



GALAXY ENTERTAINMENT GROUP

SELECTED UNAUDITED Q1 2017 FINANCIAL DATA

GROUP ADJUSTED EBITDA UP 31% YEAR-ON-YEAR TO \$3.2 BILLION

UNIQUELY POSITIONED FOR FUTURE GROWTH

LAUNCHING COTAI - THE NEXT CHAPTER - SOON

**CONTINUE TO PURSUE JAPAN
WITH MONTE-CARLO SBM STRATEGIC PARTNERSHIP**

PAID SPECIAL DIVIDEND OF \$0.26 PER SHARE ON 28 APRIL 2017

Hong Kong, 4 May 2017 – Galaxy Entertainment Group (“GEG” or the “Group”) (HKEx stock code: 27) today reported selected unaudited first quarter financial data for the three month period ended 31 March 2017. (All amounts are expressed in Hong Kong dollars unless otherwise stated)

Q1 2017 RESULTS HIGHLIGHTS

GEG: Continues To Drive Mass, Profitable Volumes and Control Costs

- Q1 Group Revenue of \$14.1 billion, up 5% year-on-year, down 2% quarter-on-quarter
- Q1 Group Adjusted EBITDA of \$3.2 billion, up 31% year-on-year, up 7% quarter-on-quarter
- Played lucky in Q1 which increased Adjusted EBITDA by approximately \$50 million
- Latest twelve months Adjusted EBITDA of \$11.1 billion
- Hotel occupancy for Q1 across the Group’s seven hotels was 97%

Galaxy Macau™: Strong Performance Driven By Mass

- Q1 Revenue of \$10.2 billion, up 5% year-on-year, up 1% quarter-on-quarter
- Q1 Adjusted EBITDA of \$2.6 billion, up 27% year-on-year, up 9% quarter-on-quarter
- Played lucky in Q1 which increased Adjusted EBITDA by approximately \$75 million
- Hotel occupancy for Q1 across the five hotels was 97%

StarWorld Macau: Delivers Another Solid Quarter Driven by Mass

- Q1 Revenue of \$3.1 billion, up 6% year-on-year, down 10% quarter-on-quarter
- Q1 Adjusted EBITDA of \$649 million, up 27% year-on-year and up 2% quarter-on-quarter
- Played unlucky in Q1 which decreased Adjusted EBITDA by approximately \$25 million
- Hotel occupancy for Q1 was 98%

Broadway Macau™: A Unique Family Friendly Resort, Strongly Supported By Macau SMEs

- Q1 Revenue of \$135 million, versus \$181 million in prior year and \$159 million in Q4 2016
- Q1 Adjusted EBITDA of \$6 million, versus \$3 million in prior year and \$14 million in Q4 2016
- No material luck impact for Q1 Adjusted EBITDA
- Hotel occupancy for Q1 was virtually 100%

Balance Sheet: Remains Well Capitalized and Liquid

- Cash and liquid investments was \$25.0 billion and net cash of \$19.8 billion as at 31 March 2017
- Debt of \$5.2 billion as at 31 March 2017 primarily reflects ongoing treasury yield management initiative
- Paid the previously announced special dividend of \$0.26 per share on 28 April 2017

Development Update: Macau’s Largest Development Pipeline and Future Earnings Potential

- Cotai Development – The Next Chapter, soon to commence construction to include hotel, MICE, entertainment and gaming
- Hengqin – Plans moving forward to develop a leisure destination resort to complement our high-energy entertainment resorts in Macau, anticipated to disclose further details later in the year
- International – Announced a strategic partnership with Monte-Carlo SBM to explore the development of IRs in Asia – including Japan



Dr. Lui Che Woo, Chairman of GEG said:

“We are pleased to report our financial results for the three month period ending 31 March 2017. Our financial results continued to show positive momentum over Q4 2016, with the Group reporting Q1 Adjusted EBITDA of \$3.2 billion, up 7% quarter-on-quarter and up 31% over the same period last year. These results were achieved despite additional capacity entering the market in the later part of 2016.

We continue to drive each and every segment of our business with a particular focus on yielding our resorts and delivering profitable volumes. Our emphasis on executing our renowned ‘World Class, Asian Heart’ service combined with our unique and world-class resorts; have delivered memorable customer experiences and resulted in our portfolio of hotels being virtually 100% occupied during the period even as recent new competitive capacity continues to ramp up.

I am pleased to report that on 28 April 2017 we paid another special dividend of \$0.26 per share, a 73% increase compared to April 2016. We continue to carefully manage our capital allocation with a view to the development of Cotai, Hengqin and international opportunities. To further support our international expansion ambitions in Asia including Japan, we are pleased to announce the strategic partnership with Monte-Carlo SBM.

The continuing growth in the emerging middle-class in the Mainland and their appetite for leisure, tourism and travel gives us continued confidence in the longer term outlook for Macau. GEG is embarking on its next growth program and will soon commence construction of Cotai – The Next Chapter, which will include hotel, MICE, entertainment and gaming. GEG has the largest and most well-defined development growth pipeline of all Macau concessionaires.

Finally, I would like to thank all of our hard-working staff, as our results would not be possible without their united efforts.”

Market Overview

We are pleased to see that Macau is transitioning to a sustainable market recovery lead by mass. The positive trend of the later part of 2016 has continued into the first quarter of 2017. Gross Gaming Revenue (“GGR”) for the first quarter of 2017 was \$61.6 billion, up 5% over the fourth quarter of 2016 (\$58.7 billion), this is the third consecutive quarter of GGR growth that Macau has experienced.

Visitation to Macau for the first quarter was 7.9 million, up by 6% year-on-year; overnight visitors rose by 12% to 3.9 million. The average length of stay of visitors increased by 0.1 day year-on-year to 1.2 days. Mainland visitors also recorded growth reaching 5.3 million, up 8% year-on-year, driven by strong growth of IVS of 2.8 million, up 14% year-on-year.

On the regulatory side, the MSAR Government announced that they have submitted to the Legislative Assembly that concessionaires would be able to retain smoking lounges on the main gaming floor and that they would need to install smoking lounges into VIP rooms by 1 January 2019.

In January 2017 three additional train lines to Zhuhai were added to the high speed rail network and a further four were added in April. This combined with the proposed opening of the Taipa Ferry Terminal in May this year and the opening of the Hong Kong-Zhuhai-Macau Bridge in 2018,



will further enhance the catchment and ease of access to Macau for both Chinese and international visitors.

Group Financial Results

Q1 2017

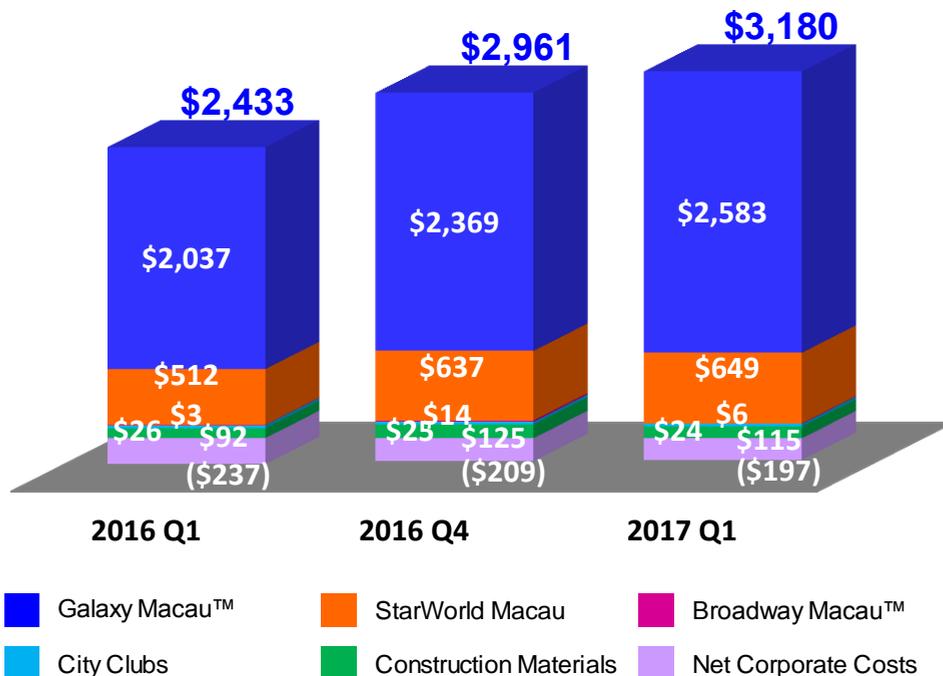
The Group posted revenue of \$14.1 billion, up 5% year-on-year, and generated Adjusted EBITDA of \$3.2 billion, up 31% year-on-year in Q1 2017. Galaxy Macau™'s Adjusted EBITDA was \$2.6 billion, up 27% year-on-year. StarWorld Macau's Adjusted EBITDA was \$649 million, up 27% year-on-year. Broadway Macau™'s Adjusted EBITDA was \$6 million, versus \$3 million in prior year.

Latest twelve months Adjusted EBITDA was up 25% year-on-year to \$11.1 billion and up 7% quarter-on-quarter which is an indicator of business momentum.

During Q1 2017, GEG experienced good luck in its gaming operation which increased its Adjusted EBITDA by approximately \$50 million. Normalized Q1 2017 Adjusted EBITDA was \$3.1 billion, up 34% year-on-year and up 11% quarter-on-quarter.

The Group's total gaming revenue on a management basis¹ in Q1 2017 was \$13.1 billion, up 4% year-on-year but down 2% quarter-on-quarter. Total mass table games revenue was \$5.8 billion, up 15% year-on-year. Total VIP revenue declined 5% year-on-year to \$6.8 billion as a modest volume increase was more than offset by not playing as lucky.

GEG Q1 2017 Adjusted EBITDA (HK\$'m)



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.



Balance Sheet, Treasury Management and Special Dividend

The Group's balance sheet remains liquid and healthy. As of 31 March 2017, cash and liquid investments were \$25.0 billion and net cash was \$19.8 billion. Total debt decreased from \$5.9 billion at 31 December 2016 to \$5.2 billion at 31 March 2017. Our debt primarily reflects a treasury management exercise where interest income on cash holdings exceeds corresponding borrowing costs. Our strong balance sheet combined with substantial cash flow from operations allows us to return capital to shareholders via dividends and to fund our development pipeline and international expansion ambitions.

The Group paid the previously announced special dividend of \$0.26 per share on 28 April 2017, a 73% increase compared to April 2016.

Galaxy Macau™

Galaxy Macau™ is the primary contributor to Group revenue and earnings. During Q1 2017, Galaxy Macau™ revenue was \$10.2 billion, up 5% year-on-year, up 1% quarter-on-quarter to the best revenue quarter in over two years. Adjusted EBITDA was \$2.6 billion, up 27% year-on-year, up 9% quarter-on-quarter. Adjusted EBITDA margin under HKFRS increased to 25% (Q1 2016: 21%), or 32% under US GAAP (Q1 2016: 27%).

Galaxy Macau™ experienced good luck in its gaming operations which increased its Adjusted EBITDA by approximately \$75 million in Q1 2017. Normalized Q1 2017 Adjusted EBITDA was \$2.5 billion, up 32% year-on-year and up 10% quarter-on-quarter.

VIP Gaming Performance

Total VIP rolling chip volume for Q1 2017 was \$131.8 billion, up 1% year-on-year, up 3% quarter-on-quarter. This translated to revenue of \$5.1 billion, down 6% year-on-year and up 1% quarter-on-quarter.

VIP Gaming

HK\$m	Q1 2016	Q4 2016	Q1 2017	QoQ%	YoY%
Turnover	130,536	127,814	131,755	3%	1%
Net Win	5,458	5,057	5,113	1%	(6%)
Win %	4.2%	4.0%	3.9%		

Mass Gaming Performance

Mass gaming revenue for Q1 2017 was \$4.0 billion, up 21% year-on-year, up 3% quarter-on-quarter.

Mass Gaming

HK\$m	Q1 2016	Q4 2016	Q1 2017	QoQ%	YoY%
Table Drop	7,734	8,375	8,839	6%	14%
Net Win	3,284	3,860	3,968	3%	21%
Hold %	42.5%	46.1%	44.9%		



Electronic Gaming Performance

Electronic gaming revenue for Q1 2017 was \$454 million, up 19% year-on-year, up 3% quarter-on-quarter.

Electronic Gaming

HK\$m	Q1 2016	Q4 2016	Q1 2017	QoQ%	YoY%
Slots Handle	11,542	11,647	11,385	(2%)	(1%)
Net Win	381	441	454	3%	19%
Hold %	3.3%	3.8%	4.0%		

Non-Gaming Performance

Non-gaming revenue for Q1 2017 was \$707 million, up 6% year-on-year, down 7% quarter-on-quarter. The combined five hotels registered strong occupancy of 97% in Q1 2017.

Net rental revenue for The Promenade in Q1 2017 was \$222 million, up 13% year-on-year, down 1% quarter-on-quarter.

Non-Gaming Revenue

HK\$m	Q1 2016	Q4 2016	Q1 2017	QoQ%	YoY%
Net Rental Revenue	196	225	222	(1%)	13%
Hotel / F&B / Others	470	532	485	(9%)	3%
Total	666	757	707	(7%)	6%

StarWorld Macau

StarWorld Macau's Q1 2017 revenue was \$3.1 billion, up 6% year-on-year, down 10% quarter-on-quarter. Adjusted EBITDA was \$649 million, up 27% year-on-year, up 2% quarter-on-quarter. Adjusted EBITDA margin under HKFRS increased to 21% (Q1 2016: 18%), or 29% under US GAAP (Q1 2016: 24%).

StarWorld Macau experienced bad luck in its gaming operations which decreased its Adjusted EBITDA by approximately \$25 million in Q1 2017. Normalized Q1 2017 Adjusted EBITDA was \$673 million, up 23% year-on-year and up 13% quarter-on-quarter.

VIP Gaming Performance

VIP rolling chip volume for Q1 2017 was \$63.1 billion, up 7% year-on-year and up 5% quarter-on-quarter. This translated to revenue of \$1.7 billion, up 3% year-on-year and down 18% quarter-on-quarter.

VIP Gaming

HK\$m	Q1 2016	Q4 2016	Q1 2017	QoQ%	YoY%
Turnover	59,200	60,149	63,066	5%	7%
Net Win	1,659	2,087	1,703	(18%)	3%
Win %	2.8%	3.5%	2.7%		



Mass Gaming Performance

Mass gaming revenue for Q1 2017 was \$1.3 billion, up 10% year-on-year and up 3% quarter-on-quarter.

Mass Gaming

HK\$m	Q1 2016	Q4 2016	Q1 2017	QoQ%	YoY%
Table Drop	3,019	3,303	3,442	4%	14%
Net Win	1,178	1,251	1,291	3%	10%
Hold %	39.0%	37.9%	37.5%		

Electronic Gaming Performance

Electronic gaming revenue for Q1 2017 was \$34 million, up 42% year-on-year and down 11% quarter-on-quarter.

Electronic Gaming

HK\$m	Q1 2016	Q4 2016	Q1 2017	QoQ%	YoY%
Slots Handle	409	1,399	1,594	14%	290%
Net Win	24	38	34	(11%)	42%
Hold %	5.9%	2.7%	2.1%		

Non-Gaming Performance

Non-gaming revenue for Q1 2017 was \$51 million, down 9% year-on-year and down 7% quarter-on-quarter. Hotel occupancy was 98% in Q1 2017.

Non-Gaming Revenue

HK\$m	Q1 2016	Q4 2016	Q1 2017	QoQ%	YoY%
Net Rental Revenue	9	10	12	20%	33%
Hotel / F&B / Others	47	45	39	(13%)	(17%)
Total	56	55	51	(7%)	(9%)

Broadway Macau™

Broadway Macau™ is a unique family friendly, street entertainment and food resort supported by Macau SMEs, it does not have a VIP gaming component. Broadway Macau™'s revenue for Q1 2017 was \$135 million, down 25% year-on-year and down 15% quarter-on-quarter. Adjusted EBITDA was \$6 million, versus \$3 million in prior year and \$14 million in Q4 2016. This reduction was primarily due to a reallocation of gaming tables as we yield them to a higher and better use.

There was no material luck impact for Broadway Macau™'s Adjusted EBITDA in Q1 2017.

Mass Gaming Performance

Mass gaming revenue for Q1 2017 was \$75 million, down 43% year-on-year, down 25% quarter-on-quarter.



Mass Gaming

HK\$m	Q1 2016	Q4 2016	Q1 2017	QoQ%	YoY%
Table Drop	600	393	325	(17%)	(46%)
Net Win	131	100	75	(25%)	(43%)
Hold %	21.9%	25.5%	23.1%		

Electronic Gaming Performance

Electronic gaming revenue for Q1 2017 was \$8 million, up 14% year-on-year, up 33% quarter-on-quarter.

Electronic Gaming

HK\$m	Q1 2016	Q4 2016	Q1 2017	QoQ%	YoY%
Slots Handle	143	103	201	95%	41%
Net Win	7	6	8	33%	14%
Hold %	5.1%	5.9%	4.0%		

Non-Gaming Performance

Non-gaming revenue for Q1 2017 was \$52 million, up 21% year-on-year and down 2% quarter-on-quarter. Hotel occupancy was virtually 100% for Q1 2017.

Non-Gaming Revenue

HK\$m	Q1 2016	Q4 2016	Q1 2017	QoQ%	YoY%
Net Rental Revenue	14	13	10	(23%)	(29%)
Hotel / F&B / Others	29	40	42	5%	45%
Total	43	53	52	(2%)	21%

City Clubs and Construction Materials Division

In Q1 2017, City Clubs delivered Adjusted EBITDA of \$24 million, down 8% year-on-year. The Construction Materials Division posted Adjusted EBITDA of \$115 million, up 25% year-on-year.

Development Update

Cotai – The Next Chapter

GEG is uniquely positioned for continued long term growth. We will soon commence construction on Cotai – The Next Chapter, which will include hotel, MICE, entertainment and gaming.

Hengqin

GEG's concept plan for our Hengqin project continued to progress. Hengqin will allow GEG to develop a leisure destination resort that will complement our high energy resorts in Macau. We anticipate to be able to provide further details later in the year.

International

GEG and Monte-Carlo SBM announced the formal establishment of a strategic partnership, which includes a mutual commitment to enhance the respective businesses and brands of each



company and to work together on the development and operation of entertainment businesses including Integrated Resort (“IR”) projects in the Asia-Pacific region, including opportunities in Japan. The announcement of this agreement follows a strategic investment made by GEG in Monte-Carlo SBM in July 2015.

Selected Major Awards in 2017 (January to April)

Award	Presenter
GEG	
Top 100 Hong Kong Listed Companies Award – Comprehensive Strength	QQ.com x Finet
Galaxy Macau™	
Casino Integrated Resort of the Year	International Gaming Awards
The Supreme Award of Asia’s Most Favored Tourism Integrated Resort by Parent-Child	The 17 th Golden Horse Awards of China Hotel
Asia’s Most Excellent Integrated Hotel	Asia Awards of Excellence 2017
Excellence Award – Hotel Group C	CEM & GDSE - Macau Energy Saving Contest 2016
2017 Forbes Travel Guide Five Star Hotel – The Ritz-Carlton, Macau – Banyan Tree Macau Five Star Restaurant – Belon Five Star Spa – Banyan Tree Spa Macau – ESPA Recommended Restaurant – Yamazato	Forbes Travel Guide
StarWorld Macau	
Top 10 Glamorous Hotels of China	The 12 th China Hotel Starlight Awards
Excellence Award – Hotel Group C	CEM & GDSE - Macau Energy Saving Contest 2016
The Supreme Award of Asia’s Best F&B Service Hotel	The 17 th Golden Horse Awards of China Hotel
Feng Wei Ju	SCMP Top 100 Tables 2017 Awards
Construction Materials Division	
Caring Company Scheme – 15 Years Plus Caring Company Logo	The Hong Kong Council of Social Service



Occupational Health Award 2016-2017 – Joyful @ Healthy Workplace Best Practices Award – Enterprise / Organization Category – Merit Award	Labour Department / Occupational Safety and Health Council
Hong Kong Green Organization Certification – Wastewi\$e Certificate - Excellence Level	Environmental Campaign Committee

Group Outlook

We continue to focus on executing our programs of driving profitable volumes, yielding the resorts, attracting higher spending customers, and offering guests a “World Class, Asian Heart” experience. Our efforts during Q1 2017 have resulted in a 7% increase in Adjusted EBITDA quarter-on-quarter and a 31% increase year-on-year. We are actively marketing our hotels and maintained near capacity hotel occupancy during the quarter.

The Macau market experienced its third consecutive quarter of GGR growth in the first quarter of 2017 to \$61.6 billion. Visitation to Macau for the first quarter was 7.9 million, up by 6% year-on-year; overnight visitors rose by 12% to 3.9 million. The average length of stay of visitors increased by 0.1 day year-on-year to 1.2 days. Mainland visitors also recorded growth reaching 5.3 million, up 8% year-on-year, driven by strong growth of IVS of 2.8 million, up 14% year-on-year. With additional hotel capacity entering the market in the second half of 2016, for the first time overnight stays exceeded day trippers. This is particularly pleasing as overnight stays have a higher spend per customer than day trippers. In 2017 and beyond more hotel capacity will be added which we believe will be a further positive for the market.

As we enter Macau’s seasonally high summer months, Galaxy Macau™ with its unique and highly differentiated Grand Resort Deck, complete with the world’s largest Skytop Wave Pool and the world’s longest Skytop Adventure Rapids is ideally positioned to capture above market share of customers seeking a more holistic holiday experience in Macau.

At both Galaxy Macau™ and StarWorld Macau we have a number of exciting property enhancements to introduce throughout 2017 to ensure our resorts remain highly competitive, desirable and cutting edge.

However, we do acknowledge that we face increased competition both in Macau and regionally and a tightening regulatory environment. Further there are a number of geo-political events occurring globally, that may impact consumer sentiment in the short term.

We remain confident in the longer term outlook for Macau, due to the growth of the Mainland middle-class whom have a strong desire for leisure, tourism and travel. GEG is ideally positioned to capitalize on this future growth with its unique and differentiated resort offerings and substantial development potential in both Cotai and Hengqin, combined with international opportunities, including Japan. GEG is committed to support the Macau Government in its efforts to develop Macau into a World Center of Tourism and Leisure.

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About Galaxy Entertainment Group (HKEx stock code: 27)

Galaxy Entertainment Group (“GEG” or the “Group”) is one of the world’s leading resorts, hospitality and gaming companies. It primarily develops and operates a large portfolio of integrated resort, retail, dining, hotels and gaming facilities in Macau. The Group is listed on the Hong Kong Stock Exchange and is a constituent stock of the Hang Seng Index.

GEG is one of the three original concessionaires in Macau with a successful track record of delivering innovative, spectacular and award winning properties, products and services, underpinned by a “World Class, Asian Heart” service philosophy, that has enabled it to consistently outperform and lead the market in Macau.

GEG operates three flagship destinations in Macau: on Cotai, Galaxy Macau™, one of the world’s largest integrated destination resorts, and the adjoining Broadway Macau™, a unique landmark entertainment and food street destination; and on the Peninsula, StarWorld Macau, an award winning premium property.

The Group has the largest undeveloped landbank of any concessionaire in Macau. When The Next Chapter of its Cotai development are completed, GEG’s resorts footprint on Cotai will double to more than 2 million square meters, making the resorts, entertainment and MICE precinct one of the largest and most diverse integrated destinations in the world. GEG is planning to develop a world class leisure and recreation destination resort on a 2.7 square kilometer land parcel on Hengqin adjacent to Macau. This resort will complement GEG’s offer in Macau, differentiate it from its peers and support Macau in its vision to become a World Centre of Tourism and Leisure.

Additionally, GEG continues to explore international development opportunities. In July 2015, GEG made a strategic investment in Société Anonyme des Bains de Mer et du Cercle des Etrangers à Monaco (“Monte-Carlo SBM”), a world renowned owner and operator of iconic luxury hotels and resorts in the Principality of Monaco. This partnership includes a mutual commitment to work together on the development and operation of entertainment businesses including, but not limited to Integrated Resort (“IR”) projects in the Asia-Pacific region and to enhance the respective businesses and brands of each company.

GEG is committed to delivering world class unique experiences to its guests and building a sustainable future for the communities in which it operates.

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

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