



GALAXY ENTERTAINMENT GROUP REPORTS RECORD 2012 ANNUAL RESULTS

GROUP ADJUSTED EBITDA UP 71% TO \$9.8 BILLION

**FULL YEAR NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS
INCREASED BY 146% FROM \$3 BILLION TO \$7.4 BILLION**

Hong Kong, March 26, 2013 – Galaxy Entertainment Group Limited (“GEG” or the “Group”) (HKEx stock code: 27) today reported results for the three month and twelve month periods ended December 31, 2012.

FULL YEAR & Q4 2012 HIGHLIGHTS

GEG: Historic annual highs in revenue and earnings

- Full year Group revenue increased by 38% to \$56.7 billion
- Full year Group Adjusted EBITDA of \$9.8 billion, an increase of 71% (2011: \$5.7 billion)
- Net profit attributable to shareholders grew 146% to \$7.4 billion
- Fourth quarter Group Adjusted EBITDA increased by 18% year-on-year to \$2.5 billion

Galaxy Macau™: Continues to strengthen quarter by quarter

- Full year revenue doubled to \$33 billion, with Adjusted EBITDA up 152% year-on-year to \$6.5 billion due to first full year of operation
- Fourth quarter revenue of \$8.7 billion and Adjusted EBITDA of \$1.9 billion, up 15% and 52% year-on-year, respectively
- Achieved the latest twelve months Return on Investment (ROI*) of 38%

Galaxy Macau™ Phases 2, 3 & 4: Exciting medium and long-term growth opportunity

- Phase 2 expected to complete in mid-2015 as the next major project to open in Macau
- Phase 2 fit out enhancements and scope adjustments account for majority of budget increase from \$16 billion to \$19.6 billion
- Plan to invest \$50 - \$60 billion in Phases 3 & 4 of Galaxy Macau™. Spanning 1 million square metres and targeting premium mass customers, we intend to submit plans this year with construction targeted to commence by the end of 2013 / early 2014

StarWorld: Full Year Adjusted EBITDA of \$3.2 billion

- Full year Adjusted EBITDA of \$3.2 billion, an increase of 10% year-on-year
- Fourth quarter Adjusted EBITDA of \$646 million, down 22% year-on-year reflecting lower VIP volumes and playing unlucky
- Implementing new growth initiatives to ensure ongoing appeal, expect a majority to be completed in mid-2013
- Recorded the latest twelve months ROI* of 94%

Balance Sheet: Exceptionally strong and liquid

- Cash on hand at December 31, 2012 of \$15.6 billion
- A net cash position of \$4.6 billion where the gearing ratio reduced to zero from 19% in 2011

* ROI calculated based on the total Adjusted EBITDA for the latest twelve months divided by gross book value through December 31, 2012 including allocated land cost.



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

“Our performance in 2012 was noteworthy, with revenue and earnings hitting historic highs once again. Driven by strong performances from Galaxy Macau™ and StarWorld, GEG’s well-balanced portfolio of complementary properties is now effectively catering to a broad customer base that is focused on tourism, leisure and travel.

Our customer focused properties, coupled with our ‘World Class, Asian Heart’ philosophy throughout GEG translated into another excellent full year set of results, with revenue growing by 38% to almost \$57 billion and Adjusted EBITDA up 71% to just under \$10 billion.

The year was defined by a continued shift in the market to the higher margin mass segment and solid VIP revenues at both our properties. Galaxy Macau™ is starting to fulfil its enormous potential and the Group is operating as efficiently as it ever has. We are implementing new growth plans at StarWorld and expect a majority to be completed in mid-2013.

GEG has a uniquely exciting plan for short, medium and long-term growth. Our immediate priorities include optimising the performance of Galaxy Macau™ and reenergising StarWorld’s product and service experience. From the middle of 2015 onwards, we expect that Phase 2 of Galaxy Macau™ will attract a new influx of customers drawn to its incredible array of leisure and tourism amenities. Further out, we are confident that our revolutionary and captivating plans for Phases 3 and 4 in Cotai, will not only set a new benchmark for the global leisure and tourism industry, but will prove pivotal in generating substantially higher returns for shareholders for many years to come.

GEG remains fully committed to support the Macau government in leveraging on its advantages to diversify Macau and enhance its position as a world class tourism destination, and lay a solid foundation for Macau’s future development.”

Market Overview

Macau has continued to establish itself as one of the world’s premier tourism destinations, enhancing its wide choice of hotel, dining and entertainment options during the course of 2012.

Total gaming revenue for the year increased by 14% to HK\$295 billion, with the mass segment achieved the highest rate of growth at almost 33%. Total visitor numbers rose marginally to almost 28.1 million, with visits from Mainland China increasing at a faster rate. Mainland Chinese visitors now account for more than 60% of total visitors (2011: 58%). Comparing the level of growth in the mass segment against the increase



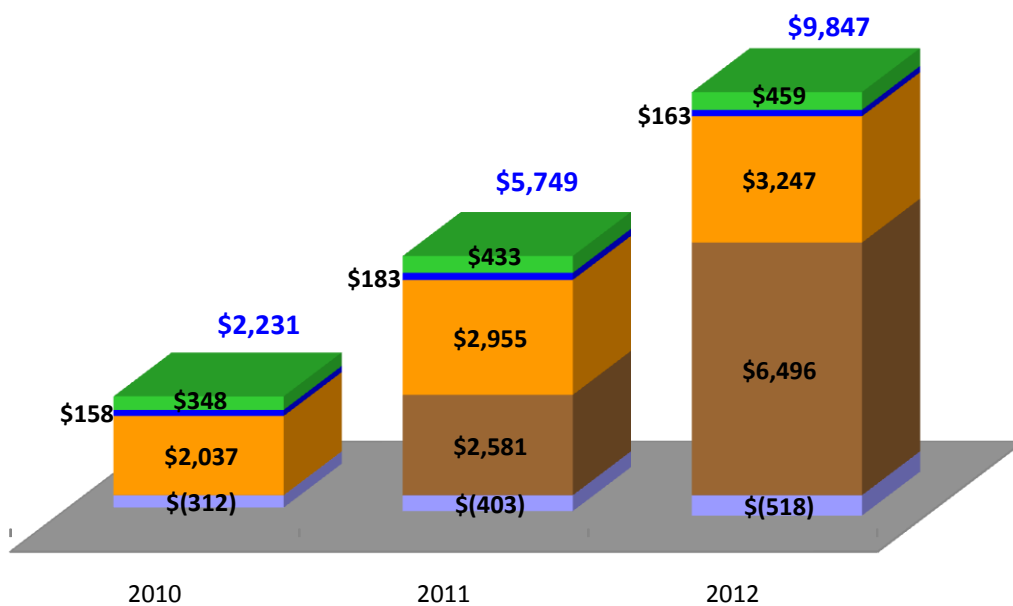
in visitor numbers indicates that Macau is succeeding in attracting tourism and leisure-travelers. GEG expects this shift in the market to continue as a number of large scale infrastructure projects in Macau and in Mainland China, such as the Guangzhou-Zhuhai Intercity Mass Rapid Transit extension line and the Guangzhou-Zhuhai Super Highway ending at Hengqin Island, the Hong Kong-Zhuhai-Macau Bridge and the Light Rail Transit connecting Macau, Taipa and Cotai, are expected to be completed in the next two to three years which will dramatically improve access to Macau from Mainland China and connectivity within Macau. GEG's existing offering of Galaxy Macau™ and StarWorld, combined with exciting development plans for Phases 2, 3 & 4 on Cotai, leave it well placed to benefit from Macau's deeper penetration into China.

Group Financial Results

Full year results were again excellent, with revenue increasing by 38% to \$56.7 billion, Group Adjusted EBITDA rising by 71% to \$9.8 billion and net profit attributable to shareholders growing 146% to \$7.4 billion. This tremendous growth was driven largely from the first full year contribution from Galaxy Macau™, StarWorld also achieved 10% growth in earnings despite a more challenging VIP gaming environment. The Construction Materials Division and City Clubs business made solid Adjusted EBITDA contributions of \$459 million and \$163 million, respectively.

Group Adjusted EBITDA (HK\$m)

■ Galaxy Macau™ ■ StarWorld ■ City Clubs ■ Construction Materials ■ Net Corporate Costs





Group Adjusted EBITDA in the fourth quarter was \$2.5 billion, up 18% year-on-year, and down 3.5% on the preceding quarter.

A key factor in the Group's improved earnings was the excellent performance of the mass gaming segments at both of its flagship properties. Given the full year operation, mass revenue at Galaxy Macau™ increased from \$2.8 billion in 2011 to \$7.3 billion in 2012, with StarWorld achieving growth of 47% to \$2.4 billion.

GEG's highly cash generative business model resulted in cash on hand more than doubling to \$15.6 billion (2011: \$7.7 billion) as of December 31, 2012, including restricted cash of \$2.1 billion. The Group is in a net cash position of \$4.6 billion where the gearing ratio reduced to zero from 19% in 2011. This cash position provides the Group with an excellent foundation to capitalise on future growth opportunities.

Galaxy Macau™

Galaxy Macau™ has become one of Macau's premier destinations, forging an unequalled reputation for delivering exemplary service standards and a uniquely Asian centric customer experience. Full year revenue amounted to \$33 billion and Adjusted EBITDA \$6.5 billion, increased 102% and 152% respectively when compared to the seven and a half months of operation in 2011. Adjusted EBITDA margin improved from 16% to 20%. Fourth quarter Adjusted EBITDA reached \$1.9 billion, an increase of 6% on the previous quarter. It represents Galaxy Macau™'s sixth consecutive quarter of EBITDA growth. The latest twelve months ROI climbed to 38%.

During the year Galaxy Macau™ outperformed the wider market in the mass segment and improved its brand awareness. Additionally, the resort's already compelling set of amenities were enhanced through the opening of two new luxurious Sky Casinos, the Pavilion High Limit Slots, an additional VIP room and the private members club China Rouge.

VIP Gaming Performance

Total VIP rolling chip volume for the year was \$699 billion, which generated revenue of \$23.1 billion (2011: \$12.2 billion). The opening of two new Sky Casinos for Asia's most discerning customers contributed to our performance. Underscoring the quality and appeal of the product, the International Gaming Awards named Sky 32 Casino VIP Room of the Year.



VIP Gaming							
HK\$'m	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2011	FY 2012	YoY%
Turnover	171,393	186,442	173,295	167,590	379,671	698,720	84.0%
Net Win	5,120	6,287	5,720	5,956	12,193	23,083	89.3%
Win %	3.0%	3.4%	3.3%	3.6%	3.2%	3.3%	n/a

Mass Gaming Performance

Revenue in the mass segment was \$7.3 billion (2011: \$2.8 billion). Fourth quarter revenue increased by 52% year-on-year to \$2.1 billion.

Mass Gaming							
HK\$'m	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2011	FY 2012	YoY%
Table Drop	5,871	6,041	6,297	6,497	13,092	24,706	88.7%
Net Win	1,593	1,717	1,885	2,096	2,840	7,291	156.7%
Hold %	27.1%	28.4%	29.9%	32.3%	21.7%	29.5%	n/a

Electronic Gaming Performance

Revenue in the electronic gaming segment was \$1.2 billion, up considerably from \$645 million in 2011.

Electronic Gaming							
HK\$'m	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2011	FY 2012	YoY%
Slots Handle	4,346	4,385	5,345	5,484	10,129	19,560	93.1%
Net Win	298	271	313	328	645	1,210	87.6%
Hold %	6.9%	6.2%	5.8%	6.0%	6.4%	6.2%	n/a

Non-Gaming Performance

Non-gaming revenues were \$1.5 billion in the year. All areas performed well as the property ramped up. Hotel occupancy on a combined basis at the resort's three luxury hotels stood at 95% for the year.

Developing the Cotai landbank - Phase 2 and Phases 3 & 4

Building on the success of the existing integrated resort, GEG announced in April 2012 the accelerated launch of Phase 2 of Galaxy Macau™. Encompassing an area of half a million square metres and targeted to be completed in mid-2015, it will take the total footprint of the property to one million square metres. Key development highlights for Phases 1 and 2 combined include more than 3,600 accommodations across five luxury hotels; two world class, award-winning spas; the largest pan-Asian



cuisine selection under one roof, with approximately 100 restaurants, cafes, bars and lounges; nearly 200 luxury retail outlets; and, meeting, events and banquet capacity for 3,000 guests.

Due to the enhanced fit out, scope adjustments and, to a lesser degree, cost inflation, the budget for Phase 2 has increased from \$16 billion to \$19.6 billion. We are very confident that Phase 2 will be a spectacular addition to Phase 1 and the Macau market.

The planning for the last two phases of GEG's landbank in Cotai is nearing conclusion, with final plans expected to be submitted this year and construction targeted to commence by the end of 2013 / early 2014. Expanding the entire building area of GEG on Cotai to 2 million square metres, Phases 3 & 4 will significantly diversify GEG's product and service offering to include a multitude of new cultural and entertainment elements predominantly targeting premium mass guests. The ambitious \$50 – \$60 billion project will comprise:

- Approximately 5,500 additional hotel rooms & suites
- A state of the art multi-purpose 10,000 seat arena for world class entertainment and sporting events, as well as a 1,500 seat multi-purpose showroom
- A 50,000 square metre convention centre with a capacity up to 5,000 guests
- Gaming capacity of up to 1,000 tables and 3,000 slots, representing approximately 5% of the total floor area

StarWorld Hotel & Casino

StarWorld achieved another solid full year performance. Adjusted EBITDA increased by 10% to \$3.2 billion and revenue was broadly in line with the previous year at \$21.5 billion. Adjusted EBITDA margin improved from 13% to 15% under HK GAAP. StarWorld remains one of the highest returning casinos in the world, generating the latest twelve months ROI of 94% (2011: 86%). Fourth quarter Adjusted EBITDA reduced year-on-year by 22% to \$646 million, reflecting softness in the wider VIP market and playing unlucky.

In order to ensure its continuing appeal, management is in the process of implementing new growth initiatives to enhance the product and service experience. A majority of these enhancements are expected to be completed in mid-2013.



VIP Gaming Performance

VIP rolling chip volume for the year was \$633 billion (2011: \$664 billion), which generated revenue of \$18.4 billion.

VIP Gaming							
HK\$'m	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2011	FY 2012	YoY%
Turnover	176,117	162,971	147,064	146,915	663,886	633,067	-4.6%
Net Win	4,754	5,115	4,416	4,098	20,252	18,383	-9.2%
Win %	2.7%	3.1%	3.0%	2.8%	3.1%	2.9%	n/a

Mass Gaming Performance

The mass segment was the property's star performer, delivering revenue growth of 47% to \$2.4 billion. Fourth quarter revenue improved to \$706 million, a quarter-on-quarter increase of 14%. Shared transport links with Galaxy Macau™ continue to benefit both properties.

Mass Gaming							
HK\$'m	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2011	FY 2012	YoY%
Table Drop	2,392	2,374	2,627	2,585	8,616	9,978	15.8%
Net Win	564	545	618	706	1,661	2,433	46.5%
Hold %	23.2%	22.5%	23.1%	26.7%	18.9%	23.9%	n/a

Electronic Gaming Performance

StarWorld's electronic gaming generated revenue of \$247 million, marginally up on last year.

Electronic Gaming							
HK\$'m	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2011	FY 2012	YoY%
Slots Handle	927	835	882	901	4,025	3,545	-11.9%
Net Win	62	60	59	66	241	247	2.5%
Hold %	6.6%	7.2%	6.7%	7.3%	6.0%	7.0%	n/a

Non-Gaming Performance

Revenue increased by 20% to \$416 million in 2012 compared to the previous year. Room occupancy remained at near capacity throughout the year at 99%, underlining StarWorld's status as one of Macau's premier 5 star luxury hotels.



City Clubs

City Clubs delivered a solid contribution generating \$163 million of Adjusted EBITDA to Group earnings.

Construction Materials Division

GEG's Construction Materials Division posted another solid set of results, achieving year-on-year revenue growth of 30% to \$2 billion and year-on-year Adjusted EBITDA growth of 6% to \$459 million.

Group Outlook for 2013

Despite a more challenging economic environment in 2012, the Group achieved excellent performance, particularly in the mass segment. Looking to 2013, GEG expects to see the VIP market gradually recover and believes that the shift to the higher margin mass segment will gather momentum through 2013 and beyond, particularly in light of key infrastructure developments such as the extension of the high speed railway network in Mainland China, which will greatly improve access to and from Macau. The Group is confident that its long-term development plans for Phases 2, 3 & 4 of Cotai will create an unforgettable customer experience that is aligned to the tastes and demands of this growing influx of higher value middle class guests.

GEG will continue to drive the growth and synergies at Galaxy Macau™ and StarWorld as well as pursue the next phases of its Cotai development plans. The Group has total confidence that its plans for Phases 2, 3 & 4 will not only transform its financial profile and create substantial value for shareholders, but also elevate Macau's standing in the global tourism and leisure community.

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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 Macau. 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 of the existing resort 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. In December 2012, GEG outlined its concept plans for Phases 3 & 4 of its Cotai landbank. We expect to commence construction by the end of 2013 / early 2014 with a targeted opening between 2016 and 2018. Predominantly targeting premium mass guests, it will provide an unparalleled array of resort amenities and GEG expects it to set a new benchmark for the industry and 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.