



[For immediate release]

Solid Start to the Year with Strategic Initiatives

StarWorld Sustains Strong Growth Momentum Amid Competition Galaxy mega resort area 1 Development in Good Progress

(19 June 2008, Hong Kong / Macau) Galaxy Entertainment Group Limited ("Galaxy" or "the Group" HKSE: 0027), a leading gaming and entertainment group in Asia, continues to deliver solid results entering 2008. Despite the increasingly competitive market, StarWorld sustains strong growth momentum and construction of Galaxy mega resort area 1 is progressing on schedule with opening planned for mid-2009.

Jumbo VIP Room to be Next Growth Driver for StarWorld

StarWorld recorded solid growth for the first quarter of 2008, total gaming revenue increased by 26% quarter-on-quarter to HK\$1.75 billion, VIP gaming revenue alone leaped 49% quarter-on-quarter to HK\$1.4 billion with EBITDA reaching HK\$183 million.

Galaxy is committed to excelling within the high growth VIP sector. To ensure Galaxy's continuing success within this important sector Galaxy has reached an agreement with a leading VIP promoter to launch a Jumbo VIP room within StarWorld. This initiative will be the catalyst for StarWorld's continued growth and success. Regulatory approval has been granted to proceed with this Jumbo VIP room and capital works for this facility are well advanced. We expect the fitting-out of this premier facility to be completed soon and we will be in a position to announce further details in the very near future.

Dr. Che-woo Lui, Chairman of Galaxy, commented: "This VIP promoter agreement is expected to significantly boost Galaxy's EBITDA and Return on Investment. We are confident that our Jumbo VIP Room will further increase our share of the Macau gaming market and generate significant additional profit for the Group. We are delighted that StarWorld, Galaxy's Flagship facility will host our VIP partner."

Future Growth Engine of Galaxy – Galaxy mega resort area 1 in Solid Progress

Construction of Galaxy mega resort area 1 is progressing on schedule with opening planned for mid-2009. Following the two exciting agreements signed with luxury hotel operators Banyan Tree and Hotel Okura, the entire area 1 of the Galaxy mega resort is now in place.

Banyan Tree is a leading Asian resort hotel operator, with 23 resorts and hotels, and 64 spas around the world. Banyan Tree will design and operate a 254-room resort hotel inside the Galaxy mega resort. The hotel will include 238 luxurious suites, 16 floating villas with private pools, cabanas, and a specially designed world class spa featuring a wide array of holistic treatments and therapies.



Hotel Okura is a leading hotel brand in Japan and Korea that prides itself on earning consistent acclaim for its hospitality and luxurious guest services in Tokyo and around the world. Hotel Okura will manage a luxury hotel with approximately 410 five-star rooms in area 1 of the mega resort.

Prominently located on the single largest site in Cotai, the Galaxy mega resort will be a must visit destination in Macau and Asia. Its opening combined with the continued success of the Group's flagship StarWorld property will thereby make Galaxy a leading gaming and entertainment group in Asia.

Galaxy is confident in the future success of Macau and in the continuing growth for the gaming and entertainment industry. Galaxy believes that the recently announced Macau Government initiatives are very positive for the industry and will promote a sustainable and healthy gaming and entertainment industry. As one of Macau's leading gaming operators, Galaxy pledges its full support of the Macau Government and welcomes these forward thinking initiatives including: a proposed cap on junket commissions, a cap on the number of gaming tables, no further gaming licenses to be issued and no additional land to be allocated to casinos.

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About Galaxy Entertainment Group

Galaxy Entertainment Group Limited, through its subsidiary, Galaxy Casino, S.A., holds a Macau gaming concession. Galaxy is authorized to carry on casino games of chance in Macau which is the only legal gaming location in China.

The construction of the Galaxy mega resort including the first hotel tower of 1,500 rooms, casino and entertainment complex is on track to open in mid 2009. Galaxy's second tower with approximately 700 rooms, suites and villas is expected to be completed during 2009. Galaxy is well positioned for long-term growth in Cotai with an approved master plan to develop an additional 10.4 million sq ft GFA.

In addition, Galaxy owns and operates StarWorld Hotel and Casino — a luxury 5-Star property located on the Macau peninsula, and operates four City Club Casinos in Macau.

For more details, please visit <http://www.galaxyentertainment.com/eng>

For more information please contact:

Peter J Caveny
Principal Investor Relations
Galaxy Entertainment Group
Telephone: +852 – 3150 – 1111
Email: pcaveny@galaxyentertainment.com