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銀娛 GEG

GALAXY ENTERTAINMENT GROUP LIMITED

銀河娛樂集團有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 27)

ANNOUNCEMENT ON CERTAIN SELECTED UNAUDITED KEY PERFORMANCE INDICATORS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

This announcement is issued pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board of Directors (the “Board”) of Galaxy Entertainment Group Limited (“GEG”) is pleased to announce certain selected unaudited key performance indicators of GEG and its subsidiaries (collectively referred to as the “Group”) for the first quarter ended 31 March 2013 as follows:

FIRST QUARTER 2013 HIGHLIGHTS

GEG: Record High Earnings

- Revenue of HK\$15.2 billion, up 15% year-on-year and 6% sequentially
- Adjusted EBITDA of HK\$2.8 billion, up 29% year-on-year and 10% sequentially
- Latest twelve months Group Adjusted EBITDA increased year-on-year by 46% to HK\$10.5 billion

Galaxy Macau™: 7th Consecutive Quarter of Adjusted EBITDA Growth

- Revenue of HK\$8.9 billion, up 23% year-on-year
- Adjusted EBITDA of HK\$1.9 billion, up 48% year-on-year and 3% quarter-on-quarter
- Mass win of HK\$2.3 billion, up 42% year-on-year and 8% sequentially
- Achieved latest twelve months Return on Investment (ROI*) of 42%
- Strong hotel occupancy of 95% even with additional new capacity in Cotai

StarWorld: Rebounding Strongly with 2nd Highest Ever Quarter of Adjusted EBITDA

- Adjusted EBITDA of HK\$861 million, up 33% on Q4 2012 and 1% year-on-year
- Record mass win of HK\$802 million, growing 42% year-on-year and 14% sequentially, ahead of the market
- Strong hotel occupancy of 98%
- Achieved latest twelve months ROI* of 94%

Development Update: Galaxy Macau™ Phases 2, 3 & 4

- Construction of Phase 2 on budget and on schedule to be completed by mid-2015
- Phases 3 & 4 plans well advanced with construction targeted to commence by the end of 2013 / early 2014

Balance Sheet: Remains Healthy

- Cash on hand of HK\$16 billion as at 31 March 2013
- Net cash position of HK\$5.4 billion

Subsequent Events: Strategic Acquisition of the Grand Waldo Complex and GEG Inclusion in the Hang Seng Index

- Announced HK\$3.25 billion strategic acquisition of the Grand Waldo Complex in May 2013
- On 10 May 2013, the Hang Seng Indexes Company Limited announced that GEG would be included as a constituent to the Hang Seng Index effective on 17 June 2013

* ROI calculated based on the total Adjusted EBITDA for the latest twelve months divided by gross book value through 31 March 2013 including allocated land cost.

2013 has started well with GEG achieving records in quarterly earnings. Galaxy Macau™ delivered its 7th consecutive quarter of Adjusted EBITDA growth even as new capacity opened in Cotai, and StarWorld rebounded solidly.

GEG first quarter results underscore the excellent progress GEG is making in optimising every component of Galaxy Macau™ so that it reaches its potential, and ensuring that new growth initiatives at StarWorld put the property firmly back on its growth trajectory. The Board is particularly pleased with the performance of GEG's mass business at both of GEG flagship properties which continues to be the engine of growth.

Looking beyond the short term initiatives at GEG existing properties, GEG is greatly excited by its potential for growth in the medium and longer term. Phases 2, 3 & 4 of GEG on Cotai will offer fresh and captivating new products and service experiences that will reinforce Macau's standing in the global leisure and tourism community. GEG is confident that it will prove highly popular with the expected influx of new visitors to Macau as major transport and infrastructure works transform access to and within Macau.

In addition, the Board is pleased that GEG will further extend its casino permitted landbank with the announcement of the strategic acquisition of the Grand Waldo Complex. The Board believes this will benefit the Group's future development and enhance value for GEG shareholders.

Finally, the Board is particularly pleased that the Hang Seng Indexes Company Limited announced that GEG will be included as a constituent to the Hang Seng Index commencing on 17 June 2013.

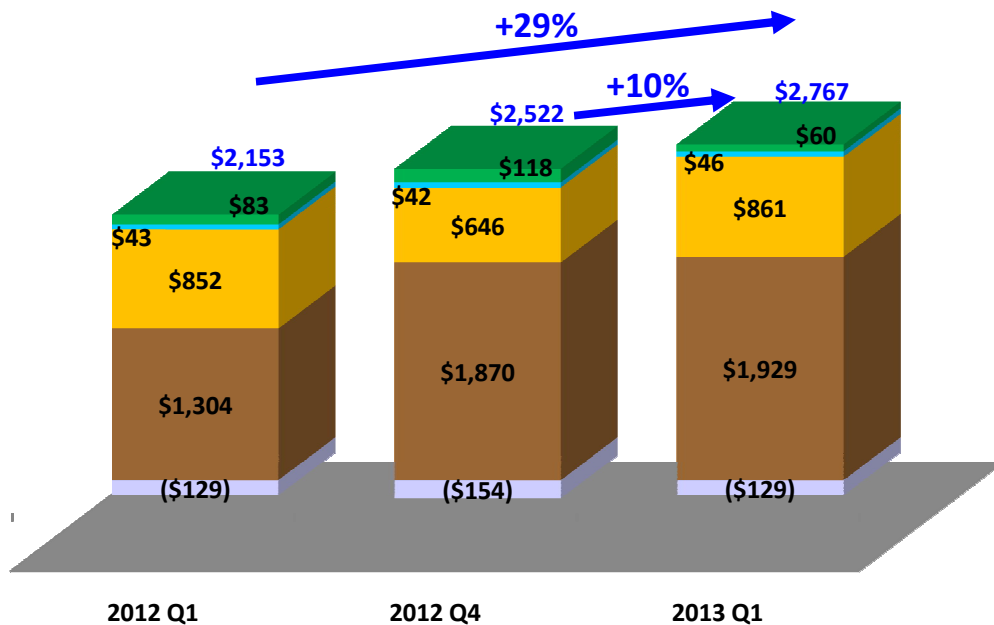
Group Financial Results

The Group registered a strong performance in the first quarter of 2013, achieving record Adjusted EBITDA of HK\$2.8 billion, an increase of 29% year-on-year and 10% quarter-on-quarter. As of 31 March 2013, the latest twelve months Group Adjusted EBITDA was up 46% year-on-year to HK\$10.5 billion. Group revenue in the period reached HK\$15.2 billion, an increase of 15% year-on-year and 6% quarter-on-quarter.

These results reflect increased operational efficiencies across the business, the continuously improving performance of Galaxy Macau™ and record mass win at both of GEG's flagship properties. The VIP performance at both properties was solid.

Group Adjusted EBITDA (HK\$m)

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



As of 31 March 2013, cash on hand stood at HK\$16 billion, including restricted cash of HK\$2.1 billion. Net cash at the period end was HK\$5.4 billion.

City Clubs and the Construction Materials Division made solid contributions.

Galaxy Macau™

Galaxy Macau™, GEG's game changing integrated resort in Cotai, generated revenue of HK\$8.9 billion in the first quarter, an increase of 23% year-on-year. Adjusted EBITDA increased for the 7th consecutive quarter to HK\$1.9 billion, an increase of 3% quarter-on-quarter and 48% year-on-year. Latest twelve months ROI climbed to 42%.

Adjusted EBITDA margin for the period improved to 22% (Q1 2012: 18%) calculated under HK GAAP, or 30% under US GAAP (Q1 2012: 26%).

GEG's growth rates are largely attributable to a stellar performance in the mass segment, with win growing by 42% year-on-year (versus market growth of 30%) and by 8% quarter-on-quarter (versus market growth of 6%).

| VIP Gaming | | | | | |
|------------|-----------|-----------|-----------|------|------|
| HK\$m | Q1 2012 | Q4 2012 | Q1 2013 | YoY% | QoQ% |
| Turnover | \$171,393 | \$167,590 | \$168,014 | -2% | 0.3% |
| Net Win | \$5,120 | \$5,956 | \$5,910 | 15% | -1% |
| Win % | 3.0% | 3.6% | 3.5% | | |

| Mass Gaming | | | | | |
|--------------------|----------------|----------------|----------------|-------------|-------------|
| HK\$'m | Q1 2012 | Q4 2012 | Q1 2013 | YoY% | QoQ% |
| Table Drop | \$5,871 | \$6,497 | \$6,694 | 14% | 3% |
| Net Win | \$1,593 | \$2,096 | \$2,261 | 42% | 8% |
| Hold % | 27.1% | 32.3% | 33.8% | | |

| Electronic Gaming | | | | | |
|--------------------------|----------------|----------------|----------------|-------------|-------------|
| HK\$'m | Q1 2012 | Q4 2012 | Q1 2013 | YoY% | QoQ% |
| Slots Handle | \$4,346 | \$5,484 | \$6,187 | 42% | 13% |
| Net Win | \$298 | \$328 | \$359 | 20% | 9% |
| Hold % | 6.9% | 6.0% | 5.8% | | |

In non-gaming, the property's compelling range of retail, dining and accommodation options resulted in a 17% year-on-year increase in revenue to HK\$383 million. Hotel occupancy for the quarter was an impressive 95%.

Development Update of Galaxy Macau™ Phases 2, 3 & 4

Construction of the 450,000 square metre Phase 2 of Galaxy Macau™, announced in April last year, continues apace with target completion expected by mid-2015. Expected to open as the next major project in Macau, together with Phase 1 it will boast the largest pan Asian cuisine selection under one roof; nearly 200 luxury retail outlets; meeting, events and banquet capacity for 3,000 guests; and, 3,600 luxury five star hotel rooms, suites and villas catering for a wide range of tastes. Management is confident that it will be a spectacular addition to Phase 1 and the Macau market.

Plans for the final two phases of GEG's landbank in Cotai are also nearing completion. Doubling the footprint of the first two phases, Phases 3 & 4 will significantly diversify GEG's product and service offering to include a multitude of new entertainment elements, including a state of the art multi-purpose 10,000 seat arena for world class entertainment and sporting events and a 50,000 square metre convention centre. GEG believes that the ambitious HK\$50-HK\$60 billion project, predominantly targeting premium mass guests, will set a new benchmark for the global leisure and tourism industry, and prove pivotal in GEG securing a strong share of the expected influx of new visitors to Macau. Construction is targeted to commence by the end of 2013 or early 2014.

StarWorld Hotel & Casino

StarWorld, the Group's flagship property on the Macau peninsula, rebounded strongly in the first quarter, recording Adjusted EBITDA of HK\$861 million, a 33% increase on the previous quarter and its second best quarter ever. Revenue increased by 5% to HK\$5.8 billion.

GEG's improved results were a result of a number of factors including outperforming the market in the mass segment, where win climbed to an all-time high of HK\$802 million, an increase of 42% year-on-year and 14% quarter-on-quarter. In addition, there were positive signs of increased demand in the VIP market with volumes at the highest level since Q2 2012. A quarter-on-quarter VIP volume increase of 2%, coupled with a higher VIP win rate of 3.2%, led to 17% quarter-on-quarter growth in net win to HK\$4.8 billion. A number of new initiatives to enhance the performance of StarWorld are already benefiting the business.

| VIP Gaming | | | | | |
|------------|-----------|-----------|-----------|------|------|
| HK\$'m | Q1 2012 | Q4 2012 | Q1 2013 | YoY% | QoQ% |
| Turnover | \$176,117 | \$146,915 | \$149,440 | -15% | 2% |
| Net Win | \$4,754 | \$4,098 | \$4,805 | 1% | 17% |
| Win % | 2.7% | 2.8% | 3.2% | | |

| Mass Gaming | | | | | |
|-------------|---------|---------|---------|------|------|
| HK\$'m | Q1 2012 | Q4 2012 | Q1 2013 | YoY% | QoQ% |
| Table Drop | \$2,392 | \$2,585 | \$2,664 | 11% | 3% |
| Net Win | \$564 | \$706 | \$802 | 42% | 14% |
| Hold % | 23.2% | 26.7% | 29.6% | | |

| Electronic Gaming | | | | | |
|-------------------|---------|---------|---------|------|-------|
| HK\$'m | Q1 2012 | Q4 2012 | Q1 2013 | YoY% | QoQ% |
| Slots Handle | \$927 | \$901 | \$898 | -3% | -0.3% |
| Net Win | \$62 | \$66 | \$64 | 3% | -3% |
| Hold % | 6.6% | 7.3% | 7.1% | | |

StarWorld's hotel occupancy was 98% in the quarter. Latest twelve months ROI was an impressive 94% (Q1 2012: 91%).

City Clubs and Construction Materials Division

During the first quarter, City Clubs generated an Adjusted EBITDA of HK\$46 million, a year-on-year improvement of 7%.

The Construction Materials Division reported an Adjusted EBITDA of HK\$60 million, compared to HK\$83 million in Q1 2012 where the continued softness in the cement and slag markets in the Mainland was partially offset by healthy demand in Hong Kong and Macau.

Subsequent Events

Strategic Acquisition of the Grand Waldo Complex

In May 2013, GEG entered into an agreement to purchase 100% of the properties of the Grand Waldo Complex for a purchase price of HK\$3,250 million. The transaction is expected to complete in the third quarter of this year.

Grand Waldo is a casino, hotel and entertainment complex located adjacent to Galaxy Macau™ and GEG's existing Cotai landbank. GEG considers this acquisition to be a strategic investment and it is expected to have strategic effect on GEG's development at Cotai.

GEG Inclusion as a Constituent to the Hang Seng Index

On 10 May 2013, the Hang Seng Indexes Company Limited announced that GEG would be included as a constituent to the Hang Seng Index effective on 17 June 2013.

Outlook

The evolution in the Macau gaming market to the higher margin mass segment has continued in 2013, with GEG successfully tapping into this growing demand as a result of its 'World Class, Asian Heart' product and service offer, and improved accessibility through infrastructure initiatives. Alongside this, there have been positive signs that demand in the VIP segment is regaining momentum.

GEG remains confident in Macau's prospects for 2013 and beyond, with an improving economy, further planned wide reaching infrastructure and transport improvements and a supportive local government, all facilitating growth in consumer consumption and increased visitation to Macau.

By gradually monetising GEG casino permitted landbank with the acceleration of Galaxy Macau™ Phase 2 and advancing with our Phases 3 & 4 development plans, GEG's well defined short, medium and longer term development strategy is unlocking the Group's earnings potential and moving GEG closer to achieving its vision to be 'globally recognised as Asia's leading gaming and entertainment corporation' and enhance Macau's position as a world class tourism destination.

CAUTION STATEMENT

The Board wishes to remind shareholders and potential investors that the above financial data primarily relates only to a part of operations of the Group and is based on the Group's internal records and management accounts. The above financial data has not been reviewed or audited by independent auditors and is not a forecast of the performance of the gaming and entertainment division or of the Group as a whole. Shareholders and potential investors are cautioned not to unduly rely on such data and are advised to exercise caution when dealing in the shares of GEG.

By Order of the Board
Galaxy Entertainment Group Limited
Jenifer Sin Li Mei Wah
Company Secretary

Hong Kong, 15 May 2013

As at the date of this announcement, the executive Directors of GEG are Dr. Lui Che Woo (Chairman), Mr. Francis Lui Yiu Tung, Mr. Joseph Chee Ying Keung and Ms. Paddy Tang Lui Wai Yu; the non-executive Director of GEG is Mr. Anthony Thomas Christopher Carter; and the independent non-executive Directors of GEG are Mr. James Ross Ancell, Dr. William Yip Shue Lam and Professor Patrick Wong Lung Tak.

Website: www.galaxyentertainment.com