

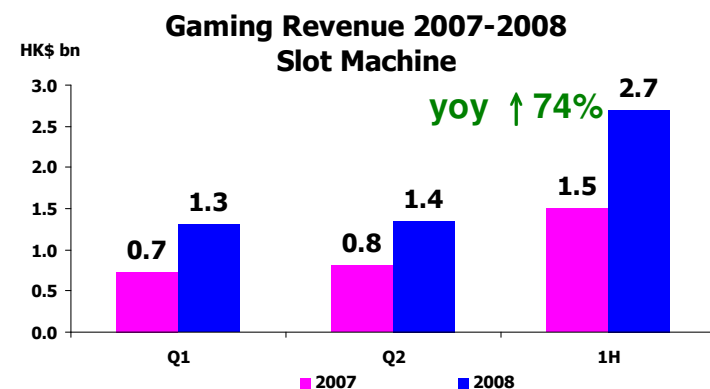
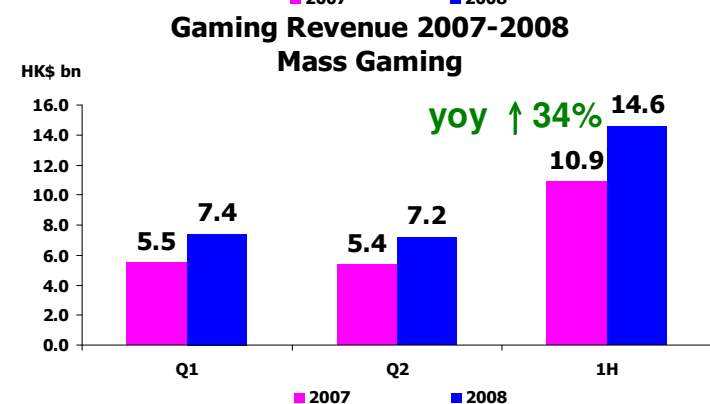
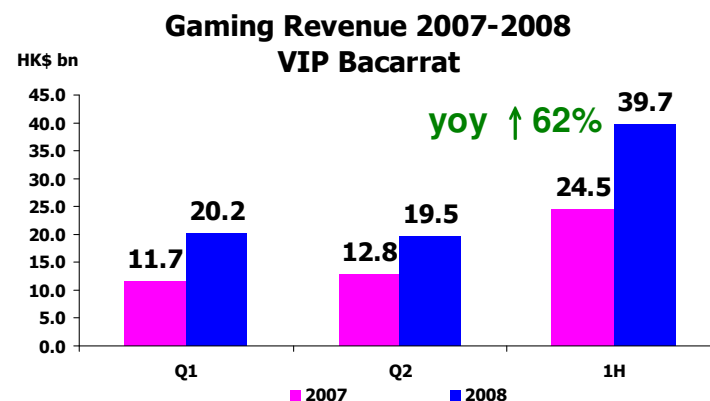
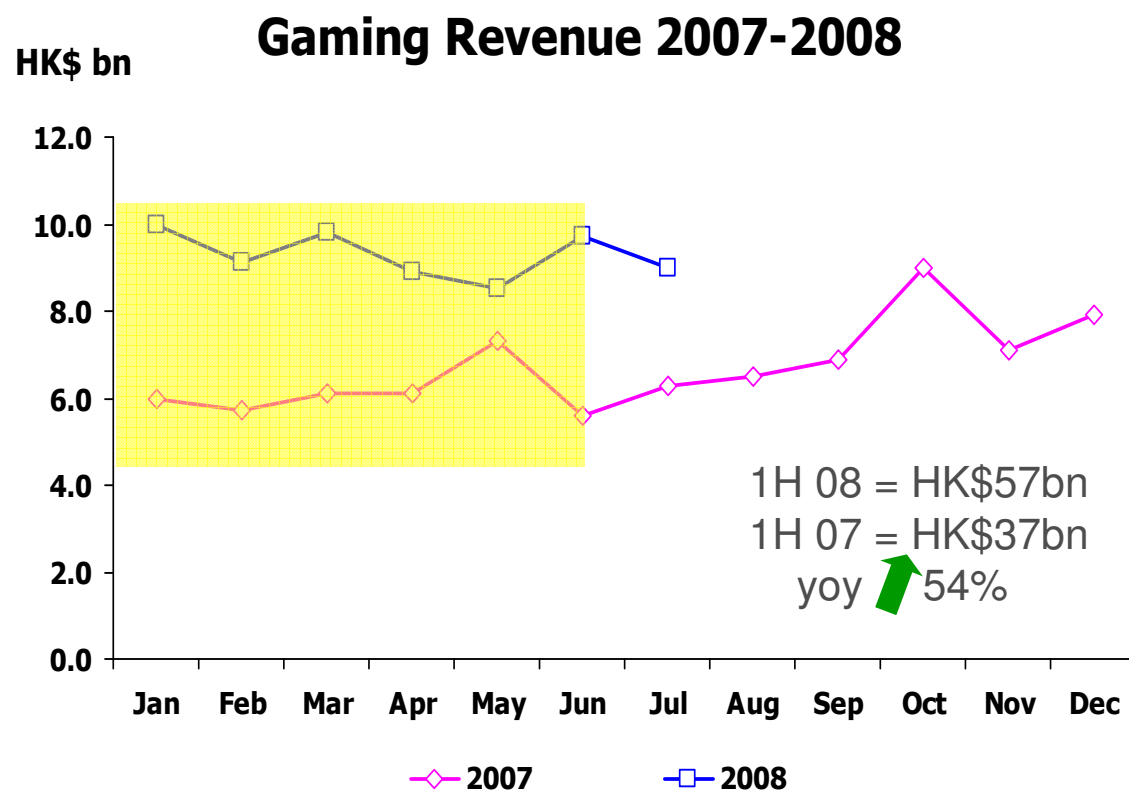


# 2008 Interim Results

for the period ended June 30, 2008

September 19, 2008

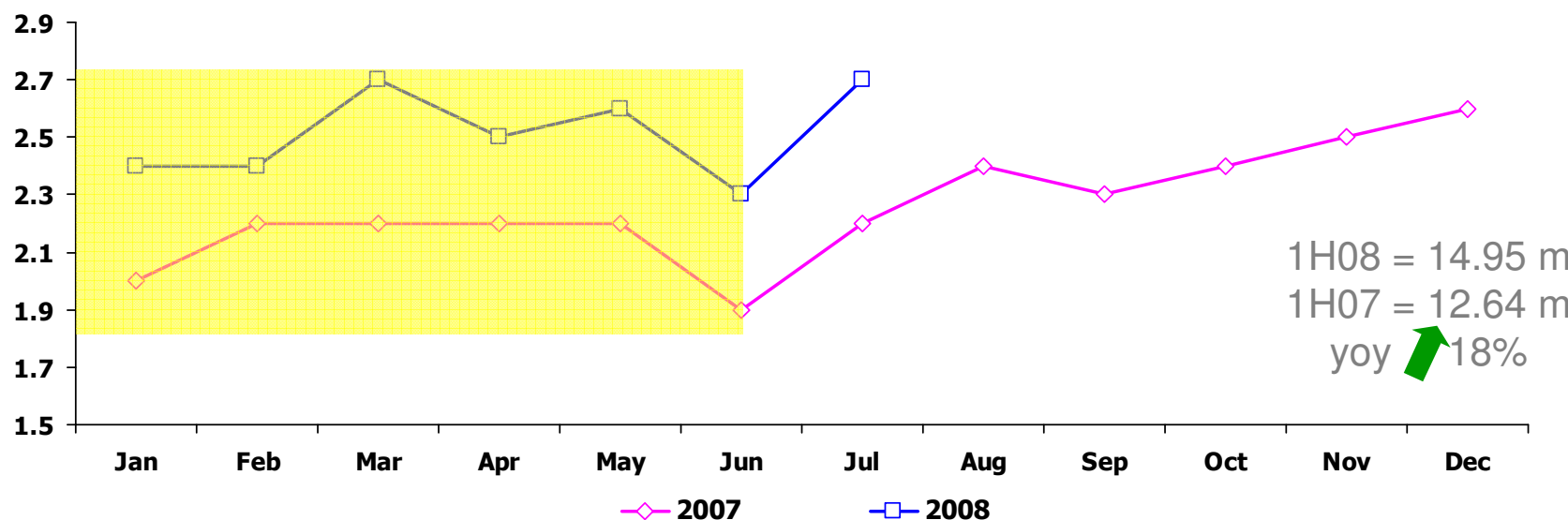
# Market Outlook – Gaming Revenue



# Market Outlook – Visitor Arrivals

## Visitor Arrivals 2007-2008

in million



(in million)

	Q1 08	Q2 08	1H 08	YoY %
Total	7.51	7.42	14.93	18.1%
Mainland China	4.39	4.39	8.78	27.1%
Hong Kong	2.01	1.88	3.90	-1.4%
Taiwan	0.33	0.35	0.68	-4.3%
Japan & Korea	0.18	0.15	0.33	41.1%
Southeast Asia	0.36	0.42	0.79	56.7%
Others	0.24	0.23	0.45	35.1%




## Intangible Assets / Gaming License Revaluation

### Intangible Asset / Gaming License

- Approved one-off non-cash write-down
- Carrying value amount decreased







HK\$14.5 billion  HK\$5.8 billion\*

### Amortisation per year

- From approximately HK\$1 billion  HK\$0.4 billion
- The exercise will have a material & positive impact on the group's consolidated profit & loss in future years



# Overview on First Half 2008 Results

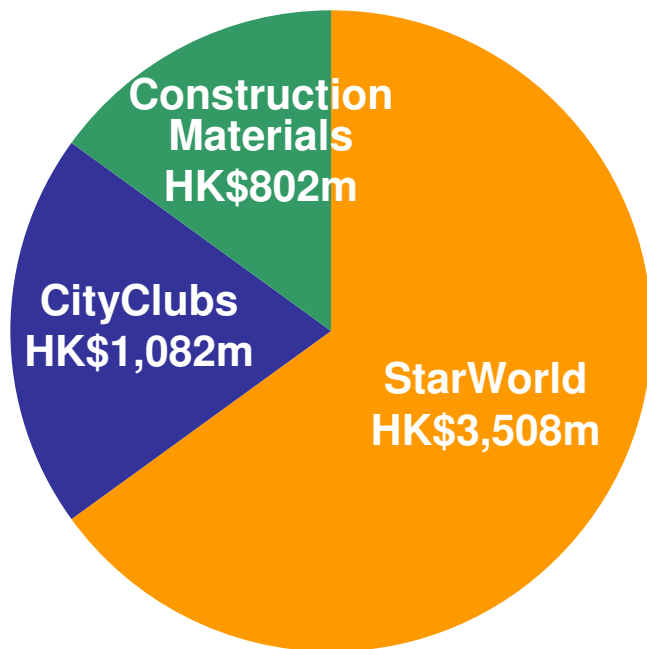
Key Figures			
	1H 2008	1H 2007	Change
<b>Total Revenue</b>	<b>HK\$5,392 m</b>	<b>HK\$6,332 m</b>	
Gaming & Entertainment	HK\$4,590 m	HK\$5,604 m	
Construction Materials	HK\$802 m	HK\$728 m	
<b>EBITDA</b>	<b>HK\$356 m</b>	<b>HK\$737 m</b>	
One-off Non-cash Write-down	HK\$(8,166) m	—	—
<b>Profit (Loss) attributable to shareholders</b>	<b>HK\$(7,432) m</b>	<b>HK\$(268) m</b>	
Total Cash	HK\$6.16 bn	HK\$6.5 bn	


- Revenue and EBITDA decrease due to
  - Increased competition
  - Lower gaming “hold” compared with previous period
  - Increased commission to junkets

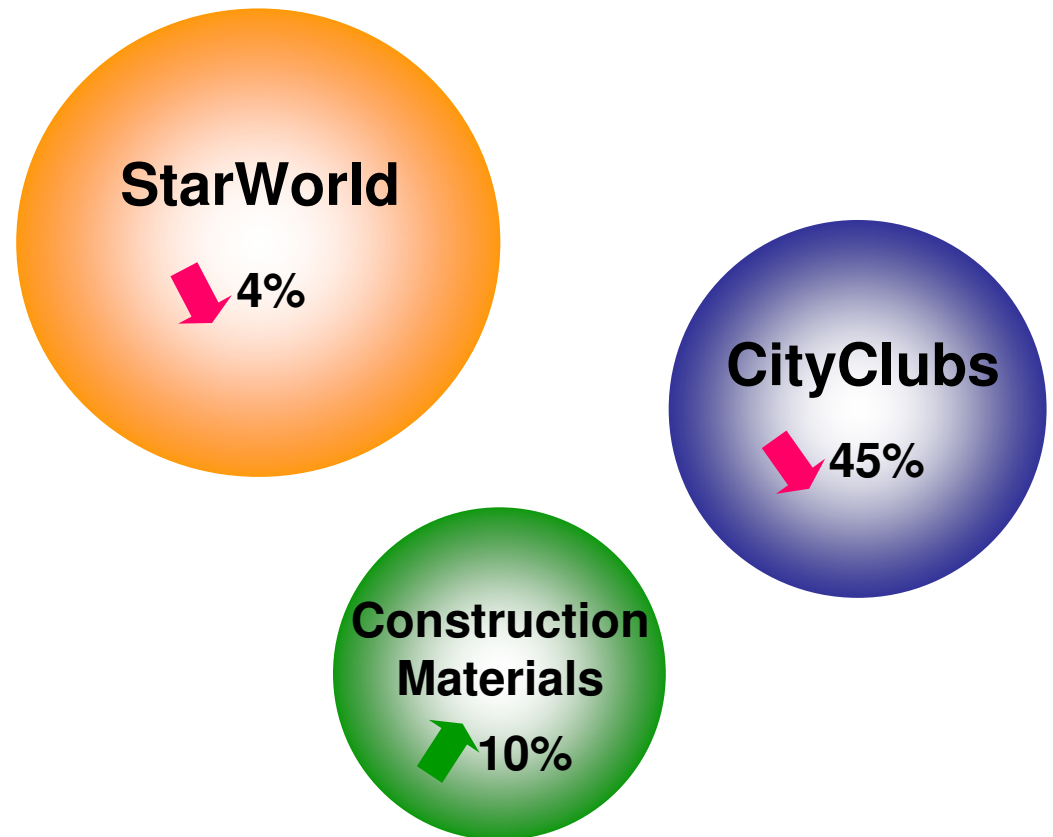


# Revenue Summary

- Revenue breakdown



Group Revenue = HK\$5,392 million  
yoy  14.8%

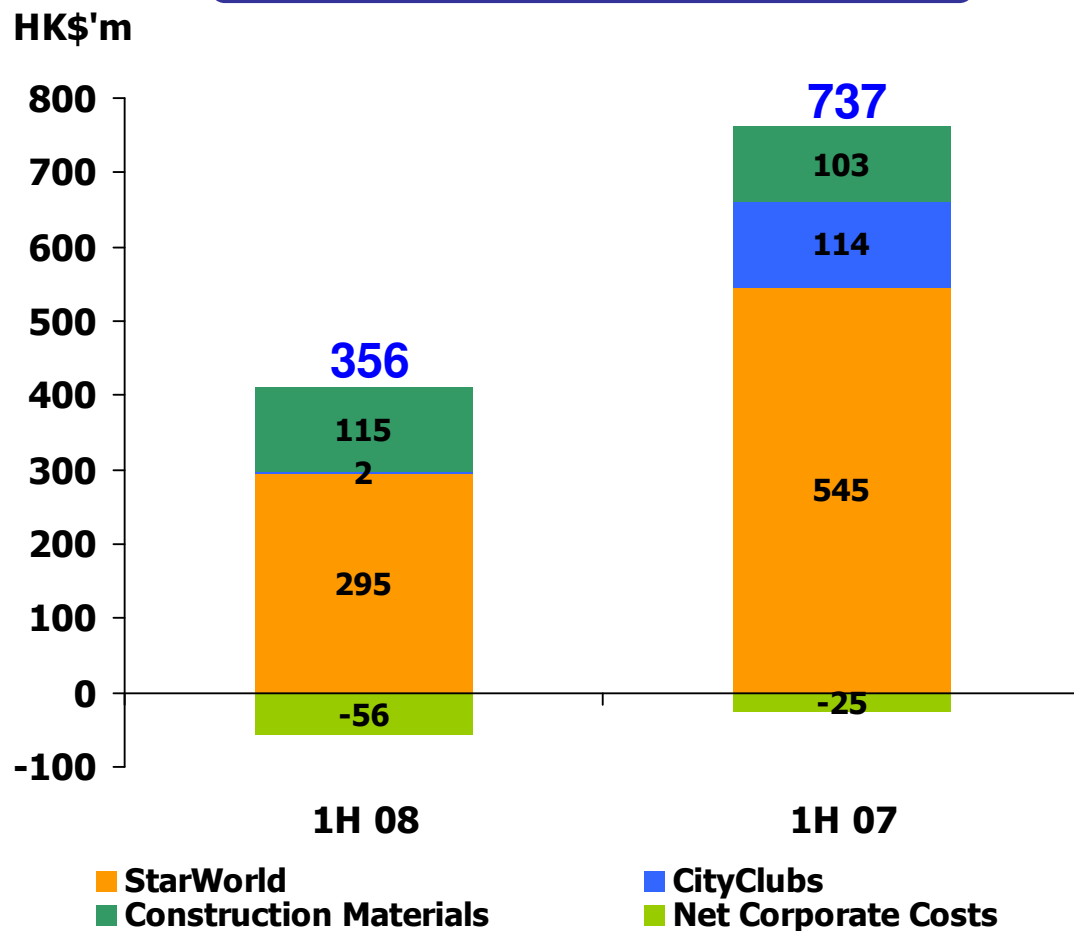


## Segment Breakdown

65%	StarWorld
20%	CityClubs
15%	Construction Materials
100%	Galaxy's Revenue

# EBITDA Summary

## EBITDA

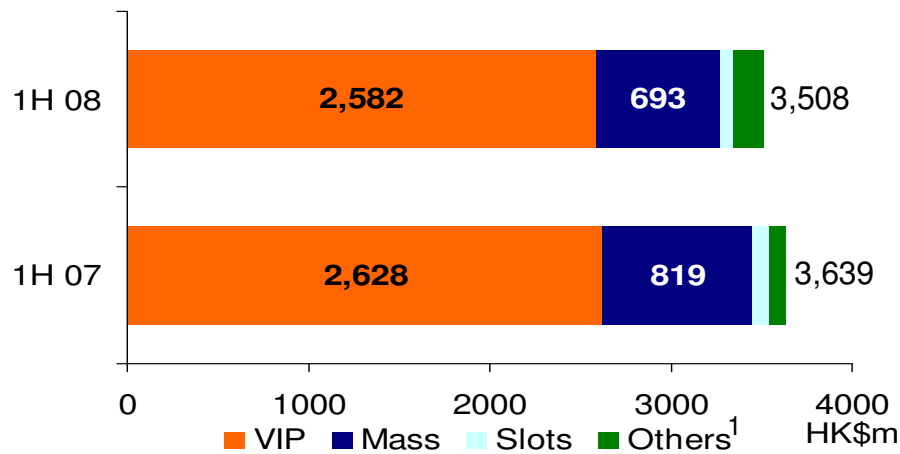


- Net EBITDA
  - HK\$356 m 1H08
  - HK\$737 m 1H07
- Increase competition
- Higher junket commission
- Slightly lower gaming volume & win rate

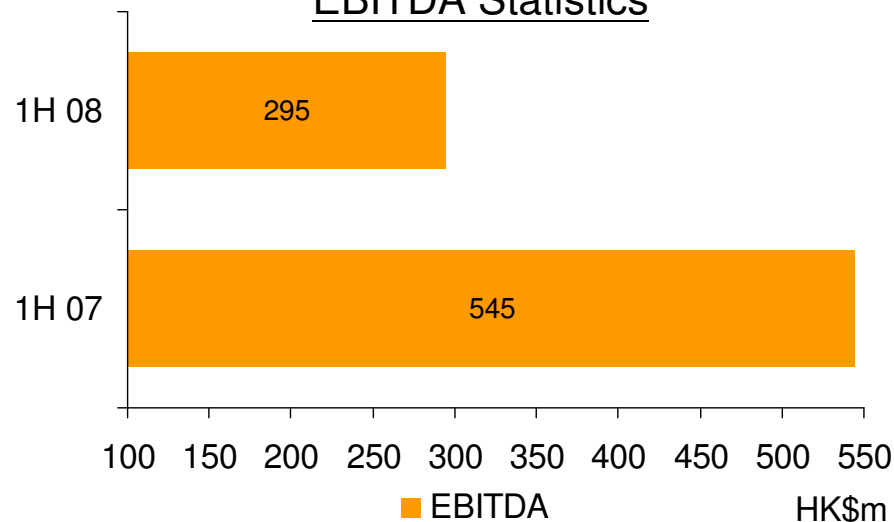


# StarWorld Overview

Revenue Statistics



EBITDA Statistics



- Total revenue HK\$3,508 m
  - Slightly down by 3.6% yoy
  - VIP Gaming continues be the key contributor (74%)
- EBITDA HK\$295 m
  - Caused by higher junket commission
  - EBITDA Margin 8.4% (HK GAAP) 13.0% (US GAAP)
- Annualized ROI 19%



# StarWorld Casino Performance

- Gaming Revenue HK\$3,344 m, ▼ 5.4% yoy



## VIP Baccarat

	1H 08	1H 07
Turnover	HK\$96,624m	HK\$92,536m
Win %	2.7%	2.8%
Net Win	HK\$2,582m	HK\$2,628m
Avg # Table	69	44
Win / Table / Day	HK\$207,500	HK\$338,000




## Mass Gaming

	1H 08	1H 07
Turnover	HK\$4,713m	HK\$5,034m
Hold %	14.7%	16.3%
Net Win	HK\$693m	HK\$819m
Avg # Table	125	159
Win / Table / Day	HK\$30,650	HK\$28,300

# StarWorld Hotel Performance

## StarWorld Hotel



- Non-gaming Revenue  66% yoy (1H08 HK\$159m vs 1H07 HK\$96 m)
- 509 rooms currently open

Key Figures		
	1H 08	1H 07
ADR		
StarWorld <sup>1</sup>	HK\$1,207	HK\$1,061
Market Average <sup>2</sup>	HK\$870	HK\$834
Occupancy		
StarWorld <sup>4</sup>	81%	82%
Market Average <sup>3</sup>	73%	76%

1. StarWorld's ADR \$1,207 including 10% service charge and 5% tax
2. Market average of ADR refers to the statistics by Macau Hotel Association on 5-Star hotels for Jan-Jun 2008 [HK\$1 = MOP\$1.03]
3. Market average of Occupancy refers to statistics by DSEC
4. StarWorld's occupancy is on available room nights base



# StarWorld Casino Update



- Adding new Jumbo VIP facility
- Relocated Jinmen to Level-10
- Expanded Level-5 VIP facility for major VIP promoter
- Introduced Sky Casino at Level-39
- Opened a Poker Room
- Opened new restaurant

# CityClubs Performance



- “Management Fee” like revenue
- Successfully restructured agreements
- Gaming Revenue in GEG’s statutory a/c HK\$1,082 million
- Improving operational efficiency





# Construction Materials Performance

- Continues to perform strongly
  - Revenue  10% to HK\$802 m
  - EBITDA  12% to HK\$115 m
- Focused on cost control
- Continue to invest in cement and slag production
  - Invested in new cement project in Yunnan : constructing 3<sup>rd</sup> cement plant in Shizong
  - Invested in new slag project in Qinhuang Dao
  - Commenced cement production in Baoshan in Jan'08



# Cotai mega resort



*Photo taken on September 3rd, 2008*

- Tower A: Scheduled to finish internal fittings by April, 2009
- Tower B: Scheduled to top out January, 2009, will start fitting glass curtain wall and services immediately
- Partnership with Banyan Tree, operate 254 rooms
  - 238 large luxurious suites
  - Specially designed world class spa
- Partnership with Okura, 400 5-star luxury rooms
- On schedule to open Casino complex and Hotel Tower One in mid-2009





# Market Snapshot

## Macau Gaming Market

- Cautiously optimistic about Macau market
- Awaiting clarification on regulatory initiatives
- Impact of visa restrictions to Macau's tourism
- Government predicts slowing growth of Macau gaming market for 2009
- No new large scale casinos to be opened until mid-2009



# Looking Forward

## Corporate

- Positive future impact on P&L from licensing revaluation

## StarWorld

- Announced in early July to have a new Jumbo VIP gaming facility to be launched at StarWorld
- Opening end of September

## CityClubs

- Improving with restructured agreements

## Construction Materials

- Steady performer
- Further cost control
- Expansion of slag & cement plants

## Cotai mega resort

- On schedule to open in mid-2009

# Q & A



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