



[For Immediate Release]

Galaxy Entertainment Group - 2010 First Quarter Results

All Time Record Group EBITDA of \$417 million

**StarWorld Reports All Time Record EBITDA of \$369 million
and
Seventh Consecutive Quarter of EBITDA Growth**

Hong Kong, 02 June 2010 - Galaxy Entertainment Group (“GEG” or “the Group”) (HKSE stock code: 027), one of the fastest growing entertainment companies in the world, today reported unaudited record results for the three month period ending 31 March 2010.

2010 First Quarter Highlights

GEG:

- All time record quarterly EBITDA and sixth consecutive quarter of EBITDA growth
- EBITDA increased 79% over quarter one 2009 to \$417 million
- Revenues up 51% over quarter one 2009 to \$3.95 billion

StarWorld:

StarWorld continues to be one of Macau’s best performing properties by delivering:

- All time record quarterly EBITDA
- Seventh consecutive quarter of EBITDA growth
- Second consecutive all time quarterly EBITDA record
- EBITDA increased 81% over quarter one 2009 to \$369 million
- All time record VIP volume of \$102 billion, up 86% over quarter one 2009
- An annualised ROI of 35%

Galaxy Macau™

- Galaxy Macau™ on schedule and on budget to open in early 2011
- Upsized club loan to \$9 billion to finance Galaxy Macau™



Dr. Lui Che Woo, Chairman of Galaxy Entertainment Group said: *“The Group’s core gaming operations began the year very well, continuing the strong growth seen throughout 2009. StarWorld reported another record quarter, with VIP gaming revenues and EBITDA well ahead of the previous quarter and the same period in the prior year.” He continued by stating that: “The first quarter of the year is historically strong due to the seasonal impact of Chinese New Year. Surprisingly the second quarter has posted a record performance for April and the outlook for the full year remains promising.”*

Group Financial Results

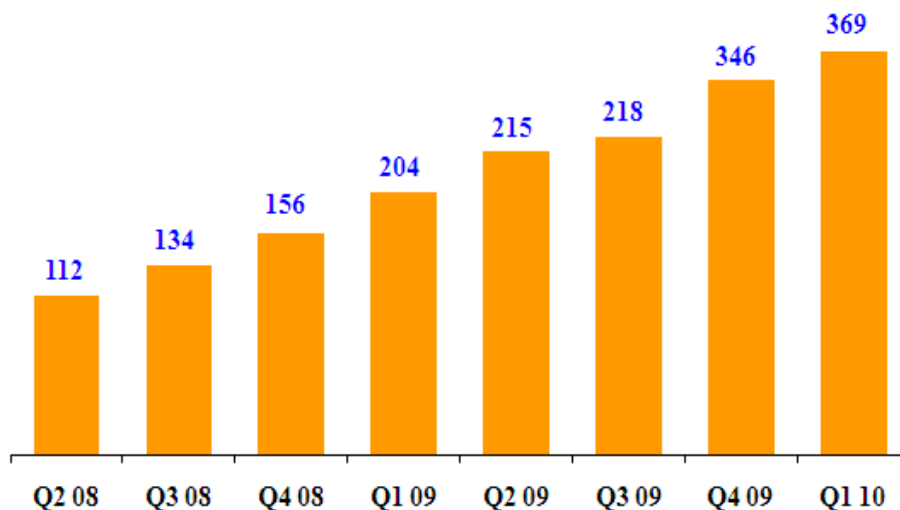
The Group reported strong growth during the first quarter. Revenues of \$3.95 billion represented an increase of 51% over the first quarter of the prior year, led by a 67% increase in StarWorld’s revenues. These results represent the Group’s sixth consecutive quarter of EBITDA growth and an all time record quarterly EBITDA.

EBITDA for the three months ended 31 March 2010 of \$417 million grew 79% over the same period in the previous year. All business units performed solidly during the period and contributed to the record EBITDA quarter.

StarWorld

StarWorld continues its exceptional growth. The property’s first quarter EBITDA of \$369 million was its second all time record quarterly EBITDA in a row and also represented the seventh consecutive quarter of EBITDA growth. StarWorld’s revenue was \$3.35 billion, a 67% increase over first quarter 2009. StarWorld is delivering an annualised ROI of 35%. StarWorld’s success is based on the quality of the property, its established reputation as a leader in the VIP market and GEG’s famous “Asian Heart” service.

StarWorld EBITDA (HK\$ mn)



The impressive EBITDA performance was primarily driven by increased gaming volumes, with the introduction of two new VIP rooms, very tight operational and cost control and broadly normalised win rates. StarWorld achieved record VIP gaming turnover of \$102 billion, up 86% year-on-year.

StarWorld's EBITDA margin for the quarter was 11% compared to 10% in Q1, 2009. If calculated under US GAAP, EBITDA margins would have been approximately 18% compared to 16% in 2009.

Occupancy at StarWorld Hotel was again consistently higher than the overall market, averaging a very healthy 94%. StarWorld was again recognised as a leading luxury casino hotel in Macau, receiving additional awards including; "Best Business Hotel in Macau", by 7th Golden Pillow Award of China Hotels, 'Best Entertainment and Gaming Theme Hotel' by The Golden Horse Award of China Hotels and 'Best Luxurious Hotel in China' by the prestigious Asia Hotel Forum's China Hotel Starlight Awards.

City Clubs

The Group's City Clubs casinos in Macau continue to make a valuable contribution. EBITDA for the quarter was \$30 million and we continue to prudently manage the business, including resizing the properties and restructuring the operations, designed to ensure continuing profitability.



Construction Materials

The Group's Construction Materials division remains a solid performer and has been boosted by improving market conditions and the Mainland Chinese Government's stimulus packages. The business achieved revenues of \$285 million during the quarter, and EBITDA increased to \$68 million from \$45 million in the first quarter of 2009 for an increase of 51%. This improvement reflects a strategic shift to a number of new Joint Ventures in Mainland China. Under Hong Kong accounting standards, GEG does not consolidate revenues of Joint Ventures but does report the EBITDA proportionalised in-line with shareholding.

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. 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.

In April we announced an upsizing to \$9 billion of the Club Loan by a consortium of leading Asian Banks. This upsizing of the Club Loan was the result of strong support from the participating banks.

GROUP OUTLOOK FOR 2010

Following from a strong first three months, the second quarter of 2010 has begun well compared to the prior year. GEG 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. The Group will have a unique opportunity to leverage the expected growth in leisure and recreation as Macau becomes a more diversified destination for visitors from across Asia.



SUBSEQUENT EVENTS

In April 2010, GEG announced an oversubscribed \$9 billion club loan financing package for the development of Galaxy Macau™. The interest rate of the six year club loan facility was set at HIBOR + 4.5% and we anticipate to close the loan in the near future.

The participating Banks which undertook to ‘Take & Hold’ the loan with no sell down provision included Industrial & Commercial Bank of China (Macau) Ltd, Bank of China Macau Branch, DBS Bank Ltd., Hang Seng Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, Banco Nacional Ultramarino and Guangdong Development Bank.

On 23 April 2010, the Group announced that it will redeem all of its outstanding 9.875% Guaranteed Senior Notes Due 2012 in the amount of US\$281.2 million (HK\$2,193 million) and on 24 May the redemption was concluded. This initiative will substantially improve the Group’s financial efficiency.

ADDITIONAL HIGHLIGHTS

Community Contributions

GEG, along with the Lui Che Woo Foundation, continued its tradition as a leading corporate citizen. We have supported several worthy community causes through April 2010 including The Macau University, the Qinghai Earthquake Appeal and the Drought Relief in South West China.

Recent StarWorld Awards

StarWorld continues to be recognised as one of Macau’s leading hotels as evidenced by numerous additional awards that have recently been won:

Awards	Association
Best Business Hotel in Macau	7 th Golden Pillow Award of China Hotels
Best Entertainment and Gaming Theme Hotel	Golden Horse Award of China Hotel
The Best Luxurious Hotel in China	Asia Hotel Forum’s China Hotel Starlight Awards
5 Star Diamond Award	American Academy of Hospitality Sciences
One Star Restaurant (Macau) – Jade Garden	Michelin Guide Hong Kong and Macau
Bib Gourmand Restaurant - Laurel	Michelin Guide Hong Kong and Macau
Recommended Restaurant - Inagiku	Michelin Guide Hong Kong and Macau

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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>

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