

September 18th 2009

For the half year ended June 30, 2009

Executive Summary



Operational Highlights

- Galaxy reports HK\$ 1 billion profit 1st half 2009
- Galaxy maintains market share despite new competition
- StarWorld EBITDA up 45% from HK\$ 288 m in 1H2008 to HK\$ 419 m in 1H2009
- Successfully re-fitted and re-launched StarWorld's mass gaming floor on August 2nd
- Expanded VIP capacity by adding 16 VIP tables in June and another 6 VIP tables in July
- Efficiency program continues on track to deliver HK\$ 200 million in annual savings
- City Clubs & Construction Materials continue to perform solidly

Executive Summary (Cont'd)



Development Highlights

- Galaxy has accepted the land grant offer from the Macau government and paid initial installment of HK\$ 1.13 billion
- Cotai on schedule to complete building exterior by year end 2009
- Opening date still to be announced, will align opening with improving market

Balance Sheet Highlights

- Strengthened Balance Sheet by reducing debt by 30% from US\$ 840 million to US\$ 590 million
- 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
- Remain liquid with Cash on Hand at June 30 of HK\$ 5.4 billion
- "Net Cash" at June 30, 2009

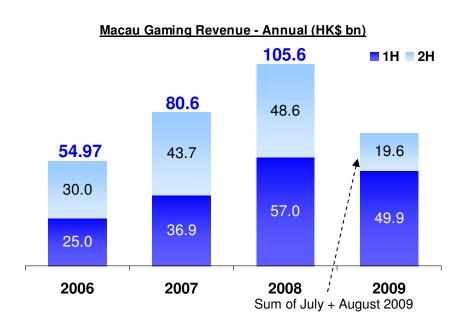


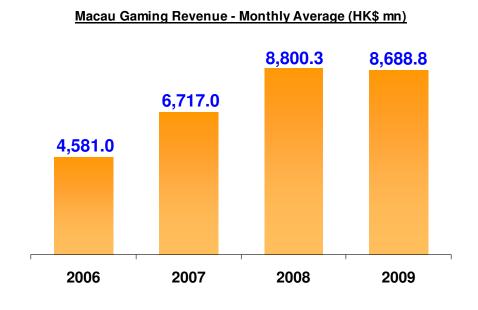
Macau Market Overview

Macau Market Outlook – Gaming Revenue



- Despite difficulty economic environment, gaming revenue remains solid
- July revenue very strong, August revenue is an all time record
- Average monthly gaming revenue for 2008 & 2009 are almost identical
- Remain cautiously optimistic for the balance of 2009







Galaxy Entertainment Group

Overview on First Half 2009 Results



	1H 2008	1H 2009	Change
Total Revenue	HK\$5,405 m	HK\$5,335 m	-1%
Gaming & Entertainment	HK\$4,603 m	HK\$4,727 m	+3%
Construction Materials	HK\$802 m	HK\$608 m	-24%
EBITDA	HK\$265 m	HK\$507 m	+91%
Non-cash Write-down of Gaming License	HK\$(8,166) m		
Gain on buyback of guaranteed notes and convertible notes		HK\$819 m	
Net Profit After Taxation	HK\$(7,591) m	HK\$1,065 m	
Profit (Loss) attributable to shareholders	HK\$(7,432) m	HK\$1,059 m	

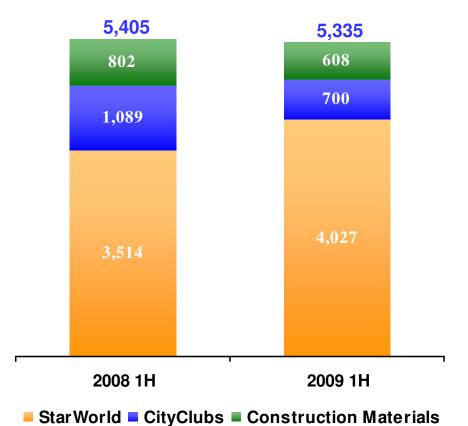
- Reported profit of HK\$1 billion
- Revenue is flat, but both EBITDA & profit are up significantly
- Company transformed from building a substantial business to generating significant profits

One-off gain of HK\$ 819 million from buyback program

GEG Revenue Summary



Revenue (HK\$ mn)



	% Change 1H yoy	% Change 1H09 to 2H08
GEG Total	-1%	+4%
StarWorld	+15%	+10%
City Clubs	-36%	+6%
Construction Materials	-24%	-24%

- Group revenue is flat, slight declined of 1.3%
- Both EBITDA & profit have increased

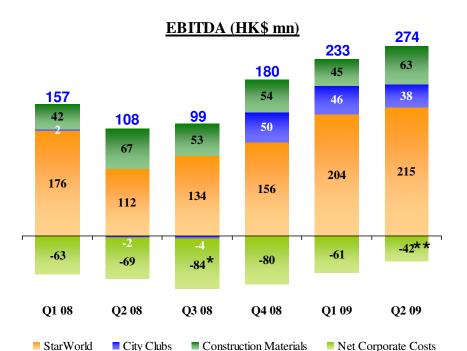
GEG EBITDA Summary



	507
265	
2008 1H	2009 1H

EBITDA (HK\$ mn)

	% Change 1H yoy	% Change 1H09 to 2H08
GEG Total	+91%	+82%
StarWorld	+45%	+44%
City Clubs	0m to 84m (absolute change)	+88%
Construction Materials	-1%	unchanged



- Group EBITDA increased 91%
- StarWorld EBITDA increased 45%
- City Clubs contribute HK\$ 84 m EBITDA
- Construction Materials EBITDA down a modest 1% but seeing positive impact from Mainland stimulus package

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

^{**} Excluded gain of approximately HK\$21 million from lapse of employee share option granted prior to 2009

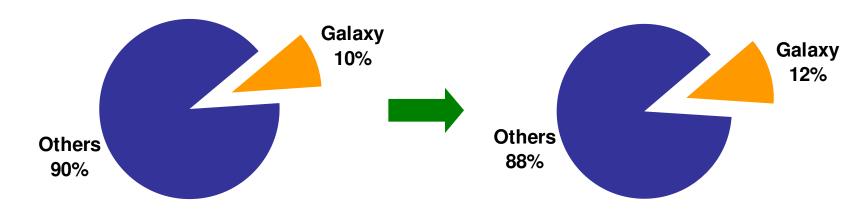


Gaming & Entertainment





1H 2008 1H 2009



- Highly competitive market
 - Number of casinos increased from 30 to 32
 - Table supply increased from 4,277 to 4,390
- Galaxy's market share grew from 10% to 12%
- Galaxy focused on profitable gaming volumes

September 2009 Source: Galaxy estimation 11

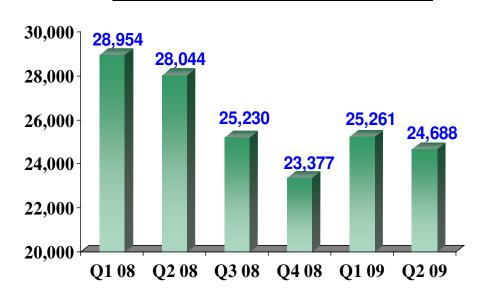


StarWorld Hotel & Casino



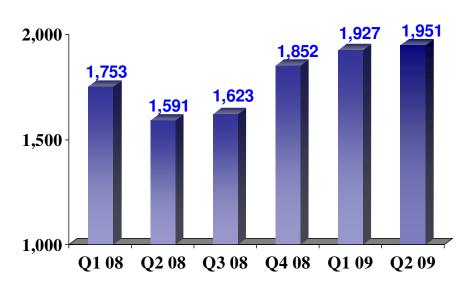


Macau Total Gaming Revenue (HK\$ mn)



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

StarWorld Total Gaming Revenue (HK\$ mn)



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



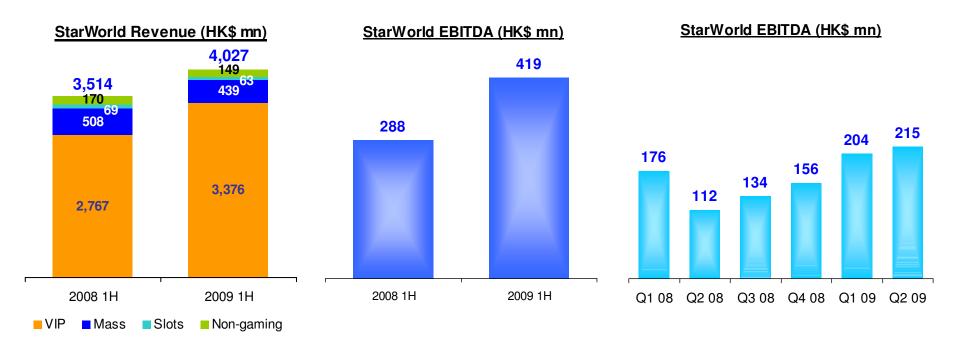
September 2009

StarWorld Overview



- EBITDA grew 45% to \$419 million
- Four consecutive quarters of revenue and EBITDA growth
- Annualized ROI 26%
- Well positioned for 2009 & beyond

Revenue	% Change 1H yoy	% Change 1H09 to 2H08
StarWorld Total	+15%	+10%
VIP Gaming	+22%	+16%
Mass Gaming	-14%	-12%
Slots	-9%	+15%

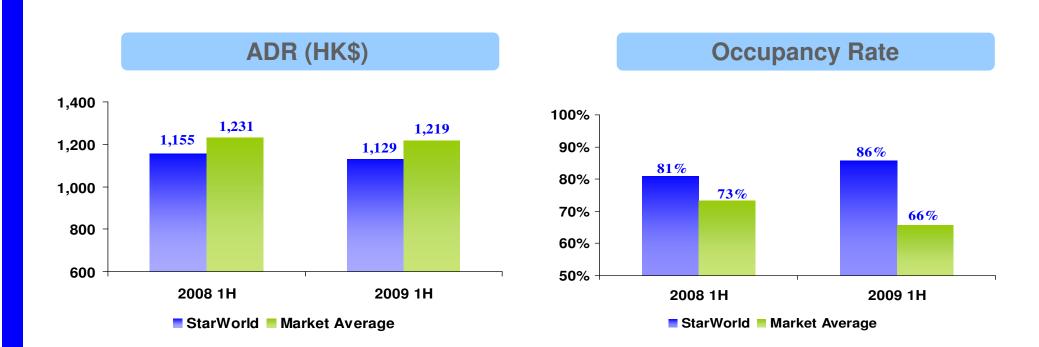


星陰★滴為 StarWorld Hotel StarWorld Hotel





StarWorld's average occupancy is over 80%, surpass market average



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 2009 [HK\$1 = MOP\$1.03]
- StarWorld's occupancy is on available room nights base
- September 2009 Market average of occupancy refers to statistics by DSEC (5-Star hotel)



StarWorld Enhancements





- June added 16
 VIP gaming tables
- July added a further 6 VIP gaming tables

 August - successfully relaunched mass gaming floor after completion of renovation and facilities upgrade



StarWorld Hotel Recognition



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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

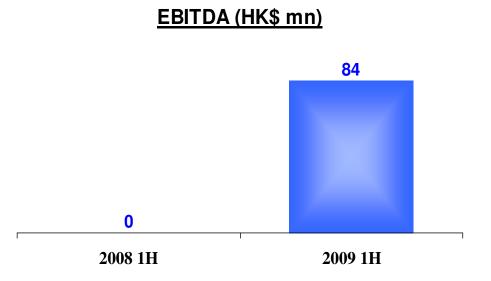


City Clubs

City Clubs



- CityClubs continue to make a valuable contribution
- Exceeding long-run guidance of HK\$ 20-25 million per quarter
- Tight management to ensure continuing profitability
- Properties resized and operations restructured











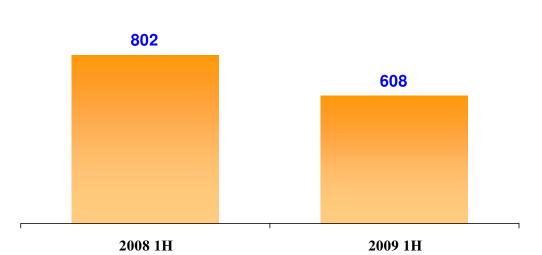


Construction Materials

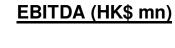


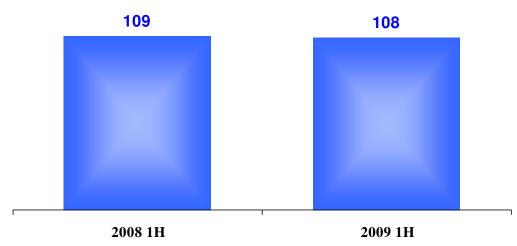
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- Solid performer with improving market conditions
- Benefits from stimulus package materializing
- Well positioned for future growth



Revenue (HK\$ mn)







Cotai Update

Cotai Update



Land grant received from Macau Government in September

- Substantial landbank, secure long term future of Galaxy
- Purchase price of HK\$ 2.8 b
 - Paid initial installment of HK\$ 1.1 b
 - 8 semi-annual installments of HK\$ 225 m
- Lease term of 25 years, renewable pursuant to Macau law
- Buildable GFA of approximately 1.7 million sq. m plus 0.3 million sq. m of landscaping area

Galaxy Macau, construction continues

- On track to complete glass curtain wall by end of 2009
- Ready to move quickly

Cotai Update

Before







Cotai Update







September 2009 Photos taken on May 2008 and August 2009

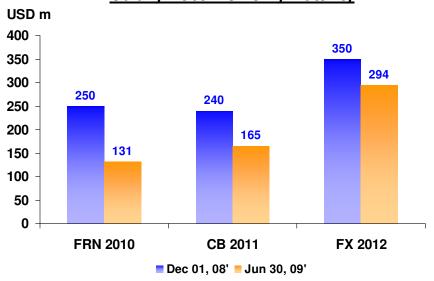


Balance Sheet

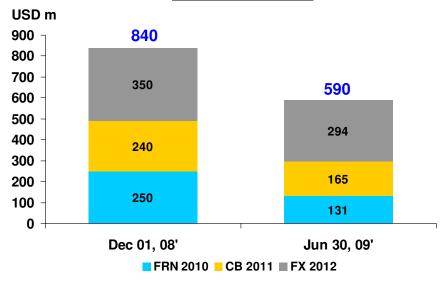
Cash on Hand & Long-term Debt







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 1st to June 30th, 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
- "Net Cash" positive at end of June

Actions Taken

Operations

- Delivered HK\$ 1 billion profit
- 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
- Reduced leverage and interest charges with bond buyback
- Well capitalized with "net cash" position

Development

- Accepted land grant offer
- Proceeding with Cotai's exterior works
- Aligning the opening of Cotai with improving market conditions

Positioned for Growth

- Disciplined Strategy
- Solid Operations
- Proven & PrudentManagement
- Well Capitalized Balance Sheet
- Long Term Growth
 Potential

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