

[For Immediate Release]

Galaxy Announces Management Update & Selected Unaudited 2009 Second Quarter Performance Information

Galaxy Records Three Consecutive Quarters of EBITDA Growth StarWorld Records Four Consecutive Quarters of EBITDA Growth

(Hong Kong, 30 July 2009) – Galaxy Entertainment Group Limited (“Galaxy” or the “Group”) (stock code: 27) today announces its management update and Selected Unaudited 2009 Second Quarter Performance Information.

Key highlights as follows:

- Galaxy records three consecutive quarters of EBITDA growth with HK\$264 million for the Q2, 2009
- StarWorld continues to outperform the market with four consecutive quarters of EBITDA growth, Q2, 2009 EBITDA exceeded Q2, 2008 EBITDA by 91%
- Galaxy maintained Market Share despite significant new competition entering the market
- StarWorld’s VIP volumes remain very solid
- Opened new VIP rooms totalling 16 tables in June
- Renovated mass gaming area with re-launch scheduled for August 2nd, 2009
- Continuing with construction at Cotai, opening to be aligned with improving economic conditions
- Continued to manage prudently and strengthen the balance sheet with additional debt repurchases
- Remain liquid with HK\$5.4 billion of cash and reported “net cash” at June 30
- StarWorld was awarded the “Best Casino Interior Design”, the “Best Hotel Brand for Customer Satisfaction” and “Top 10 Leisure Hotels of China”.



Galaxy Entertainment Group's EBITDA (earnings before interest, taxation, depreciation, amortization and non-recurring items) for the combined Q1 and Q2, 2009 was HK\$496 million up 86% versus the same period in 2008.

Throughout the second quarter of 2009, Galaxy maintained its market share at 12% despite significant new gaming supply entering the market and 50% of StarWorld's Mass Gaming Floor being out of commission for the second half of the reporting period due to a refit of the gaming floor.

Mr Francis Lui, Deputy Chairman of Galaxy Entertainment Group said, "We are pleased to report that Galaxy continues to outperform the market with StarWorld generating four consecutive quarters of EBITDA growth and maintaining market share against significant new capacity and competition. We also took the opportunity to further strengthen our balance sheet through additional debt buybacks."

StarWorld

StarWorld continued to drive exceptionally strong EBITDA with four consecutive quarters of EBITDA growth. Q2, 2009 EBITDA increased 91% to HK\$214 million compared to Q2, 2008.

During the second quarter of 2009, we opened 16 additional VIP tables at StarWorld by introducing new VIP operators. We also commenced refitting the Mass Gaming area which will enhance our customer appeal and improve the quality of offering to our Mass gaming customers. We are on schedule to re-launch the Mass gaming area on August 02, 2009.

StarWorld's hotel occupancy remains strong with occupancy for the quarter of 85% and an ADR of HK\$1,009. StarWorld has recently been awarded the "Best Hotel Brand for Customer Satisfaction" at the 2009 China Hotel Golden Horse Awards and was previously awarded the "Best Casino Interior Design" at the International Gaming Awards and the "Top 10 Leisure Hotels of China" at the Asia Hotel Forum's China Hotel Starlight Awards.

StarWorld's segmented revenue results for the quarters were as follows:

VIP Table Games:

VIP	Q1	Q2	6 months
VIP Table Turnover HK\$	\$55 b	\$54 b	\$109 b
Win %	3.0%	3.2%	3.1%
Gaming Revenue HK\$	\$1.6 b	\$1.7 b	\$3.3 b

Mass Table Games:

Mass Tables	Q1	Q2	6 months
Table Drop HK\$	\$1.5 b	\$1.4 b	\$2.9 b
Win %	16.8%	13.4 %	15.2%
Gaming Revenue HK\$	\$253 m	\$187 m	\$440 m



CityClubs and Construction Materials

Both CityClubs and Construction Materials had a solid quarter. CityClubs contributed HK\$38 million in EBITDA to the Group and Construction Materials contributed HK\$60 million. We are starting to see signs that Construction Materials may be benefiting from the Central Government's stimulus package with increased spending on infrastructure and the division is well positioned for future growth.

Cotai Development

We continue with the construction of Cotai and are on schedule to complete the external building works by the end of this calendar year. We also continue to monitor the global economy and will align the opening of the project to a time of improving economic conditions.

Strengthened Balance Sheet

During the period, we took the opportunity to further strengthen Galaxy's already strong balance sheet through the repurchase of an additional HK\$210 million (US\$27 million) of debt at approximately 50 cents on the dollar. After this debt repurchase, Galaxy's cash on hand as at 30 June was HK\$5.4 billion. The Group was net cash positive as at June 30, or alternatively the Group's cash balance was greater than the Group's level of debt.

Outlook for second half of 2009

We are cautiously optimistic on the outlook for the second half of 2009. There are a number of key events occurring during the second half of the year which we view will be most beneficial to Macau. These are:

- Election of new Macau Chief Executive
- Establishment of Macau Gaming Chamber
- Potential implementation of commission cap
- Election of the new Macau Legislative Assembly
- Celebration of 60th anniversary of the founding of the People's Republic of China
- Celebration of 10th anniversary of Macau reverting to Mainland China

Specifically at StarWorld, our flagship Casino Hotel, we have grown revenue and EBITDA for the past four consecutive quarters and we are well positioned for further growth having added additional VIP Promoters during June and added another VIP Promoter in early July. We also plan to re-launch our Mass gaming area on August 2nd, 2009 after the completion of a facilities upgrade and re-fit.



Financial Results Announcement for First Half of 2009

Galaxy anticipates being able to provide full Second Quarter and First Half 2009 financial results on the completion of the company's half year review by our Auditors as required by the Hong Kong Stock Exchange Listing Rules. We expect this review to be completed in late September 2009.

US GAAP Comparisons

In comparing Galaxy's results to those of US corporations whose results are prepared under generally accepted accounting principles in the United States ("US GAAP"), it should be noted that gross gaming revenues, presented under US GAAP, are reduced by commissions and discounts paid to players, to arrive at net gaming revenues. An adjusted EBITDA margin would then be calculated based on these reduced net gaming revenues, resulting in a significantly higher EBITDA margin than that calculated under Hong Kong accounting standards. Galaxy complies with Hong Kong accounting standards.

	StarWorld's EBITDA Margin	
	Q2, 2009	First Half 2009
Under US GAAP	17.6%	17.1%
Under HK GAAP	10.6%	10.4%

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

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

Galaxy Entertainment owns and operates StarWorld Hotel and Casino — a luxury 5-Star property located on the Macau peninsula, and operates four CityClub Casinos in Macau. The Group is well positioned for long-term growth on the Macau peninsula and in Cotai where the Group is developing a major resort.

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

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