



銀河娛樂集團
Galaxy Entertainment Group

[For Immediate Release]

Galaxy Announces 2009 Fourth Quarter and Annual Results

Group Full Year EBITDA More Than Doubled to HK\$1.12 billion

StarWorld All-Time Record EBITDA in Q4, up 59% to HK\$346 million

Hong Kong, 20 April 2010 - Galaxy Entertainment Group (“GEG” or “the Group”) (HKSE stock code: 027) today reported record results for the three and twelve month periods ending 31 December 2009.

2009 Fourth Quarter and Full Year Highlights

GEG:

- Fifth consecutive quarter of EBITDA growth
- Full Year Group EBITDA of \$1.12 billion more than doubled the previous year
- Fourth Quarter Group EBITDA of \$334 million up 20% quarter on quarter

StarWorld:

- Sixth consecutive quarter of revenue and EBITDA growth
- All time record EBITDA of \$346 million in the fourth quarter

Funding (post period end):

- Recently announced oversubscribed Club Loan with consortium of leading Asian banks upsized to \$9.0 billion
- Club Loan consortium will undertake to ‘take and hold’ all of the debt, with no sell-down
- Club Loan interest rate of HIBOR plus 4.5% substantially below existing bond rate of 9.875%

Galaxy Macau™ :

- \$14.1 billion Galaxy Macau™ development fully funded, on schedule and on budget to open in early 2011



銀河娛樂集團
Galaxy Entertainment Group

Dr. Lui Che Woo, Chairman of Galaxy Entertainment Group said: *“The Group’s core gaming operations delivered a very strong performance in the second half of the year, outpacing even the resurging Macau market. StarWorld reported all-time record EBITDA in the fourth quarter, its sixth consecutive quarter of sequential growth and, once again, it was one of the leading gaming properties in Macau.*

We have seen a continuation of this positive momentum going into 2010, having secured HK\$9.0 billion in financing for the development of Galaxy Macau™, is in a very strong financial position. This financing agreement is a clear endorsement of our exciting prospects and will materially enhance our financial efficiency and optimize investment returns.”

Mr Francis Lui, Deputy Chairman of Galaxy Entertainment Group said: *“Galaxy commenced with a vision, to be Asia’s Leading Gaming and Entertainment Corporation. We are delivering upon and realizing that vision. Our dream is now reality.”*

Group Financial Results

The Group’s strong financial performance during 2009 was a direct result of an impressive increase in gaming volumes, revenue growth and strict cost control.

Revenues for the 12 months ended 31 December 2009 were \$12,233 million, an increase of 16% over the previous year. Group Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) of \$1.12 billion in 2009 was more than double the prior year.

Profit attributable to shareholders in 2009 was \$1,149 million and included an exceptional one off gain of \$815 million in relation to the Group’s bond buyback initiative. 2009’s results compared very favourably with a loss of \$11,390 million in 2008, which included an impairment charge of \$12,330 million relating to GEG’s Macau gaming license.

The Group’s already robust balance sheet was further strengthened during 2009 as cash on hand was deployed to execute a bond buy-back programme where US\$288 million (HK\$2,232 million) worth of bonds on issue in the market were repurchased for US\$162 million (HK\$1,255 million). The buy-back resulted in a one off gain of \$815 million and also improved cash flow by eliminating substantial future interest payments. GEG’s Cotai land was formally acquired by the Group and is now recorded on the balance sheet.

During 2009, \$2.0 billion was invested in the construction of Galaxy Macau™ and the acquisition of GEG’s Cotai land. This, in addition to the funds committed to the bond buy-back, resulted in a year-end net debt position (excluding finance lease obligations arising from Cotai land lease) of \$700 million.



GAMING AND ENTERTAINMENT DIVISION

Overview of the Macau Gaming Market

During the first half of 2009, the Macau market overcame the difficulties of 2008 which were characterised by global economic turmoil, slowing growth and a very substantial increase in market capacity.

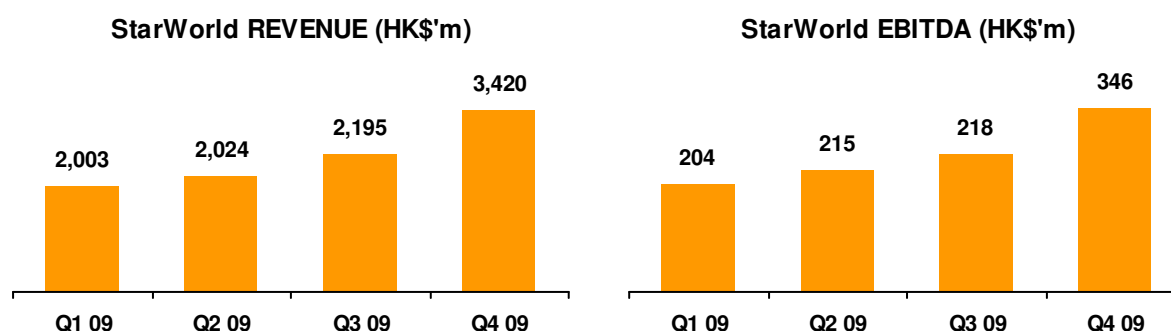
Overall, visitation to Macau was approximately 22 million individual visits during 2009, a slight decrease of 5% from 2008. Market conditions improved towards the end of the six months to 30 June, and in the second half of the year witnessed a dramatic turnaround. October 2009 was an all-time market record in gaming revenues of \$12.2 billion at that point in time.

StarWorld

StarWorld concluded 2009 very strongly: fourth quarter EBITDA of \$346 million was an all time property record, a 60% increase over the previous quarter and a 120% increase over the same quarter in the prior year. It also represented the property's sixth consecutive quarter of EBITDA and revenue growth and delivered a ROI of 30% for the year.

For the year as a whole, StarWorld achieved record revenues of \$9.6 billion, a 35% increase over 2008 and generated \$983 million in EBITDA for an increase of 70% over 2008. StarWorld's EBITDA margin was 10% compared to 2008 of 8%. Under US GAAP, EBITDA margins would have been approximately 17% compared to 13% in 2008. This impressive EBITDA performance was primarily driven by increased gaming volumes, very tight operational and cost control and broadly normalised win rates.

The below chart demonstrates the progression of Revenues and EBITDA at StarWorld:





銀河娛樂集團
Galaxy Entertainment Group

VIP

StarWorld's share of VIP revenues was one of the highest in Macau. VIP Rolling Chip Volume for 2009 was \$288 billion, a 40% increase over 2008. VIP volume grew strongly in 2009 and finished at an all time record of \$98 billion in the fourth quarter.

VIP Segment

(HK\$m)	FY2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY2009
Turnover	\$206,000	\$55,000	\$54,000	\$81,000	\$98,000	\$288,000
Net Win	\$5,700	\$1,700	\$1,700	\$1,800	\$3,000	\$8,300
Win %	2.8%	3.0%	3.2%	2.3%	3.1%	2.9%

Occupancy of StarWorld Hotel averaged a very healthy 91%, reaching 96% for the second half of the year. StarWorld was again recognised as a leading luxury casino hotel in Macau, receiving numerous awards from a number of industry bodies, and it remains the only Five Star Diamond Award winning hotel in Macau.

Galaxy Macau™

Galaxy Macau™ will be the largest entertainment and resort development to launch in Macau in the next 12 months. Opening in early 2011, Galaxy Macau™ will be a unique proposition, Macau's first Asian centric integrated resort, and one of the largest leisure complexes in Asia. It has been conceived with "World Class, Asian Heart" and will offer the most diverse range of Asian themed entertainment and food in Macau.

Bespoke for Asia, designed and built by a "World Class" team, and harnessing the skills of the very best partners, Galaxy Macau™ will be a fantastic and mystical world, rich in adventure. Our guests will enjoy a unique experience in the luxury resort featuring decadent suites, pool villas and an award winning spa, housed in three distinct luxury Asian hotels: Banyan Tree, Okura Hotel and Galaxy Hotel.

Galaxy Macau™ is built with Asian pride. Asian centric entertainment, food and accommodation will combine to underscore the Asian credentials and appeal of this unique resort.

As a result of market conditions, construction of Galaxy Macau™ continued during 2009 at a reduced pace. At the year-end, the superstructure construction, roof crest erection and exterior façade installation were almost entirely complete. The exterior of Galaxy Macau™ is now a striking landmark on the Cotai Skyline. During 2009 the Group invested \$2.0 billion in the Galaxy Macau™ development including the initial land payment. The development is on schedule to open in early 2011.



GROUP OUTLOOK FOR 2010

Macau has now reached a turning point in its evolution. Moving beyond its core gaming heritage, it will, over the coming years, increasingly become a destination within Asia, for Asian people seeking Asian entertainment and recreation. GEG, through the launch of Galaxy Macau™ as an integrated resort destination, and the other elements of its Cotai development, will play a critical role in defining this evolution.

The Group is in an excellent position to capitalise on the growth potential of the world's largest gaming market, and, by early 2011, it will be the only operator with flagship properties in both the heart of Macau's Peninsula and the emerging and hugely important area of Cotai. This will give the Group a unique opportunity to leverage the expected growth in leisure and recreation, including gaming, as Macau becomes a more diversified destination for visitors from across Asia.

POST YEAR-END EVENTS

On April 12, 2010 GEG announced an oversubscribed HK\$8.8 billion Club Loan financing package for the development of Galaxy Macau™. The participating Banks included Industrial & Commercial Bank of China (Macau) Ltd, Bank of China Limited, Macau Branch, DBS Bank Ltd, Hang Seng Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, Banco Nacional Ultramarino and Guangdong Development Bank. Subsequent to this we are pleased to report that the Club Loan has been upsized to HK\$9.0 billion.

The Key Terms of the Club Loan include:

- Amount: HK\$9.0 billion
- Structure: Club Loan
- Undertaking: "Take & Hold" – No sell down
- Rate: HIBOR + 4.5%
- Term: six years

The consortium of local banks will undertake to 'take and hold' all of the debt, with no sell-down. Such support from a consortium of leading Asian Banks represents a huge vote of confidence in the Group and an endorsement of our business strategy and market proposition.



On January 14, 2010 the Group called and cancelled the remaining outstanding Floating Rate Notes due 2010. The amount paid was US\$106 million (HK\$824 million). The combined Bond Buyback program and the call of the remaining outstanding 2010 Bonds will generate an interest payment savings of US\$67 million (HK\$520 million) over the life of the paper.

On March 23, 2010, the Secretary for Economy and Finance of the Macau Government announced that the number of gaming tables would be limited to 5,500 over the period of the next three years. We support this policy and remain confident that Galaxy Macau™ will open with sufficient tables.

- ENDS -

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

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

The Group 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 has under construction “Galaxy Macau™”, a fully-integrated resort, entertainment and gaming destination. GEG is well positioned for long-term growth with its new Asian centric resort.

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

For further information, please contact:

Galaxy Entertainment Group

Mr. Peter J. Caveny

Vice President, Investor Relations

Tel: (+852) 3150 1111

Email: ir@galaxyentertainment.com