



**Galaxy Announces 2005 Annual Results**  
**Profit Attributable to Shareholders reaches HK\$2,395 million**  
**2006 to be a Rewarding Year for Galaxy**

**Apr 11, 2006**

(Hong Kong, 11 April 2006) - Galaxy Entertainment Group Limited ("Galaxy") (stock code: 27) today announced its annual results for the year ended December 31, 2005. The results of its newly acquired casino and entertainment business operated through Galaxy Casino S.A. ("Galaxy Casino") are for the five months' period ending 31 December 2005. The fast developing and exciting gaming and entertainment business in Macau will be the major growth driver for Galaxy for the future.

Galaxy's turnover and profit attributable to shareholders for the year ended December 31, 2005 were HK\$1,292 million and HK\$2,395 million, as compared to HK\$1,299 million and HK\$56 million from the previous year. Galaxy's turnover was marginally lower than that of last year while profit attributable to shareholders increased significantly by approximately 42 times, based on the excess of fair value of net assets acquired over cost of acquisition of 88.1% of the voting shares (being 97.9% of the economic interest) in Galaxy Casino. Basic Earnings per share reached HK110.7 cents, representing a substantial growth over 2004 figure of HK4.4 cents. The board of directors has resolved not to declare any final dividend for the year ended 31 December 2005 while the Company is in the current growth and construction phase.

**Mr. Francis Lui, Deputy Chairman of Galaxy**, said, "2005 marks a significant milestone in the Group's development history. First, Galaxy successfully acquired Galaxy Casino, which has substantially increased our market value to nearly HK\$25 Billion, and changed its name to Galaxy Entertainment Group Limited. This strategic acquisition has resulted in us becoming the first Hong Kong-listed company to control a Gaming Concession in Macau and provides us with a strong platform for our future development. Secondly, we have successfully issued a US\$600 million bond offering during the year to finance our construction plans. Our bond issue is rated B+ by Standard & Poor's and B1 by Moody's, which means Galaxy Casino is the first and only Macau company to have successfully entered the international debt market. The ratings are also important because they evidence the international rating agencies' recognition of Galaxy's business model and confidence in its management."

**Gaming and Entertainment Division - Platform for enormous growth, gaming tables to surge nearly 10 times in 2006**

During 2006, Galaxy will start to benefit from all the hard work in 2004 and 2005. With the opening

of two new city club casinos and StarWorld, Galaxy will increase its number of gaming tables by nearly 10 times from 63 tables in 2005 to 600 tables in 2006. This will account for approximately 25% of the total gaming tables in Macau at the end of 2006. The construction of Galaxy's flagship project continues smoothly, and management is confident Galaxy can efficiently develop its mass-market business with considerable gross profit resulting from hotel and casino operations.

Gaming revenue in Macau, one of the largest and fastest growing gaming centres in the world, is forecast to increase 14% from last year to approximately HK\$50 billion (US\$6.4 billion) in 2006. Tourist arrivals from China continue to grow at an astonishing rate and reached record high in both January and February 2006. The entertainment and leisure markets in Macau are expected to be increasingly popular following the Chinese government recent announcement to include a further five cities into its F.I.T. traveler scheme. To capture the growth opportunities offered by the Macau market, Galaxy has in place a strategic business plan particularly directed to Chinese customers in order to create a world class and Asian oriented entertainment and leisure facilities and services.

#### **StarWorld, a new landmark of Macau**

Galaxy's flagship casino hotel resort - StarWorld Hotel & Casino - will be one of the two major Macau casinos opening in 2006. Located in the strategic gaming hub of downtown Macau, Avenida da Amizade and being the tallest hotel in Macau, StarWorld will become a central casino landmark and a major tourists attraction in the city. It will have a total of 290 gaming tables. The construction of StarWorld is in progress as planned and its Casino is expected to commence operation in August of 2006.

#### **Galaxy Cotai Mega Resort**

The development and construction of the Galaxy Cotai Mega Resort has been inaugurated. Galaxy Cotai Mega Resort will be a one-stop destination for gaming, entertainment, retail and cuisines and will feature gaming space in excess of 25,000m<sup>2</sup> with over 450 gaming tables. We target to commence operation in Galaxy Cotai Mega Resort in early 2008.

#### **Galaxy City Clubs**

In addition to the 63 gaming tables in Waldo Casino, Rio Casino has now commenced operation with 75 gaming tables on its main gaming floors and 15 VIP gaming tables in the luxurious VIP rooms on the top floors. Grand Waldo Casino is also expected to start operation in the next few weeks with 160 gaming tables.

The opening of StarWorld and the new city clubs will enable Galaxy to substantially boost its market share.

#### **Outlook - Macau as key growth driver for Galaxy**

Mr. Lui concluded, "As one of the only three Gaming Concessions holders in Macau and with its

significant land bank, Galaxy has the strength and commitment to create world class and Asian oriented entertainment and leisure facilities and services. We are confident in the prospects for Galaxy and strongly believe Galaxy can outperform this year. We have proven and will continue to prove our strengths and capabilities to the market. Galaxy will continue its effort to deliver value to its shareholders with a strong and positive business performance in 2006."

**Construction Materials Division - Building upon solid foundation**

During 2005, the business development of the construction materials division remains stable in Hong Kong. The division expanded its construction materials business in Hong Kong through acquisition during the year. It also established operations in Macau to capitalize on the continuous substantial demand for quality construction materials in the city. With the effects of the mainland's macro economic measures, the division has consolidated its businesses throughout the country to ensure stable returns for Galaxy in the future.