



銀娛 GEG

GALAXY ENTERTAINMENT GROUP SELECTED UNAUDITED Q1 2015 FINANCIAL DATA

**QUARTERLY GROUP REVENUE OF \$13.7 BILLION
DOWN 32% YEAR-ON-YEAR & 15% SEQUENTIALLY**

**QUARTERLY GROUP ADJUSTED EBITDA OF \$2.3 BILLION
DOWN 40% YEAR-ON-YEAR & 14% SEQUENTIALLY**

**GALAXY MACAU™ PHASE 2 AND BROADWAY AT GALAXY MACAU
ON SCHEDULE AND ON BUDGET TO OPEN ON 27 MAY 2015**

Hong Kong, 16 April 2015 – Galaxy Entertainment Group Limited (“GEG” or the “Group”) (HKEx stock code: 27) today reported selected unaudited 2015 first quarter financial data for the three months ended 31 March 2015.

Q1 2015 HIGHLIGHTS

GEG: Commendable Performance in a Challenging Market

- Revenue of \$13.7 billion, down 32% year-on-year and 15% sequentially
- Adjusted EBITDA of \$2.3 billion, down 40% year-on-year and 14% sequentially
- Latest twelve months Adjusted EBITDA of \$11.7 billion

Galaxy Macau™: Delivered Resilient Results

- Revenue of \$9.2 billion, down 28% year-on-year and 15% sequentially
- Adjusted EBITDA of \$1.8 billion, down 35% year-on-year and 11% sequentially
- Hotel occupancy remained high at 95%
- Latest twelve month ROI* of 52%

StarWorld Macau: Executing Yield Management Strategy

- Revenue of \$4.0 billion, down 42% year-on-year and 14% sequentially
- Adjusted EBITDA of \$605 million, down 44% year-on-year and 6% sequentially
- Hotel occupancy remained high at 93%
- Latest twelve month ROI of 83%

Development Update: Increasing Cotai Investment to \$43 Billion

- Galaxy Macau™ Phase 2 & Broadway at Galaxy Macau – On schedule and on budget to open on 27 May 2015
- Cotai Phases 3 & 4 – Site investigation works are expected to commence in 2015
- Hengqin – Continuing with concept plans for the 2.7 sq km land parcel
- International – Continuously exploring opportunities in overseas markets

Balance Sheet: Continues to be Healthy and Liquid

- Cash on hand of \$8.0 billion as at 31 March 2015 with net cash of \$6.0 billion
- Minimal debt of \$2.0 billion as at 31 March 2015

Dividend: Announced Special Dividend

- Previously announced special dividend of \$0.28 per share to be paid on or about 22 May 2015

** Return on Investment (“ROI”) calculated based on the total Adjusted EBITDA for the latest twelve months divided by gross book value through 31 March 2015 including allocated land cost.*



Dr. Lui Che Woo, Chairman of GEG said:

“We continue to experience the same macro challenges as all the concessionaires in Macau. These are the result of a combination of factors and they are impacting customer spending behavior. That said, our business remains healthy and we continually review our operations to ensure that both short and longer term opportunities are maximized.

The current headwinds are not a surprise to the market or to GEG. As always, we are actively managing our properties to leverage and mitigate market conditions, maximize revenues and manage costs, in order to drive returns.

The apparent impact these challenges have had on financial performances in the first quarter has been exacerbated by the strength of the all-time record trading period in early 2014, against which our current performance is compared.

We remain optimistic in the longer term outlook for Macau despite the current challenges and we are now absolutely focused on executing the openings of Galaxy Macau™ Phase 2 and Broadway at Galaxy Macau.

Together, these two new openings will offer some of the most exciting and diverse attractions in Macau, appealing to every member of the family. In particular, we are pleased to welcome two additional world class hotels, The Ritz Carlton, Macau and the JW Marriott Hotel Macau to join the family of hotels at Galaxy Macau™. Our truly integrated resort includes new signature features such as: the new Skytop Adventure Rapids which complement the largest skytop wave pool in the world; the Broadway Theatre; the Broadway street entertainment district; the Promenade and a portfolio of new MICEE and meeting venues. We are confident that the opening of these new facilities will drive returns.

I would like to take this opportunity to thank our team for their tireless hard work and commitment in achieving these commendable results, delivering our famous ‘World Class, Asian Heart’ service and advancing GEG in our mission to be ‘Globally recognized as Asia’s leading gaming and entertainment corporation’.

Market Overview

As anticipated, the challenges of 2014 have continued into 2015 and their impact has been felt across the market including at GEG. The Group continues to manage its properties effectively, in light of these conditions, and drive profitability.

With the opening of Galaxy Macau™ Phase 2 and the Broadway at Galaxy Macau on 27 May 2015, GEG is well positioned to leverage Macau’s growing visitation and its exciting future growth potential. We believe that the structural shift in the market to mass will continue in the coming years, with visitors drawn to a number of major new projects in Macau that will greatly enhance its MICEE, recreational, dining, retail and entertainment offer.



Group Financial Results

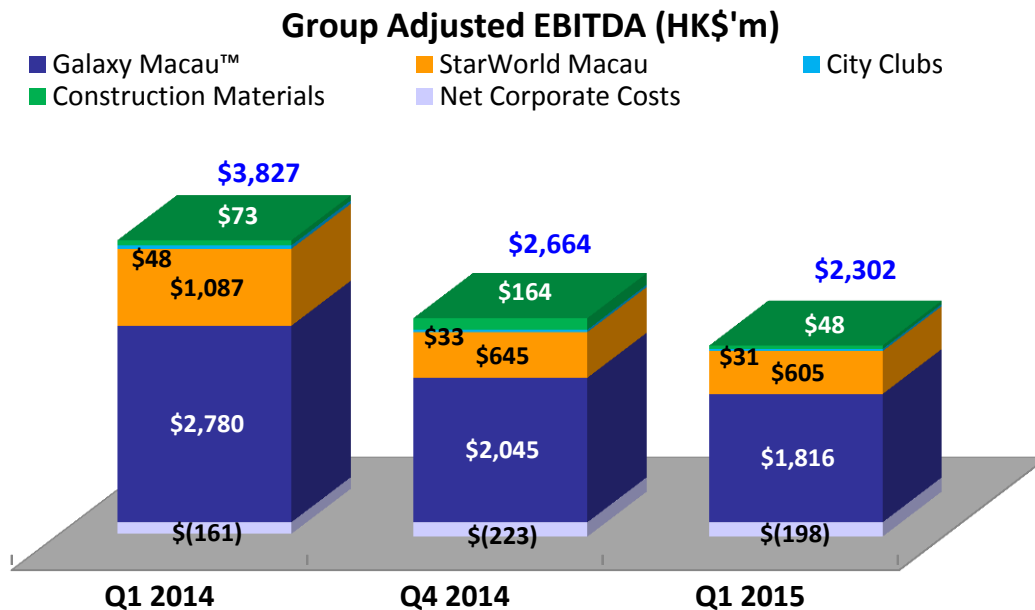
The Group posted quarterly revenue of \$13.7 billion in the first quarter of 2015 and Adjusted EBITDA of \$2.3 billion. As of 31 March 2015, the latest twelve months Adjusted EBITDA was \$11.7 billion. Galaxy Macau™ delivered Adjusted EBITDA of \$1.8 billion, a decrease of 35% year-on-year and 11% sequentially. StarWorld Macau's Adjusted EBITDA decreased 44% year-on-year and 6% sequentially to \$605 million.

The Group's total gaming revenue on a management basis¹ in Q1 2015 decreased 34% year-on-year to \$13.3 billion as total mass table revenue decreased 16% year-on-year to \$4.3 billion and total VIP revenue dropped 41% year-on-year to \$8.7 billion.

Balance Sheet, Special Dividend and Treasury Management

As of 31 March 2015, cash on hand stood at \$8.0 billion, including restricted cash of \$1.5 billion and net cash of \$6.0 billion. As previously announced the Group will pay another special dividend of \$0.28 per share on or about 22 May 2015.

Total debt increased from \$0.8 billion at 31 December 2014 to \$2.0 billion at 31 March 2015 due solely to a treasury management exercise where interest income on cash holdings exceeds corresponding borrowing cost.



¹ The primary difference between statutory revenue and management basis revenue is the treatment of City Clubs revenue where fee income is reported on a statutory basis and gaming revenue is reported on a management basis.



Galaxy Macau™

In Q1 2015, Galaxy Macau™ reported Adjusted EBITDA of \$1.8 billion, down 35% year-on-year and 11% sequentially. Revenue of \$9.2 billion represented a decrease of 28% year-on-year and 15% sequentially.

During the first quarter, mass revenue of \$2.9 billion decreased by 14% year-on-year but grew 6% sequentially. VIP win of \$5.6 billion declined by 35% year-on-year and 24% sequentially. Hotel occupancy at Galaxy Macau™ which encompasses three five star hotels was 95%. Adjusted EBITDA margin for the period was 20% (Q1 2014: 22%) calculated under HKFRS, or 27% under US GAAP (Q1 2014: 31%). The property generated a latest twelve months ROI² of 52%.

VIP Gaming

HK\$'m	Q1 2014	Q4 2014	Q1 2015	YoY%	QoQ%
Turnover	252,834	200,070	156,645	-38%	-22%
Net Win	8,697	7,369	5,623	-35%	-24%
Win %	3.4%	3.7%	3.6%		

Mass Gaming

HK\$'m	Q1 2014	Q4 2014	Q1 2015	YoY%	QoQ%
Table Drop	7,368	6,363	6,018	-18%	-5%
Net Win	3,331	2,704	2,879	-14%	6%
Hold %	45.2%	42.5%	47.8%		

Electronic Gaming

HK\$'m	Q1 2014	Q4 2014	Q1 2015	YoY%	QoQ%
Slots Handle	8,918	8,515	7,608	-15%	-11%
Net Win	412	361	316	-23%	-12%
Hold %	4.6%	4.2%	4.2%		

StarWorld Macau

In Q1 2015, StarWorld Macau delivered quarterly revenue of \$4.0 billion, a decrease of 42% year-on-year and 14% sequentially; and quarterly Adjusted EBITDA of \$605 million, a decrease of 44% year-on-year and 6% sequentially. Hotel occupancy was a healthy 93%. Adjusted EBITDA margins under HKFRS and US GAAP were 15% and 23%, respectively. StarWorld Macau reported a latest twelve months ROI of 83%.

² ROI calculated based on the total Adjusted EBITDA for the latest twelve months divided by gross book value through 31 March 2015 including allocated land cost.



VIP Gaming

HK\$'m	Q1 2014	Q4 2014	Q1 2015	YoY%	QoQ%
Turnover	180,213	123,628	88,491	-51%	-28%
Net Win	5,556	3,527	2,905	-48%	-18%
Win %	3.1%	2.9%	3.3%		

Mass Gaming

HK\$'m	Q1 2014	Q4 2014	Q1 2015	YoY%	QoQ%
Table Drop	2,934	2,421	2,330	-21%	-4%
Net Win	1,147	964	939	-18%	-3%
Hold %	38.6%	39.8%	40.3%		

Electronic Gaming

HK\$'m	Q1 2014	Q4 2014	Q1 2015	YoY%	QoQ%
Slots Handle	997	531	497	-50%	-6%
Net Win	52	36	33	-37%	-8%
Hold %	5.2%	6.9%	6.6%		

City Clubs and Construction Materials Division

City Clubs' Adjusted EBITDA in the period was \$31 million versus Q1 2014 of \$48 million.

The Construction Materials Division reported Adjusted EBITDA of \$48 million versus Q1 2014 of \$73 million.

Developing Macau's Largest Development Pipeline

Launch of Galaxy Macau™ Phase 2 and Broadway at Galaxy Macau

GEG is now set to enter the next chapter of growth with the official opening of Galaxy Macau™ Phase 2 and the rebranded Broadway at Galaxy Macau on 27 May 2015. Together they will take GEG's investment in Cotai to \$43 billion and double the existing footprint of the resort to 1.1 million square meters. They will offer an unprecedented selection of amenities and attractions that will deliver a wider and truly diverse set of experiences for visitors.

Major highlights include:

- Six hotels providing approximately 4,000 rooms, suites and villas plus two spas, including The Ritz Carlton's first All-Suite hotel (The Ritz-Carlton, Macau) with over 250 suites; Asia's largest JW Marriott (JW Marriott Hotel Macau) with over 1,000 rooms and the Broadway Hotel offering 320 well-appointed rooms, complemented by GEG's three existing world class hotels: Banyan Tree Macau, Hotel Okura Macau and Galaxy Hotel



- The Broadway Theatre, comprising 3,000 seats and offering guests a unique up-close-and-personal family-friendly entertainment experience featuring the best of traditional and contemporary Asia culture as well as international shows and performances
- An expanded Grand Resort Deck complete with Skytop Adventure Rapids, featuring the world's longest skytop aquatic adventure ride at 575 meters long and the world's largest skytop wave pool
- The Broadway – a vibrant street and entertainment district showcasing Macanese culture through hawker-style vendors, live entertainers and world class performers, a first in the territory
- The Promenade, featuring over 200 luxury and lifestyle retail brands
- Over 120 food & beverage outlets, offering everything from authentic pan-Asian cuisine to world class dining experiences from Michelin starred chefs
- A portfolio of unique venues and experiences for meetings, incentives and banquets, catering for up to 3,000 guests

GEG is confident that the dramatically expanded Galaxy Macau™ and Broadway at Galaxy Macau will set a new benchmark in Asia leisure and tourism, creating unforgettable experiences for the whole family and assist Macau in becoming a World Centre of Tourism and Leisure.

Cotai Phases 3 & 4

In the latter part of 2015, the Group expects to begin site investigation works for Cotai Phases 3 & 4, the plans for which are almost complete. Cotai Phases 3 & 4 will provide GEG with thousands of new hotel rooms and a vast array of leisure and entertainment facilities.

Hengqin

As previously announced, in early 2014 GEG entered into a framework agreement for a 2.7 square kilometer land parcel on Hengqin, adjacent to Cotai. The proposed development on Hengqin would comprise a world class, low density leisure and entertainment destination resort. Plans are coming together and GEG expects the development to be highly complementary to its existing and planned portfolio.

International

GEG continues to actively explore development opportunities in overseas markets.



Selected Major Awards in Q1 2015

	Award	Presenter
GEG	Casino Operator of the Year Australia / Asia	International Gaming Awards
	4 th Outstanding Corporate Social Responsibility Award	The Mirror
Galaxy Macau™	Casino VIP Room of the Year	International Gaming Awards
	World's Best Hotel 2014-2015	International Hotel Awards
	Annual Best Wedding Venue in Macau	All About Wedding Magazine
	2015 Forbes Travel Guide Five Stars Hotel – Banyan Tree Macau	Forbes Travel Guide
	2015 Forbes Travel Guide Five Stars Spas – Banyan Tree Spa	
	My Favorite Restaurant 2015 – Terrazza	U Magazine
StarWorld Macau	Top 10 Glamorous Hotels of China	China Hotel Starlight Awards
	Best Service Hotel of Asia	Golden Horse Award of China Hotel

Outlook

GEG is cautiously optimistic about the prospects for Macau and the Group specifically in the medium to longer term. This confidence is supported by unchanged fundamental drivers for growth such as increasing domestic consumption due to a fast growing affluent Chinese middle class determined to expand their horizons through travel; and planned infrastructure improvements, all of which will drive increased visitation to Macau.

The market remains challenging. Despite the challenges, GEG remains positive for the longer term outlook of Macau. Occupancy in the Group's hotels remains high, highlighting their strong ongoing appeal and robust market demand. Furthermore, Galaxy Macau™ Phase 2 and Broadway at Galaxy Macau will open on time and on budget on 27 May 2015, significantly expanding Galaxy Macau™'s offer and appeal to a growing visitation.

GEG will continue to effectively manage through this challenging period of adjustment and will be well positioned when growth resume in the future.

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About Galaxy Entertainment Group (HKEx stock code: 27)

Galaxy Entertainment Group Limited (“GEG”) is one of Asia’s leading gaming and entertainment corporations, and is a member of the Hang Seng Index.

GEG primarily develops and operates hotels, gaming and integrated resort facilities in Macau, the only legal gaming location in China and the largest gaming entertainment 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 Macau, 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 meters. Upon its scheduled opening in May 2015, Galaxy Macau™ Phase 2 will bring to Macau some of the most exciting entertainment, leisure, retail and MICE facilities. In December 2012, GEG outlined its concept plans for Phases 3 & 4 of its Cotai landbank and expects to commence site investigation works in 2015.

Broadway at Galaxy Macau will be a family oriented integrated resort, linked to Galaxy Macau™ with an air-conditioned sky-bridge.

GEG has entered into a framework agreement with the Hengqin authority to develop a 2.7 square kilometer land parcel for a world class destination resort in Hengqin. This project will complement GEG’s business in Macau and differentiate us from our peers, as well as play a key role in supporting Macau to become a World Center of Tourism and Leisure.

Additionally, GEG operates a Construction Materials Division.

For more information about the Group, please visit www.galaxyentertainment.com.