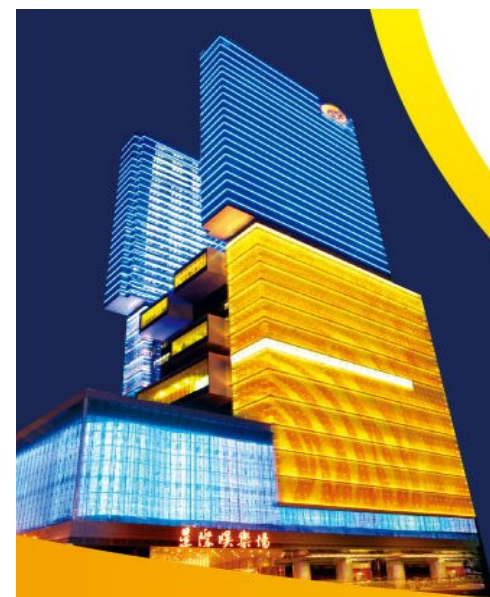




銀河娛樂集團有限公司  
Galaxy Entertainment Group Limited



***Selected Unaudited 2009 Second Quarter Information***

**July 30<sup>th</sup> 2009**

# Executive Summary



## Operational Highlights

- Galaxy Group – three consecutive quarters of EBITDA growth with \$264 million in Q2, 2009
- StarWorld continues to outperform the market with four consecutive quarters of EBITDA growth. Q2, 2009 EBITDA exceeded Q2, 2008 EBITDA by 91%
- Galaxy maintains market share of 12% despite new competition
- StarWorld's total Gaming Revenue up 23% for Q2 2009 vs Q2 2008
  - Despite disruption from 50% of Mass gaming area closed for half the quarter for renovations
- Added new VIP operators and 16 tables during the quarter
- Hotel ADR and Occupancy remains solid
- StarWorld Hotel awarded “Best Hotel Brand for Customer Satisfaction”
- Efficiency program on track to deliver HK\$ 200 million in annual savings
- City Clubs & Construction Materials continue to perform solidly

# Executive Summary (Cont'd)

## Development Highlights

- Cotai – on schedule to complete building exterior by end 2009
- Finalized fitting-out design and tender documents, ready to move quickly
- Opening date still to be announced, will align opening with improving market conditions

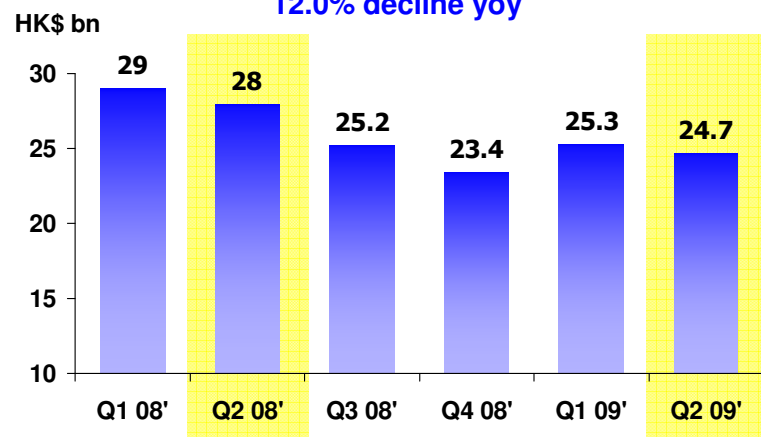
## Balance Sheet

- Further reduced debt by US\$ 27 million at approximately 50¢ on the dollar
- Cash on Hand at June 30 of HK\$ 5.4 billion
- “Net cash” at June 30, 2009

# Market Outlook – Gaming Revenue

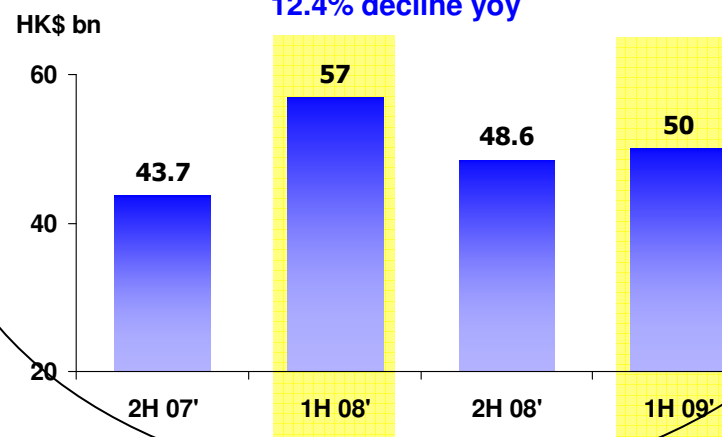
## Macau Gaming Revenue

2009Q2 = HK\$24,668 m,  
12.0% decline yoy



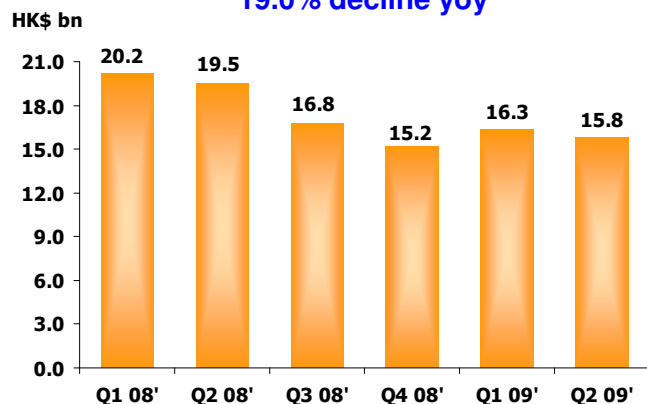
## Macau Gaming Revenue

2009 1H = HK\$49,929 m,  
12.4% decline yoy



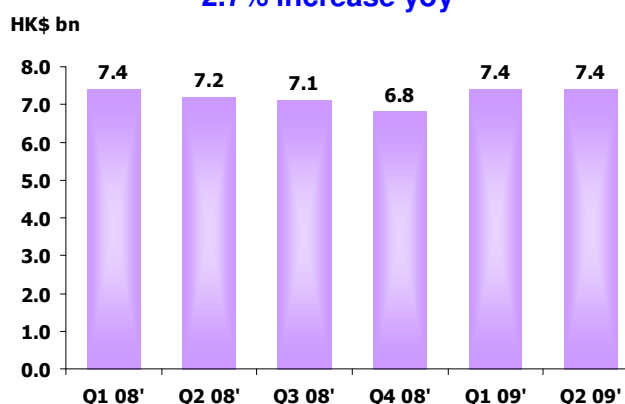
## VIP Baccarat

2009Q2 = 15,813 m,  
19.0% decline yoy



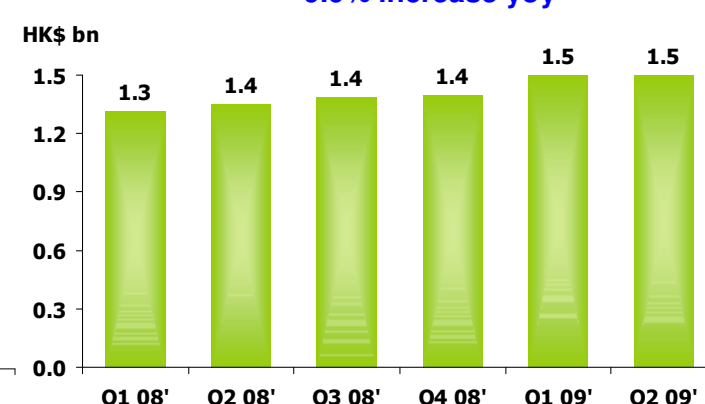
## Mass Gaming

2009Q2 = HK\$7,367 m,  
2.7% increase yoy



## Slot Machine

2009Q2 = HK\$1,488 m,  
9.9% increase yoy

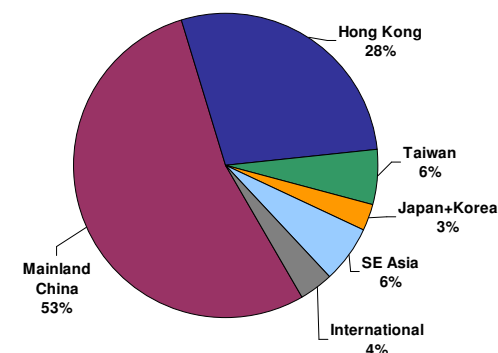


# Visitor Arrivals to Macau

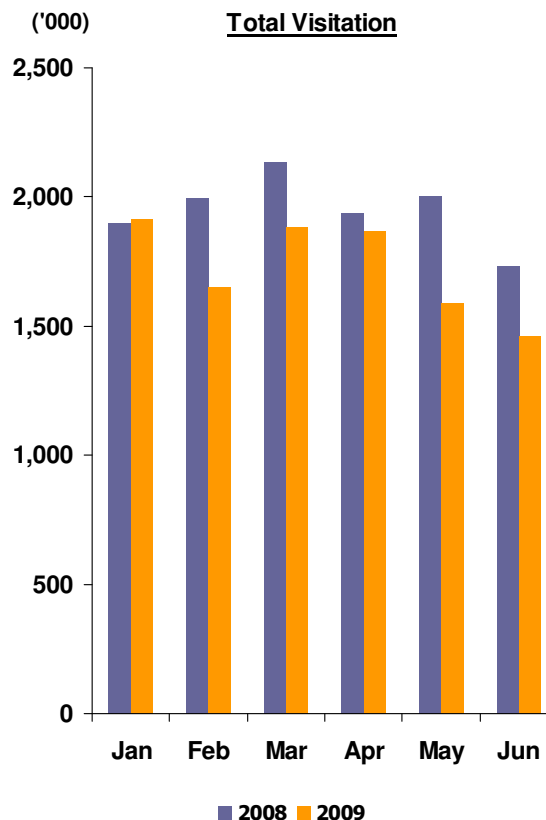
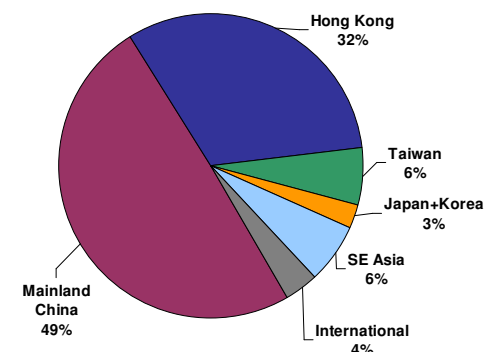
- Visitation for June 09' down 16% vs June 08' and 8% vs May 09'

	Jun 08'	Jun 09'	YTD %	Jan-Jun 08'	Jan-Jun 09'	YTD %
<b>Total</b>	<b>1,732,914</b>	<b>1,458,105</b>	<b>-15.9%</b>	<b>11,704,139</b>	<b>10,370,979</b>	<b>-11.4%</b>
Mainland Chinese	869,485	680,894	-21.7%	10,538,725	9,338,527	-11.4%
IVS	473,734	232,161	-51.0%	3,693,749	2,370,886	-35.8%
Package Tour*	278,879	157,534	-43.5%	1,444,799	1,580,454	9.4%
Hong Kong	513,643	492,000	-4.2%	3,337,162	3,326,335	-0.3%

Visitor Arrival Composition 2008



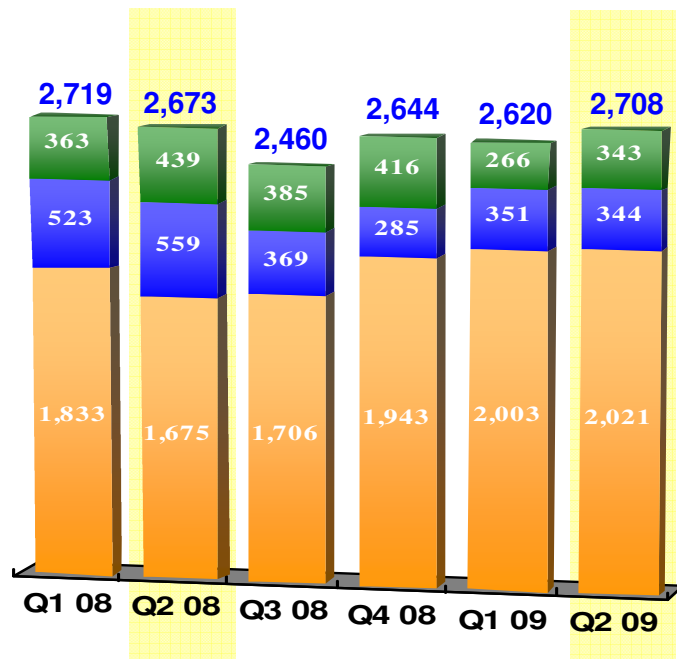
Visitor Arrival Composition 2009 YTD



- YTD June visitation declined 11% to 10.4 million

- Impacted by global financial crisis and swine flu concerns

# GEG Revenue Summary



■ StarWorld ■ CityClubs ■ Construction Materials

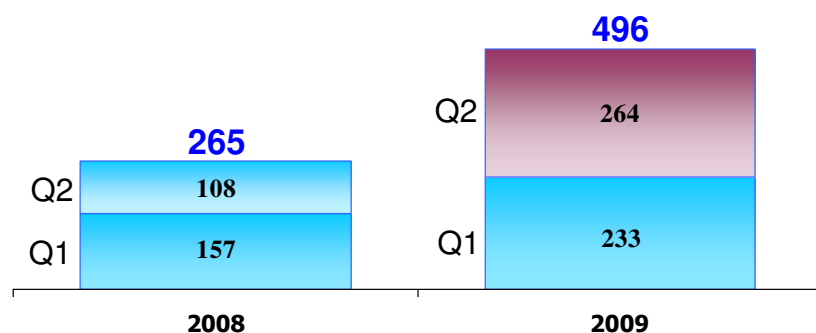
	% Change Q2 yoy	% Change Q2 to Q1 09'
GEG Total	+1%	+3%
StarWorld	+21%	+1%
City Clubs*	-39%	-2%
Construction Materials	-22%	+29%

- Solid Group revenue of HK\$ 2.7 billion
- StarWorld reported 4 consecutive quarters of revenue growth
- Well positioned for future growth

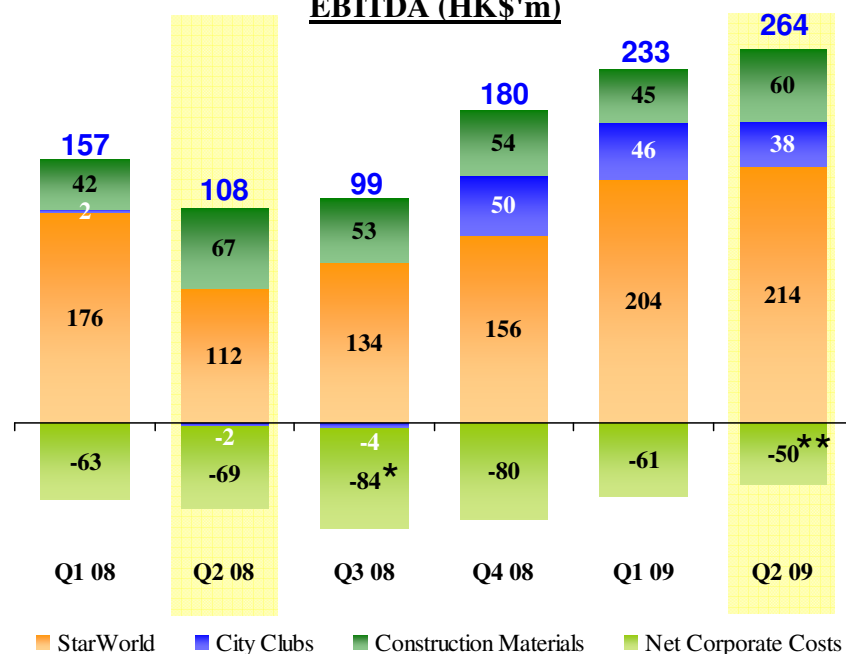
# GEG EBITDA Summary



**EBITDA (HK\$'m)**



**EBITDA (HK\$'m)**



■ StarWorld 
 ■ City Clubs 
 ■ Construction Materials 
 ■ Net Corporate Costs

	% Change Q2 yoy	% Change Q2 to Q1 09'
GEG Total	+144%	+13%
StarWorld	+91%	+5%
City Clubs	-\$2m to \$38m (absolute change)	-17%
Construction Materials	-10.4%	+33%

- GEG Q2 EBITDA more than doubled yoy
- StarWorld – 4 consecutive quarters of EBITDA growth – expanding revenue stream and focused on cost control
- City Clubs under tight management to maintain profitability
- Construction Materials – very solid

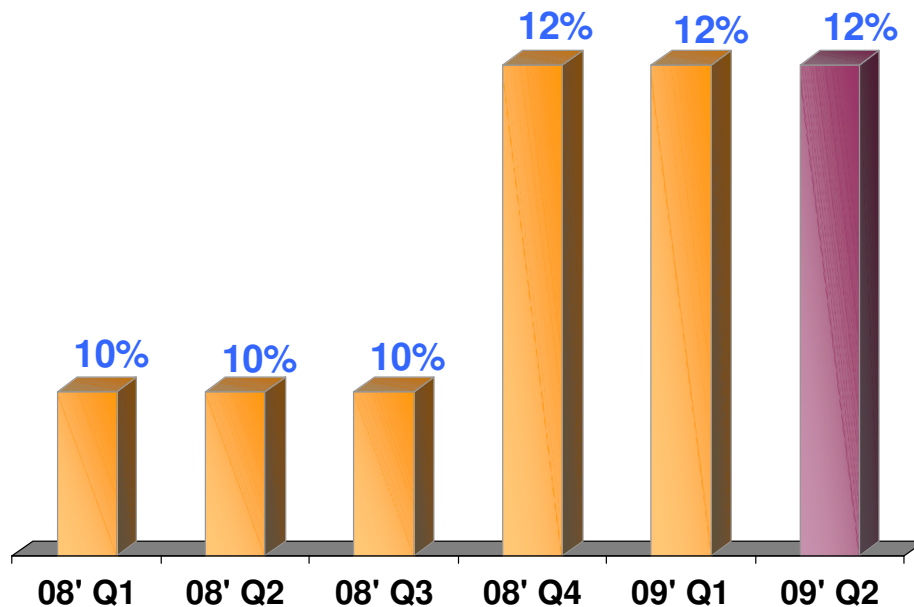
\* Reflects reversal of approximately HK\$16m previously capitalized expenses incurred in Q1 & Q2

\*\* Excluded gain of approximately HK\$28 million from lapse of employee share option granted prior to 2009

# Estimated Market Share



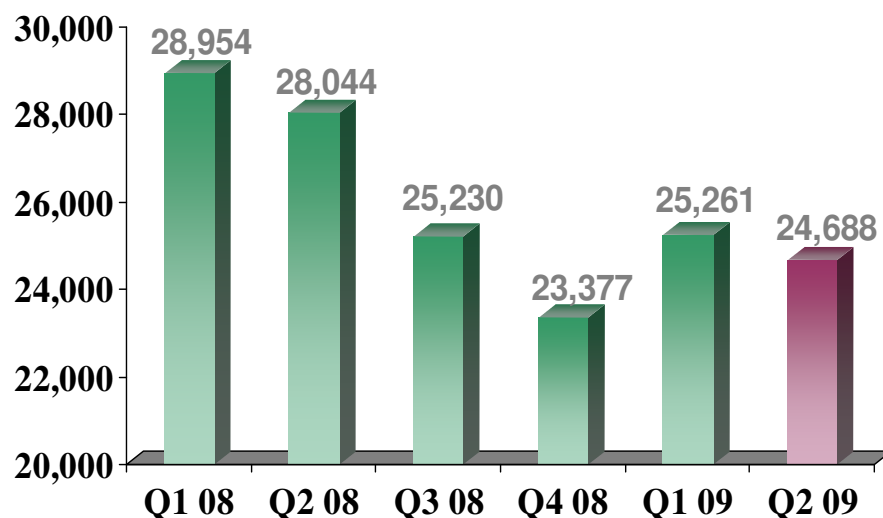
**Galaxy's Market Share**



- Highly competitive market
- Galaxy's market share maintained at 12%
- Despite table supply increasing by 10% from Quarter One (3,998 to 4,390)

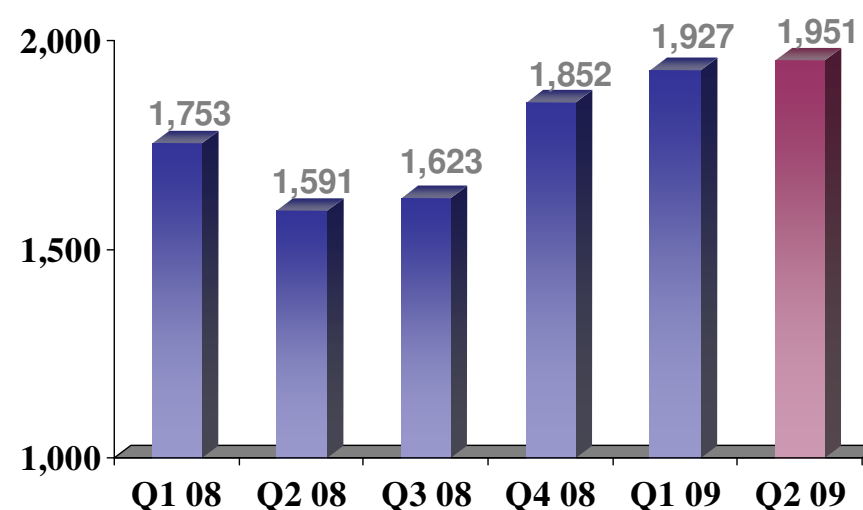


Macau Total Gaming Revenue (HK\$m)



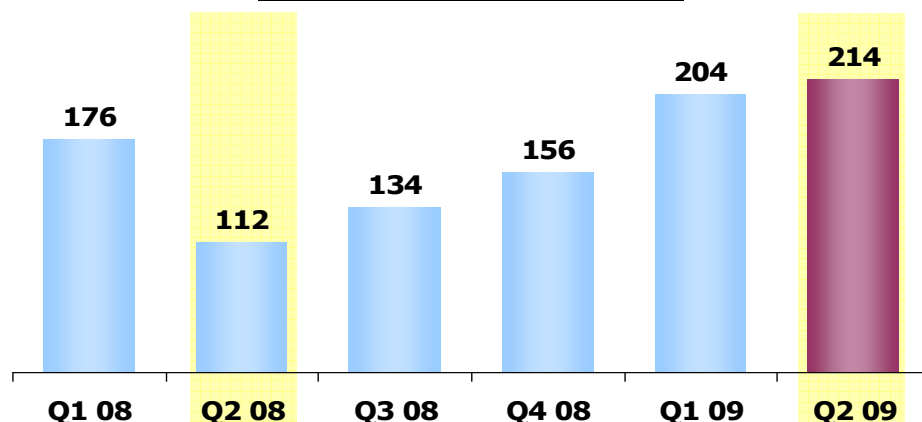
- Macau's total gaming revenue up 6% from the low point

StarWorld Total Gaming Revenue (HK\$m)



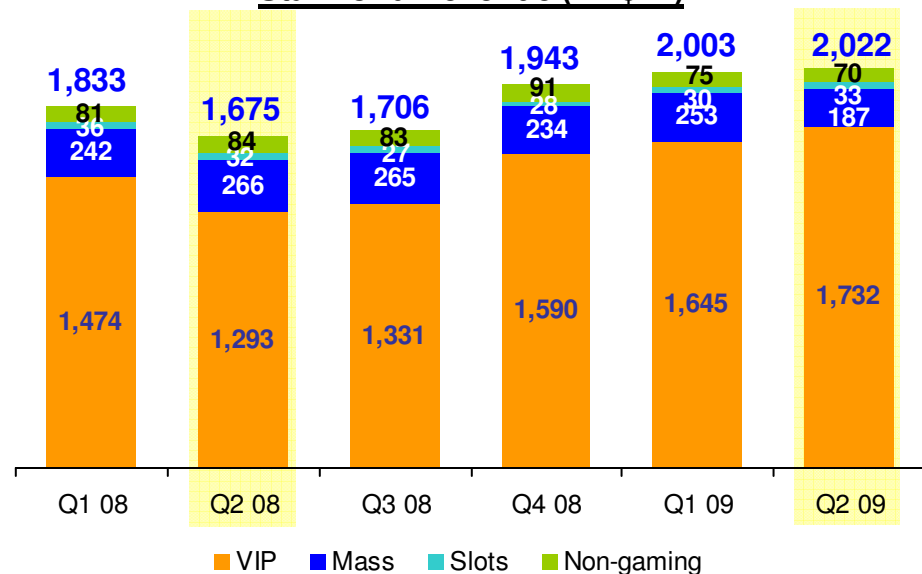
- StarWorld's total gaming revenue up 23% for Q2 2009 vs Q2 2008
- Refitting mass gaming area and added new VIP rooms

**StarWorld EBITDA (HK\$m)**



Revenue	% Change Q2 yoy	% Change Q2 to Q1 09'
StarWorld Total	+21%	1%
VIP Gaming	+34%	+5%
Mass Gaming	-30%	-26%
Slots Handling	+3%	+10%
Non-Gaming	-17%	-7%

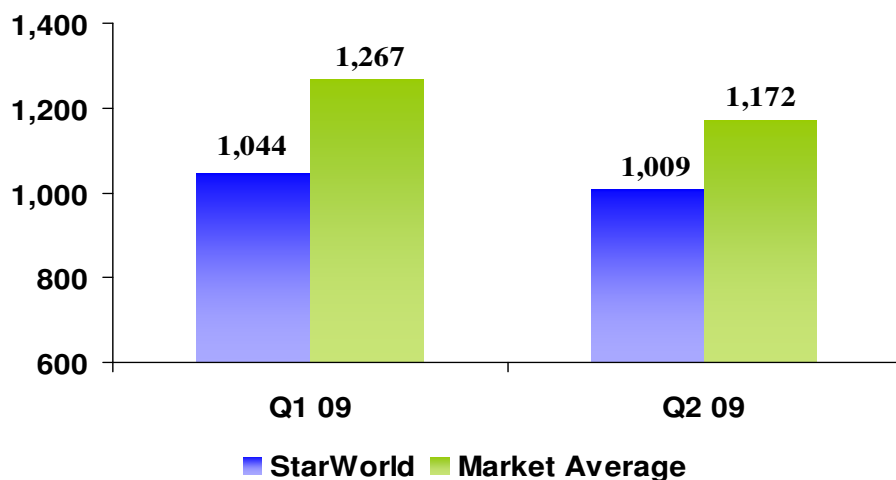
**StarWorld Revenue (HK\$m)**



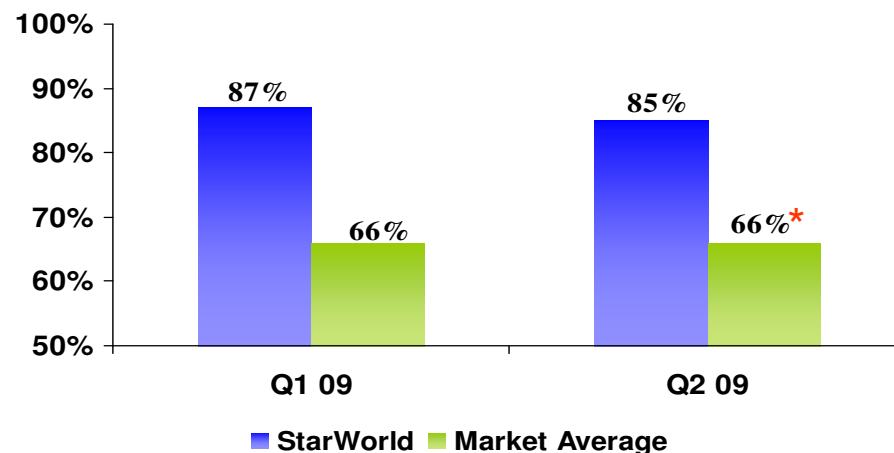
- Four consecutive quarters of EBITDA growth including a 91% increase in Q2 over prior year
- Annualized ROI 26%
- Solid start to Q3 with Refit of Mass gaming area complete August 2<sup>nd</sup> and added 6 new VIP tables

- Q2 2009 ADR was HK\$ 1,009
- Q2 Occupancy at StarWorld 85%

ADR (HK\$)



Occupancy Rate



Note:

- StarWorld's ADR includes 10% Service Charge but excludes 5% tax
- Market average of ADR refers to the statistics by Macau Hotel Association on 5-Star hotels 2008 [HK\$1 = MOP\$1.03]
- StarWorld's occupancy is on available room nights base
- Market average of occupancy refers to statistics by DSEC (5-stars hotel)
- \* Q2 Market Average of Occupancy Rate was average of April and May ONLY

# StarWorld Hotel Recognition



Date	Award	Association
2009	Best Casino Interior Design	International Gaming Awards
	Top 10 Leisure Hotels of China	Asia Hotel Forum's China Hotel Starlight Awards
	Best Hotel Brand for Customer Satisfaction	2009 China Hotel Golden Horse Award
2008	5 Star Diamond Award	American Academy of Hospitality Sciences
	Top 100 Hotels of China	China Hotel Industry Summit
	Top 10 Business Hotels	China Hotel Industry Summit
	China Top 100 Hotels	Travel+Leisure Magazine
	Starlight Award	Asia Hotel Forum
2007	5 Star Diamond Award	American Academy of Hospitality Sciences
	High Flyers Award	Hong Kong Business Magazine



*Best Casino Interior Design*



*Top 10 Leisure Hotels of China*

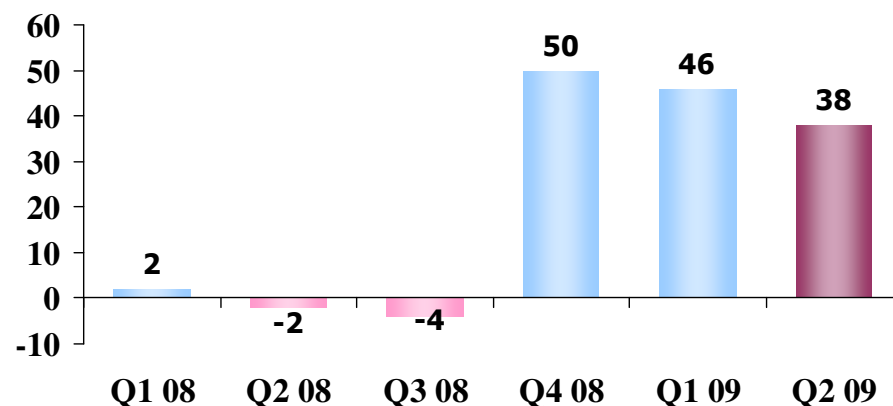


*Best Hotel Brand for Customer Satisfaction*

# City Clubs

- CityClubs continue to make a valuable contribution
- Under tight management to ensure continuing profitability
- Properties resized as required

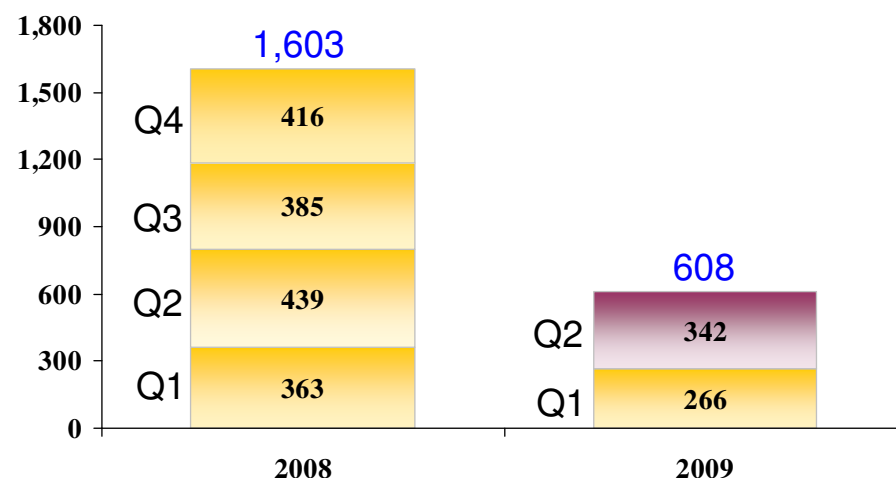
**City Clubs EBITDA (HK\$'m)**



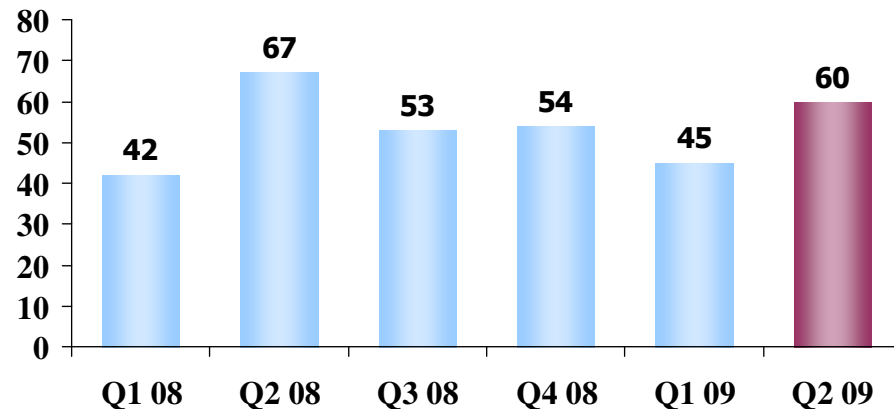
# Construction Materials

- Solid performer with improving market conditions
- Benefits from stimulus package materializing
- Well positioned for future growth

**Construction Materials Revenue (HK\$'m)**



**Construction Materials EBITDA (HK\$'m)**



## Cotai Update

- Construction continues to proceed, expect to complete building exterior by 2009 year end
- Finalizing fitting-out design and tender documents, ready to move quickly
- Opening will be aligned with improving market conditions



# Cotai Update

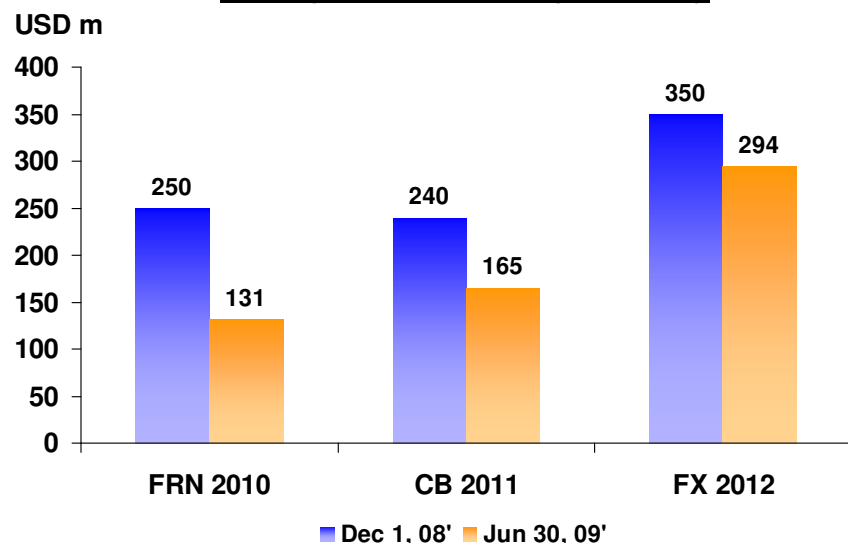
*Photo taken at July 25, 2009*



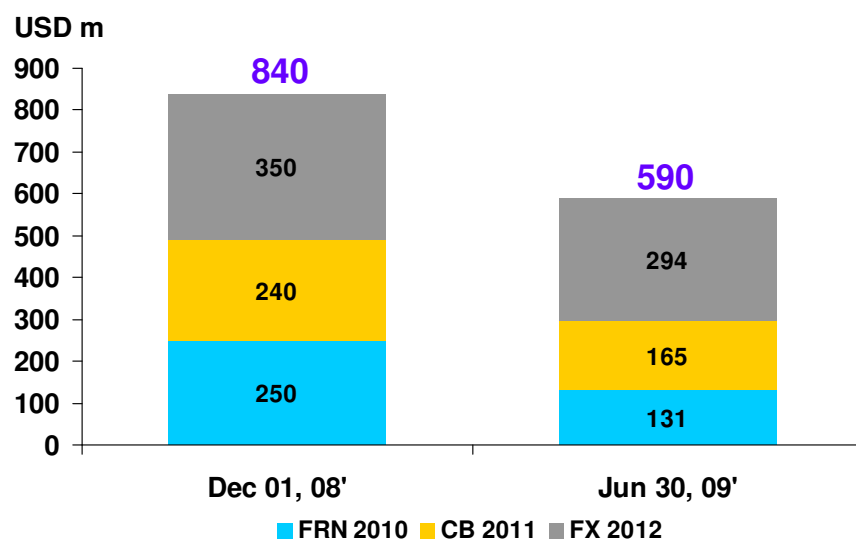


# Cash on Hand & Long-term Debt

Galaxy Debt Profile By Maturity



Galaxy Total Debt



- Cash on hand of HK\$ 5.4 billion at end of June 2009
- Debt status, end of June 2009
  - Reduced debt of US\$ 840 million by 30% to US\$ 590 million from January 1<sup>st</sup> to June 30<sup>th</sup>, 2009
  - Retired US\$ 250 million at a total cost of US\$ 125 million
  - Interest savings over life of the paper US\$ 55 million, including cash interest of US\$ 40 million
  - Repurchased an additional US\$ 27 million debt during the period at approximately 50 cent on the dollar
- “Net Cash” positive at end of June

# Actions taken

# Positioned for Growth



## Operations

- Continuing to driving EBITDA growth at GEG and StarWorld
- Maintaining market share in an expanding market with new capacity
- Delivering operational efficiency program
- Strengthened management team

## Risk Management

- Remain liquid with over HK\$ 5.4 billion of cash
- Further reduced leverage and interest charges with bond buyback
- Well capitalized with “net cash” position

## Development

- Proceeding with Cotai's exterior works
- Aligning the opening of Cotai with improving market conditions

- **Disciplined Strategy**
- **Solid Operations**
- **Proven & Prudent Management**
- **Well Capitalized Balance Sheet**
- **Long Term Growth Potential**

# Disclaimer



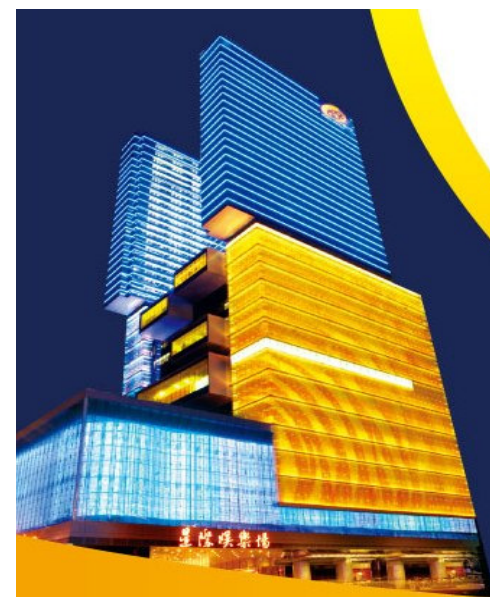
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銀河娛樂集團有限公司  
Galaxy Entertainment Group Limited



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**July 30<sup>th</sup> 2009**