



**GALAXY ENTERTAINMENT GROUP**  
**SELECTED UNAUDITED Q3 2012 FINANCIAL DATA**  
**GROUP EBITDA OF \$2.6 BILLION, UP 46% YEAR-ON-YEAR**  
**16<sup>TH</sup> CONSECUTIVE QUARTER OF EBITDA GROWTH**  
**GALAXY MACAU<sup>TM</sup> GENERATED \$1.8 BILLION OF EBITDA**  
**UP 81% YEAR-ON-YEAR AND 12% SEQUENTIALLY**  
**GALAXY MACAU<sup>TM</sup> PHASE 2 ON SCHEDULE**

Hong Kong, October 25, 2012 – Galaxy Entertainment Group Limited (“GEG” or “the Group”) (HKEx stock code: 27) today reported selected unaudited 2012 third quarter financial data for the three months ended September 30, 2012.

**Q3 2012 HIGHLIGHTS**

**GEG:**

- EBITDA of \$2.6 billion, up 46% year-on-year
- 16<sup>th</sup> consecutive quarter of Group EBITDA growth
- Latest 12 months Group EBITDA to September 30, 2012 increased by 123% to \$9.5 billion

**Galaxy Macau<sup>TM</sup>:**

- EBITDA of \$1.8 billion, up 81% year-on-year and 12% sequentially, reflecting increase in Mass revenue
- EBITDA margin improved year-on-year from 15% to 21% under HK GAAP, or from 23% to 29% under US GAAP
- Revenue increased year-on-year by 30% to \$8.3 billion as Mass revenue grew 79% year-on-year and 10% sequentially
- Achieved annualised Return on Investment (ROI\*) of 42%
- Hotel occupancy climbed to 97%
- Construction of Phase 2 on schedule

**StarWorld:**

- EBITDA of \$843 million, up 8% year-on-year and down 7% sequentially
- Mass revenue increased year-on-year by 43% and 13% sequentially
- Achieved ROI\*\* of 99%
- Implementing new growth initiatives with a target completion of Q2 2013

**Balance Sheet:**

- Cash on hand of \$12.6 billion at September 30, 2012, including restricted cash of \$2 billion
- Net Cash position of \$1.5 billion

*\* ROI calculated based on the annualised Q3 2012 EBITDA divided by gross investment to date including allocated land cost.*

*\*\* ROI calculated based on total EBITDA for the latest twelve months divided by gross book value through September 30, 2012 including land cost.*



**Dr. Lui Che-woo, Chairman of GEG said:**

*“GEG delivered its 16<sup>th</sup> consecutive quarter of EBITDA growth in the third quarter of the year, reflecting another strong performance in the higher margin Mass segment at both of our flagship properties, and solid contributions from our City Clubs and Construction Materials businesses. The Group’s ongoing success stems from it having an intrinsic understanding of Asian customer tastes and preferences. Our innovative and spectacular properties, products and services, underpinned by a ‘World Class, Asian Heart’ service philosophy, have enabled us to perform consistently well.”*

*“As we look to the future, GEG is excited by the growth prospects for Macau as major infrastructure projects near completion. With construction of Galaxy Macau™ Phase 2 on track to complete in 2015, we are well positioned to continue creating value for our shareholders and assist Macau to become a world class entertainment destination.”*

**Group Financial Results**

GEG delivered another robust set of figures in the third quarter of 2012, achieving its 16<sup>th</sup> consecutive quarter of EBITDA growth at \$2.6 billion, an increase of 46% on the prior year period. On a latest 12 months basis ended September 30, 2012 revenue grew by 76% to \$56.7 billion, with EBITDA growing 123% to \$9.5 billion. Group revenue increased by 6% year-on-year to \$14 billion, driven to a large extent by Galaxy Macau™’s fifth full quarter of operation.

A key factor in the Group’s improved earnings was the strong performance of both flagship properties in the Mass segment, with Galaxy Macau™ registering year-on-year growth of 79%, and StarWorld posting a gain of 43%.

City Clubs and the Construction Materials Division performed solidly, generating revenues and earnings in line with expectations.

As of September 30, 2012 cash on hand stood at \$12.6 billion, including restricted cash of \$2 billion. Total debt at period end was \$11.1 billion. As a result, GEG is in a Net Cash position of \$1.5 billion.

**Galaxy Macau™**

In 17 months since opening, Galaxy Macau™ has transformed GEG’s earnings profile and Macau’s standing as a leisure and tourism destination. Its performance in the third quarter was its best yet, generating total revenue and EBITDA of \$8.3 billion and \$1.8 billion, respectively. The positive momentum in Q2 2012 carried over into the third quarter with EBITDA growing 12% sequentially which reflects continuously



improving performance in the Mass segment and driving operational efficiency. EBITDA margin for the period improved to 21% (Q3 2011: 15%) calculated under HK GAAP, or 29% under US GAAP (Q3 2011: 23%). Annualised Q3 2012 EBITDA of \$7 billion translated into an ROI of 42%.

<b>VIP Gaming</b>			
<b>HK\$'m</b>	<b>Q3 2011</b>	<b>Q2 2012</b>	<b>Q3 2012</b>
<b>Turnover</b>	\$162,824	\$186,442	\$173,295
<b>Net Win</b>	\$4,867	\$6,287	\$5,720
<b>Win %</b>	3.0%	3.4%	3.3%

<b>Mass Gaming</b>			
<b>HK\$'m</b>	<b>Q3 2011</b>	<b>Q2 2012</b>	<b>Q3 2012</b>
<b>Table Drop</b>	\$5,041	\$6,041	\$6,297
<b>Net Win</b>	\$1,054	\$1,717	\$1,885
<b>Hold %</b>	20.9%	28.4%	29.9%

<b>Electronic Gaming</b>			
<b>HK\$'m</b>	<b>Q3 2011</b>	<b>Q2 2012</b>	<b>Q3 2012</b>
<b>Slots Handle</b>	\$4,040	\$4,385	\$5,345
<b>Net Win</b>	\$262	\$271	\$313
<b>Hold %</b>	6.5%	6.2%	5.8%

### ***Non-gaming Performance***

Non-gaming business continues to exceed expectations with revenue increasing by 89% year-on-year to \$391 million in Q3 2012 as the property had a higher occupancy rate of 97% and more rooms in service in Q3 2012 vs. Q3 2011 when the property was ramping up.

### ***Galaxy Macau™ Phase 2 Update***

In April 2012, GEG announced a new chapter in its success story: the launch of Galaxy Macau™ Phase 2. Construction is moving ahead to plan. Phase 2 will virtually double the size of the existing Galaxy Macau™ and we believe it will be the next major project to complete in Macau in mid-2015.



## StarWorld Hotel & Casino

StarWorld, the Group's flagship property on the Macau peninsula, reported another good set of quarterly results. EBITDA increased by 8% year-on-year to \$843 million, although this was 7% below the prior quarter which saw its VIP gaming earnings inflated by approximately \$100 million due to lucky play in the second quarter. Revenue for the quarter was \$5.2 billion. StarWorld's EBITDA margin in the third quarter was 16% under HK GAAP or 26% under US GAAP, compared to 12% and 21% in Q3 2011, respectively.

StarWorld continues to improve its Return on Investment with 99% in Q3 2012.

In terms of the gaming segments, VIP gaming revenue quarter-on-quarter declined by 14% to \$4.4 billion on more normalised win rates and lower volume. Mass performed well with revenue growth of 43% year-on-year and 13% sequentially. StarWorld is implementing new growth initiatives with a target completion of Q2 2013.

<b>VIP Gaming</b>			
<b>HK\$'m</b>	<b>Q3 2011</b>	<b>Q2 2012</b>	<b>Q3 2012</b>
<b>Turnover</b>	\$180,481	\$162,971	\$147,064
<b>Net Win</b>	\$5,855	\$5,115	\$4,416
<b>Win %</b>	3.2%	3.1%	3.0%

<b>Mass Gaming</b>			
<b>HK\$'m</b>	<b>Q3 2011</b>	<b>Q2 2012</b>	<b>Q3 2012</b>
<b>Table Drop</b>	\$2,254	\$2,374	\$2,627
<b>Net Win</b>	\$433	\$545	\$618
<b>Hold %</b>	18.9%	22.5%	23.1%

<b>Electronic Gaming</b>			
<b>HK\$'m</b>	<b>Q3 2011</b>	<b>Q2 2012</b>	<b>Q3 2012</b>
<b>Slots Handle</b>	\$917	\$835	\$882
<b>Net Win</b>	\$58	\$60	\$59
<b>Hold %</b>	6.3%	7.2%	6.7%

StarWorld's hotel room occupancy was 99% for the quarter.



### **City Clubs and Construction Materials Division**

City Clubs' EBITDA in the third quarter was \$39 million, flat year-on-year. The team remains focused on managing it prudently to ensure its long term sustainability.

The Construction Materials Division recorded EBITDA of \$113 million in the quarter, broadly in line with the same period last year.

### **Outlook**

The Macau gaming market continues to evolve with VIP gaming revenues moderating from historic highs and higher margin Mass revenues growing as a proportion of total gaming revenue.

Looking ahead, GEG remains very confident in the growth prospects for the industry and Macau as a whole as major infrastructure projects come on stream which improve access to Macau. For example, the scheduled completion in early 2013 of the last four stations of the Guangzhou-Zhuhai Intercity Mass Rapid Transit between Zhuhai North and Macau is just one of several important developments.

GEG's well-balanced portfolio of complementary properties is enabling it to effectively cater to a broader customer base that is focused on tourism, leisure and travel. After the completion of Galaxy Macau™ Phase 2 in 2015, GEG will be positioned for long term growth with the largest contiguous land bank in Macau. We continue to work on planning the next phases of our Cotai development. This unparalleled potential for growth sets us apart from other operators and gives us confidence that we can fulfill our ambition to become 'globally recognised as Asia's leading gaming and entertainment corporation'.

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

Galaxy Entertainment Group Limited (“GEG”) is one of Asia’s leading gaming and entertainment corporations. GEG develops and operates hotels, gaming and integrated resort facilities in the Macau SAR. Through its subsidiary Galaxy Casino, S.A., GEG holds a gaming concession in Macau, the only legal gaming location in China and the fastest growing gaming market in the world.

The two flagship properties of GEG include Galaxy Macau™, a world class integrated destination resort opened in May 2011 at Cotai, and StarWorld Hotel and Casino, an award-winning property opened in 2006 on the Macau peninsula. In April 2012, GEG announced the development of Galaxy Macau Phase 2, that will nearly double the size to one million square metres. Upon its completion in mid-2015, Galaxy Macau Phase 2 will bring to Macau some of the most exciting and game-changing entertainment, leisure, retail and MICE facilities, with an aim to support the government in developing Macau into a World Centre of Tourism and Leisure.

Additionally, GEG operates City Clubs Casinos in Macau and a Construction Materials Division.

For more information, please visit [www.galaxyentertainment.com](http://www.galaxyentertainment.com).