



GALAXY ENTERTAINMENT GROUP

SELECTED UNAUDITED Q3 2013 FINANCIAL DATA

**RECORD QUARTERLY GROUP ADJUSTED EBITDA OF \$3.2 BILLION,
UP 24% YEAR-ON-YEAR**

**FURTHER STRENGTHENING BALANCE SHEET WITH 44%
REDUCTION IN BORROWINGS IN EARLY Q4 2013**

**GALAXY MACAU™ PHASE 2 REMAINS ON SCHEDULE AND BUDGET
TO COMPLETE AS MACAU'S NEXT MAJOR PROJECT**

Hong Kong, 7 November 2013 – Galaxy Entertainment Group Limited (“GEG” or “the Group”) (HKEx stock code: 27) today reported selected unaudited 2013 third quarter financial data for the three months ended 30 September 2013.

HIGHLIGHTS

GEG: Record Highs in Revenue and Adjusted EBITDA

- Revenue of \$16.3 billion, an increase of 16% year-on-year
- Adjusted EBITDA of \$3.2 billion, up 24% year-on-year
- Latest twelve months Group Adjusted EBITDA, up 22% year-on-year to \$11.5 billion
- Completed the strategic acquisition of the Grand Waldo Complex in July 2013

Galaxy Macau™: 9th Consecutive Quarter of Adjusted EBITDA Growth

- Revenue of \$10 billion, up 20% year-on-year
- Adjusted EBITDA of \$2.3 billion, up 31% year-on-year
- Mass win increased by 45% year-on-year to \$2.7 billion
- VIP win of \$6.5 billion, up 13% year-on-year
- Construction of Phase 2 is on budget and on schedule to complete by mid-2015

StarWorld Macau: Best Quarter of Adjusted EBITDA Ever

- Adjusted EBITDA grew 8% year-on-year to \$910 million
- Mass record win of \$1.0 billion, an increase of 64% year-on-year
- VIP volume increased 15% year-on-year to \$169 billion

Balance Sheet: Strong Financial Platform for Future Growth

- Cash on hand at 30 September, 2013 of \$14.4 billion and net cash of \$7.7 billion
- Prepaid \$3.5 billion of debt in Q3 2013 which reduced borrowings by approximately 35% from \$10.3 billion to \$6.7 billion at 30 September, 2013
- Subsequently prepaying \$2.9 billion of debt in early Q4 2013, which will reduce borrowings by approximately 44% from \$6.7 billion to \$3.8 billion



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

“We continue to build our high quality Galaxy brand and strive to be ‘Globally recognized as Asia’s leading gaming and entertainment corporation’. Our service philosophy is to provide our guests with a memorable customer experience by offering the highest quality resort facilities and by delivering ‘World Class, Asian Heart’ service. We believe that this is what truly differentiates Galaxy.

Our efforts to deliver on our vision have translated into another set of record quarterly results. The Group’s results were driven by the high quality service performances of our two flagship properties, Galaxy Macau™ and StarWorld Macau. The exciting plans for Phase 2 of Galaxy Macau™ remain on schedule, and will further fulfill our promise of providing customers with quality facilities and service.

Over the years Galaxy has received numerous industry awards as evidence of our focus on delivering the very best customer experience including: Best Managed Company in Hong Kong, Top 10 Resort Hotels of China and Best Service Hotel, to name a few. These achievements would not be possible without the dedication and tireless efforts of our 15,000 strong Galaxy team members, and I would like to personally thank them all for their commitment to achieving Our Vision.

“Looking ahead, Macau and the region are set to prosper for many years to come as major infrastructure works come on stream that will greatly improve access to Macau from Mainland China and transform travel within the region.”

Group Financial Results

The Group posted record quarterly revenue and earnings in the third quarter of 2013. Revenue increased by 16% year-on-year to \$16.3 billion, while Adjusted EBITDA improved 24% year-on-year to \$3.2 billion. As of 30 September 2013, the latest twelve months Group Adjusted EBITDA climbed 22% to \$11.5 billion. Galaxy Macau™’s 31% growth in Adjusted EBITDA along with StarWorld Macau achieving its highest ever quarter of Adjusted EBITDA were the key factors in the increase in Group earnings.

As of 30 September 2013, cash on hand stood at \$14.4 billion, including restricted cash of \$2.2 billion, and were net cash by \$7.7 billion. During the quarter we reduced our borrowings by almost 35% by prepaying \$3.5 billion of bank debt where total debt declined from approximately \$10.3 billion to \$6.7 billion at 30 September, 2013. Subsequent to the period end, we are prepaying \$2.9 billion of debt in early Q4 2013 which will reduce borrowings by approximately 44% from \$6.7 billion to \$3.8 billion.

Galaxy Macau™

Galaxy Macau™ delivered its ninth consecutive quarter of Adjusted EBITDA growth at \$2.3 billion, an increase of 31% year-on-year and 10% quarter-on-quarter. Revenue of \$10 billion, grew 20% year-on-year and 8% sequentially. During the quarter, mass revenue was up by 45% to \$2.7 billion and VIP revenue also grew 13% to \$6.5 billion. Non-gaming revenue in the quarter remained broadly in line with the same period last year, but grew 12% quarter-



on-quarter to \$376 million. Hotel occupancy at Galaxy Macau™ which encompasses three five star hotels was 99%. Adjusted EBITDA margin for the period improved to 23% (Q3 2012: 21%) calculated under HK GAAP, or 31% under US GAAP (Q3 2012: 29%). The property also generated latest twelve months Return on Investment (“LTM ROI”*) of 48%.

VIP Gaming

HK\$'m	Q3 2012	Q2 2013	Q3 2013	YoY%	QoQ%
Turnover	173,295	178,196	191,140	10%	7%
Net Win	5,720	5,965	6,473	13%	9%
Win %	3.3%	3.3%	3.4%		

Mass Gaming

HK\$'m	Q3 2012	Q2 2013	Q3 2013	YoY%	QoQ%
Table Drop	6,297	6,845	7,012	11%	2%
Net Win	1,885	2,538	2,730	45%	8%
Hold %	29.9%	37.1%	38.9%		

Electronic Gaming

HK\$'m	Q3 2012	Q2 2013	Q3 2013	YoY%	QoQ%
Slots Handle	5,345	7,781	8,375	57%	8%
Net Win	313	383	402	28%	5%
Hold %	5.8%	4.9%	4.8%		

StarWorld Macau

StarWorld Macau achieved its highest ever quarter of Adjusted EBITDA at \$910 million, an increase of 8% year-on-year. These results were driven by record mass win and strong performance in VIP. Mass revenue grew 64% year-on-year and 18% sequentially to a record \$1.0 billion. On the VIP side, rolling chip volume grew a healthy 15% year-on-year to \$169 billion while win grew only 2% to \$4.5 billion due to a lower win rate of 2.7% in Q3 2013 compared to 3.0% in Q3 2012. Hotel occupancy was 99% for the quarter. Adjusted EBITDA margin under HK GAAP and US GAAP remained consistent with the same period last year at 16% and 26%, respectively. StarWorld Macau reported LTM ROI* of 94%.

VIP Gaming

HK\$'m	Q3 2012	Q2 2013	Q3 2013	YoY%	QoQ%
Turnover	147,064	161,913	169,121	15%	4%
Net Win	4,416	4,807	4,500	2%	-6%
Win %	3.0%	2.9%	2.7%		

* LTM ROI calculated based on the total Adjusted EBITDA for the latest twelve months divided by gross book value through 30 September 2013 including allocated land cost.



Mass Gaming

HK\$'m	Q3 2012	Q2 2013	Q3 2013	YoY%	QoQ%
Table Drop	2,627	2,663	2,829	8%	6%
Net Win	618	856	1,012	64%	18%
Hold %	23.1%	32.2%	35.4%		

Electronic Gaming

HK\$'m	Q3 2012	Q2 2013	Q3 2013	YoY%	QoQ%
Slots Handle	882	777	744	-16%	-4%
Net Win	59	48	44	-25%	-8%
Hold %	6.7%	6.1%	5.9%		

Selected Industry Recognition in 2013

GEG Group

Year	Award	Organization
2013	Best Managed Company in Hong Kong Best Investor Relations in Hong Kong Best Corporate Governance in Hong Kong 2 nd Place Best Corporate Social Responsibility in Hong Kong 3 rd Place	FinanceAsia Magazine
	Casino Operator of the Year Australia / Asia	International Gaming Awards (IGA)

Galaxy Macau™

Year	Award	Organization
2013	Most Charming Resort in Asia	Golden Horse Award of China Hotel
	Top 10 Resort Hotels of China	China Hotel Starlight Awards
	Forbes Travel Guide Star Awards	Forbes Travel Guide
	Best Resort Hotel Macau	International Hotel Awards



StarWorld Macau

Year	Award	Organization
2013	Best Service Hotel of the Year	China Travel and Meeting Industry Awards
	Top 10 Glamorous Hotels of China (2010-13)	China Hotel Starlight Awards
	Best Service Hotel (2011-13)	Golden Horse Award of China Hotel
	Macau Elite Service Hotel Award	Ming Pao Weekly

City Clubs and Construction Materials Division

City Clubs' Adjusted EBITDA in the third quarter was \$48 million, up 23% year-on-year.

The Construction Materials Division delivered a 22% year-on-year uplift in Adjusted EBITDA to \$138 million.

Cotai Development Update

Construction of Phase 2 of Galaxy Macau™ remains on budget and on schedule to complete as the next major project in Macau by mid-2015. We are well advanced with our planning of Phases 3 and 4 and we expect to commence construction in early 2014.

Grand Waldo Complex

In July 2013, GEG completed the \$3.25 billion acquisition of the Grand Waldo Complex. Located across the street from Galaxy Macau™ and the Group's Cotai landbank, the Grand Waldo Complex is strategically important to GEG's development pipeline. We continue to work on exciting renovation plans and we anticipate to be able to share those plans in early 2014.

Outlook

GEG continues to execute operationally resulting in record quarterly revenue and earnings at a Group level driven by strong operational performance across the board led by Galaxy Macau™ and StarWorld Macau.

As the Macau gaming market continues to evolve and cater to the mass market, a broader customer group from the Mainland in particular is visiting Macau. A key component in the Group's success is its 'World Class, Asian Heart' product and service philosophy. Understanding the changing tastes and demands of the customer is extremely important in



this dynamic market, and GEG has tailored its offer at both flagship properties to strengthen their appeal and maximise returns.

Macau's prospects for the remainder of this year and beyond are very bright, and GEG looks to its future with confidence. Considerable progress is being made on the development side including the construction of Phase 2 of Galaxy Macau™ and our plans for Cotai Phases 3 and 4. Set to complete in parallel alongside major infrastructure improvements, GEG is confident these developments will capture the imagination of the next generation of visitors to Macau, unlock the Group's earnings potential for many years to come, and support Macau's efforts to diversify its economy and become a world tourism destination.

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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, and is a member of the Hang Seng Index.

GEG 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 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 targeted completion by mid-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 construction by the end of 2013 / early 2014 with a targeted phased opening between 2016 and 2018.

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

For more information, please visit www.galaxyentertainment.com.