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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 2012

This announcement is issued pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board of Directors (“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 2012 as follows:

HIGHLIGHTS

GEG

- All-time record Adjusted EBITDA of HK\$2.2 billion, up 202% year-on-year
- 14th consecutive quarter of Group Adjusted EBITDA growth
- Latest twelve months (“LTM”) Group Adjusted EBITDA to 31 March 2012 increased by 185% to HK\$7.2 billion
- Reported strong mass revenues at Galaxy MacauTM and StarWorld which increased quarter-on-quarter by 16% and 13% respectively

Galaxy MacauTM

- Adjusted EBITDA of HK\$1.3 billion grew 6% in Q1 2012 for the third full quarter of operation
- Adjusted EBITDA margin improved by 12% quarter-on-quarter from 16% to 18%
- Strong hotel occupancy of 89% for Q1 2012
- Enhanced gaming and entertainment offering with the opening of two Sky casinos, The Pavilion High Limit Slots, an additional VIP Room and China Rouge
- Q1 2012 annualised Return On Investment (“ROI”) of 32%

StarWorld

- 15th consecutive quarter of Adjusted EBITDA growth at HK\$852 million, up 28% year-on-year
- ROI improved to 91%
- Strong hotel occupancy of 98% for Q1 2012

Balance Sheet

- Strong cash on hand of HK\$9.5 billion at 31 March 2012, including restricted cash of HK\$1.9 billion

Subsequent Event: Announcement of Galaxy MacauTM Phase 2

- Announced the proposed HK\$16 billion Galaxy MacauTM Phase 2 on 26 April 2012
- Target completion is in mid 2015
- GEG does not intend to issue equity

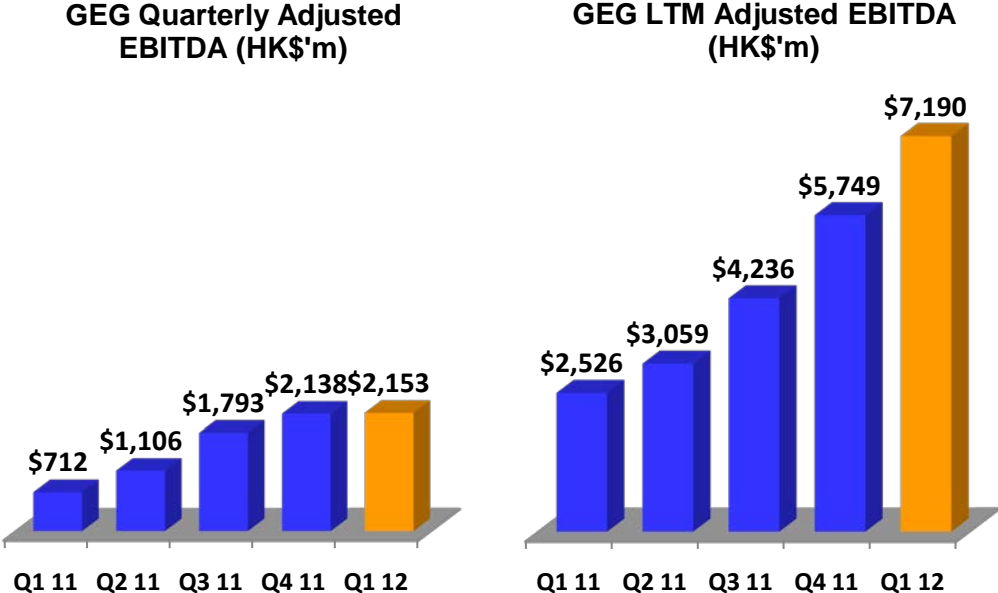
ROI calculated based on the total Adjusted EBITDA for the LTM divided by project cost/gross book value, including land cost.

GEG delivers another set of strong results, its 14th consecutive quarter of Adjusted EBITDA (as defined in Annual Report 2011) growth. Both the flagship properties delivered gains in profitability. As Galaxy Macau™ approaches its one year anniversary; it continues to exceed our expectations, as well as those of our guests.

Today’s performance announcement also underscores the exciting potential of our recently announced Phase 2 development of Galaxy Macau™. GEG is constantly striving to achieve even greater success in the pursuit of its goal, to become Asia’s Leading Gaming and Entertainment Corporation.

Group Financial Results

The Group performed well in the first quarter of 2012, delivering its 14th consecutive quarter of Adjusted EBITDA growth with a record of HK\$2.2 billion. As of 31 March 2012, LTM Group Adjusted EBITDA was HK\$7.2 billion. Group revenue reached HK\$13.2 billion in the quarter, an increase of 130% year-on-year.



City Clubs and the Construction Materials Division performed solidly.

Galaxy Macau™

Galaxy Macau™, GEG’s integrated resort in Cotai, generated revenue of HK\$7.2 billion and Adjusted EBITDA of HK\$1.3 billion in Q1 2012 in its third full quarter of operation. Mass market revenue increased by 16% quarter-on-quarter. Operational efficiencies combined with strong performance in mass market resulted in Adjusted EBITDA margin improving for the period to 18% calculated under HK GAAP, and 26% under US GAAP. On an annualised basis, ROI stood at 32%.

| Q1 2012 (HK\$'m) | VIP Gaming | Mass Gaming | Electronic Gaming |
|---------------------------------------------|-------------------|--------------------|--------------------------|
| Turnover / Table Drop / Slots Handle | \$171,393 | \$5,871 | \$4,346 |
| Net Win | \$5,120 | \$1,593 | \$298 |
| Win / Hold % | 3.0% | 27.1% | 6.9% |

The property's success is based on its wide range of world class Asian themed entertainment, accommodation and dining options. During the quarter, its 'World Class, Asian Heart' product and service offering was further enhanced with the opening of two new luxurious Sky casinos, The Pavilion High Limit Slots, the spectacular China Rouge private members club and the opening of an additional VIP Room. Galaxy Macau™'s strong hotel occupancy for the quarter was 89%.

StarWorld Hotel & Casino

StarWorld, the Group's flagship property on the Macau peninsula, reported its 15th consecutive quarter of Adjusted EBITDA growth, up 28% year-on-year to a record of HK\$852 million in Q1 2012.

StarWorld's Adjusted EBITDA margin for the quarter was 15% under HK GAAP, compared to 13% in Q1 2011 and 14% in Q4 2011. Under US GAAP, Adjusted EBITDA margin for the quarter was 26%, compared to 23% in Q1 2011 and 23% in Q4 2011.

Quarterly revenue increased by 11% year-on-year to HK\$5.5 billion, but fell 10% quarter-on-quarter due to a below expected VIP win rate of 2.7% in Q1 2012 (expected win rate: 2.8%) versus Q4 2011 of 3.1% despite healthy VIP volume.

Mass gaming revenue grew 56% year-on-year to HK\$564 million on record volume of HK\$2.4 billion. StarWorld's strong hotel occupancy for the quarter was 98%.

| Q1 2012 (HK\$'m) | VIP Gaming | Mass Gaming | Electronic Gaming |
|---------------------------------------------|-------------------|--------------------|--------------------------|
| Turnover / Table Drop / Slots Handle | \$176,117 | \$2,392 | \$927 |
| Net Win | \$4,754 | \$564 | \$62 |
| Win / Hold % | 2.7% | 23.2% | 6.6% |

| Q1 2011 (HK\$'m) | VIP Gaming | Mass Gaming | Electronic Gaming |
|---------------------------------------------|-------------------|--------------------|--------------------------|
| Turnover / Table Drop / Slots Handle | \$151,424 | \$1,945 | \$1,054 |
| Net Win | \$4,436 | \$362 | \$70 |
| Win / Hold % | 2.9% | 18.1% | 6.7% |

On an LTM basis, StarWorld generated Adjusted EBITDA of HK\$3.1 billion which translated to an ROI of 91%.

City Clubs and Construction Materials

City Clubs reported Adjusted EBITDA of HK\$43 million in Q1 2012 versus HK\$57 million in Q1 2011. Year-on-year Adjusted EBITDA at the Construction Materials Division grew 22% to HK\$83 million.

Liquidity

As of 31 March 2012, the Group was well capitalised and liquid with HK\$9.5 billion of cash, including restricted cash of HK\$1.9 billion.

Subsequent Event: Announcement of Galaxy Macau™ Phase 2

The recently announced accelerated launch of Phase 2 of Galaxy Macau™ will virtually double the size of the resort to 1.0 million square meters and comprise:

- Two new luxury hotels, the first ever all suite The Ritz-Carlton and the world's largest JW Marriott, bringing the total offer to five luxury hotels with a grand total of approximately 3,600 rooms
- Greatly expanded retail space to over 100,000 square metres and up to 200 high-end retail outlets
- Over 45 new international food and beverage outlets, taking the total to over 100
- Expanded meeting, event and banquet space for seating capacity of over 3,000 guests

Galaxy Macau™ Phase 2's target completion is in mid 2015.

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
Sin Li Mei Wah, Jenifer
Company Secretary

Hong Kong, 10 May 2012

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

Website: www.galaxyentertainment.com