



**June 2007  
Corporate update**



# GEG – Trading Update

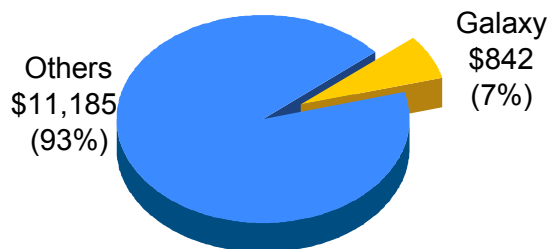


# Market Share Growth

(in HK\$ million)

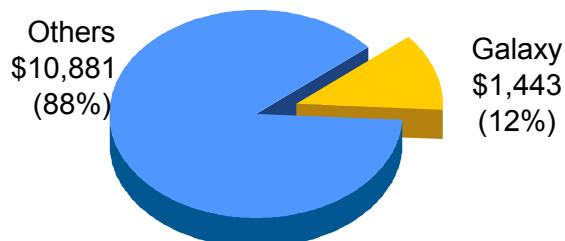


**Q1 2006**



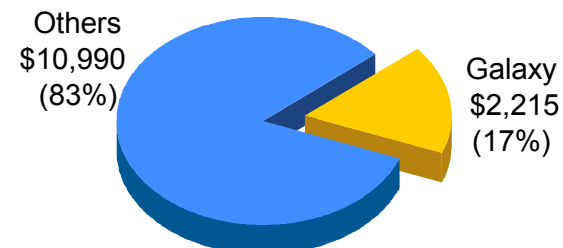
Total <sup>(1)</sup> = 100% = HK\$12,027m

**Q2 2006**



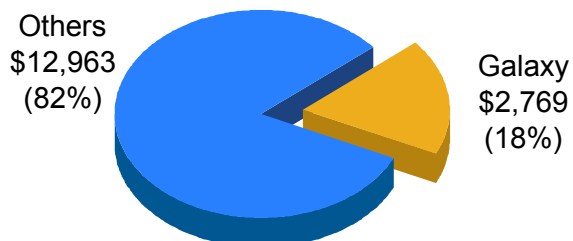
Total <sup>(1)</sup> = 100% = HK\$12,324

**Q3 2006**



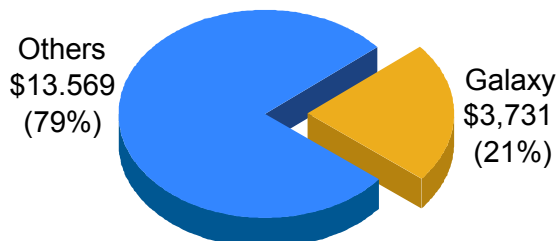
Total <sup>(1)</sup> = 100% = HK\$13,205

**Q4 2006**



Total <sup>(1)</sup> = 100% = HK\$15,732

**Q1 2007**



Total <sup>(1)</sup> = 100% = HK\$17,300

**Q4 2006 – Q1 2007**  
 Macau market growth 10%  
 Galaxy growth 35%<sup>2</sup>

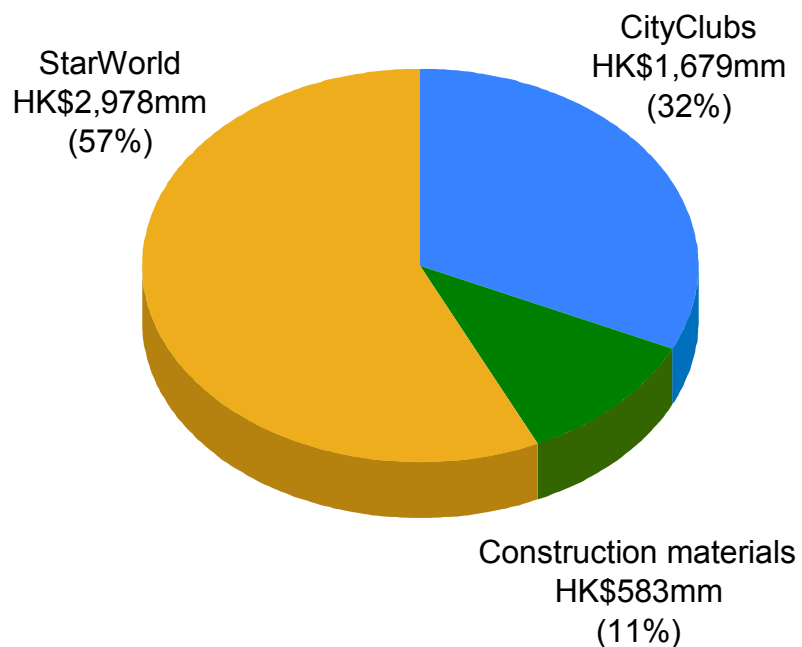
(1) Macau SAR DICJ  
 (2) Attributable to opening of StarWorld

# Revenue & EBITDA Breakdown



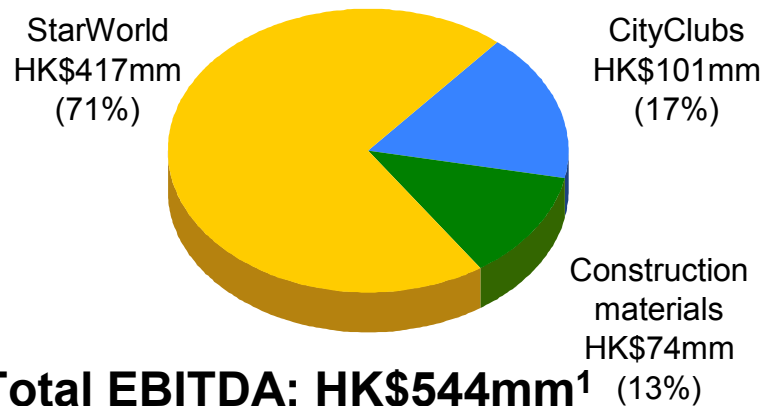
For the first 5 months 2007

## Revenue



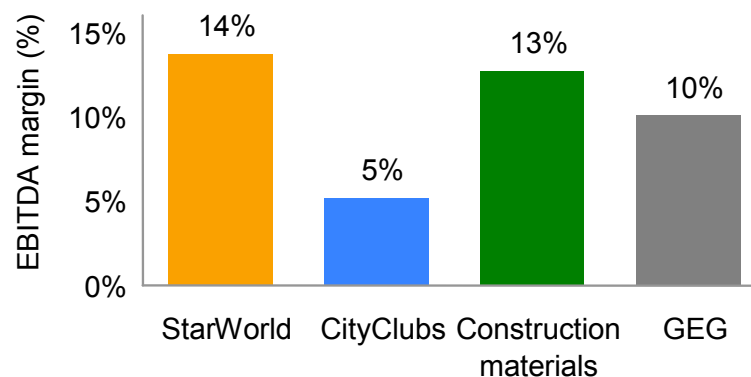
**Total revenue: HK\$5,240mm**

## EBITDA (before corporate expense)



**Total EBITDA: HK\$544mm<sup>1</sup>**

## EBITDA margin (HK GAAP)



Note:

(1) During the period, Galaxy incurred corporate costs HK\$107mm offset by HK\$59mm of interest income, reducing EBITDA by HK\$48mm

# StarWorld



# StarWorld – Overview

Jan 1, 2007 to May 31, 2007



## Key Financials (in HK\$ millions)

<b>Revenues</b>	<b>\$2,978</b>	
VIP	2,120	(71%)
Mass	690	(23%)
Slots	76	(3%)
Others <sup>(1)</sup>	92	(3%)

**EBITDA:**  
**HK\$417mm**  
**13.7%**  
**17% (US GAAP)**

**ROI**  
**(annualized)**  
**33%**

## VIP Operating Statistics

Turnover	HK\$75,403mm
Gross Gaming Revenue	HK\$2,120mm
Win %	2.8%
Win/Table/Day	
Apr-May 07 avg	HK\$420,000+
Jan-May 07 avg	HK\$340,000+

**VIP Tables (Jan-May 07 avg): 41**

**VIP Tables (end May 07): 47**

## Mass Gaming Operating Statistics

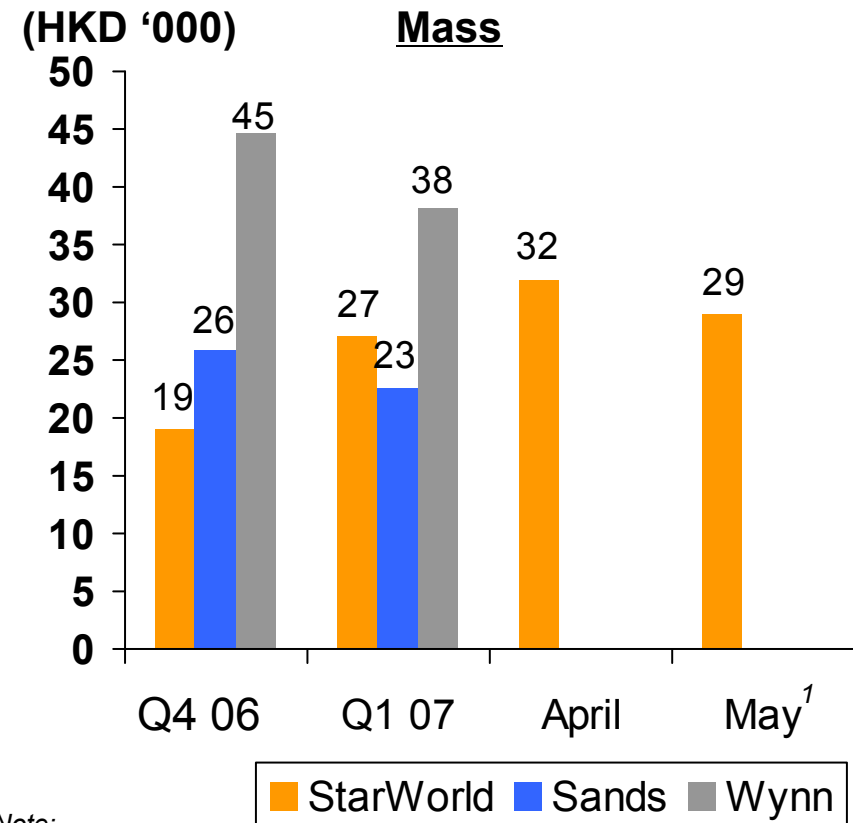
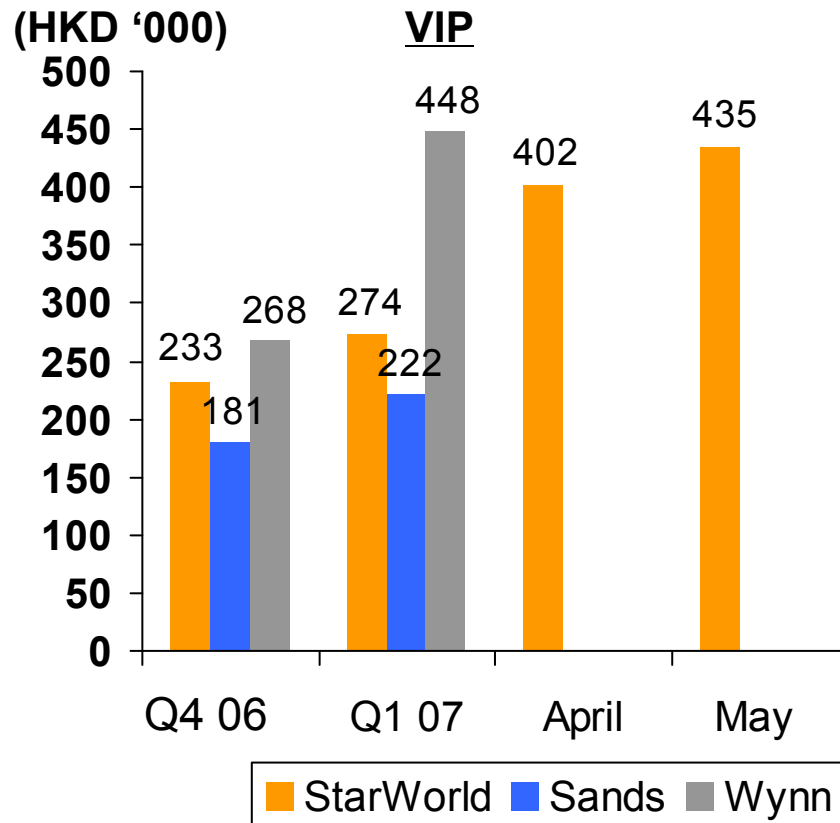
Mass Drop	HK\$4,196mm
Mass Gaming Revenue	HK\$ 690mm
Hold %	16.4%
Win/Table/Day	
Apr-May 07 avg	HK\$30,420+
Jan-May 07 avg	HK\$28,860+

**Mass Tables (Jan-May 07 avg): 157**

**Mass Tables (end May 07): 154**

(1) Non gaming revenue

# StarWorld – Win/Table/Day Comparison



Note:

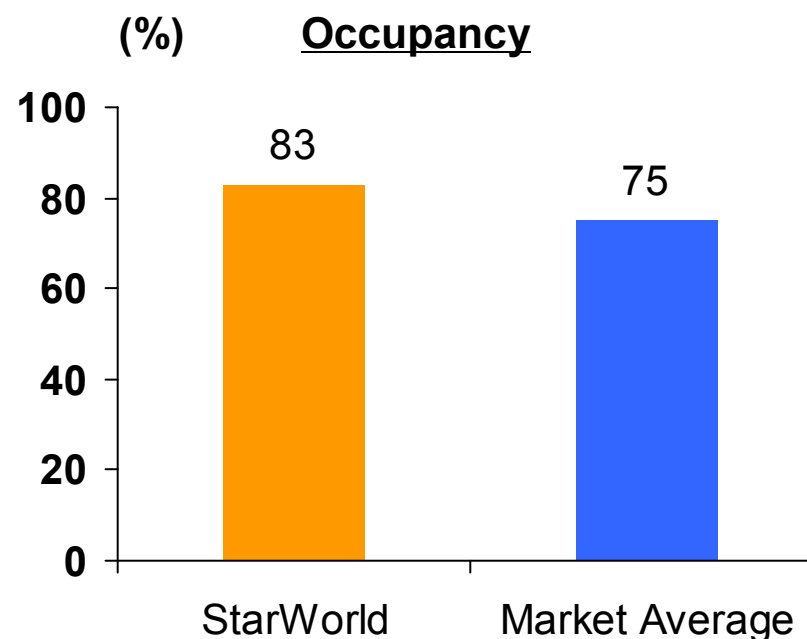
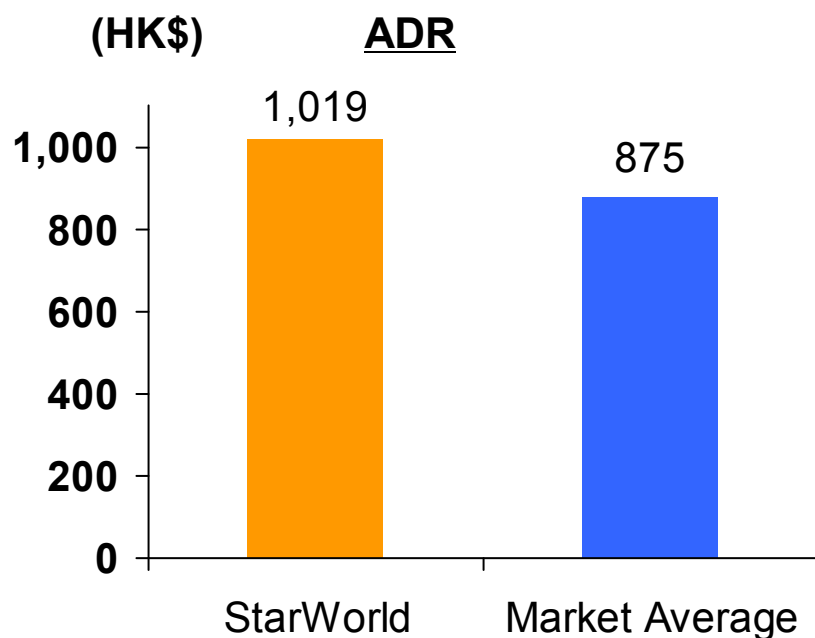
(1) May 2007 operations were disrupted due to shuffling of mass gaming tables

**StarWorld's Win/Table/Day statistics have been increasingly competitive vs. peers**

# StarWorld – Hotel



- 505 rooms currently opened
- Preferential room rate for VIP players
- Average Daily Rate: HK\$1,019
- Average Occupancy Rate: 83%



Note:

(1) ADR adjusted to take into account VAT

(2) Market average refers to average of 3, 4, 5 star hotels for Jan – Apr 2007



# StarWorld – Enhancements



## Business Expansion

- Addition of approximately 32 VIP tables, 35 additional mass tables on level 1 and 150 additional slots in June through to August 2007
- Introduction of new gaming product varieties
- New 6,000 sq. ft. Presidential Suite by July 2007

## Improve Foot Traffic

- New 500-seat Multi-Function Ballroom by August 2007
- Opening of additional Award Winning Restaurants – “Inagiku” and “Jade Garden”

## EBITDA Enhancement

- Opening of Jinmen – StarWorld’s premium gaming floor with 18 high limit gaming tables – opened in March 2007
- Fine tuning of gaming mix on mass floor
- Enhanced labour management and efficiency

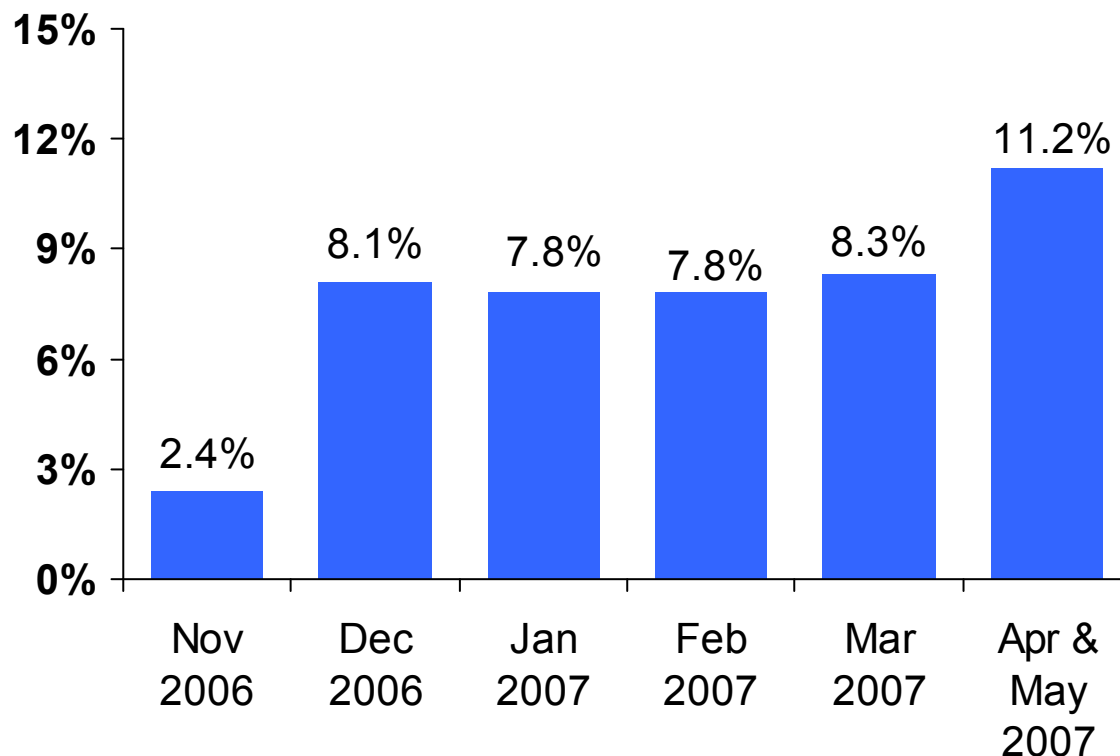
- *The above enhancements are materially covered by Galaxy’s previously announced capex of HK\$3bn*
- *New enhancement features require additional capex of HK\$120mm*

# StarWorld – Market Share

## November 2006 to Date



### % Market Share



### Number of Tables (VIP / Mass)

Nov 2006	18 / 169
Dec 2006	27 / 169
Jan 2007	33 / 169
Feb 2007	39 / 166
Mar 2007	42 / 168
Apr 2007	46 / 154
May 2007	47 / 154
⋮	⋮
Sep 2007*	79 / 180

Source: \* Company estimates

**At May 2007, market share improved to a 11.2%. By Q3 2007, with additional gaming tables in operation, we expect higher probability and a more dominant market share**

# CityClubs





## CityClubs overview

- An effective “management fee-style” business
- Provides instant market share for Galaxy and create key relationships with important VIP operators
- CityClubs EBITDA for the 5 months ended May 31, 2007 was HK\$101mm
- Galaxy’s CityClubs require minimal investment – GEG’s total investment only HK\$203mm – leading to a ROI of greater than 100% p.a.
- The CityClubs were
  - an effective training ground for casino employees in the past,
  - and currently provide promotional opportunities for staff

*The CityClubs strategy effectively captures market share*

# GalaxyWorld Resort



# GalaxyWorld Resort Phase 1 Overview



- GalaxyWorld Resort Phase 1 (original and extension) includes:
  - Twin hotel towers with approximately 2,500 hotel rooms, suites, villas
    - Tower 1 (1,500 rooms)
      - By Galaxy
    - Tower 2 (1,000 rooms and suites)
      - By 2 Brand name Operators
  - 250,000 sq. ft. main gaming area opening with 350 tables with capacity to increase to 700, and 1,200 slot machines with capacity to increase to 4,000
  - An additional 70,000 sq. ft. VIP & high limit gaming club (70, with capacity for up to 120 VIP tables)
  - Shopping, entertainment, spa, F&B, theatres, rooftop garden, wave pool / cabanas

# Capex Schedule



HK\$mm	Incurred to May 2007	Balance 2007	2008	2009
GalaxyWorld Phase 1	1,200	1,450	3,050	1,350
Cotai land premium	-	810	430	430
	1,200	2,260	3,480	1,780
Cum. outstanding capex		2,260	5,740	7,520

**Cash balance as at 31 May 2007 6,700**

# Conclusion





# Beginning of a New Era



**Established a strong brand with StarWorld being a leading player in the Macau gaming market**

**Strong management provides additional momentum**

**GalaxyWorld Phase 1 (including second Tower), on track and fully funded**

**Future growth potential is assured with largest landbank in Cotai**

**Successful execution of our proven strategy**

***We have delivered what we have promised and  
we will continue to deliver going forward***

# The End



**Thank you for time and we are now open to your questions**