

[For immediate release]

**Solid start to the year and implementing strategic initiatives
to deliver growth in both EBITDA and ROI**

StarWorld performing well even in an increasingly competitive market

30 May 2008, Hong Kong / Macau - Galaxy Entertainment Group Limited ("Galaxy" or "the Group" HKSE: 0027), one of Asia's leading gaming and entertainment groups, announces selected unaudited key performance indicators for the first quarter of 2008.

Financial Highlights:

- Gross Group revenues of HK\$2.72 billion (Q1 2007: HK\$2.89 billion)
- Group EBITDA of HK\$210 million (Q1 2007: HK\$267 million)
- StarWorld's gaming revenues up 26% quarter-on-quarter to HK\$1.75 billion
- StarWorld's VIP gaming revenues up 49% quarter-on-quarter to HK\$1.4 billion
- StarWorld's EBITDA of HK\$183 million (Q1 2007: HK\$179 million)
- CityClub's EBITDA of HK\$3 million (Q1 2007: HK\$76 million) impacted by increased competition
- Construction materials EBITDA of HK\$45 million (Q1 2007: HK\$38 million)

Operational Highlights:

- StarWorld's occupancy rates well above market average
- Strengthen management team with the appointment of a senior gaming industry executive as Group CFO

Post Period-end Highlights:

- Partner with Banyan Tree to develop a luxury resort within Galaxy mega resort
- Respond to the competitive market and increased Junket commissions, we reached an agreement with a leading operator to promote up to 100 new VIP tables in StarWorld

Dr. Lui Che Woo, Chairman of Galaxy commented: *"I am pleased to announce another solid performance as compared to the same period last year, despite the increasingly competitive environment. Occupancy rates were well above the market average and core VIP gaming revenues rose 50% over the same period last year. This was in-line with expectations, and VIP now represents 70% plus of StarWorld's gaming revenues."*

We remain positive about the outlook for the full year and beyond, as we leverage our local knowledge to attract customers from across the region and particularly Mainland China, and we continue to develop and evolve our brand and offering with new concepts and partners.



The Macau Government's recent announcement regarding local gaming industry regulation is very positive for the development of Macau and for our business, given the scale of our presence in the SAR. Significant new capacity has entered the market in recent months and, with visitations in Q1 up 18% year-on-year, we see continued market expansion through the remainder of 2008 as the market absorbs this new capacity and we launch our exciting Jumbo VIP room with up to 100 tables in StarWorld.

We believe that the StarWorld expansion and VIP promoter agreement that we have reached will significantly increase Galaxy's EBITDA and Return On Investment. The scale of the agreement gives Galaxy and our partner the capacity to expand StarWorld's VIP offering in-line with market demand.

We look forward with great excitement and anticipation to the opening of the first phase of our new mega resort in Cotai in mid-2009. With the signing of two exciting agreements with luxury hotel operators Banyan Tree and Okura, our plans for the entire first area of the Galaxy mega resort are now in place. As the single largest site in Cotai, the Galaxy mega resort will be the most prominent Asian destination resort in Macau and we believe that its opening combined with the continued success of our flagship StarWorld property will make Galaxy a leading gaming and entertainment group in Asia."

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About Galaxy Entertainment Group

Galaxy Entertainment Group Limited, through its subsidiary, Galaxy Casino, S.A., holds a Macau gaming concession. Galaxy is authorized to carry on casino games of chance in Macau which is the only legal gaming location in China.

The construction of the Galaxy mega resort including the first hotel tower of 1,500 rooms, casino and entertainment complex is on track to open in mid 2009. Galaxy's second tower with approximately 700 rooms, suites and villas is expected to be completed during 2009. Galaxy is well positioned for long term growth in Cotai with an approved master plan to develop an additional 10.4 million sq ft GFA.

In addition, Galaxy owns and operates StarWorld Hotel and Casino — a luxury 5-Star property located on the Macau peninsula, and operates four City Club Casinos in Macau.

For more details, please visit <http://www.galaxyentertainment.com/eng>

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