (a) The dealings in quoted securities are as follows:

	Current quarter RM'000	Current financial year-to-date RM'000
Total purchase consideration	43,076	50,789
Total sales proceeds	12,973	102,049
Total profit/(loss) on sales	3,774	(2,232)

- (b) The details of the investments in quoted shares, excluding subsidiary companies and associated companies, as at 30 September 2001 are as set out below:

	RM'000
Total investments at cost	316,804
Total investments at book value	197,235
Total investments at market value	145,560

Certain long term quoted shares have not been written down to market values as the Directors deem that there is no permanent diminution in the value of these investments.

7. On 2 July 2001, Laila Ltd, an indirect 95% owned subsidiary of the Company, entered into a Sale and Purchase Agreement with BP Global Investments Ltd for the disposal of the entire equity capital in Cairns Ltd, which holds a 45% interest in the Muturi Production Sharing Contract ("PSC") in Irian Jaya, Indonesia.

The total consideration in cash comprised initial payments of USD106.8 million followed by payments of Deferred Consideration, commencing in the month in which commercial petroleum production attributable to the Contract Area occurs and ending with the Muturi PSC Termination.

The Deferred Consideration is based upon 30% of Cairns' Participating Percentage of 45% , applicable in essence, to the Muturi Contractor's pre-tax income. A sum of USD103.0 million was paid to Laila Ltd on 2 July 2001, whilst the balance sum of USD3.8 million will be paid on or before 31 January 2002. The initial cash proceeds of USD106.8 million will be used to finance future investments by the Company.

The disposal will not have any material effect on the net tangible assets of the Company and of the Group based on the latest audited financial statements for the financial year ended 31 December 2000.

Other than the above, there have been no material changes in the composition of the Group for the current quarter and financial year-to-date.

8. On 28 August 2001, the Company, through Commerce International Merchant Bankers Berhad announced its proposal to implement a new executive share option scheme ("ESOS") for eligible executives and Executive Directors of the Company and its subsidiaries. The ESOS, when approved, will be set up in accordance with the latest Securities Commission's Guidelines.

The maximum number of shares to be offered under the proposed ESOS shall not exceed 5% of the issued and paid-up share capital of the Company at the time of the offer. The proposed ESOS shall be for a period of 10 years.

The proposed ESOS is subject to and conditional upon approvals being obtained from the following:

- i) The Securities Commission;
- ii) The Kuala Lumpur Stock Exchange ("KLSE") for the listing of and quotation for the new ordinary shares to be issued pursuant to the exercise of the options under the proposed ESOS; and
- iii) The shareholders of the Company at an Extraordinary General Meeting to be convened.

As at 21 November 2001, the KLSE has approved the issuance of the Circular to shareholders of the Company in respect of the proposed ESOS.

9. There were no issuance and repayment of debt and equity securities, shares buy-back, shares cancellation, shares held as treasury shares and resale of treasury shares for the current financial year-to-date.
10. The details of the Group's borrowings and debt securities as at 30 September 2001 are as set out below:

	Secured/ Unsecured	Foreign Currency '000	RM Equivalent '000
Short term borrowings	Secured	-	-
	Unsecured	AUD 71	132
Long term borrowings	Secured	-	82,000
	Unsecured	SGD 100,000	220,400
		USD 26,000	98,800
		USD 200,000	760,000
	-	5,389	

11. There were no changes in contingent liabilities since the last financial year ended 31 December 2000 and up to 21 November 2001.
12. As at 21 November 2001, the Group has the following financial instruments with off balance sheet risks :
- (a) Foreign Currency Contracts

Currency	Contract Amounts '000	Transaction Dates	Expiry Dates
Swiss Francs	1,204	24/04/2001 to 16/11/2001	30/11/2001 to 27/12/2001
French Francs	7,761	24/04/2001 to 19/11/2001	30/11/2001 to 27/12/2001
US Dollars	9,492	29/01/2001 to 19/11/2001	26/11/2001 to 17/06/2002
Japanese Yen	263,443	15/10/2001 to 16/11/2001	28/11/2001 to 27/12/2001
Singapore Dollar	2,236	24/04/2001 to 15/11/2001	14/12/2001 to 28/12/2001
Euro	3,247	14/08/2001 to 16/11/2001	30/11/2001 to 22/03/2002
Australian Dollar	48	12/06/2001	23/11/2001 to 24/12/2001

As foreign currency contracts are entered into to hedge the Group's committed purchases in foreign currencies, the contracted rates will be used to translate the underlying foreign currency transactions into Ringgit Malaysia. The above contracts are entered into with licensed banks.

- (b) Singapore Dollar ("SGD")/US Dollar ("USD") Cross-Currency Swap ("CCS")

The Group issued Euro Medium Term Notes ("Notes") of SGD100 million at fixed interest rate on 26 May 2000. These Notes are due to mature on 26 May 2003.

The Group then entered into two CCS agreements, first on the issue date of the Notes and the second on 3 August 2000. The effect of the two CCS agreements is to convert the SGD Notes into a fixed rate USD liability.

The swaps terminate on the maturity of the loan, i.e. 26 May 2003.

(c) USD Interest Rate Swap (“IRS”)

- i) The Group also issued Notes for USD26 million on 16 June 2000. These Notes are due to mature on 16 June 2003.

The Group entered into an IRS agreement on 8 August 2000 and the effect of this transaction is to effectively fix the interest rate payable on that tranche of the loan.

- ii) On 25 April 2001, the Group had drawdown a loan amounting to USD200 million which was subjected to a floating interest rate based on LIBOR.

Subsequently, the Group entered into IRS agreements as follows:

Contract Amounts USD'000	Transaction Dates	Maturity Dates
30,000	13 August 2001	25/04/2003 to 25/04/2006
30,000	16 August 2001	25/04/2003 to 25/04/2006
20,000	22 August 2001	25/04/2003 to 25/04/2006
20,000	30 August 2001	25/04/2003 to 25/04/2006

The effect of the above swaps is to effectively fix the interest rate payable on that tranche of the loan with effect from 25 October 2001 and up to their respective maturity dates as set out above. The Group intends to enter into further interest rate swaps to convert the remaining portion of the loan of USD100 million from a floating rate to a fixed rate of interest.

These instruments are executed with creditworthy financial institutions and the Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Derivative financial instruments, which include interest rate swap agreements and interest rate and currency swap agreements, are used in the Group's risk management of foreign currency and interest rate risk exposures of its financial liabilities.

The Group uses interest rate swap agreements and interest rate and currency swap agreements in order to limit the Group's exposure in relation to underlying debt instruments resulting from adverse fluctuations in interest rates or foreign currency exchange rates and to diversify sources of funding.

Hedge accounting principles are applied for the accounting of the underlying exposures and their respective hedge derivative instruments. The related interest differentials paid or received under the swap agreements are recognised over the terms of the agreements in interest expense. The underlying foreign currency liabilities, which have been effectively hedged by currency swap agreements, and designated as a hedge, are translated in the respective hedged currencies, at their prevailing rates as at the reporting date.

13. As reported in the Second Quarterly Report dated 28 August 2001, Asiatic Development Bhd, a 54.9% owned subsidiary of the Company, had received an additional compensation pursuant to a Court Order and Certificate of Payment (“COCP”) in respect of a piece of freehold land and plantation compulsorily acquired by the government in 1996 and that the defendant has filed a Summon in Chambers to set aside the COCP. The hearing which was scheduled for 11 October 2001 has been postponed to 29 January 2002.

The Group had received legal advice that there is no legal basis for the above application and accordingly, the receipts had been recognised in the current quarter.

Other than the above, there are no pending material litigations as at 21 November 2001.

14. Segment analysis for the current financial year-to-date is set out below:

	Revenue		Profit/(Loss) Before Tax		Assets Employed	
	30/09/2001 RM'000	30/09/2000 RM'000	30/09/2001 RM'000	30/09/2000 RM'000	30/09/2001 RM'000	30/09/2000 RM'000
By activity						
Leisure & Hospitality	1,714,690	1,569,167	741,278	638,222	3,160,494	2,635,182
Plantations	108,627	129,100	17,609	31,181	493,591	478,575
Properties	39,054	79,138	8,959	4,910	1,142,081	1,196,514
Paper	284,477	334,836	7,525	69,072	999,673	881,593
Oil & Gas	32,674	11,186	(114,443)	(43,214)	49,026	455,551
	2,179,522	2,123,427	660,928	700,171	5,844,865	5,647,415
Investment in associated companies	1,648,412	1,246,303	146,547	118,225	2,092,591	1,368,848
Non-segment items						
-interest-bearing investments/ borrowings	-	-	(22,401)	46,108	1,728,141	2,489,027
- equity investments & others	110,867	229,908	(53,842)	(228,443)	242,024	791,447
	3,938,801	3,599,638	731,232	636,061	9,907,621	10,296,737
Adjustment relating to share of operating revenue of associated companies	(1,648,412)	(1,246,303)	-	-	-	-
	2,290,389	2,353,335	731,232	636,061	9,907,621	10,296,737

15. The Group registered a profit before taxation of RM337.0 million in the current quarter as compared to RM233.9 million in the preceding quarter. The higher profit before taxation in the current quarter is mainly due to a higher share of profit from an associated company of the Group, ie. Star Cruises Limited (“SCL”), of RM54.9 million compared to only RM9.0 million in the preceding quarter and also due to lower write-off of costs incurred in the Oil & Gas Division in the current quarter as compared to the preceding quarter. The higher profit before taxation in the current quarter was also due to the improved performance in the Plantation Division with better palm product prices. In addition, the current quarter’s results also included a net surplus of RM27.7 million received by the Plantation Division arising from disposals of land and additional compensation in respect of land compulsorily acquired by the government previously. The net surplus is included in ‘equity investments & others’ under Non-Segment items. However, the profit before taxation of the Leisure & Hospitality Division is lower due to lower visitor arrivals and lower luck factor during the current quarter as compared to the preceding quarter.

16. The Group registered a revenue and profit before taxation of RM729.1 million and RM337.0 million respectively for the current quarter as compared to a revenue and profit before taxation of RM825.1 million and RM264.3 million respectively for the previous year corresponding quarter. The lower revenue earned in the current quarter is mainly attributable to the lower proceeds received from the disposal of short-term quoted shares and the lower revenue generated by the Paper Division.
- The improved profitability in the current quarter as compared to the previous year corresponding quarter was due mainly to higher visitor arrivals which contributed to a better performance by the Leisure & Hospitality Division; a higher share of profit from SCL, due mainly to lower finance charges incurred in the current quarter; a substantially higher allowance for diminution in value of equity investments in the previous year corresponding quarter amounting to RM139.6 million; and also the additional compensation received by the Plantation Division in respect of land compulsorily acquired by the government previously, as mentioned in Note 15 above. However, the current quarter was affected by lower profits from the Paper Division due mainly to lower paper prices.
- The Group registered a revenue and profit before taxation of RM2,290.4 million and RM731.2 million respectively for the current financial year-to-date compared to a revenue and profit before taxation of RM2,353.3 million and RM636.1 million respectively for the previous year corresponding period. The higher profit is mainly attributable to increase in visitor arrivals for the Leisure & Hospitality Division; a higher contribution from SCL; and a substantially lower allowance for diminution in value of equity investments in the current financial year-to-date as compared to a charge of RM290.3 million in the previous year corresponding period. However, the current year's profit before taxation has been affected by the higher write-off of costs in the Oil & Gas Division and the lower results from the Paper Division.
17. There has not arisen in the interval between 30 September 2001 and 21 November 2001, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Company and of the Group.
18. The business operations of the Group's Leisure and Hospitality Division, Plantation Division and Paper Division are subject to seasonal fluctuations. The results of the Leisure and Hospitality Division are affected by major festive seasons and holidays. The production of fresh fruit bunches is seasonal in nature where crop normally peaks in the second half of the year.
19. Barring unforeseen circumstances, the Directors are of the opinion that the Group's performance is expected to be satisfactory for the remaining period of the financial year.
20. The Group did not issue any profit forecast or profit guarantee for the year.
21. (a) No dividend has been declared or recommended for the current quarter ended 30 September 2001.
- (b) Total dividend paid for the current financial year ending 31 December 2001 was an interim dividend of 6.5 sen per ordinary share of 50 sen each, less 28% tax.

22. As at 30 September 2001, the Company has 3,317,000 unissued ordinary shares outstanding under the Genting Employees' Share Option Scheme ("GESOS"). In accordance with the provisions laid down by MASB No. 13 on Earnings Per Share, share options are dilutive when they are issued for no consideration or where a portion of the outstanding share options are deemed dilutive in situations where the exercise price of the options is below its fair value.

Since the exercise price of the GESOS is above the fair value of the Company's shares for the current quarter and the financial year-to-date, the options are deemed non dilutive.

By order of the board

TAN SRI LIM GOH TONG
Chairman and Chief Executive
28 November 2001