



# *Annual and Q4 Results for the period ended December 31, 2013*

March 19, 2014

# Executive Summary

## **GEG: Record Highs in Revenue, Adjusted EBITDA and Net Profit Attributable to Shareholders**

- Full year Group revenue increased by 16% to \$66 billion
- Full year Group Adjusted EBITDA of \$12.6 billion, an increase of 28%
- Net profit attributable to shareholders grew 36% to \$10.1 billion and 41% on an Adjusted basis to \$10.4 billion
- Fourth quarter Group Adjusted EBITDA increased 41% year-on-year to \$3.5 billion

## **Galaxy Macau™: 10<sup>th</sup> Consecutive Quarter of Adjusted EBITDA growth**

- Full year revenue increased by 21% to \$40 billion and Adjusted EBITDA grew by 36% to \$8.8 billion
- Fourth quarter Adjusted EBITDA grew 35% year-on-year to \$2.5 billion

## **StarWorld Macau: Best Ever Year and Quarter**

- Full year Adjusted EBITDA of \$3.7 billion, an increase of almost 14%
- Fourth quarter Adjusted EBITDA of \$1 billion, up 60%

## **Cotai and Hengqin Island: Exciting Medium and Long Term Development Plans**

- Galaxy Macau™ Phase 2 - Remains on budget and on schedule to complete by mid-2015
- Cotai Phases 3 & 4 - Finalising plans for a \$50-\$60 billion resort focused on non-gaming with construction expected to begin as early as late 2014
- Grand Waldo Complex - Refitting already commenced with expected unveiling of plans in mid-2014
- Hengqin Island – Entered into a framework agreement with the Hengqin authority to move forward on the proposed RMB10 billion plan to develop a world class destination resort on a 2.7 sq km land parcel

## **Balance Sheet: Exceptionally Strong and Liquid; Virtually Debt Free**

- Cash on hand at December 31, 2013 of \$10.3 billion
- Net cash position of \$9.9 billion, with gearing at zero
- Borrowings reduced by 96% year-on-year from \$11 billion to \$450 million

## **Dividend: Announce Special Dividend**

- Declared special dividend of \$00.70 per share to be paid on or about July 31, 2014



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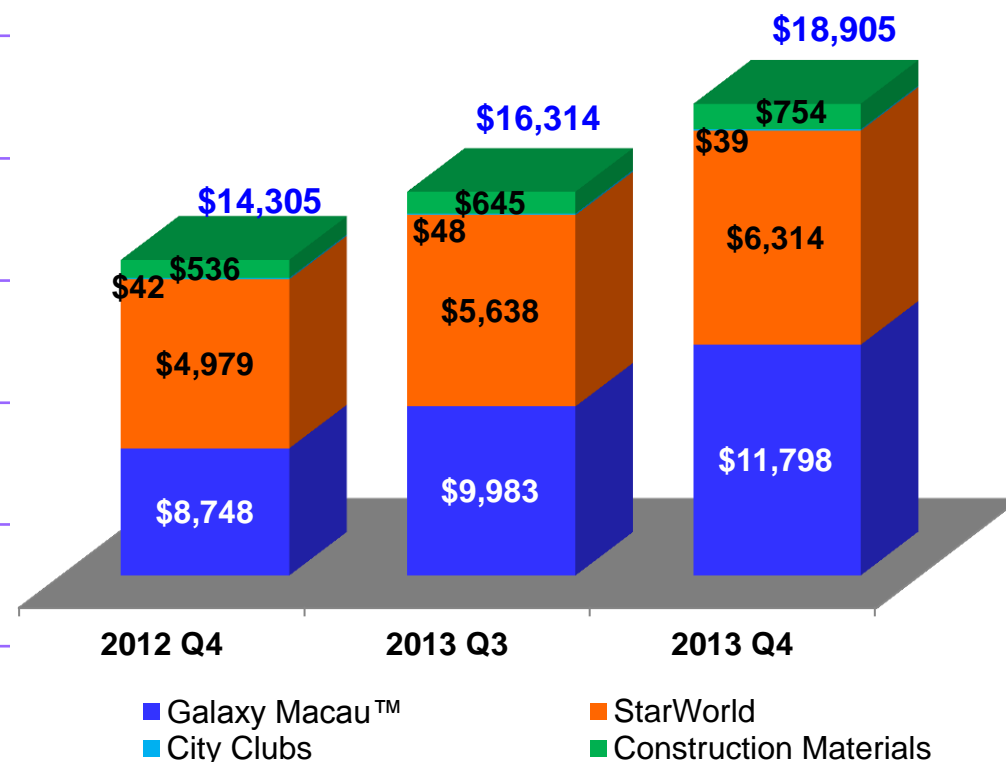
# Q4 2013 RESULTS

# GEG Revenue Summary Q4 2013

Group Revenue in Q4 2013 grew 32% YoY to \$18.9 billion

|                        | Q4<br>YoY | Q3 to Q4 2013<br>QoQ |
|------------------------|-----------|----------------------|
| GEG Total              | +32%      | +16%                 |
| Galaxy Macau™          | +35%      | +18%                 |
| StarWorld              | +27%      | +12%                 |
| City Clubs*            | (7)%      | (19)%                |
| Construction Materials | +41%      | +17%                 |

GEG Revenue (HK\$'m)



\* Grand Waldo of City Clubs were suspended since July 17, 2013

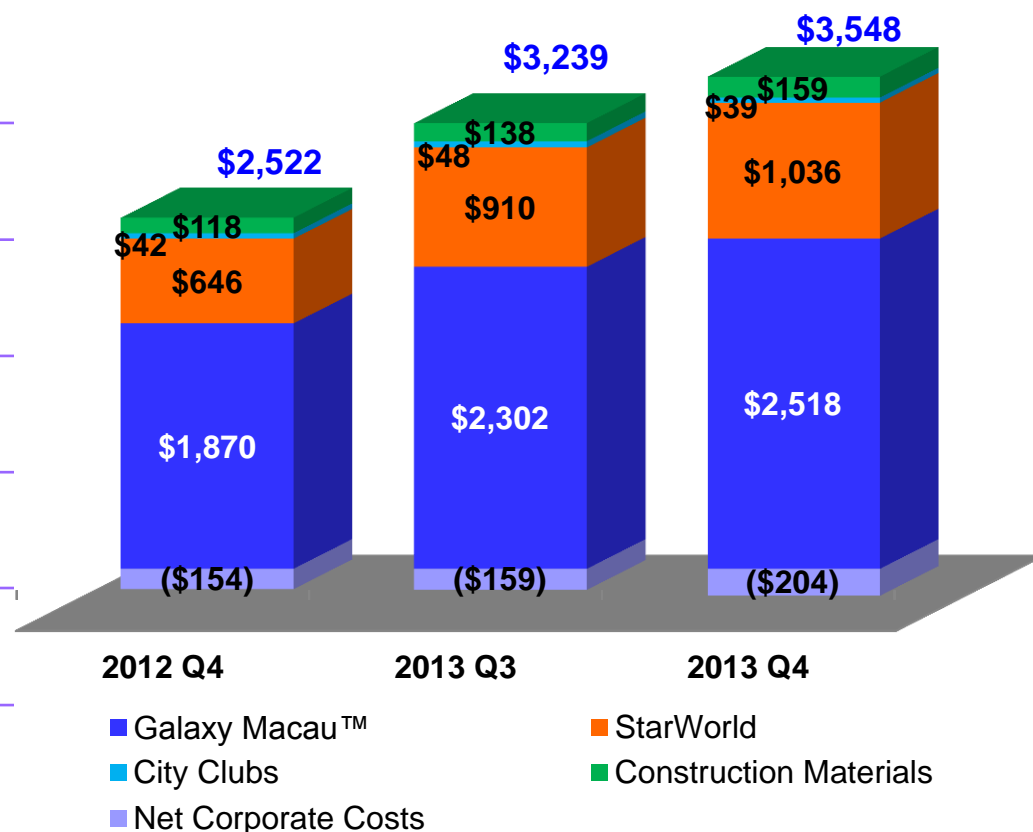
# GEG EBITDA Summary Q4 2013

Group EBITDA grew 41% YoY in Q4 2013 to an all time quarterly record of \$3.5 billion

|                           | Q4<br>YoY | Q3 to Q4 2013<br>QoQ |
|---------------------------|-----------|----------------------|
| GEG Total                 | +41%      | +10%                 |
| Galaxy Macau™             | +35%      | +9%                  |
| StarWorld                 | +60%      | +14%                 |
| City Clubs*               | (7)%      | (19)%                |
| Construction<br>Materials | +35%      | +15%                 |

\* Grand Waldo of City Clubs were suspended since July 17, 2013

## GEG EBITDA (HK\$'m)

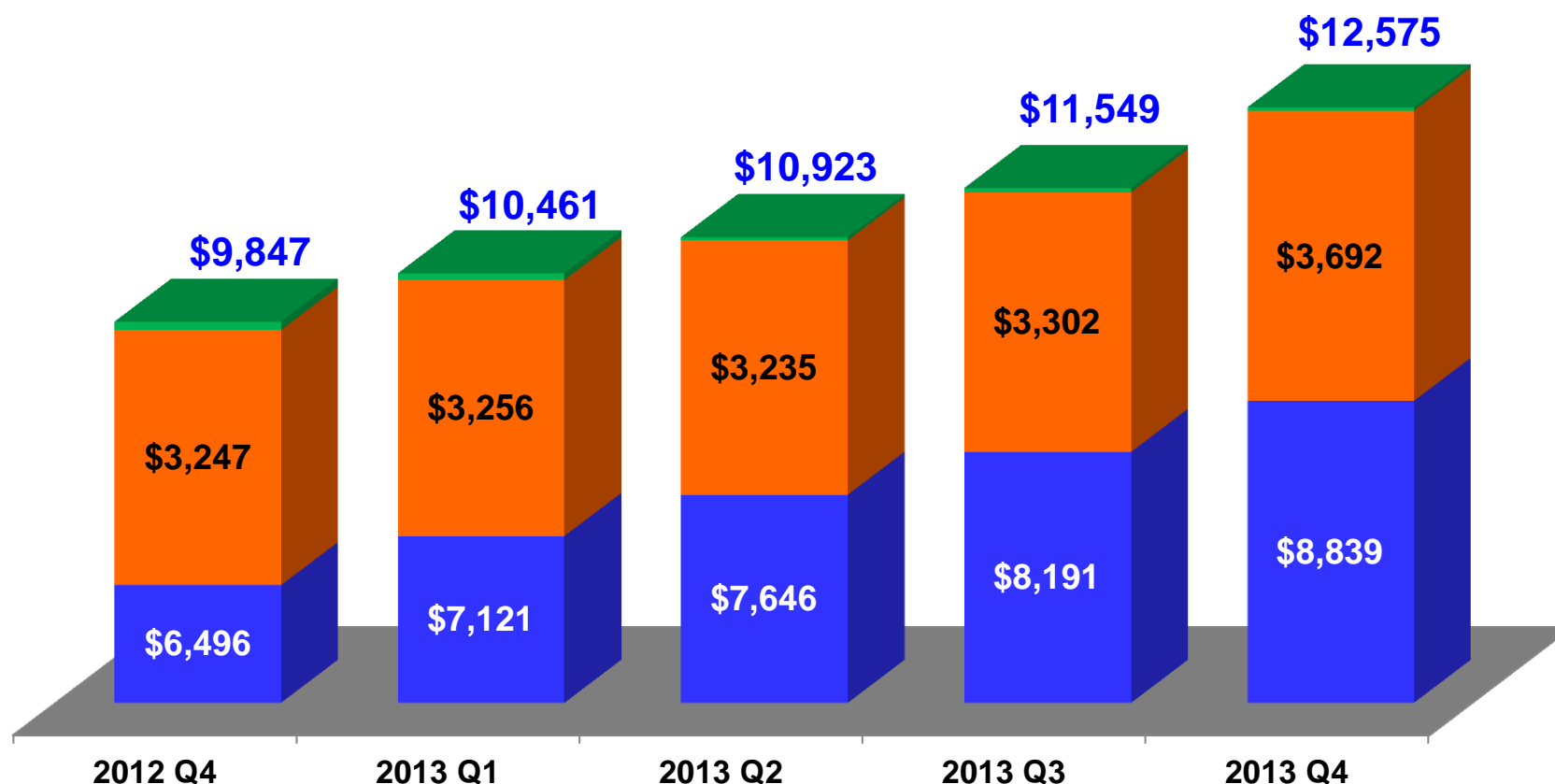


# GEG Latest 12 Month EBITDA Summary

LTM EBITDA ended December 31, 2013 climbed 28% to \$12.6 billion

## GEG (HK\$'m)

■ Galaxy Macau™ ■ StarWorld ■ Others







# Galaxy Macau™ Q4 2013

**Galaxy Macau™ reported 10<sup>th</sup> consecutive quarter of EBITDA growth in Q4 with EBITDA of \$2.5 billion**

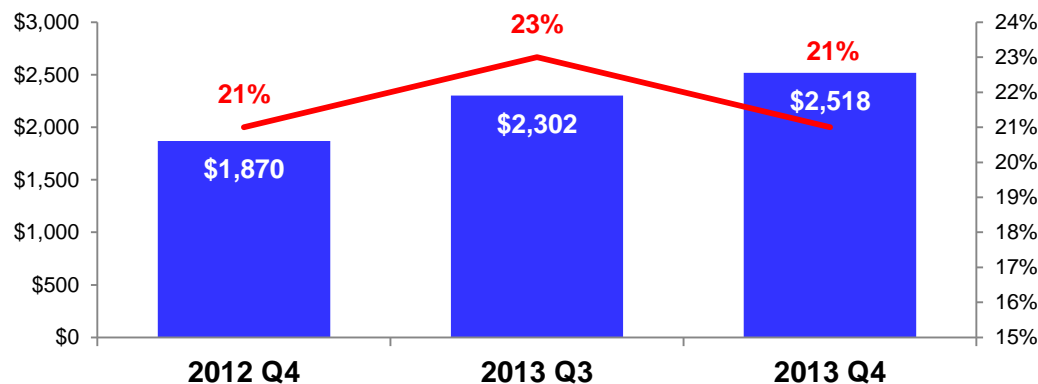
- Total revenue of \$12 billion increased 35% YoY
- Mass revenue grew 40% YoY to \$2.9 billion
- EBITDA of \$2.5 billion increased 35% YoY
- Hotel occupancy of 99%
- HK GAAP EBITDA Margin of 21% and US GAAP of 30%
- LTM ROI\* of 51%

\* ROI calculated based on the total EBITDA for the latest twelve months divided by gross book value through December 31, 2013 including allocated land cost

# Includes Jinmen

| Revenue             | Q4 YoY      | Q3 to Q4 2013 QoQ |
|---------------------|-------------|-------------------|
| Galaxy Macau™ Total | +35%        | +18%              |
| VIP Gaming #        | +37%        | +26%              |
| Mass Gaming         | +40%        | +7%               |
| Slots               | +13%        | (8)%              |
| Non-Gaming          | (4)%        | (7)%              |
| <b>EBITDA</b>       | <b>+35%</b> | <b>+9%</b>        |

**Galaxy Macau™ EBITDA (HK\$'m) and EBITDA Margin (%)**





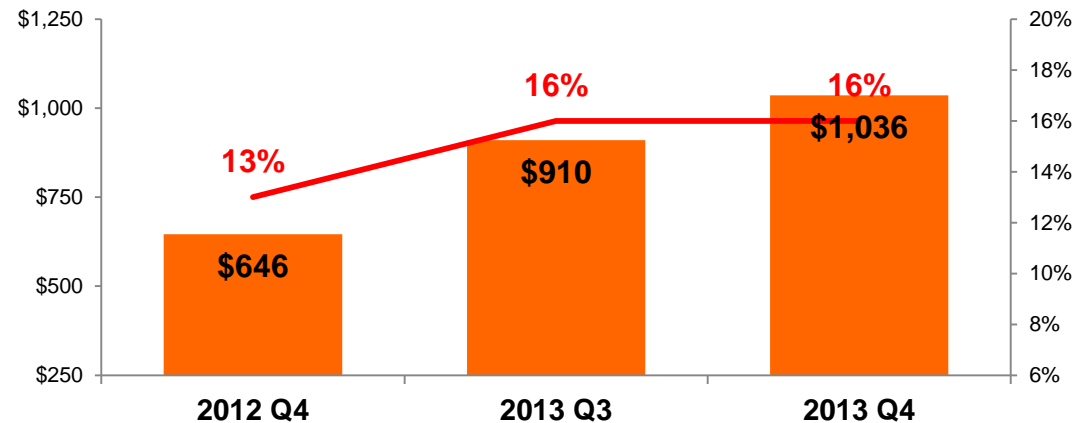


## StarWorld's positive momentum continues with best EBITDA quarter of \$1 billion

- Total revenue of \$6.3 billion climbed 27% YoY
- Mass record win of \$1.2 billion grew 69% YoY
- EBITDA of \$1 billion increased 60% YoY
- Hotel occupancy of 99%
- EBITDA Margin of 16% on HK GAAP and 26% on US GAAP
- LTM ROI\* of 105%

| Revenue                 | Q4 YoY      | Q3 to Q4 2013 QoQ |
|-------------------------|-------------|-------------------|
| StarWorld Total         | +27%        | +12%              |
| VIP Gaming <sup>#</sup> | +21%        | +10%              |
| Mass Gaming             | +69%        | +18%              |
| Slots                   | (20)%       | +20%              |
| Non-Gaming              | (8)%        | +23%              |
| <b>EBITDA</b>           | <b>+60%</b> | <b>+14%</b>       |

**StarWorld EBITDA (HK\$m) and EBITDA Margin (%)**



\* ROI calculated based on the total EBITDA for the latest twelve months divided by gross book value through December 31, 2013 including allocated land cost

<sup>#</sup> Includes Jinmen

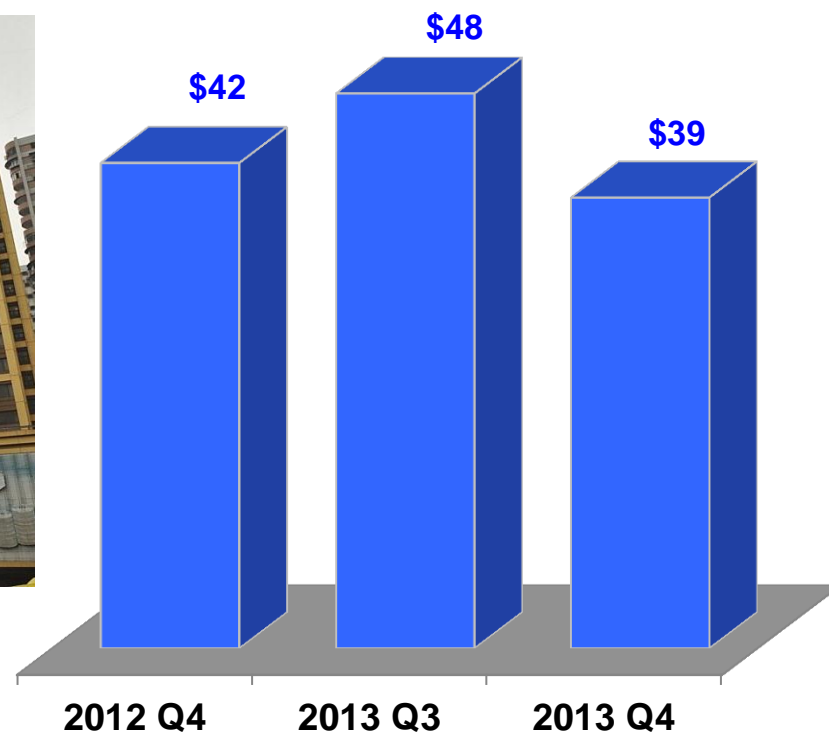


# City Clubs

City Clubs\* reported Q4 2013 EBITDA of \$39 million



City Clubs EBITDA (HK\$'m)



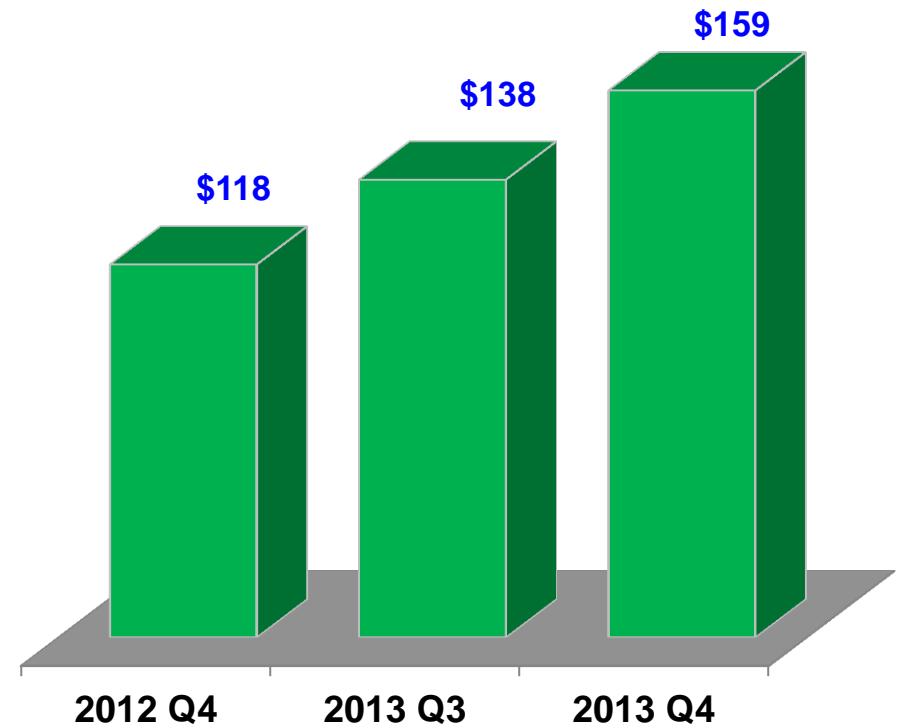
\* Grand Waldo of City Clubs were suspended since July 17, 2013

# Construction Materials

Construction Materials reported Q4 2013 EBITDA of \$159 million



Construction Materials EBITDA (HK\$'m)



# Acknowledgment of Excellence - Corporate

## Selected Industry Recognition for 2013

- **GEG included as a constituent of the benchmark Hang Seng Index in June 2013**

| Awards   | Organization   |
|--|--|
| <b>Casino Operator of the Year Australia / Asia</b><br>年度最佳娛樂場營運商 (澳洲/亞洲)  | <b>International Gaming Awards (IGA)</b><br>國際博彩業大獎  |
| <b>Best Managed Company in Hong Kong</b><br>香港區最佳管理公司<br><b>Best Investor Relations in Hong Kong</b><br>香港區最佳投資者關係<br><b>Best Corporate Governance in Hong Kong 2<sup>nd</sup> Place</b><br>香港區最佳企業管治第二名<br><b>Best Corporate Social Responsibility in Hong Kong 3<sup>rd</sup> Place</b><br>香港區最佳企業社會責任第三名  | <b>FinanceAsia Magazine</b><br>FinanceAsia 雜誌  |
| <b>Overall Best Company in Hong Kong for Corporate Governance</b><br>香港最佳企業管治<br><b>Overall Best Company in Asia for Corporate Governance 2<sup>nd</sup> Place</b><br>亞洲最佳企業管治第二名<br><b>Best for Investor Relations in Hong Kong</b><br>香港最佳投資者關係<br><b>Best for Shareholders' Rights and Equitable Treatment in Hong Kong</b><br>香港最佳股東權益及公平待遇<br><b>Best for Disclosure and Transparency in Hong Kong</b><br>香港最佳資訊披露及透明度<br><b>Best for Responsibilities of Management and the Board of Directors in Hong Kong</b><br>香港最佳管理層及董事會責任 | <b>Asiamoney Magazine</b><br>《亞洲貨幣》雜誌  |
| <b>Best Managed Companies in Asia – Gaming 2<sup>nd</sup> Place</b><br>亞洲最佳管理公司 – 博彩業第二名   | <b>Euromoney Magazine</b><br>《歐洲貨幣》雜誌  |
| <b>Forbes Asia's Fabulous 50 Companies</b><br>《福布斯》亞洲傑出50公司  | <b>Forbes Magazine</b><br>《福布斯》雜誌  |
| <b>Best IR Companies 3<sup>rd</sup> Place</b><br>最佳投資者關係第三名 (由買家投資者票選)   | <b>Institutional Investor Magazine – All Asia Executive Team Survey</b><br>《機構投資者》雜誌 – 全亞洲管理團隊調查 |



# Acknowledgment of Excellence - Properties

## Selected Industry Recognition for 2013

|                 | Awards   | Organization   |
|-----------------|--|--|
| Galaxy Macau™   | <b>Asia's Leading Casino Resort</b><br>最佳娛樂場渡假城                            | <b>World Travel Awards</b><br>世界旅遊大獎   |
|                 | <b>Best Resort Hotel</b><br>最佳渡假酒店   | <b>World Hotel "Continental Diamond" Awards</b><br>世界酒店「五洲鑽石獎」                         |
|                 | <b>Most Charming Resort in Asia</b><br>亞洲最具魅力渡假城                           | <b>Golden Horse Award of China Hotel</b><br>中國飯店金馬獎                                    |
|                 | <b>Top 10 Resort Hotels of China</b><br>中國十佳旅遊渡假酒店                         | <b>China Hotel Starlight Awards</b><br>中國酒店星光獎   |
|                 | <b>Best Star Performance of Macao Hotel</b><br>澳門酒店最佳表現獎                   | <b>The Hurun Report – Hurun Best of Best Awards</b><br>胡潤百富榜 - 胡潤百富至尚優品獎               |
|                 | <b>Forbes Travel Guide 2013 Global Star Rating Awards</b><br>福布斯旅遊大獎 – 四星獎 | <b>Forbes Travel Guide</b><br>福布斯旅遊指南  |
|                 | <b>Best Resort Hotel Macau</b><br>澳門最佳渡假酒店                                 | <b>International Hotel Awards</b><br>國際酒店大獎  |
|                 | <b>Casino VIP Room of the Year</b><br>年度最佳娛樂場貴賓廳                           | <b>International Gaming Awards</b><br>國際博彩業大獎  |
| StarWorld Macau | <b>Top 10 Glamorous Hotels of China (2010-13)</b><br>中國十大最具魅力酒店 (2010-13)  | <b>China Hotel Starlight Awards</b><br>中國酒店星光獎   |
|                 | <b>Best Service Hotel (2011-13)</b><br>中國最佳服務酒店 (2011-13)                  | <b>Golden Horse Award of China Hotel</b><br>中國飯店金馬獎                                    |
|                 | <b>Best Service Hotel of the Year</b><br>年度最卓越服務酒店                         | <b>Travel Weekly Magazine and Events Magazine</b><br>《Travel Weekly旅訊》雜誌與《Events商旅圈》雜誌 |
|                 | <b>Ranked as Top Class Comfort</b><br>被列為「頂級舒適」酒店                          | <b>Michelin Guide HK &amp; Macau</b><br>香港澳門米芝蓮指南                                      |



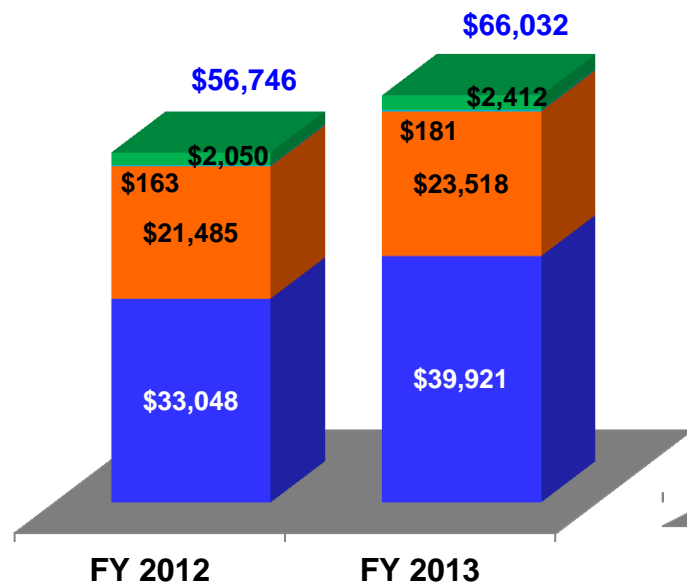
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# FY2013 RESULTS

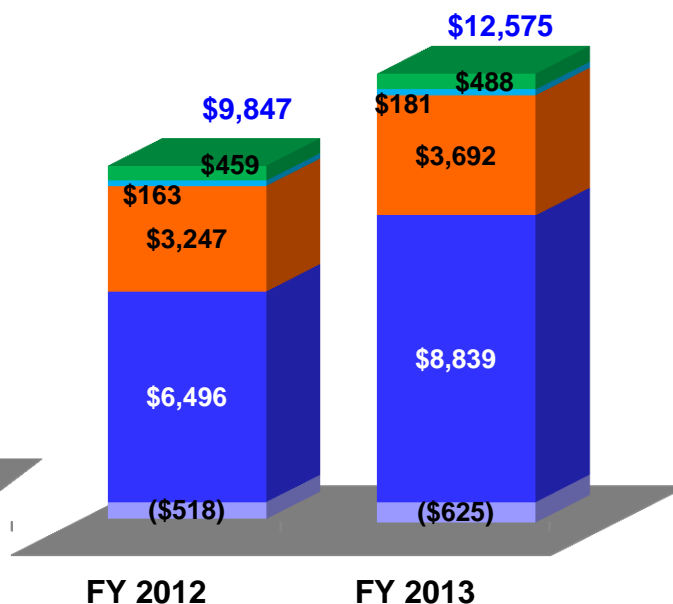
# GEG Revenue / EBITDA Summary FY2013

Revenue grew 16% YoY to \$66.0 billion and EBITDA grew 28% YoY to \$12.6 billion driven by Galaxy Macau™'s 10<sup>th</sup> consecutive quarter of EBITDA growth

**GEG Revenue (HK\$'m)**



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



■ Galaxy Macau™

■ StarWorld

■ City Clubs

■ Construction Materials

■ Galaxy Macau™

■ City Clubs

■ Net Corporate Costs

■ StarWorld

■ Construction Materials

| YoY                    | Revenue | EBITDA |
|------------------------|---------|--------|
| GEG Total              | +16%    | +28%   |
| Galaxy Macau™          | +21%    | +36%   |
| StarWorld              | +9%     | +14%   |
| City Clubs             | +11%    | +11%   |
| Construction Materials | +18%    | +6%    |

# GEG Fiscal 2013 NPAS

**2013 NPAS grew 36% to a record \$10.1 billion and Pro Forma NPAS grew 41% to \$10.4 billion**

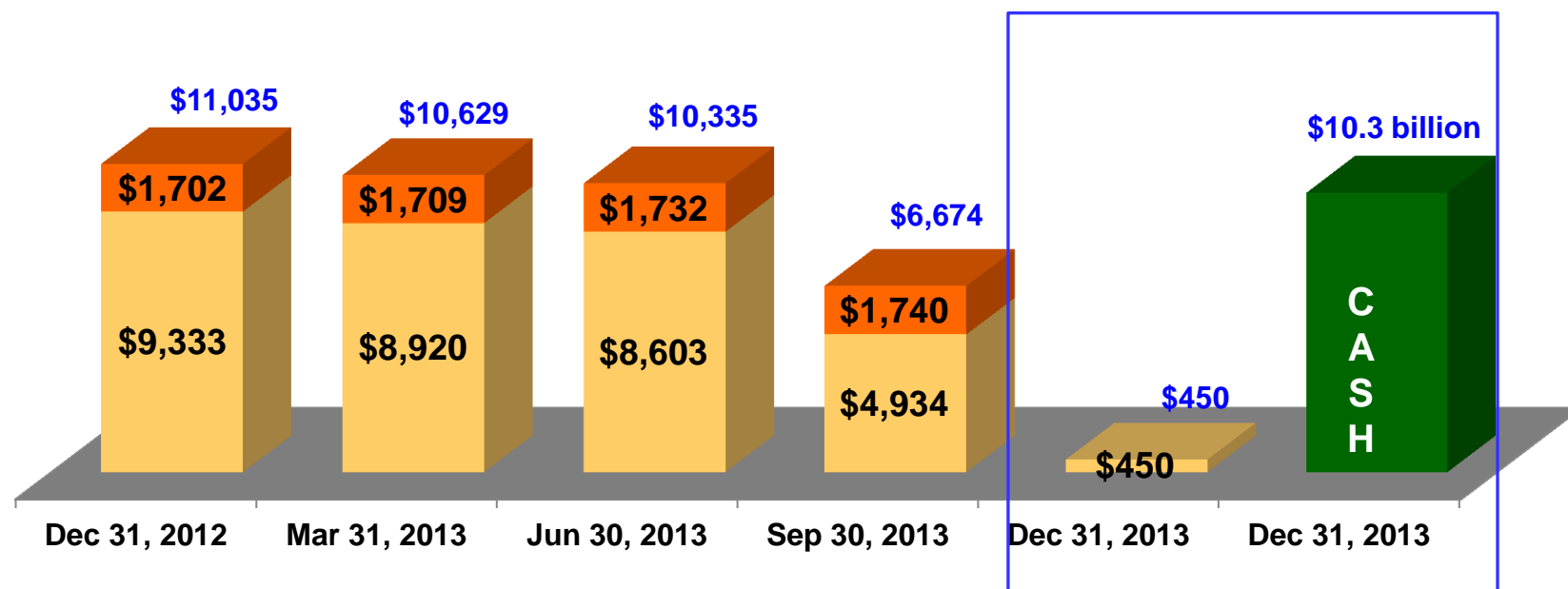
| <i>(in HK\$ mn)</i>  | 2012          | 2013          | 12/13 var  |
|--|---------------|---------------|------------|
| <b>Total Revenue (Statutory Basis)</b>                                   | <b>56,746</b> | <b>66,032</b> | <b>16%</b> |
| <b>EBITDA</b>  | <b>9,847</b>  | <b>12,575</b> | <b>28%</b> |
| Net Profit After Taxation  | 7,380         | 10,055        | 36%        |
| <b>Net Profit Attributable to Shareholders (NPAS)</b>                    | <b>7,378</b>  | <b>10,052</b> | <b>36%</b> |
| Net Adjustments Primarily of Non-Cash Club Loan Transaction Cost in 2013 |               | 324           |            |
| <b>Pro Forma Net Profit Attributable to Shareholders (Adjusted NPAS)</b> | <b>7,380</b>  | <b>10,376</b> | <b>41%</b> |

# Cash on Hand Update

GEG continues to remain well capitalized with Cash of \$10.3 billion at December 31, 2013 including restricted cash of \$0.4 billion and a “Net Cash” position of \$9.9 billion

## Total Debt & Cash on Hand (HK\$'m)

■ Cash on Hand ■ RMB Bond ■ Bank Loans



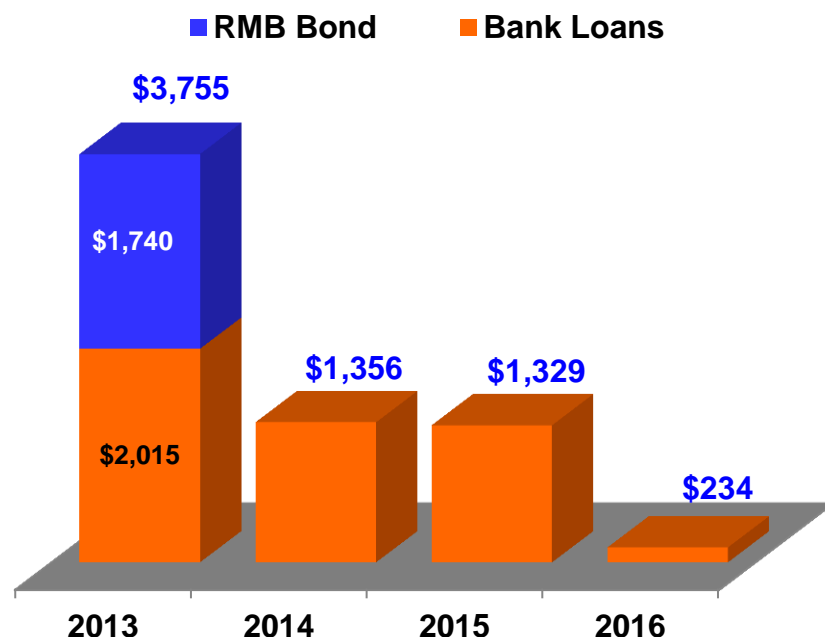
Note: Exchange Rate: US\$1 = HK\$7.8 ; RMB\$1 = HK\$1.2333, HK\$1.23828, HK\$1.25541, HK\$1.26124 & HK\$1.27189 at Dec 31, 2012, Mar 31, Jun 30, Sep 30 & Dec 31, 2013, respectively



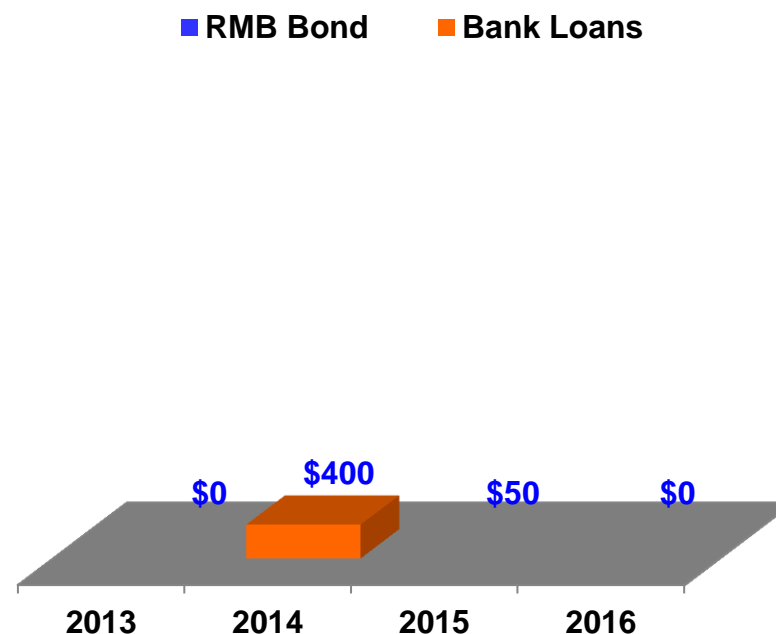
# Long Term Debt Update

Virtually debt free at December 31, 2013 by reducing total borrowings in Q4 2013 by 93% to \$450 million primarily with the prepayment of the \$2.9 billion balance of the Club Loan and repaying the \$1.7 billion maturing RMB Bond and the \$1.6 billion HK\$ Back-to-Back loan in Q4 2013

Debt Maturity Profile at Sep 30, 2013  
(HK\$m)



Debt Maturity Profile at Dec 31, 2013  
(HK\$m)



Note: Exchange Rate: US\$1 = HK\$7.8 ; RMB\$1 = HK\$1.27189, HK\$1.26124 at Dec 31, 2013 & Sep 30, 2013, respectively

# GEG Cotai Development Update





# Galaxy Macau™ Phase 2: March 2014



# Cotai and Hengqin Island Development Update

## Galaxy Macau™ Phase 2

- Remains on budget and schedule to be completed as Macau's next major project in mid-2015
- Virtually doubles the footprint of Phase 1

## Cotai Phases 3 & 4

- Finalizing plans for a \$50 - \$60 billion resort focused on non-gaming with construction expected to begin as early as late 2014
- Doubles the footprint of Galaxy Macau™'s first 2 phases

## Grand Waldo Complex

- Completed the \$3.25 billion strategic acquisition in July 2013
- Strategically located across the street from Galaxy Macau™ and our Cotai landbank
- Refitting already commenced with expected unveiling of plans in mid-2014

## Hengqin Island

- Recently entered into a framework agreement with the Hengqin authority to move forward on the proposed RMB10 billion plan to develop a world class destination resort on a 2.7 sq km land parcel



# Summary

## Corporate

- Record highs in revenue of \$18.9 billion and EBITDA of \$3.5 billion in Q4 2013
- Net profit attributable to shareholders grew 36% to \$10.1 billion and 41% on an Adjusted basis to \$10.4 billion
- Declared special dividend of \$00.70 per share to be paid on or about July 31, 2014

## Operations

- Galaxy Macau™ reports 10<sup>th</sup> consecutive quarter of EBITDA growth with \$2.5 billion in Q4 2013
- StarWorld reports \$1.0 billion EBITDA in Q4 2013, highest EBITDA ever
- Galaxy Macau™ and StarWorld deliver healthy LTM ROIs of 51% and 105%, respectively

## Financing

- Well capitalized and liquid with \$10.3 billion of cash at December 31, 2013
- Net Cash position of \$9.9 billion at December 31, 2013
- Reduced total borrowings by 96% YoY to \$450 million at year end; virtually debt free

## Development

- Well defined short, medium and long term growth pipeline in the world's most dynamic market
- Galaxy Macau™ Phase 2 on budget and on schedule to be completed by mid-2015
- Cotai Phases 3 & 4 to commence construction as early as late 2014
- Completed strategic acquisition of the Grand Waldo Complex in Q3 2013 with plans to be unveiled in mid-2014
- Proposed RMB10 billion plan to develop a world class destination resort on a 2.7 sq km land parcel on Hengqin Island

# Positioned for Growth



- **Galaxy commenced with a vision**
- **“To be globally recognized as Asia’s leading gaming & entertainment corporation”**
- **We are delivering upon our vision**

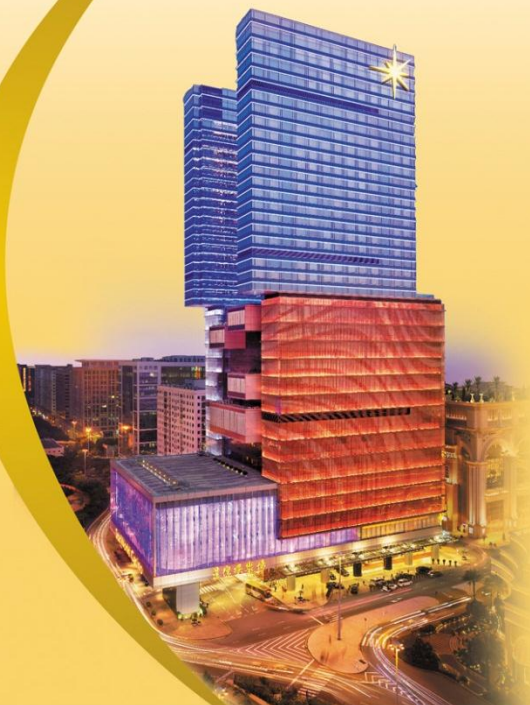


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# *Annual and Q4 Results for the period ended December 31, 2013*

March 19, 2014