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For the purposes of this presentation we have used an exchange rate of US\$1 per HK\$ 7.759.



Introduction





Permira

Galaxy welcomes Permira as a Strategic Investor



Galaxy's Mission



"To be one of the leading Asian-based gaming, gaming-related, leisure and entertainment companies primarily focused on the development and operation of world-class casinos, hotels, entertainment, related and ancillary businesses"

Galaxy's Mission









Lui Family's Development and Construction Expertise



- Group was founded in 1955 by Dr. Che-woo Lui
- Has evolved from a small construction materials supplier, into a multinational group with core interests in construction materials, property development, entertainment, leisure, and hotels
- Owns and operates hotels under brands such as Sheraton, Hilton, Marriott, Inter-Continental, etc.
- Dr. Che-woo Lui has over 50 years of experience in construction and property development
- Mr. Francis Lui has over 30 years of experience and has personally managed the construction and development of over 10 million sq.ft. in China

Lui Family's Projects





Galaxy's Vision Endorsed



- Galaxy's vision and strategy is endorsed by Permira's US\$840 million investment
- This US\$ 1 Billion transaction substantially strengthens Galaxy's capital structure by increasing cash and reducing debt
- The Lui family is committed to Galaxy for the long term and looks forward to welcoming Permira as its strategic investor
- This provides the foundations for the development of the next 3 phases of our Cotai mega resort and beyond

Underpins the Expansion of Cotai Phases II-IV



Galaxy's Cotai landbank with over 10 million sq.ft. of available GFA provides substantial growth capacity



Galaxy Welcomes Permira



- Permira's international gaming and consumer expertise and access to international iconic brands will be of great value to Galaxy
- Permira partners:
 - Dr. Martin Clarke, Head of Global Consumer; and
 - Mr. Guido Paolo Gamucci, Chairman of Asia-Pacific

are to join the Galaxy Board as non-executive directors to support the growth of the business and the realization of our shared vision



Permira: Firm Profile





- One of the world's leading private equity firms
- A long heritage established 1985
- Known as Schroder Ventures Europe until 2001
- Permira has consistently outperformed both comparable stock markets and the industry upper quartile return
- 30 portfolio companies employing more than 200,000 people globally
- Raised 19 funds since 1985 totalling more than US\$30bn (HK\$233bn)

An international firm with a European heritage

Permira: Funds in Context



Private Equity Funds Raised Globally

	Year	Amount (US\$bn)
Blackstone Capital Partners V	2007	21.7
Goldman Sachs Capital Partners VI	2006	20.0
KKR 2006 Fund	2006	16.6
Apax VII*	2007	15.2
Permira IV	2006	15.1
TPG Partners V	2006	15.0
Carlyle US V*	2007	15.0
Providence Equity VI	2006	12.0
Apollo VI	2006	12.0
Bain Capital IX	2005	10.0
Cinven IV	2006	8.5
Goldman Sachs Capital Partners V	2006	8.5
Hellman & Friedman Capital VI	2007	8.4
CVC European Equity Partners IV**	2005	8.2
Thomas H Lee VI	2007	8.0
BC European Capital VIII	2005	7.9
First Reserve Fund	2006	7.8
Terra Firma III	2006	7.3

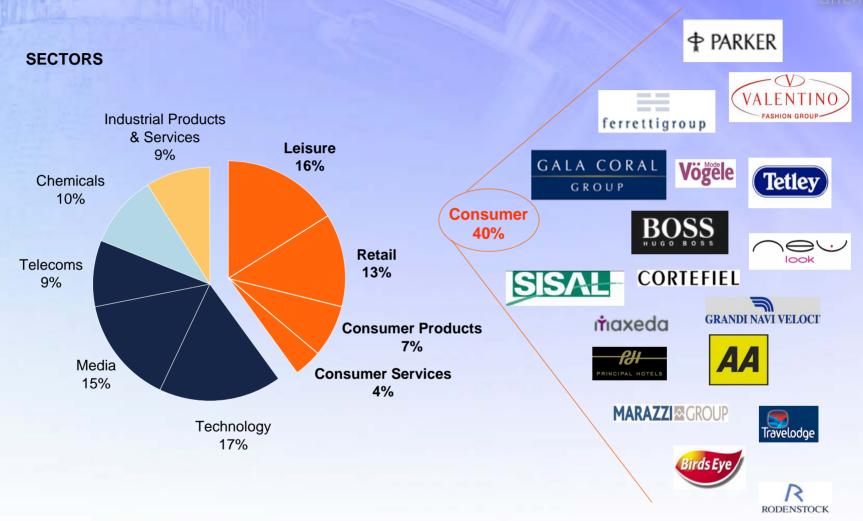
Source: VentureXpert, Private Equity Intelligence, company websites and media reports

^{*} Subject to final closing

^{**} Excludes 'Tandem Fund'

Permira Funds: Investment Mix





Deep sector expertise with international brands

Permira Shares and Endorses Galaxy's Vision



- Galaxy has a deep understanding of Asian gaming with a substantial market share in Macau
- Delighted to be partnering with one of China's leading entrepreneurial families led by founder, Dr. Che-woo Lui
- Permira shares and endorses Galaxy's vision to become one of Asia's leading gaming and entertainment groups

Permira Shares and Endorses Galaxy's Vision



- The high quality product and strong operating performance of StarWorld demonstrates the ability and vision of Mr.
 Francis Lui and his management team
- The Lui family's long-term experience in construction and hotel ownership, locally and internationally, underlines their ability to successfully develop Cotai
- The Permira team's expertise in the leisure, hospitality and gaming sectors will enable it to support the company's growth strategy



Executed Strategy – Delivering the Mission



Successful Implementation of Galaxy's Strategy...

Yesterday

Today

Tomorrow

... and Beyond



4 CityClubs

- Rapidly captured VIP market share
- Minimal expenditure & financial risk



StarWorld

- Galaxy's first constructed, owned and operated hotel & casino
- Located in the heart of the gaming hub of Macau Peninsula
- First 5 Star Diamond Award-winning hotel in Macau



GalaxyWorld (Cotai Phase 1)

- Develop an integrated resort facility to cater for the emerging Chinese and Asian leisure, travel, and gaming markets
- To be completed by end 2008 with the second hotel tower to be completed in 2009
- Second largest casino in the world



Cotai Phases 2, 3 & 4

- Substantial landbank with approved additional ~10.4mm sq.ft. of GFA
- Provides for future expansion of Galaxy

StarWorld - Only '5 Star Diamond' Property in Macau

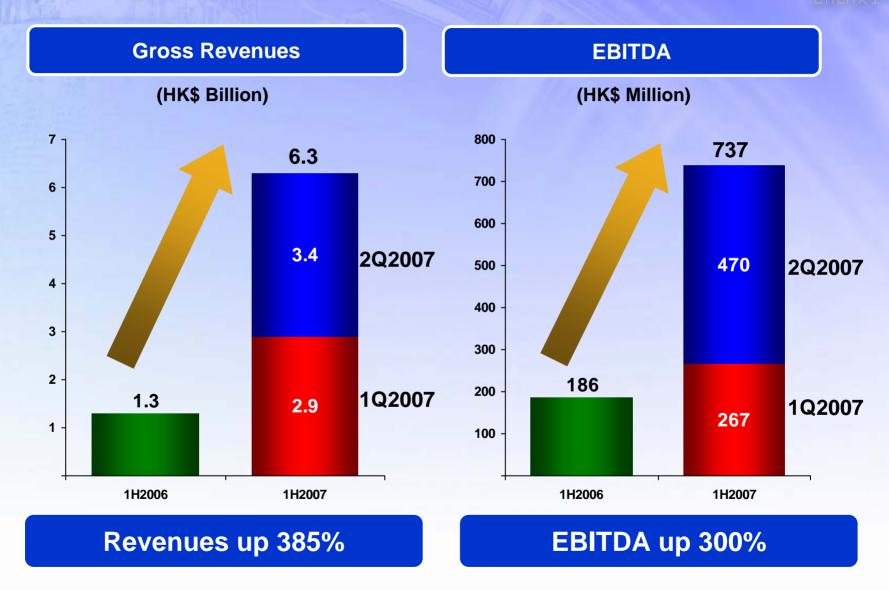






Galaxy's Strong Financial Performance





Transaction Summary



Galaxy to conclude a US\$1 billion transaction

Permira acquires approximately 20% of Galaxy for US\$840 million

Galaxy will close Institutional placement for a minimum of US\$163 million

Transaction Details



Permira buys 452 million shares from K. Wah International Holdings for HK\$3.8 billion (US\$491 million) at a price of HK\$8.42 per share

Permira subscribes for 323 million new shares of Galaxy at a price of HK\$8.42 per share injecting HK\$2.7 billion (US\$351 million) in cash into Galaxy

Galaxy repays 50% of the outstanding Fixed Rate Notes ("FRNs") from cash injection amounting to HK\$1.3 billion (US\$170 million)

Balance 50% of the FRNs converted into 157 million ordinary shares in Galaxy at HK\$8.42 per share

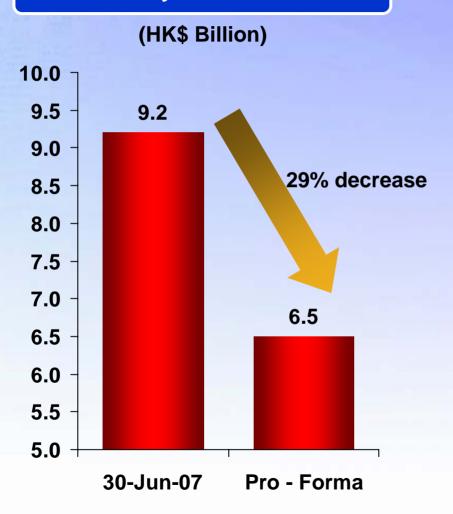
Galaxy will place 150 million shares with institutional investors for a minimum of HK\$1.3 billion (US\$163 million) at a price not less than HK\$8.42 per share

- Permira will acquire approximately 20% of Galaxy
- The Lui family will retain a controlling interest

Total Debt Reduced by HK\$2.6 Billion



Galaxy's Total Debt

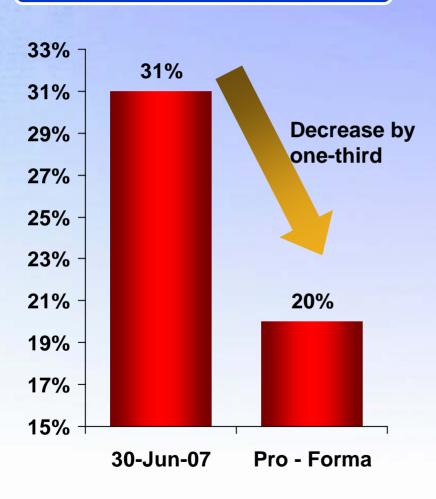


- Galaxy's debt will reduce by HK\$2.6 billion (US\$340 million) as a result of repayment and conversion of the FRNs
- Galaxy's total debt is reduced from HK\$9.2 billion to HK\$6.5 billion, a decrease of 29%
- Galaxy's cash reserves will exceed its total outstanding debt

Gearing Falls from 31% to 20%



Galaxy's Pro-Forma Gearing



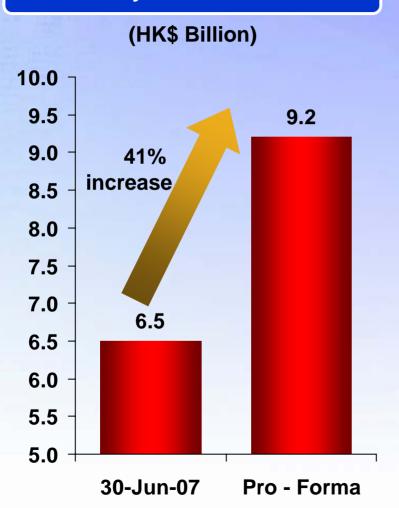
- Galaxy's cash reserves will exceed its total outstanding debt
- Pro-forma Gearing falls from 31% to 20% down one-third
- New capital structure creates significant financial capacity for expansion and future development

Gearing = Total Borrowings / Total Assets

Cash Position Significantly Strengthened



Galaxy's Cash Position

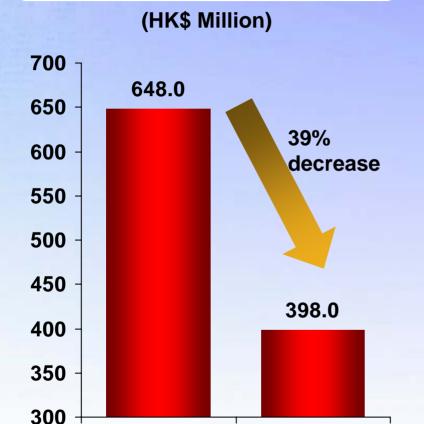


- Net cash of HK\$2.7 billion (US\$344 million) injected into Galaxy
 - HK\$2.7 billion from Permira's subscription
 - Outflow of HK\$1.3 billion towards redemption of FRNs
 - A minimum of HK\$1.3 billion from share placement
- Increases Galaxy's cash reserves by 41% from HK\$6.5 billion to HK\$9.2 billion, exceeding outstanding debt

Net Interest Cost Reduced



Galaxy's Net Interest Cost



Pro - Forma

Annualised

- Interest saving from elimination of FRNs of HK\$150 million per annum
- Interest Income on net cash injections of approximately HK\$100 million per annum
- Pro Forma Net Interest Benefit of approximately HK\$250 million (US\$32 million) per annum

Based on Annualised Interest Cost for Half Year Ended June 30, 2007

Current Annualised

Capital Structure Significantly Strengthened for Growth





Key Highlights



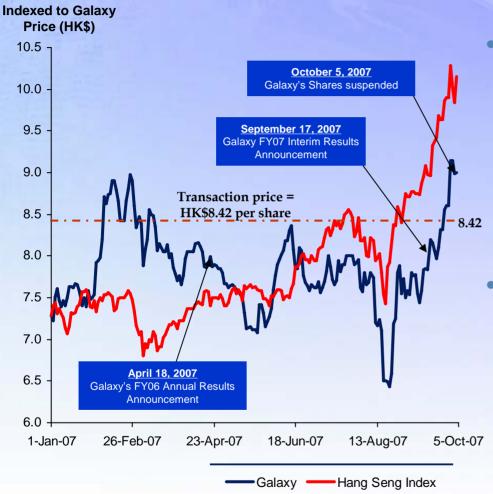
- Galaxy's vision and strategy is endorsed by Permira's significant investment
- Transaction substantially strengthens Galaxy's capital structure by increasing cash and reducing debt
- Provides the foundations for the development of the next 3 phases of our Cotai mega resort and beyond
- Permira partners bring international gaming expertise to Galaxy's Board
- Galaxy is now strongly positioned to realize its Vision





Transaction Price

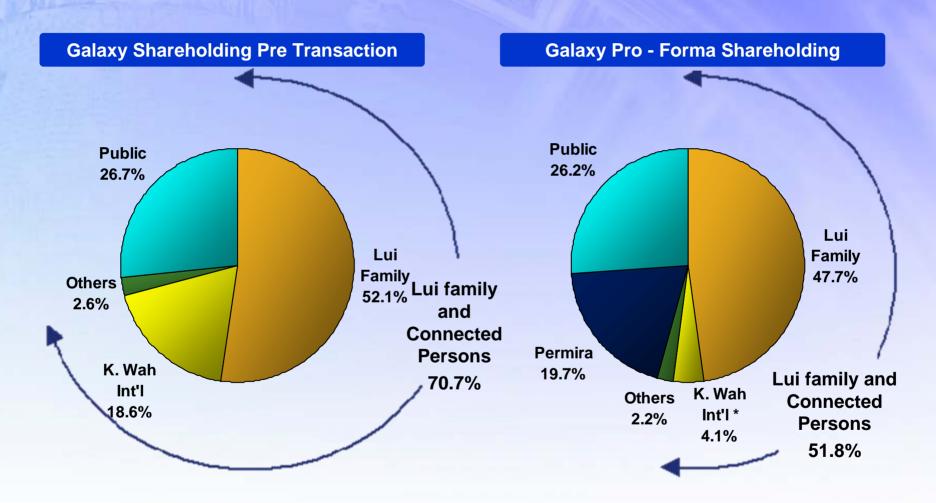




- Transaction Price arrived at after arms' length negotiations and considering:
 - placements by comparable companies
 - value in having a global strategic investor of the calibre of Permira
 - enhancement to Galaxy's growth prospects in securing a resourceful and well-known substantial shareholder
- Transaction Price of HK\$8.42 represents:
 - discount of about 6.4% to the last closing price
 - premium of about 5.4% to the average closing price of the last 30 trading days
 - premium of 8.3% to the average closing price of the last 90 trading days
 - premium of 7.7% to the average closing price of last 12 months

Galaxy Shareholding Structure





^{*} K. Wah International Holdings is a HKSE listed company (KH Code: 173) that is controlled by the Lui Family

Galaxy's Pro – Forma Balance Sheet



(All numbers in HK\$ '000)	30-Jun-07	Pro-forma	Change	
Assets				
Non-Current Assets	22,227,172	22,227,172	0	
Current Assets	7,390,404	10,056,010	2,665,606	
Total Assets	29,617,576	32,283,182	2,665,606	
Equity				
Shareholders' funds	13,364,554	18,670,737	5,306,183	
Minority interests	481,911	481,911	0	
Total Equity	13,846,465	19,152,648	5,306,183	
Liabilities				
Non-current liabilities	10,966,211	8,325,634	(2,640,577)	
Current liabilities	4,804,900	4,804,900	0	
Total Liabilities	15,771,111	13,130,534	(2,640,577)	
Total Equity and Liabilities	29,617,576	32,283,182	2,665,606	

Transaction Details



Transaction Overview

_	US\$mm	HK\$mm
Total Permira's Investment in Galaxy	838	6,533
Primary Shares (323,384,000 @ HK\$8.42)	349	2,723
Secondary Shares (452,500,000 @ HK\$8.42)	488	3,810
Share Placement by Galaxy	163	1,263
Shares Placement (150,000,000 @ no less than HK\$8.42)	163	1,263
Total Gross proceeds Raised by Galaxy	512	3,986

_	US\$mm	HK\$mm
Total Net Cash Proceeds to Galaxy		2,666
Shares Placement (150,000,000 @ no less than HK\$8.42)	163	1,263
Primary Shares to Permira (323,384,000 @ HK\$8.42)	349	2,723
50% Cash Redemption of FRNs	(169)	(1,320)

- Permira's purchase price is HK\$8.42 per Galaxy share, for a total investment of HK\$6.5 billion (US\$842 million)
- Placement of ordinary shares by Galaxy at a price not less than HK\$8.42 per share, for a total of 150 million shares
- Primary shares issued at 8.3% premium to 90-day average
- 50% of FRNs converted into new Galaxy shares at HK\$8.42
- Total net cash injection: HK\$2.7 billion (US\$344 million)

Transaction Timetable

- Completion of the transaction is conditional, inter alia, upon:
 - Galaxy independent shareholder approval in a special general meeting to approve the conversion of the FRNs and certain rights granted to Permira
 - KWIH shareholder approval in a special general meeting to approve the major disposal in connection with the sale of Galaxy shares to Permira
- The transaction is expected to complete by mid-November, 2007



Macau Gaming Market





- ~1.7 billion
 people
 within a 3-hr
 Flight
 Radius
- ~100 million people within a 3-hr Drive Radius

Macau has experienced accelerated tourism growth with its centralized location, and is poised to be the entertainment capital of Asia

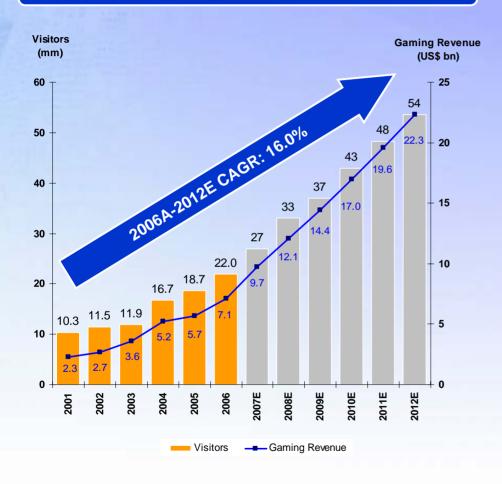
⁽¹⁾ Source: Wall Street Research (May 2006)

⁽²⁾ Source: Las Vegas Convention & Visitors Authority, The Census and Statistics Department, Macau SAR, Research Consensus

Macau Gaming Market



Significant Forecast Growth



 Tourist arrivals in the first 6 months of 2007 reached 12.6 million, a y-o-y increase of 21.3%⁽¹⁾

- Gaming revenues in first 6 months of 2007 reached US\$4.7 billion, a y-o-y increase of 47.5%⁽¹⁾
- Tourist arrivals expected to reach 54 million by 2012
- Macau gaming revenue recently projected by Macquarie Bank to reach as much as US\$30 billion by 2012⁽²⁾

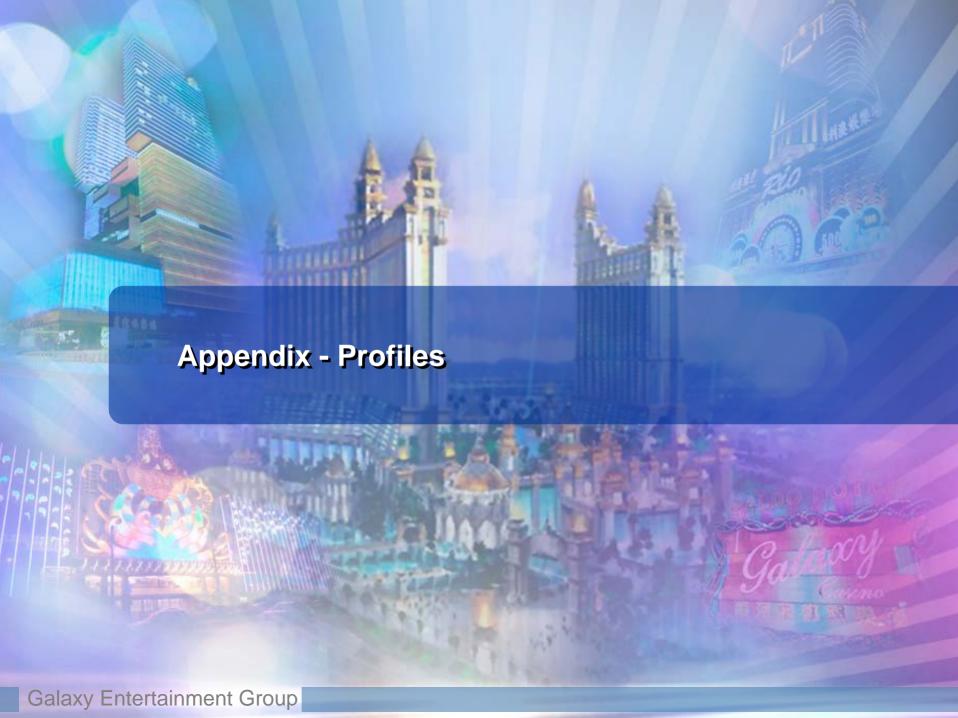
Source: Company estimates

- (1) Macau SAR Government
- (2) Report dated June 15, 2007

Map of Cotai Hub







Profiles of Galaxy's Chairman and Vice Chairman



Dr. Che-woo Lui



- Dr Lui is the founder Chairman of the K. Wah Group
- Over 50 years' experience in quarrying, construction materials and property development
- Founding Chairman of the Institute of Quarrying in the UK (Hong Kong Branch) and Chairman of the Tung Wah Group of Hospitals
- Also the Founding Chairman of The Federation of Hong Kong Hotel Owners, the President of Tsim Sha Tsui East Property Developers Association, the Founding President of Hong Kong - Guangdong Economic Development Association and an Honorary President of Hong Kong - Shanghai Economic Development Association
- Committee Member of the 9th Chinese People's Political Consultative Conference, a member of the Selection Committee for the First Government of the HKSAR and a member of the Election Committee of the HKSAR
- Awarded the Gold Bauhinia Star of the Government of the HKSAR in July 2005

Mr. Francis Lui



- Galaxy's Vice Chairman, Mr. Francis Lui has over 30 years of experience
- He joined the Group in 1979 and has personally managed the development of over 10 million sq.ft of construction in China
- He is also an Executive Director of K. Wah International Holdings Limited
- He was a member of the Town Planning Board
- He is a member of the Shanghai Committee of the Chinese People's Political Consultative Conference
- Mr. Lui holds a bachelor of science degree in civil engineering and a master of science degree in structural engineering from the University of California at Berkeley, USA

Profiles of Permira's Board Representatives



Dr. Martin Clarke



- 25 years private equity experience
- Partner and Head of Global Consumer Sector
- Currently serving on the board of Gala Coral, Europe's largest gaming group
- Has worked on a number of transactions including Gala Coral Group, New Look, Principal Hotels, and Telepizza
- Previously, he has served as a Senior Director and Member of both the Standing Investment Committee and European Management Committee at PPM Ventures
- Holds an MA and PhD in History from Cambridge University, England

Mr. Guido Paolo Gamucci



- Chairman of Permira's operations in Asia-Pacific, having previously managed the Milan office.
- Partner and a member of Permira's management committee
- Has worked on numerous transactions including Ferretti Group, Seat PG, DinoSol Supermercados and EEMS
- Prior to joining Permira in 1997, Guido Paolo spent six years with UBS Capital in Italy as Founding Partner and Managing Director
- Guido Paolo has a degree in Mechanical Engineering from the University of Rome, Italy, and an MBA from INSEAD, France

Profiles of Galaxy's Group Executive Management



Mr. Nigel Morrison



- Mr. Morrison joined the Company in February 2007.
- He has more than 18 years of casino experience.
- Prior to joining Galaxy, he was a partner of Ernst & Young in Australia specializing in the gaming industry.
- After leaving E&Y, he was involved in establishing the Crown Casino in Melbourne where he joined as CFO in 1994, and then COO in 1997.
- From 2000 to 2006, he was the CEO of The Federal Group, the largest private casino and gaming company in Australia, operating 2 casinos and 4,000 gaming machines.

Mr. David Banks



- Mr. Banks joined the Company in February 2007.
- He has 10 years senior executive experience in casino industry.
- Prior to joining Galaxy, he was a former CEO of Casinos for Tabcorp responsible for Star City Casino in Sydney, Jupiters Casino in Gold Coast Queensland, Treasury Casino Brisbane & Townsville Casino in Queensland.

