



**GALAXY ENTERTAINMENT GROUP
REPORTS
SELECTED UNAUDITED Q1 2013 FINANCIAL DATA**

**RECORD GROUP ADJUSTED EBITDA OF \$2.8 BILLION,
UP 29% YEAR-ON-YEAR**

**GALAXY MACAU™ PHASE 2 WELL POSITIONED TO COMPLETE
AS MACAU'S NEXT MAJOR PROJECT BY MID-2015**

Hong Kong, 15 May 2013 – Galaxy Entertainment Group Limited (“GEG” or the “Group”) (HKEx stock code: 27) today reported selected unaudited 2013 first quarter financial data for the three months ending 31 March 2013.

FIRST QUARTER 2013 HIGHLIGHTS

GEG: Record High Earnings

- Revenue of \$15.2 billion, up 15% year-on-year and 6% sequentially
- Adjusted EBITDA of \$2.8 billion, up 29% year-on-year and 10% sequentially
- Latest twelve months Group Adjusted EBITDA increased year-on-year by 46% to \$10.5 billion

Galaxy Macau™: 7th Consecutive Quarter of Adjusted EBITDA Growth

- Revenue of \$8.9 billion, up 23% year-on-year
- Adjusted EBITDA of \$1.9 billion, up 48% year-on-year and 3% quarter-on-quarter
- Mass win of \$2.3 billion, up 42% year-on-year and 8% sequentially
- Achieved latest twelve months Return on Investment (ROI*) of 42%
- Strong hotel occupancy of 95% even with additional new capacity in Cotai

StarWorld: Rebounding Strongly with 2nd Highest Ever Quarter of Adjusted EBITDA

- Adjusted EBITDA of \$861 million, up 33% on Q4 2012 and 1% year-on-year
- Record mass win of \$802 million, growing 42% year-on-year and 14% sequentially, ahead of the market
- Strong hotel occupancy of 98%
- Achieved latest twelve months ROI* of 94%

Development Update: Galaxy Macau™ Phases 2, 3 & 4

- Construction of Phase 2 on budget and on schedule to be completed by mid-2015
- Phases 3 & 4 plans well advanced with construction targeted to commence by the end of 2013 / early 2014

Balance Sheet: Remains Healthy

- Cash on hand of \$16 billion as at 31 March 2013
- Net cash position of \$5.4 billion

Subsequent Events: Strategic Acquisition of the Grand Waldo Complex and GEG Inclusion in the Hang Seng Index

- Announced \$3.25 billion strategic acquisition of the Grand Waldo Complex in May 2013
- On 10 May 2013, the Hang Seng Indexes Company Limited announced that GEG would be included as a constituent to the Hang Seng Index effective on 17 June 2013

** ROI calculated based on the total Adjusted EBITDA for the latest twelve months divided by gross book value through 31 March 2013 including allocated land cost.*



Dr. Lui Che-woo, Chairman of GEG said:

“2013 has started well with GEG achieving records in quarterly earnings. Galaxy Macau™ delivered its 7th consecutive quarter of Adjusted EBITDA growth even as new capacity opened in Cotai, and StarWorld rebounded solidly.

Our first quarter results underscore the excellent progress we are making in optimising every component of Galaxy Macau™ so that it reaches its potential, and ensuring that new growth initiatives at StarWorld put the property firmly back on its growth trajectory. We are particularly pleased with the performance of our mass business at both of our flagship properties which continues to be the engine of growth.

Looking beyond the short term initiatives at our existing properties, we are greatly excited by our potential for growth in the medium and longer term. Phases 2, 3 & 4 of GEG on Cotai will offer fresh and captivating new products and service experiences that will reinforce Macau’s standing in the global leisure and tourism community. We are confident that they will prove highly popular with the expected influx of new visitors to Macau as major transport and infrastructure works transform access to and within Macau.

In addition, we are pleased that we will further extend our casino permitted landbank with the announcement of the strategic acquisition of the Grand Waldo Complex. We believe this will benefit the Group’s future development and enhance value for our shareholders.

Finally, I am particularly pleased that the Hang Seng Indexes Company Limited announced that GEG will be included as a constituent to the Hang Seng Index commencing on 17 June 2013.”

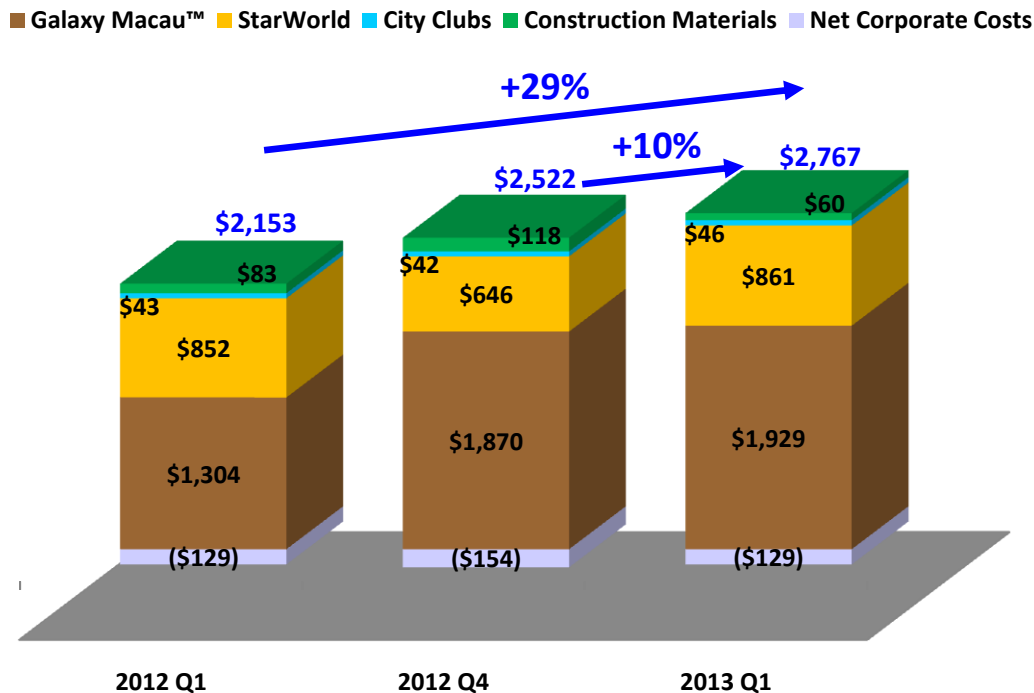
Group Financial Results

The Group registered a strong performance in the first quarter of 2013, achieving record Adjusted EBITDA of \$2.8 billion, an increase of 29% year-on-year and 10% quarter-on-quarter. As of 31 March 2013, the latest twelve months Group Adjusted EBITDA was up 46% year-on-year to \$10.5 billion. Group revenue in the period reached \$15.2 billion, an increase of 15% year-on-year and 6% quarter-on-quarter.

These results reflect increased operational efficiencies across the business, the continuously improving performance of Galaxy Macau™ and record mass win at both of our flagship properties. The VIP performance at both properties was solid.



Group Adjusted EBITDA (HK\$'m)



As of 31 March 2013, cash on hand stood at \$16 billion, including restricted cash of \$2.1 billion. Net cash at the period end was \$5.4 billion.

City Clubs and the Construction Materials Division made solid contributions.

Galaxy Macau™

Galaxy Macau™, GEG's game changing integrated resort in Cotai, generated revenue of \$8.9 billion in the first quarter, an increase of 23% year-on-year. Adjusted EBITDA increased for the 7th consecutive quarter to \$1.9 billion, an increase of 3% quarter-on-quarter and 48% year-on-year. Latest twelve months ROI climbed to 42%.

Adjusted EBITDA margin for the period improved to 22% (Q1 2012: 18%) calculated under HK GAAP, or 30% under US GAAP (Q1 2012: 26%).

Our growth rates are largely attributable to a stellar performance in the mass segment, with win growing by 42% year-on-year (versus market growth of 30%) and by 8% quarter-on-quarter (versus market growth of 6%).



VIP Gaming					
HK\$'m	Q1 2012	Q4 2012	Q1 2013	YoY%	QoQ%
Turnover	\$171,393	\$167,590	\$168,014	-2%	0.3%
Net Win	\$5,120	\$5,956	\$5,910	15%	-1%
Win %	3.0%	3.6%	3.5%		

Mass Gaming					
HK\$'m	Q1 2012	Q4 2012	Q1 2013	YoY%	QoQ%
Table Drop	\$5,871	\$6,497	\$6,694	14%	3%
Net Win	\$1,593	\$2,096	\$2,261	42%	8%
Hold %	27.1%	32.3%	33.8%		

Electronic Gaming					
HK\$'m	Q1 2012	Q4 2012	Q1 2013	YoY%	QoQ%
Slots Handle	\$4,346	\$5,484	\$6,187	42%	13%
Net Win	\$298	\$328	\$359	20%	9%
Hold %	6.9%	6.0%	5.8%		

In non-gaming, the property's compelling range of retail, dining and accommodation options resulted in a 17% year-on-year increase in revenue to \$383 million. Hotel occupancy for the quarter was an impressive 95%.

Development Update of Galaxy Macau™ Phases 2, 3 & 4

Construction of the 450,000 square metre Phase 2 of Galaxy Macau™, announced in April last year, continues apace with target completion expected by mid-2015. Expected to open as the next major project in Macau, together with Phase 1 it will boast the largest pan Asian cuisine selection under one roof; nearly 200 luxury retail outlets; meeting, events and banquet capacity for 3,000 guests; and, 3,600 luxury five star hotel rooms, suites and villas catering for a wide range of tastes. Management is confident that it will be a spectacular addition to Phase 1 and the Macau market.

Plans for the final two phases of GEG's landbank in Cotai are also nearing completion. Doubling the footprint of the first two phases, Phases 3 & 4 will significantly diversify GEG's product and service offering to include a multitude of new entertainment elements, including a state of the art multi-purpose 10,000 seat arena for world class entertainment and sporting events and a 50,000 square metre convention centre.



GEG believes that the ambitious \$50-\$60 billion project, predominantly targeting premium mass guests, will set a new benchmark for the global leisure and tourism industry, and prove pivotal in GEG securing a strong share of the expected influx of new visitors to Macau. Construction is targeted to commence by the end of 2013 or early 2014.

StarWorld Hotel & Casino

StarWorld, the Group's flagship property on the Macau peninsula, rebounded strongly in the first quarter, recording Adjusted EBITDA of \$861 million, a 33% increase on the previous quarter and its second best quarter ever. Revenue increased by 5% to \$5.8 billion.

Our improved results were a result of a number of factors including outperforming the market in the mass segment, where win climbed to an all-time high of \$802 million, an increase of 42% year-on-year and 14% quarter-on-quarter. In addition, there were positive signs of increased demand in the VIP market with volumes at the highest level since Q2 2012. A quarter-on-quarter VIP volume increase of 2%, coupled with a higher VIP win rate of 3.2%, led to 17% quarter-on-quarter growth in net win to \$4.8 billion. A number of new initiatives to enhance the performance of StarWorld are already benefiting the business.

VIP Gaming					
HK\$'m	Q1 2012	Q4 2012	Q1 2013	YoY%	QoQ%
Turnover	\$176,117	\$146,915	\$149,440	-15%	2%
Net Win	\$4,754	\$4,098	\$4,805	1%	17%
Win %	2.7%	2.8%	3.2%		

Mass Gaming					
HK\$'m	Q1 2012	Q4 2012	Q1 2013	YoY%	QoQ%
Table Drop	\$2,392	\$2,585	\$2,664	11%	3%
Net Win	\$564	\$706	\$802	42%	14%
Hold %	23.2%	26.7%	29.6%		



Electronic Gaming					
HK\$'m	Q1 2012	Q4 2012	Q1 2013	YoY%	QoQ%
Slots Handle	\$927	\$901	\$898	-3%	-0.3%
Net Win	\$62	\$66	\$64	3%	-3%
Hold %	6.6%	7.3%	7.1%		

StarWorld's hotel occupancy was 98% in the quarter. Latest twelve months ROI was an impressive 94% (Q1 2012: 91%).

City Clubs and Construction Materials Division

During the first quarter, City Clubs generated an Adjusted EBITDA of \$46 million, a year-on-year improvement of 7%.

The Construction Materials Division reported an Adjusted EBITDA of \$60 million, compared to \$83 million in Q1 2012 where the continued softness in the cement and slag markets in the Mainland was partially offset by healthy demand in Hong Kong and Macau.

Subsequent Events

Strategic Acquisition of the Grand Waldo Complex

In May 2013, we entered into an agreement to purchase 100% of the properties of the Grand Waldo Complex for a purchase price of \$3,250 million. The transaction is expected to complete in the third quarter of this year.

Grand Waldo is a casino, hotel & entertainment complex located adjacent to Galaxy Macau™ and our existing Cotai landbank. We consider this acquisition to be a strategic investment and it is expected to have strategic effect on GEG's development at Cotai.

GEG Inclusion as a Constituent to the Hang Seng Index

On 10 May 2013, the Hang Seng Indexes Company Limited announced that GEG would be included as a constituent to the Hang Seng Index effective on 17 June 2013.



Outlook

The evolution in the Macau gaming market to the higher margin mass segment has continued in 2013, with GEG successfully tapping into this growing demand as a result of its 'World Class, Asian Heart' product and service offer, and improved accessibility through infrastructure initiatives. Alongside this, there have been positive signs that demand in the VIP segment is regaining momentum.

GEG remains confident in Macau's prospects for 2013 and beyond, with an improving economy, further planned wide reaching infrastructure and transport improvements and a supportive local government, all facilitating growth in consumer consumption and increased visitation to Macau.

By gradually monetising our casino permitted landbank with the acceleration of Galaxy Macau™ Phase 2 and advancing with our Phases 3 & 4 development plans, our well defined short, medium and longer term development strategy is unlocking the Group's earnings potential and moving us closer to achieving our vision to be 'globally recognised as Asia's leading gaming and entertainment corporation' and enhance Macau's position as a world class tourism destination.

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About Galaxy Entertainment Group Limited (HKEx stock code: 27)

Galaxy Entertainment Group Limited (“GEG”) is one of Asia’s leading gaming and entertainment corporations. GEG develops and operates hotels, gaming and integrated resort facilities in Macau. Through its subsidiary Galaxy Casino, S.A., GEG holds a gaming concession in Macau, the only legal gaming location in China and the fastest growing gaming market in the world.

The two flagship properties of GEG include Galaxy Macau™, a world class integrated destination resort opened in May 2011 at Cotai, and StarWorld Hotel and Casino, an award-winning property opened in 2006 on the Macau peninsula.

In April 2012, GEG announced the development of Galaxy Macau™ Phase 2 that will nearly double the size of the existing resort to one million square metres. Upon its completion by mid-2015, Galaxy Macau™ Phase 2 will bring to Macau some of the most exciting and game-changing entertainment, leisure, retail and MICE facilities. In December 2012, GEG outlined its concept plans for Phases 3 & 4 of its Cotai landbank. We expect to commence construction by the end of 2013 / early 2014 with a targeted phased opening between 2016 and 2018. Predominantly targeting premium mass guests, it will provide an unparalleled array of resort amenities and GEG expects it to set a new benchmark for the industry and support the government in developing Macau into a world centre of tourism and leisure.

Additionally, GEG operates City Clubs Casinos in Macau and a Construction Materials Division.

For more information, please visit www.galaxyentertainment.com