



2006 Interim Results Announcement for the six months ended 30 June



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Financial Summary

Profit & Loss

For the 6 months ended 30 June



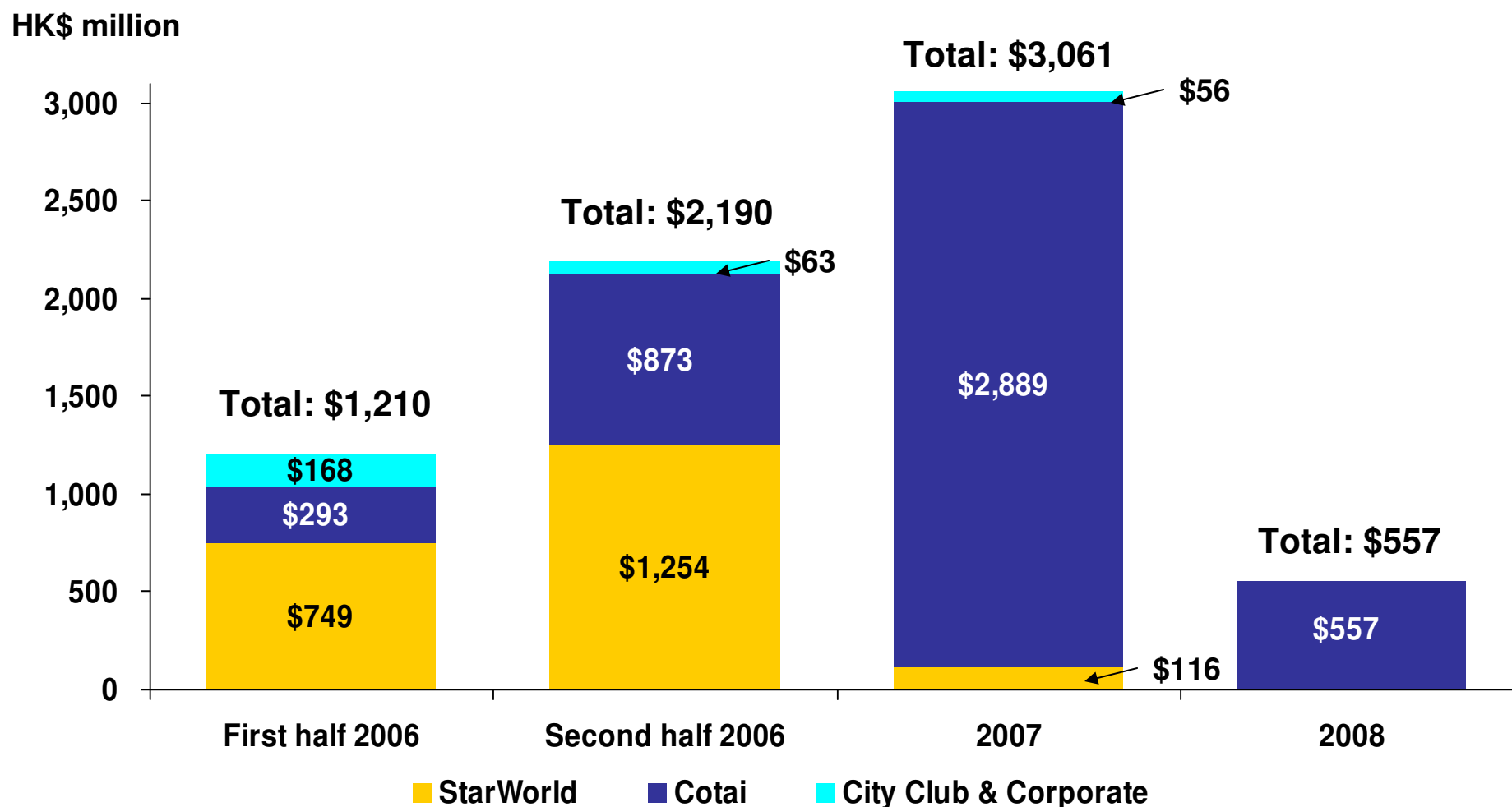
	2006 HK\$'000	2005 HK\$'000
Turnover	1,306,321	539,572
Cost of Sales	(1,207,448)	(530,800)
Gross Profit	98,873	8,772
Other operating income	135,825	31,446
Administrative expenses	(193,439)	(30,386)
Other operating expenses	(504,922)	(534)
Operating profit / (loss)	(463,663)	9,298
Finance costs	(288,786)	(5,998)
Share of profits less losses of Jointly controlled entities	17,112	7,945
Associated companies	504	1,492
Profit / (loss) before taxation	(734,833)	12,737
Taxation	(1,449)	(280)
Profit / (loss) for the period	(736,282)	12,457
Attributable to:		
Shareholders	(734,452)	14,306
Minority interests	(1,830)	(1,849)
	(736,282)	12,457
(Loss)/ earnings per share	HK cents	HK cents
Basic	(22.3)	1.1
Diluted	N/A	1.1

Balance Sheet HK\$ Millions



	As at 30.6.2006	As at 31.12.2005
Cash	5,139	5,068
Property, plant & equipment	4,034	2,889
Intangible assets	16,003	16,493
Other assets	2,166	1,938
	27,342	26,388
Non-current liabilities		
– Bond	4,507	4,526
– Fixed rate note	2,453	-
Other non-current liabilities	2,234	2,071
Current liabilities		
– Fixed rate note	-	2,584
– Others	3,431	1,783
	12,625	10,964
Equity	14,717	15,424
Liabilities & equity	27,342	26,388

Capital Expenditure Schedule



Note: These totals include casino pre-opening expenses and exclude replacement capital expenditure and finance costs

Financial Summary

For the 6 months ended 30 June



	Gaming and entertainment HK\$ million	Construction materials HK\$ million	Corporate HK\$ million	2006 HK\$ million
Turnover	741 ⁽¹⁾	565	-	1,306
EBITDA before non- recurring items	46	86	54	186
Non-recurring items	(87)	-	20	(67)
Depreciation and amortisation	(502)	(62)	-	(564)

(1) Net gaming wins of 2 city club casinos plus Galaxy Casino profit entitlement in the other 2 city club casinos



Galaxy's Strategies

- 1. City Clubs – Rapidly capture market share with minimal capital expenditure**
- 2. StarWorld – Build “Macau Hub” Flagship Hotel Casino**
- 3. Cotai Mega Resort**
 - Build major Mass Market / Family Hotel Casino Resort**

Macao Gaming Market Growth Drivers



... with Significant Room to Grow

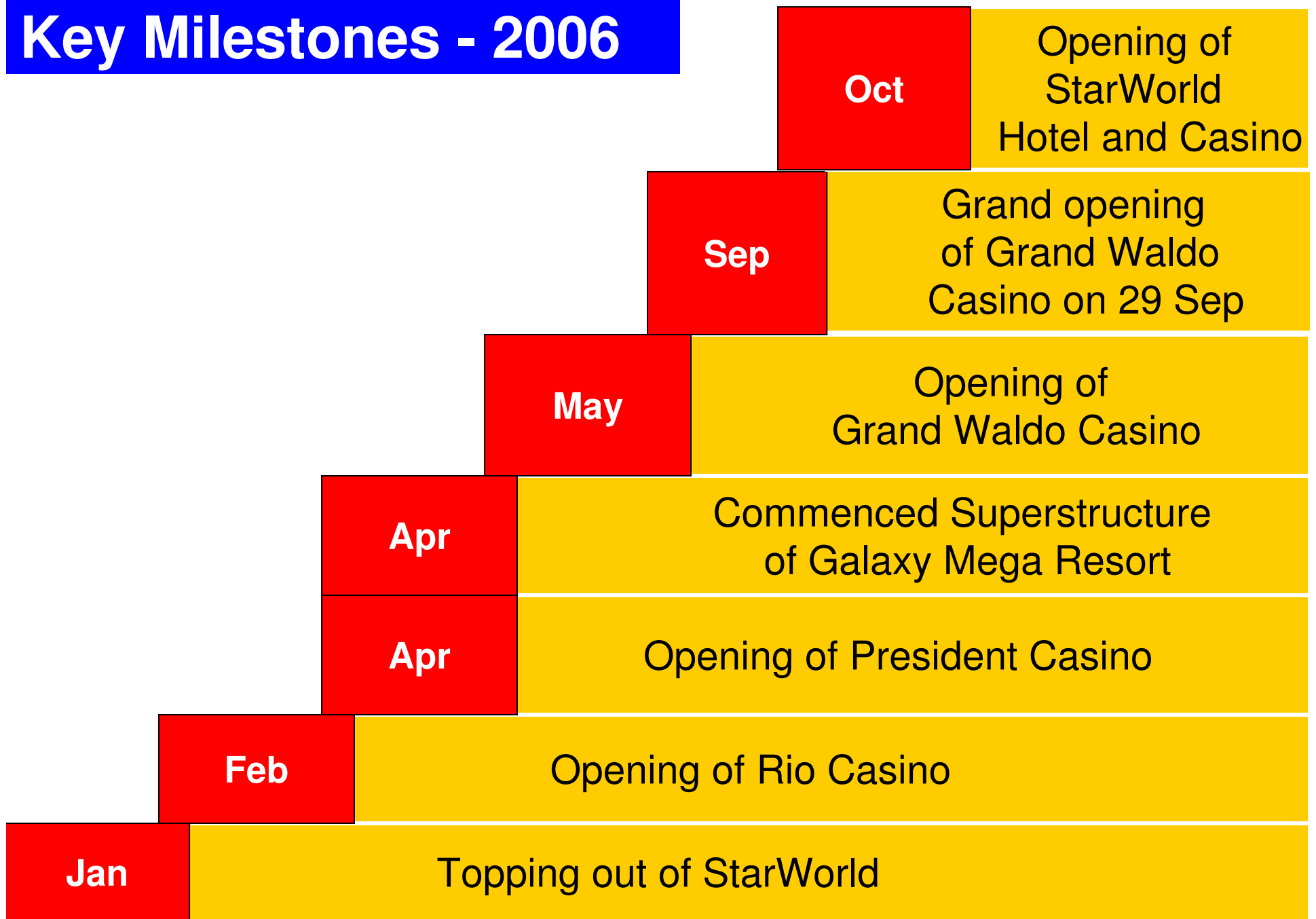


(5) First seven months, visitor arrivals 12.2 million. At this rate, full year arrivals is estimated to be ~21 million

- **Tourist arrivals** in first seven months reached 12.2 million, estimated to be 21 million by end of 2006
- **Gaming revenue** in first seven months reached MOP\$29.4 billion, 14.5% higher than same period as last year
- **Gaming revenue** is estimated to be 53 billion⁽⁴⁾ by end of 2006, 20% higher than 2005
- **Gaming revenue** is expected to reach US\$10 billion by 2010⁽³⁾

- (1) Macau SAR Government
 (2) Wall Street Research (March 2005)
 (3) Standard & Poor's Report
 (4) Goldman Sachs (8 Sept 2006)

Key Milestones - 2006



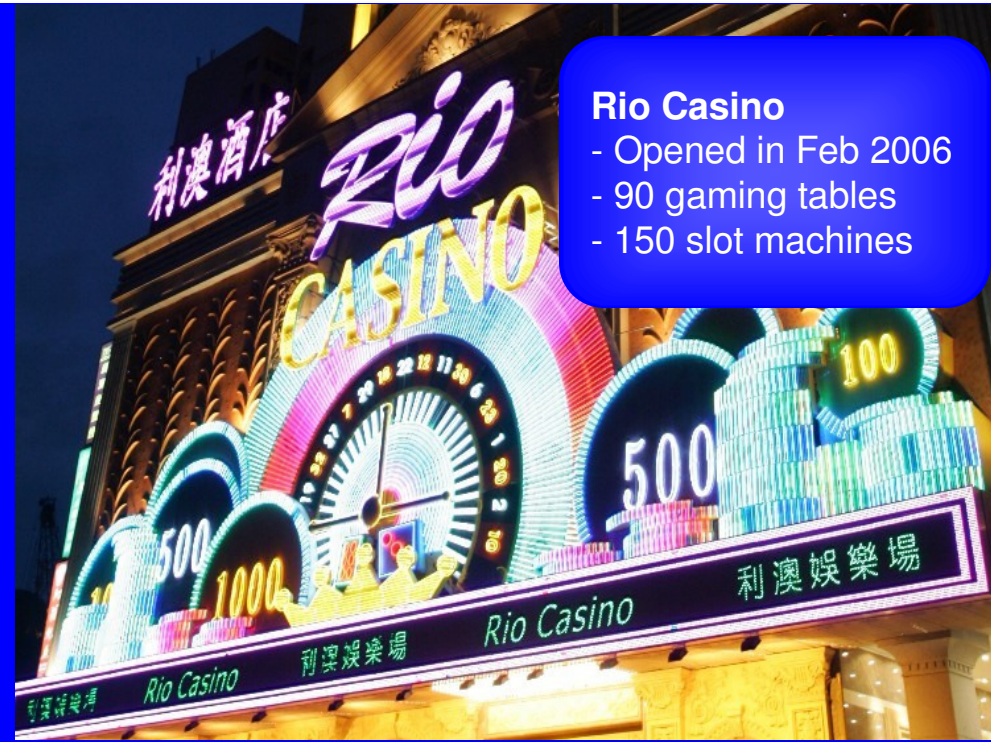
Waldo Casino

- Opened in July 2004
- 63 gaming tables
- 75 slot machines



Rio Casino

- Opened in Feb 2006
- 90 gaming tables
- 150 slot machines



President Casino

- Opened in April 2006
- 75 gaming tables



Grand Waldo Casino

- Opened in May 2006
- 168 gaming tables
- 334 slot machines

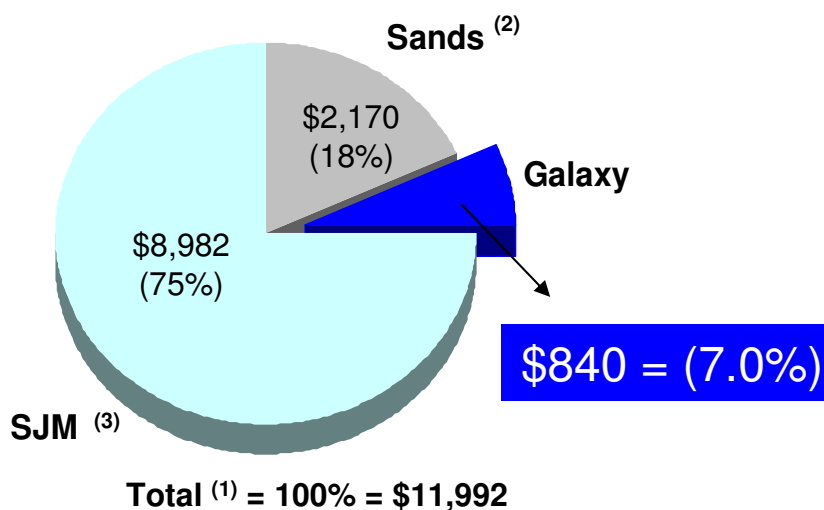


Net Wins & Total Market Share % Analysis

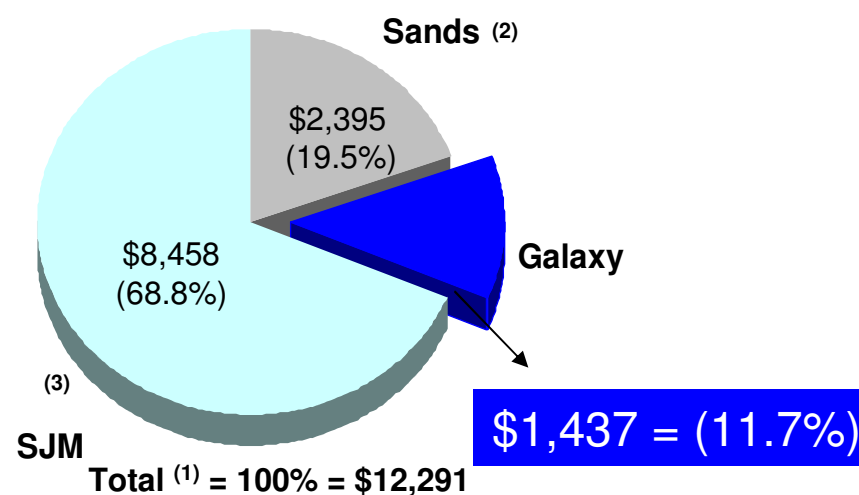
(in HKD\$ million)



Q1 2006



Q2 2006



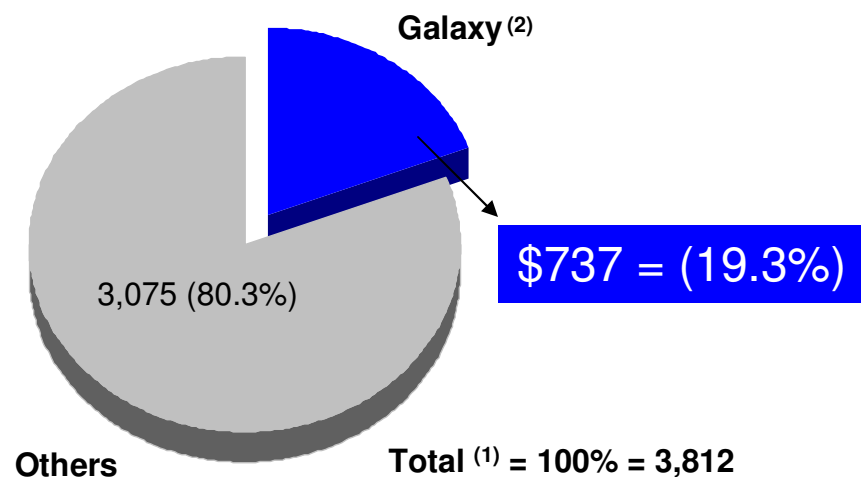
- (1) Macao SAR DICJ
- (2) Sands Form 10K Report
- (3) Difference between Total and Sands plus Galaxy

Net Wins & Market Share % Analysis

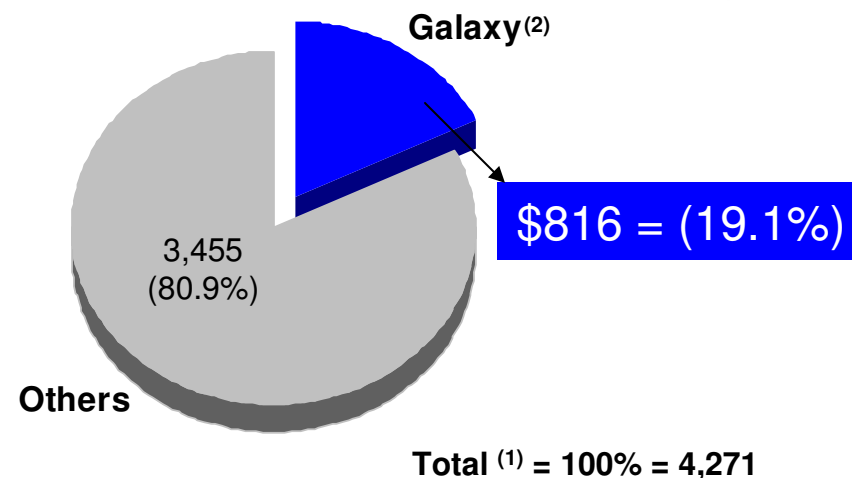
(in HKD\$ million)



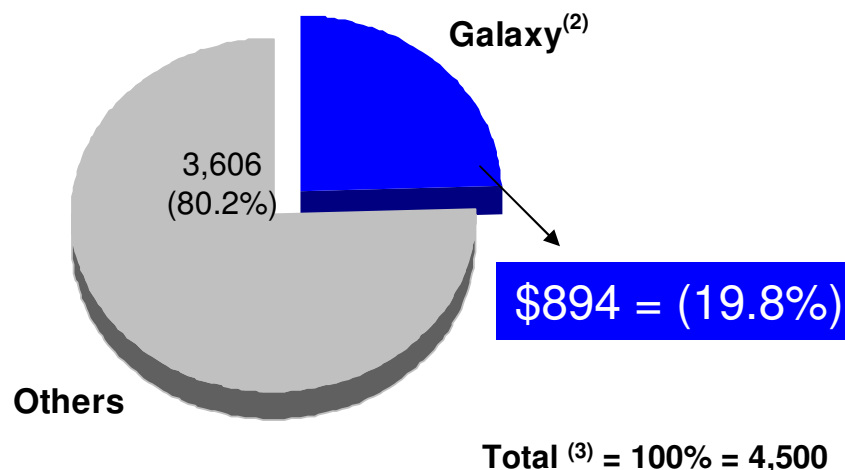
For the month June 2006



For the month July 2006



For the month August 2006



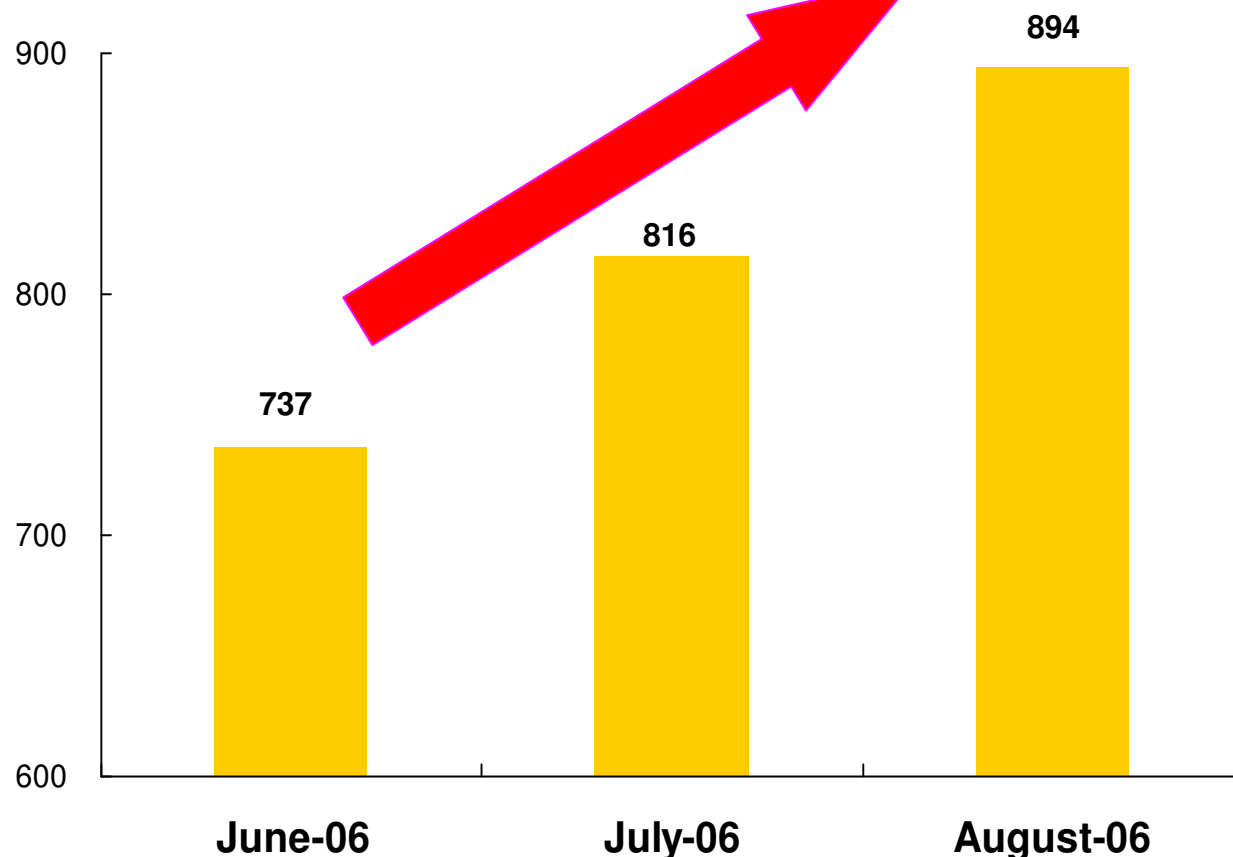
- (1) Macao SAR DICJ
- (2) Galaxy
- (3) Estimates

Significant Improvement in Net Win!

Monthly Trends



(in HKD million)

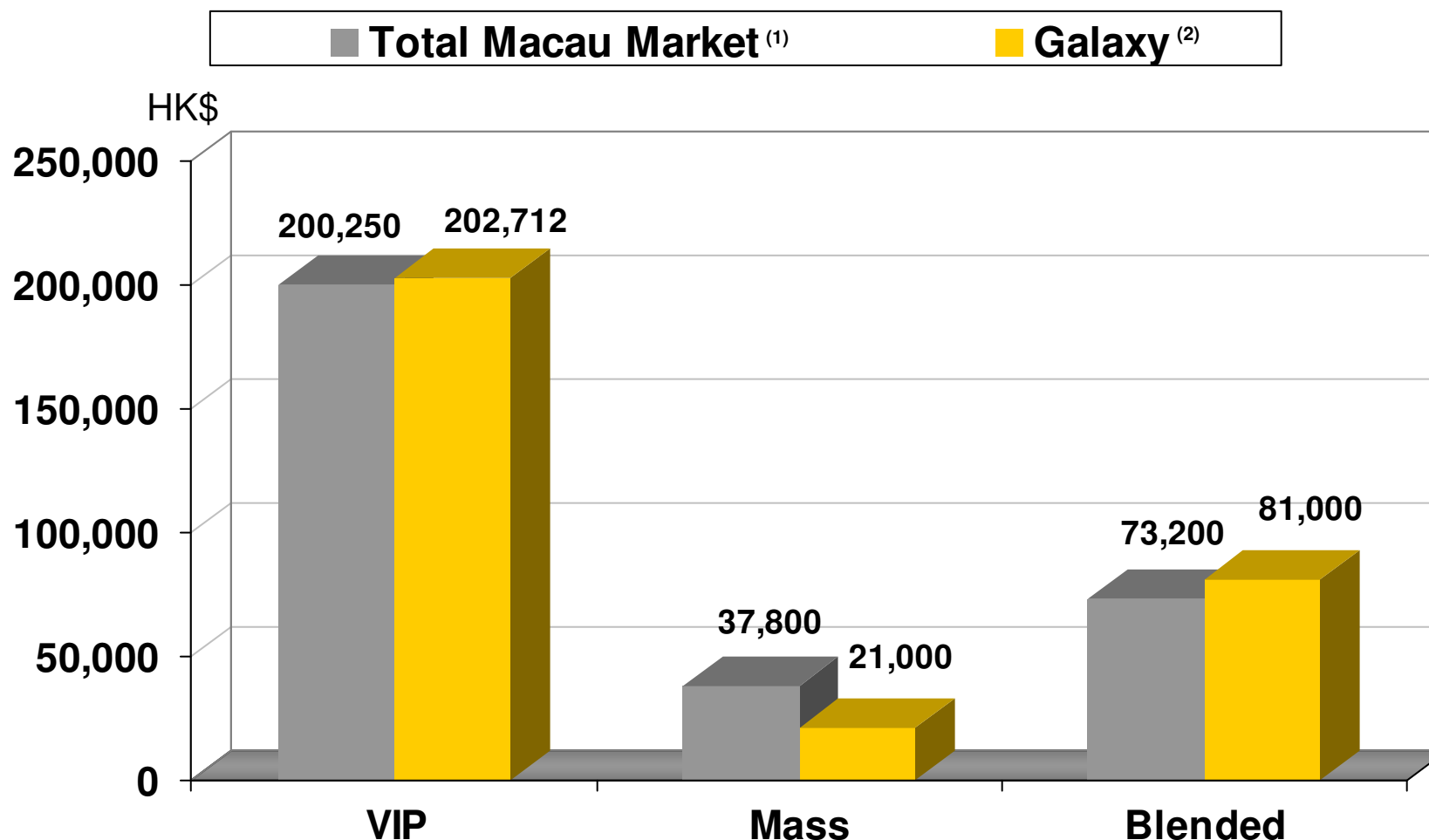


- First performance report with all 4 casinos operating and with Grand Waldo still in soft launch
- StarWorld about to launch

(1) Galaxy, data

"This gaming business is only a part of the Group's activities. These figures are unaudited and possibly subject to adjustment on audit. They relate only to the Group's gaming division, for the period specified and are not necessarily representative of and are not a forecast of, the performance of the gaming division or the Group as a whole, for any given period."

Average Net Wins Per Table Per Day Comparison 6-month to June 2006



(1) Macao SAR DICJ (DICJ only gives total net win figures, they do not give data on net wins per table per day. Galaxy calculated the net wins per table per day by dividing total net win figures by number of tables)

(2) Galaxy

Summary of Operating Facilities



City Clubs – Leased & Operated Properties

	Waldo	RIO	President	Grand Waldo	Total
Opening Date	07/2004	02/2006	04/2006	05/2006	
Market Focus	VIP	VIP/Mass	VIP/Mass	VIP/Mass	
Gaming Area (sqm)	3500	5200	5500	14000	28200
Hotel Rooms	NA	NA	NA	NA	
VIP Tables	43	15	20	68	146
Mass Tables	20	75	55	100	250
Total Tables	63	90	75	168	396
Slot Machines	75	150	NA	334	559

Owned & Operated Properties

	StarWorld	Cotai Mega	Total
Opening Date	10/2006 ⁽¹⁾	04/2008 ⁽¹⁾	
Market Focus	VIP/Mass	Mass	
Gaming Area (sqm)	16500	25000	69700
Hotel Rooms	500	1500	2000
VIP Tables	90	50	286
Mass Tables	200	550	1000
Total Tables	290	600	1286
Slot Machines	371	1000	1930

(1) Projected dates

Galaxy's Table Growth

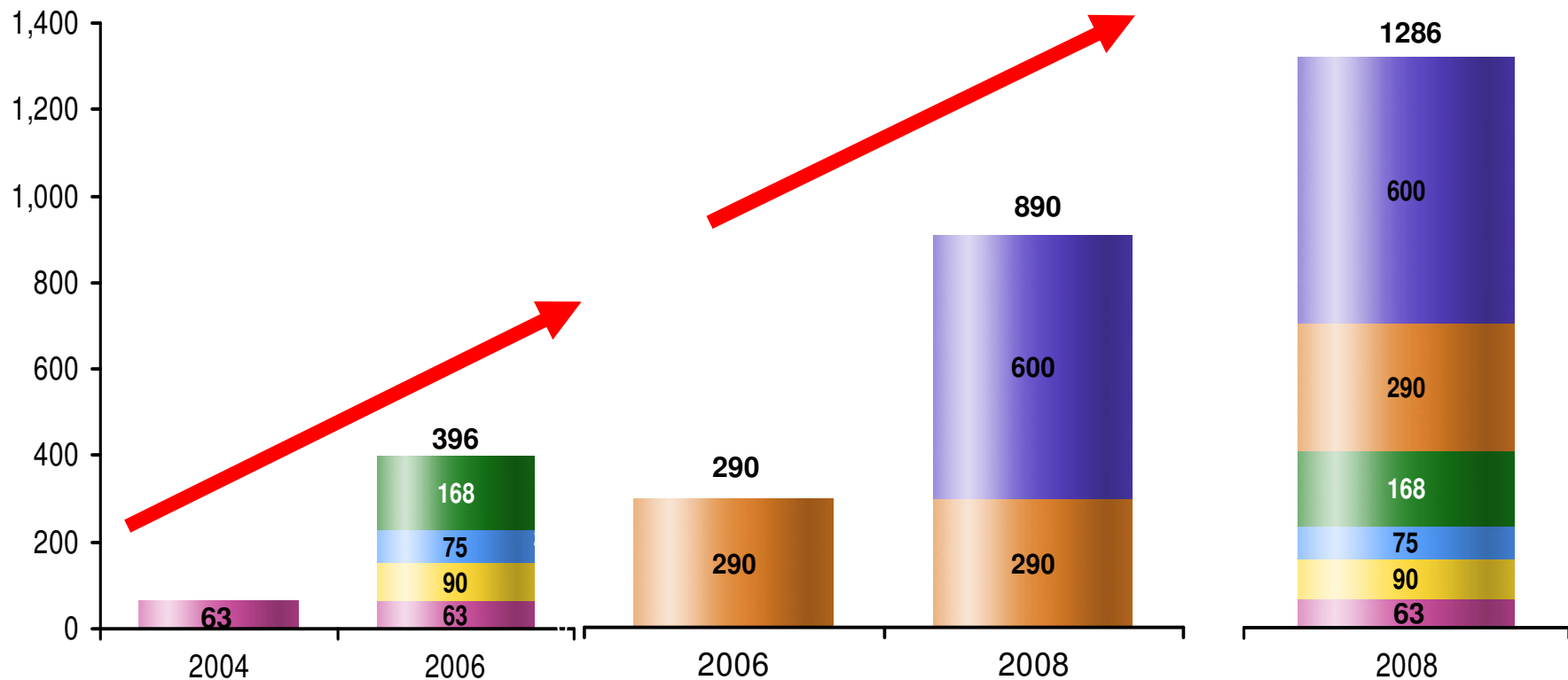
City Clubs – Leased & Operated



Owned & Operated Properties



Total Number of Tables



Rio Casino

Grand Waldo Casino

Galaxy Mega Resort

Waldo Casino

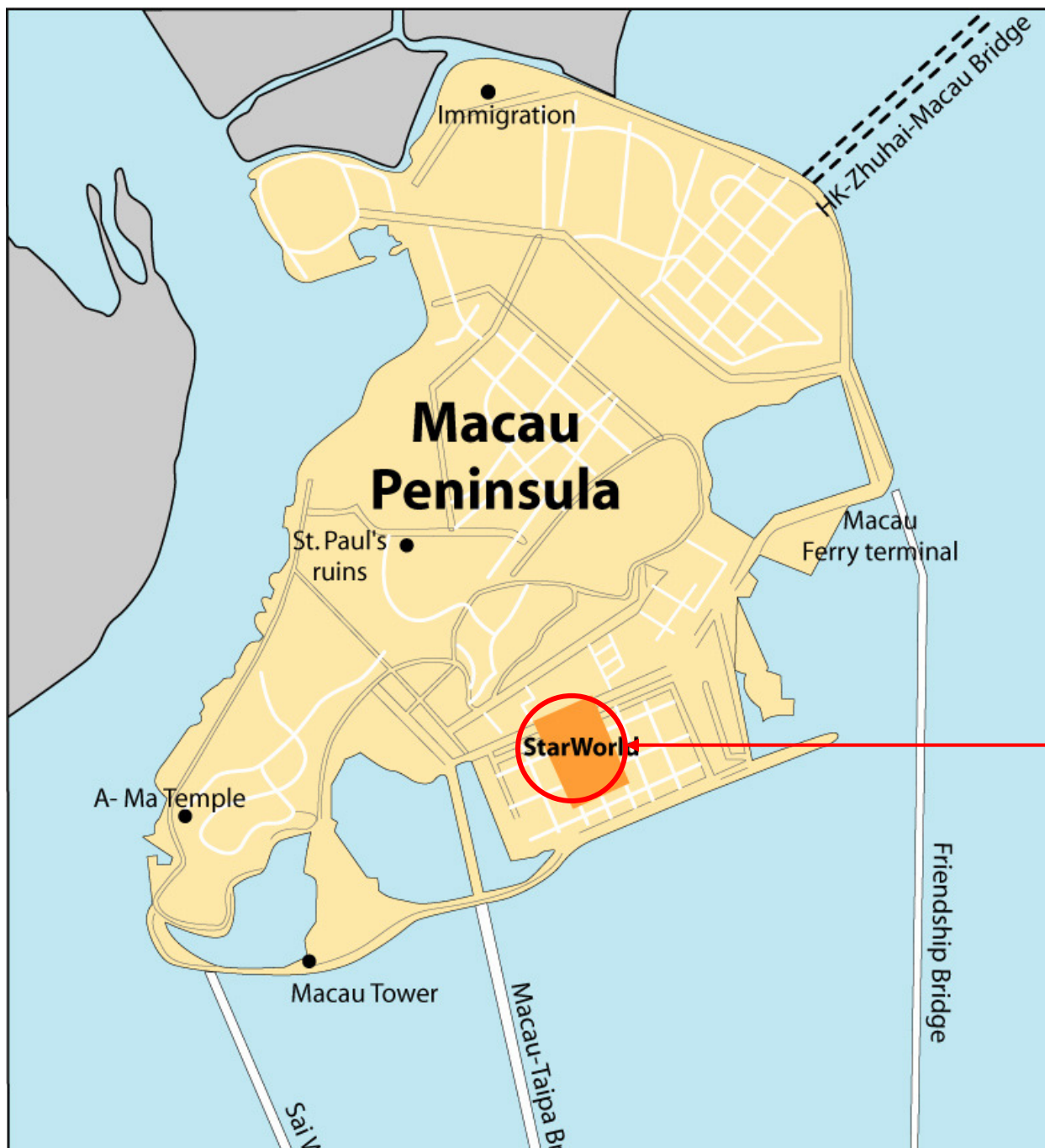
President Casino

StarWorld

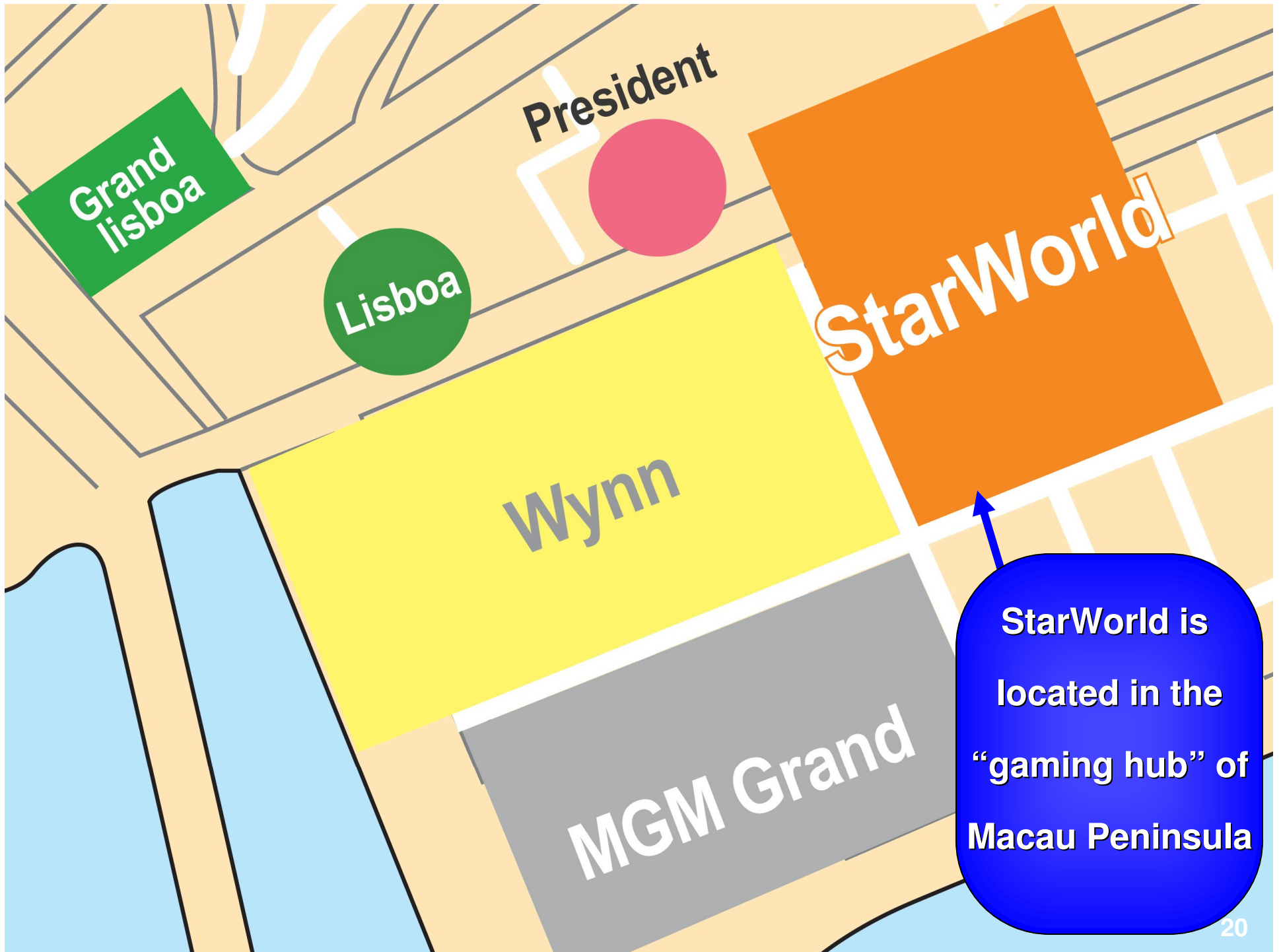


Galaxy's Next Big Growth Driver

**StarWorld Hotel & Casino
Opening on 19 October 2006**



- StarWorld is located in the “gaming hub” of Macau Peninsula



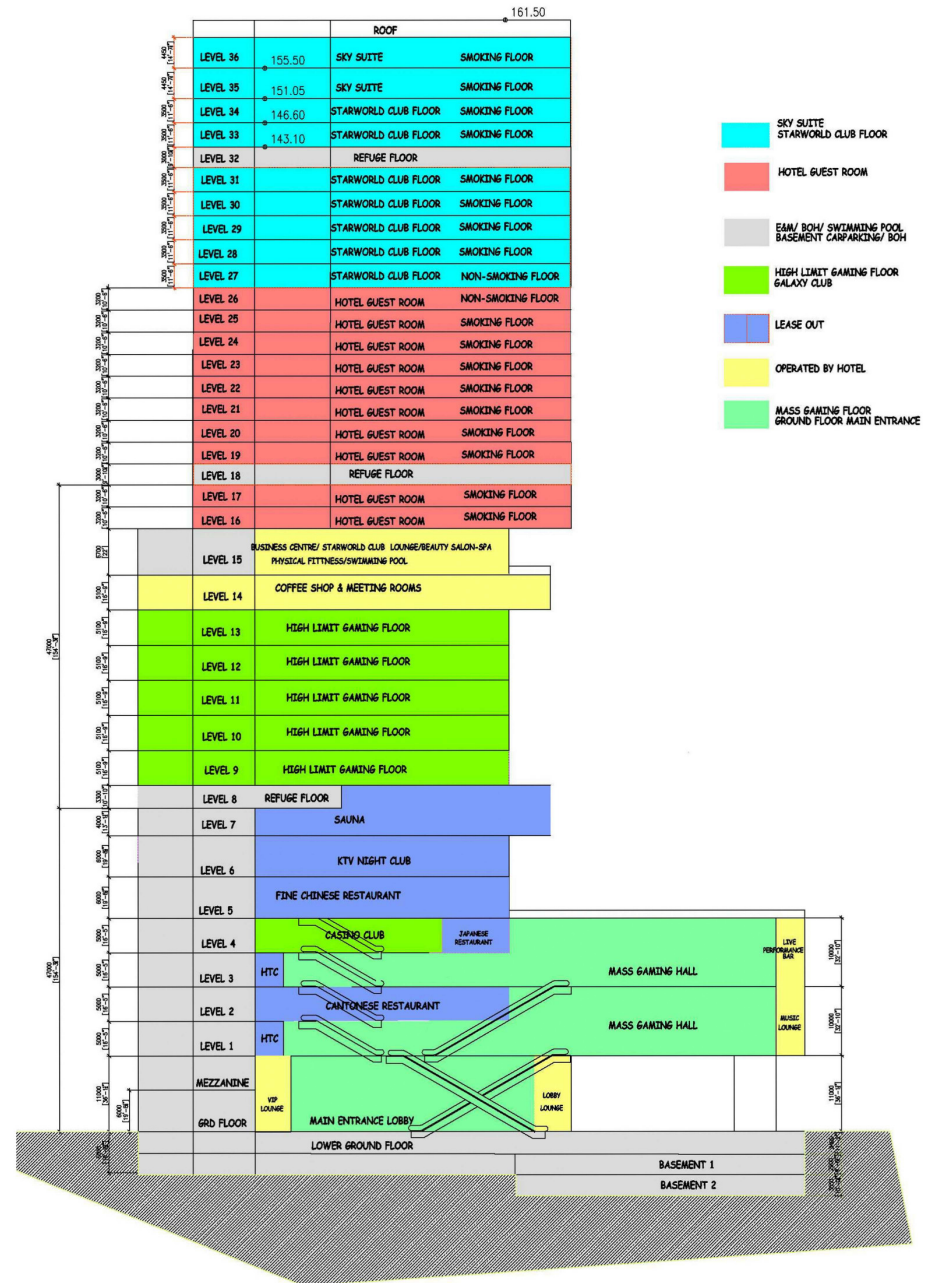
StarWorld: “Flagship Hotel & Casino”

- The first Galaxy-built-and-operated hotel and casino to capture the mass market
- Galaxy’s first flagship casino hotel
- Tallest hotel in Macau
- A landmark casino building in Macau downtown gaming hub
- Gaming— 290 tables
— 371 slot machines
- Hotel — 5-star hotel
— 500 guest rooms and suites
— 8 F&B outlets
— Full range of entertainment and leisure facilities



Photos taken on 8 Sep 2006

StarWorld



StarWorld Team



StarWorld Gaming Hall



StarWorld Hotel Room



StarWorld Hotel Bathroom



F&B Strategy



- 95% of visitors to Macau are Chinese
- Galaxy offers gourmet Asian Food at Asian “Price Points”



StarWorld: An Asian Gourmet Paradise!



- Instantly recognised Chinese Mainland brands
- Selected for Asian tastes, with multiple price points
- World-class restaurant designs





Galaxy's Massive Cotai Landbank

Galaxy's Cotai Flagship Resort Construction Ahead of Schedule



- Cotai, massive Landbank for future development and market expansion

Galaxy Mega Resort

By early 2008:

- approx. 1500 hotel rooms
- 250,000 sq. ft. gaming area with 600 tables and 1,000 slot machines
- Facilities include shopping, entertainment, spa, F&B, theatres, theme park etc.



Galaxy Mega Resort

Projected development by 2012:

- 6 to 8 various star-rating hotels with 12,000 rooms; 1,500 gaming tables and 3,000 slot machines
- 1,000,000 sq. ft. high end shopping arcade
- 500,000 sq. ft. conference and exhibition hall
- High-end musical and theatre facilities
- Other facilities include luxury spa, club house, restaurants and F&B outlets, music fountain, wave-pool and lazy river etc.



Arial Drawing of Galaxy's Cotai Site

**Substantial Galaxy
Landbank,
3.5 Million sq ft.
remains available
for further development
to meet growing market demand**



Galaxy Mega Resort

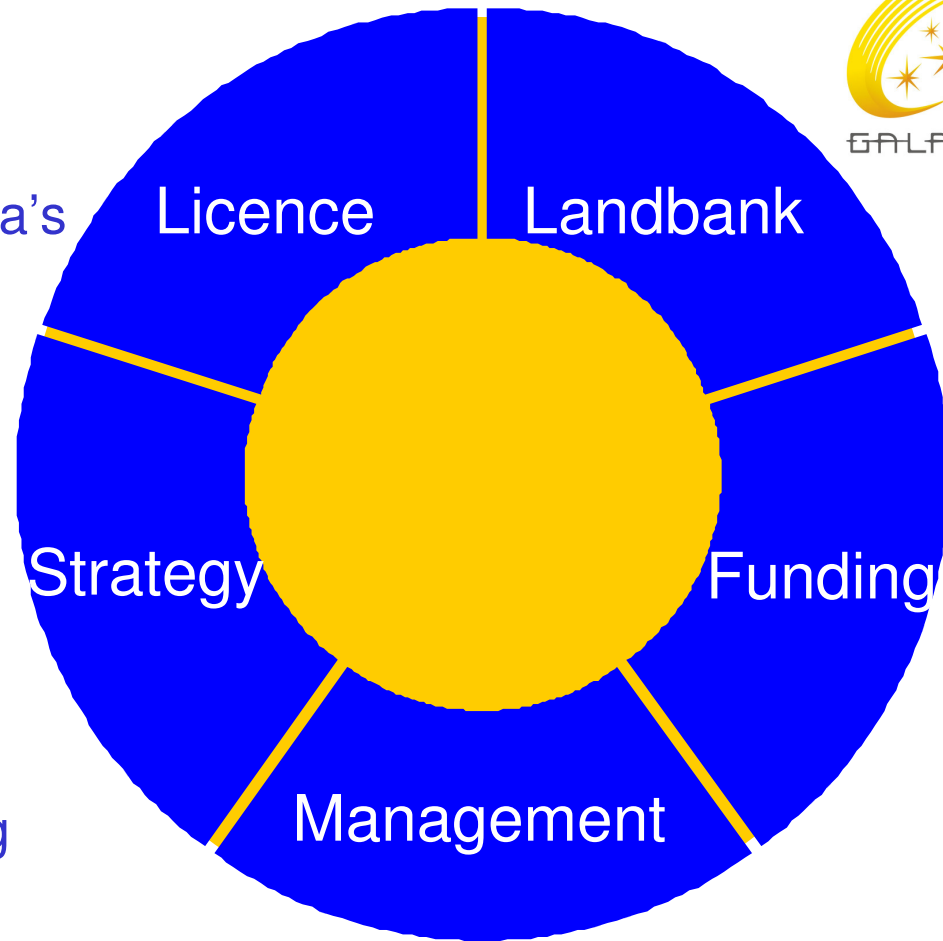


Photos taken on Sep 2006

Conclusion

Galaxy...

- Connects directly into China's booming economy
- Proven casino operator – already captured 20% market share
- Massive Landbank for future growth
- Subject to strict Hong Kong Securities Regulation & Reporting



Poised for further explosive growth with the opening of the first Galaxy-built-and-operated Casino Hotel - StarWorld



Questions and Answers