



Galaxy Announces 2006 Interim Results

Market Share Continues to Grow, Reaching 19.3% for June StarWorld to Open on 19th October

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(Hong Kong, 13th September 2006) - Galaxy Entertainment Group Limited ("Galaxy") (stock code: 27) today announced its interim results for the 6 months ended 30th June 2006. Galaxy's fast developing gaming and entertainment business in Macau will be the major growth driver for the future.

Following the acquisition of Galaxy Casino S.A., gaming and entertainment has become the major business of the Group. Galaxy's turnover for the six months ended 30th June 2006 was HK\$1,306 million, an increase of 142% from HK\$540 million for the corresponding period last year. Gaming and entertainment division contributed a turnover of HK\$741 million (including net gaming wins of 2 city club casinos and profit entitlement in the other 2 city club casinos) to the Group. Total net gaming wins of all 4 city club casinos reached HK\$840 million and HK\$1.4 billion for the first and second quarter of 2006 respectively, which represented a market share of 7% and 11.7%, correspondingly. The numbers for June 2006 were particularly strong for Galaxy, with total net wins reaching HK\$737 million, representing a market share of approximately 19.3%.

As a result of the amortisation of the gaming licence of HK\$495 million which arose from the acquisition of 88.1% of the voting shares carrying 97.9% of the economic interest in Galaxy in July 2005, and pre-opening expenses of the Group's casino projects of HK\$87 million, the Group incurred a loss attributable to shareholders of HK\$734 million, as compared to the profit of HK\$14 million respectively for the corresponding period last year. Basic loss per share was HK22.3 cents, as compared with earnings per share of HK1.1 cents in 2005. The board of directors has resolved not to declare any interim dividend for the six months ended 30th June 2006.

Dr. Che-woo Lui, Chairman of Galaxy, said, "Galaxy is doing better each and every day in our gaming operations as shown in our net win numbers for first half 2006. Our market share has shown impressive growth and jumped from about 7% in the first quarter to 19.3% for the month of June, reflecting the profitability of our four city clubs in operations."

Galaxy also announced today that StarWorld Hotel and Casino, the first flagship casino hotel built and operated by the Group, will open on 19th October. "We believe that with StarWorld opening soon, Galaxy is set to capture an even larger share of the Macau gaming market, and the Group is poised for substantial growth in the near future," said Dr. Lui.

