

For Immediate Release

Galaxy Entertainment Group announces 3Q 2009 results

StarWorld outperforms the market with fifth consecutive quarter of revenue and EBITDA growth

Galaxy Macau resort to open in the first quarter of 2011

(Hong Kong, 11 November 2009) – Galaxy Entertainment Group Limited (“Galaxy” or the “Group”) (stock code: HK 27) today announces the unaudited financial performance of the Company and its subsidiaries (collectively the “Group”) for the third quarter ended 30 September 2009.

Key Highlights:

- Galaxy records fourth consecutive quarter of EBITDA growth
- StarWorld continues to outperform the market with record VIP turnover and fifth consecutive quarter of revenue and EBITDA growth
- StarWorld’s Q3 2009 VIP turnover up 50% over Q2 to an all-time record HK\$81 billion
- Strong and liquid balance sheet with HK\$3.8 billion of cash
- Completed the acquisition of the Cotai site, securing Galaxy’s long-term development future
- Galaxy Macau resort in Cotai to open in Q1 2011; estimated budget of HK\$14.1 billion

During the quarter under review, Galaxy’s revenue was HK\$2,853 million, an increase of 16% over Q3, 2008 and an increase of 5% over Q2, 2009. Galaxy’s EBITDA (earnings before interest, taxation, depreciation, amortization and non-recurring items) for Q3, 2009 was HK\$278 million, a slight increase versus Q2, 2009 but up 181% compared to Q3, 2008.

Dr. Lui Che Woo, Chairman of Galaxy Entertainment Group said: “Galaxy continued to demonstrate strong growth momentum during the third quarter, with StarWorld outperforming the market and recording its fifth consecutive quarter of revenue and EBITDA growth and reported market leading occupancy levels.”



StarWorld

In the third quarter of 2009, StarWorld delivered its fifth consecutive quarter of revenue and EBITDA growth. VIP turnover was HK\$81,107 million, an increase of 50% compared to Q2, 2009. Revenue and EBITDA reached HK\$2,195 million and HK\$218 million respectively, increases of 8% and 1% compared to Q2, 2009.

StarWorld experienced a below average VIP win rate of 2.3% during the quarter, well under the theoretical expected win rate of 2.8%. On a normalized basis (at the win rate of 2.8%) Galaxy would have reported an EBITDA of approximately HK\$300 million for the quarter.

Occupancy of StarWorld Hotel, which remains Macau's only Five Star Diamond award winning hotel, was 97% up from 85% in Q2, 2009 and well above the average of Macau's Five Star Hotels in the quarter of 76%. StarWorld's average daily rate (ADR) remained solid at HK\$1,020 for the quarter.

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

VIP Table Games:

VIP	Q1	Q2	Q3
VIP Table Turnover (HK\$)	\$55 b	\$54 b	\$81 b
Win %	3.0%	3.2%	2.3%
Gaming Revenue (HK\$)	\$1.7 b	\$1.7 b	\$1.8 b

Mass Table Games:

Mass Tables	Q1	Q2	Q3
Table Drop (HK\$)	\$1.5 b	\$1.4 b	\$1.5 b
Win %	16.8%	13.4%	15.6%
Gaming Revenue (HK\$)	\$253 m	\$187 m	\$230 m

City Clubs and Construction Materials

Both City Clubs and Construction Materials had a solid quarter. City Clubs contributed HK\$41 million in EBITDA to the Group and Construction Materials contributed HK\$63 million. The Group continues to see signs that Construction Materials may be benefiting from the Chinese Central Government's stimulus package which saw increased spending on infrastructure, and the division is well positioned for future growth.



Cotai Development

When complete, Galaxy Macau will be Macau's first fully-integrated resort destination with a total area of approximately 550,000 square meters, 2,200 hotel rooms, suites and floating villas and more than 7,700 predominantly local staff.

Galaxy Macau will house the Group's own highly regarded five star Galaxy Hotel (based on the hugely successful StarWorld property), the five star Japanese Okura Hotel and an ultra exclusive Banyan Tree suite and villa complex; together comprising three very diverse and world-class Asian hotel brands.

The resort's gaming facilities will have a capacity of over 600 tables and 1,200 electronic gaming machines in five auspiciously themed areas. Above the gaming facilities will be a 52,000 square meter oasis resort, with the world's largest sky wave pool, a beach comprising 350 tonnes of white sand, lush gardens and water falls. A carefully selected portfolio of more than 50 largely Asian food and beverage outlets and two distinct areas of retail will further add to Galaxy Macau's uniquely Asian offering.

Completion of the building's exterior is imminent and internal fit-out will follow early in 2010 with opening in the first quarter of 2011. Galaxy is forging numerous partnerships to ensure world-class concept, construction, and services, creating an authentic Asian customer experience. The total budget for the development will be approximately HK\$14.1 billion.

Commenting on Galaxy Macau, Dr. Lui Che Woo, Chairman of Galaxy Entertainment Group said: *"We are extremely excited about the opening of Galaxy Macau. As the first element in a multi-phase long-term development plan, this project is a clear statement of our confidence and conviction in the potential of Macau."*

Strengthened Balance Sheet

During Q3, 2009 the Group took the opportunity to further strengthen Galaxy's already strong balance sheet through the repurchase of an additional HK\$117 million (US\$15 million) of debt. After this debt repurchase, Galaxy's cash on hand as at 30 September was HK\$3.8 billion.

Outlook for the Fourth Quarter of 2009

Dr. Lui Che Woo, Chairman of Galaxy Entertainment Group said: *"We are cautiously optimistic about the outlook for the fourth quarter of 2009. The macro trends are good and we are expecting Macau to achieve healthy growth based on, the new Macau Chief Executive taking office; continuing progress of the Macau Gaming Chamber in cooperation with the Macau Government to maintain healthy sustainable growth in the market; and the celebration of 10th anniversary of Macau reverting to Mainland China"*



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		
	Q1 2009	Q2 2009	Q3 2009
Under US GAAP	16%	18%	17%
Under HK GAAP	10%	11%	10%

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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 and has a substantial development landbank.

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

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