



GALAXY ENTERTAINMENT GROUP

REPORTS SELECTED UNAUDITED Q3 2016 FINANCIAL DATA

Q3 GROUP ADJUSTED EBITDA OF \$2.7 BILLION, UP 28% YOY, UP 18% QOQ
CONTINUES TO DRIVE MASS BUSINESS AND CONTROL COSTS
PAYING SPECIAL DIVIDEND OF \$0.18 PER SHARE ON 28 OCTOBER 2016

Hong Kong, 26 October 2016 – Galaxy Entertainment Group Limited (“GEG” or the “Group”) (HKEx stock code: 27) today reported unaudited results for the three month period ended 30 September 2016.

RESULTS HIGHLIGHTS

GEG: Continues To Drive Mass Business, Profitable Volumes and Control Costs

- Q3 Group Revenue of \$12.9 billion, up 5% year-on-year, up 6% quarter-on-quarter
- Q3 Group Adjusted EBITDA of \$2.7 billion, up 28% year-on-year, up 18% quarter-on-quarter
- Played lucky in Q3 which increased Adjusted EBITDA by approximately \$240 million
- Latest 12-month Adjusted EBITDA nearly \$10 billion

Galaxy Macau™: Strong Performance Driven By Mass

- Q3 Revenue of \$9.4 billion, up 8% year-on-year, up 8% quarter-on-quarter
- Q3 Adjusted EBITDA of \$2.2 billion, up 31% year-on-year, up 16% quarter-on-quarter
- Played lucky in Q3 which increased Adjusted EBITDA by approximately \$210 million
- Hotel occupancy for Q3 across the five hotels was 98%

StarWorld Macau: Continues Successful Transition To Mass

- Q3 Revenue of \$2.8 billion, down 5% year-on-year, up 4% quarter-on-quarter
- Q3 Adjusted EBITDA of \$536 million, up 4% year-on-year and up 15% quarter-on-quarter
- Played lucky in Q3 which increased Adjusted EBITDA by approximately \$30 million
- Hotel occupancy for Q3 was 98%

Broadway Macau™: A Unique Family Friendly Resort, Strongly Supported By Macau SMEs

- Q3 Revenue of \$167 million, down 12% year-on-year, down 1% quarter-on-quarter
- Q3 Adjusted EBITDA of \$7 million, up 17% quarter-on-quarter (Q3 2015: (\$1) million)
- Played unlucky in Q3 which reduced Adjusted EBITDA by approximately \$1 million
- Hotel occupancy for Q3 was virtually 100%

Balance Sheet: Remains Well Capitalized, Liquid and Virtually Debt Free

- Cash and liquid investments was \$14.1 billion as at 30 September 2016
- Virtually debt free and net cash of \$12.9 billion as at 30 September 2016
- Paying the previously announced special dividend of \$0.18 per share on 28 October 2016

Development Update: Robust Growth Development Pipeline

- Cotai Phases 3 & 4 – Continue to move forward with Phase 3 with the potential to commence site preparation works in late 2016 and Phase 4 in 2017, with substantial floor area allocated to non-gaming and primarily targeting Meetings Incentives Conference and Events (MICE), entertainment and family facilities. We expect to be able to provide additional information on our development plans in late 2016 or early 2017
- Hengqin – Plans moving forward to develop a low-density integrated resort to complement our high-energy entertainment resorts in Macau, anticipated to disclose further details later in the year
- International – Continuously exploring opportunities in overseas markets



Dr. Lui Che Woo, Chairman of GEG said:

"We have enjoyed a solid Q3 this year with reported Group Adjusted EBITDA of \$2.7 billion up 28% year-on-year and up 18% quarter-on-quarter.

Macau continues to transition to the Mass market and GEG continues to align our business with the direction of the market and allocate resources to their highest and best use. We are encouraged by the continuing signs of market stabilization, yet it remains too early to call the bottom of market. The recently reported growth in monthly revenue in August and September followed by a strong Golden Week in October are encouraging signs, but we would like some more time before calling it a definitive trend. Underlying visitor demand remains solid with GEG's hotels remaining virtually fully occupied during the period. The opening of additional hotel rooms and resort related amenities at Galaxy Macau™ Phase 2 and Broadway Macau™ in 2015 saw an increase in the number of visitors who stayed overnight. Importantly, visitors whom stay overnight generally have a higher spend per customer, with a particular focus on higher margin, non-gaming spend.

GEG remains a growth company with the largest contiguous landbank in Macau. We continue to progress with our exciting development plans and hope to be able to make a formal announcement in the near future.

Previously in Q2 we announced another special dividend of \$0.18 per share. I am pleased to confirm that this week on Friday 28 October that we will pay the previously announced dividend. Our balance sheet remains exceptionally strong with cash and liquid investments of \$14.1 billion and we remain virtually debt free.

Macau continues to receive support from the Central Government and we welcome the recent visit to Macau by Premier Li Keqiang. With the continuing support of both the Macau and Central Governments combined with the ongoing completion of infrastructure projects we remain confident in the longer term outlook for Macau.

Finally, I would like to thank all of our committed and hard-working staff who deliver exceptional customer moments and are committed to our renowned 'World Class, Asian Heart' service philosophy."

Market Overview

The market in the Q3 2016 continued to show gradual signs of stabilization despite the continuing challenging conditions and seasonal factors that impact revenues.

Gross Gaming Revenue ("GGR") increased by 1% year-on-year to \$53.4 billion in Q3 2016. We believe that the market trend towards mass has continued with total mass GGR now exceeding VIP GGR. Total visitor arrivals in Q3 this year grew marginally by 0.1% year-on-year to 8.1 million and the average length of stay of visitors grew by 0.1 day year-on-year to 1.3 days. Importantly in Q3 2016 overnight visitors grew by 9% year-on-year to 4.2 million due most likely to the opening of additional hotel rooms. Overnight visitors typically spend significantly more on high margin non-gaming services.



Group Financial Results

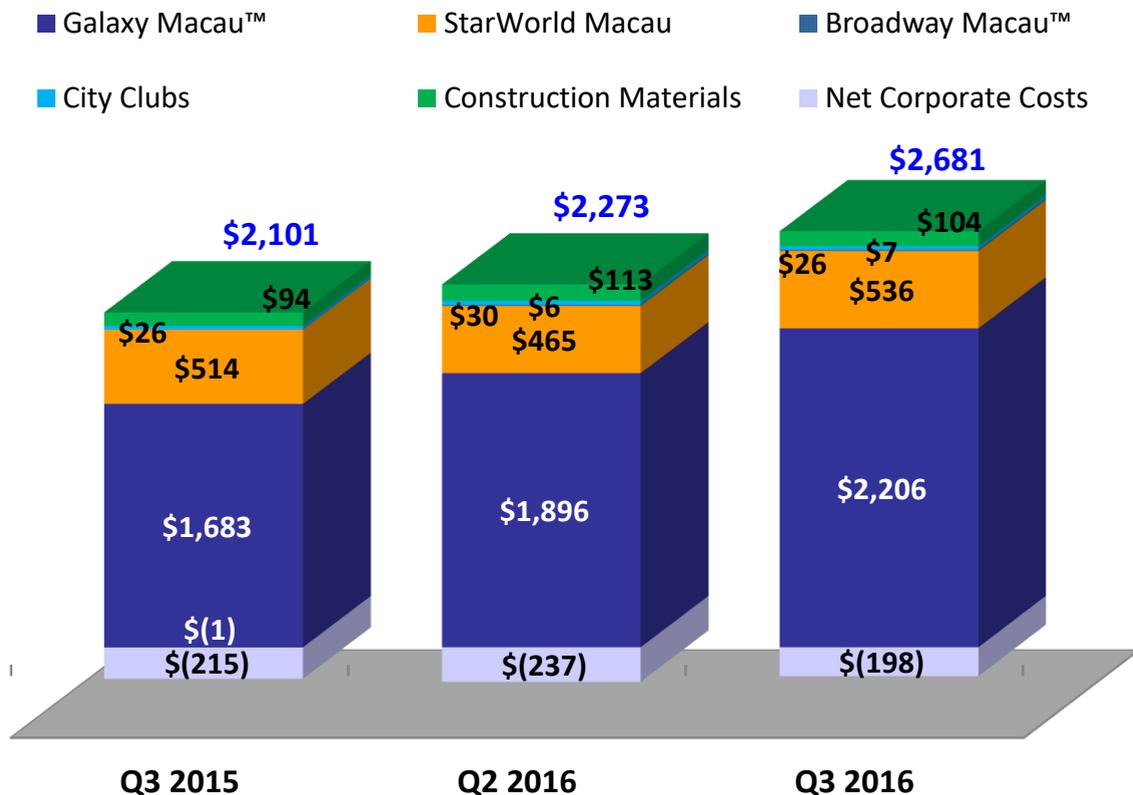
Q3 2016

The Group posted revenue of \$12.9 billion, up 5% year-on-year and Adjusted EBITDA of \$2.7 billion, up 28% year-on-year in Q3 2016. Galaxy Macau™'s Adjusted EBITDA was \$2.2 billion, up 31% year-on-year. StarWorld Macau's Adjusted EBITDA was \$536 million, up 4% year-on-year. Broadway Macau™'s Adjusted EBITDA was \$7 million vs Q3 2015's (\$1) million.

During Q3 2016, GEG experienced good luck in its gaming operations which increased Adjusted EBITDA by approximately \$240 million.

The Group's total gaming revenue on a management basis¹ in Q3 of 2016 was \$12 billion, up 5% year-on-year as total mass table games revenue was \$5.4 billion, up 17% year-on-year and total VIP revenue was \$6.1 billion, down 4% year-on-year.

Group Adjusted EBITDA (HK\$'m)



¹ The primary difference between statutory revenue and management basis revenue is the treatment of City Clubs revenue where fee income is reported on a statutory basis and gaming revenue is reported on a management basis.



Balance Sheet and Special Dividend

The Group's balance sheet remains healthy. As of 30 September 2016, cash and liquid investments was \$14.1 billion and net cash was \$12.9 billion. Total debt was \$1.2 billion (30 September 2015: \$1.2 billion).

The Group will pay the previously announced special dividend of \$0.18 per share on 28 October 2016.

Galaxy Macau™

Galaxy Macau™ is the main contributor to Group revenue and earnings. During Q3 2016, Galaxy Macau™'s revenue was \$9.4 billion, up 8% year-on-year. Adjusted EBITDA was \$2.2 billion, up 31% year-on-year, up 16% quarter-on-quarter. The Group expects to leverage economies of scale as it continues to see the growth of Macau's mass market. We experienced good luck in our gaming operations which increased Adjusted EBITDA by approximately \$210 million in Q3.

Adjusted EBITDA margin for Q3 2016 calculated under HKFRS was 23% (Q3 2015: 19%), or 29% under US GAAP (Q3 2015: 25%).

VIP Gaming Performance

VIP rolling chip volume for Q3 2016 was \$117 billion, down 6% year-on-year. This translated to revenue of \$4.6 billion, up 3% year-on-year and up 5% quarter-on-quarter.

VIP Gaming

HK\$m	Q3 2015	Q2 2016	Q3 2016	QoQ%	YoY%
Turnover	124,645	115,296	117,048	2%	(6%)
Net Win	4,481	4,408	4,617	5%	3%
Win %	3.6%	3.8%	3.9%		

Mass Gaming Performance

Mass gaming revenue for Q3 2016 was \$3.6 billion, up 19% year-on-year, up 10% quarter-on-quarter.

Mass Gaming

HK\$m	Q3 2015	Q2 2016	Q3 2016	QoQ%	YoY%
Table Drop	7,014	7,834	8,103	3%	16%
Net Win	3,013	3,253	3,572	10%	19%
Hold %	43%	41.5%	44.1%		

Electronic Gaming Performance

Electronic gaming revenue for Q3 2016 was \$461 million, up 4% year-on-year, up 3% quarter-on-quarter.



Electronic Gaming

HK\$m	Q3 2015	Q2 2016	Q3 2016	QoQ%	YoY%
Slots Handle	11,435	11,661	11,681	0.2%	2%
Net Win	442	447	461	3%	4%
Hold %	3.9%	3.8%	3.9%		

Non-Gaming Performance

Non-gaming revenue for Q3 revenue was \$761 million, up 3% year-on-year, up 19% quarter-on-quarter. The combined five hotels registered strong occupancy of 98% in Q3.

Net Rental Revenue for the Promenade was \$200 million for Q3 2016, down 15% year-on-year, up 24% quarter-on-quarter.

Non-Gaming

HK\$m	Q3 2015	Q2 2016	Q3 2016	QoQ%	YoY%
Net Rental Rev	236	161	200	24%	(15%)
Hotel Rev / F&B / Others	506	478	561	17%	11%
Total	742	639	761	19%	3%

StarWorld Macau

StarWorld Macau's Q3 2016 revenue was \$2.8 billion, down 5% year-on-year, up 4% quarter-on-quarter. Adjusted EBITDA was \$536 million, up 4% year-on-year, up 15% quarter-on-quarter. We experienced good luck in our gaming operations which increased Adjusted EBITDA by approximately \$30 million in Q3.

Adjusted EBITDA margin in Q3 2016 calculated under HKFRS was 19% (Q3 2015: 17%), or 25% under US GAAP (Q3 2015: 25%).

VIP Gaming Performance

VIP rolling chip volume for Q3 2016 was \$49.6 billion, down 27% year-on-year. This translated to revenue of \$1.4 billion, down 21% year-on-year, down 4% quarter-on-quarter.

VIP Gaming

HK\$m	Q3 2015	Q2 2016	Q3 2016	QoQ%	YoY%
Turnover	67,543	46,090	49,601	8%	(27%)
Net Win	1,795	1,472	1,419	(4%)	(21%)
Win %	2.7%	3.2%	2.9%		

Mass Gaming Performance

Mass gaming revenue for Q3 2016 was \$1.3 billion, up 22% year-on-year, up 14% quarter-on-quarter.



Mass Gaming

HK\$m	Q3 2015	Q2 2016	Q3 2016	QoQ%	YoY%
Table Drop	2,642	3,062	3,154	3%	19%
Net Win	1,063	1,141	1,301	14%	22%
Hold %	40.3%	37.3%	41.2%		

Electronic Gaming Performance

Electronic gaming revenue for Q3 2016 was \$25 million, down 7% year-on-year, up 39% quarter-on-quarter.

Electronic Gaming

HK\$m	Q3 2015	Q2 2016	Q3 2016	QoQ%	YoY%
Slots Handle	558	386	684	77%	23%
Net Win	27	18	25	39%	(7%)
Hold %	4.9%	4.7%	3.6%		

Non-Gaming Performance

Non-gaming revenue in Q3 of 2016 was \$49 million, down 18% year-on-year, up 2% quarter-on-quarter. Hotel room occupancy was 98% for Q3.

Non-Gaming

HK\$m	Q3 2015	Q2 2016	Q3 2016	QoQ%	YoY%
Net Rental Rev	8	9	9	0%	13%
Hotel Rev / F&B / Others	52	39	40	3%	(23%)
Total	60	48	49	2%	(18%)

Broadway Macau™

Broadway Macau™ is a unique family friendly, street entertainment and food resort supported by Macau SMEs, it does not have a VIP gaming component. Revenue for the Q3 2016 was \$167 million, while Adjusted EBITDA for the period was \$7 million, up 17% quarter-on-quarter (Q3 2015: (\$1) million). We experienced bad luck in our gaming operations which reduced Adjusted EBITDA by approximately \$1 million in Q3.

Mass Gaming Performance

Mass gaming revenue for Q3 2016 was \$103 million, down 17% year-on-year, down 10% quarter-on-quarter.

Mass Gaming

HK\$m	Q3 2015	Q2 2016	Q3 2016	QoQ%	YoY%
Table Drop	495	503	474	(6%)	(4%)
Net Win	124	115	103	(10%)	(17%)
Hold %	25.1%	22.9%	21.7%		



Electronic Gaming Performance

Electronic gaming revenue for Q3 2016 was \$8 million, no change year-on-year, down 11% quarter-on-quarter.

Electronic Gaming

HK\$m	Q3 2015	Q2 2016	Q3 2016	QoQ%	YoY%
Slots Handle	122	137	139	2%	14%
Net Win	8	9	8	(11%)	0%
Hold %	6.8%	6.2%	5.8%		

Non-Gaming Performance

Non-gaming revenue in the Q3 2016 was \$56 million, down 2% year-on-year, up 24% quarter-on-quarter. Hotel room occupancy was virtually 100% for Q3 2016.

Non-Gaming

HK\$m	Q3 2015	Q2 2016	Q3 2016	QoQ%	YoY%
Net Rental Rev	12	14	16	14%	33%
Hotel Rev / F&B / Others	45	31	40	29%	(11%)
Total	57	45	56	24%	(2%)

City Clubs and Construction Materials Division

City Clubs contributed \$26 million of Adjusted EBITDA to the Group's earnings for Q3 2016 (Q3 2015: \$26 million). The Construction Materials Division posted Adjusted EBITDA of \$104 million in Q3 2016, up 11% year-on-year.

Largest Contiguous Landbank in Cotai, Hengqin and International Development Update

Cotai Phases 3 & 4

With the largest contiguous landbank in Cotai, GEG is uniquely positioned for the medium and longer-term growth in tourism and leisure throughout Asia in general and Mainland China specifically. Cotai Phases 3 & 4 will provide GEG with the opportunity to expand its non-gaming footprint even further. We continue to move forward with our planning of Phase 3 with the potential to commence site preparation works in late 2016 and Phase 4 in 2017, with substantial floor area allocated to non-gaming and primarily targeting MICE, entertainment and family facilities. We expect to be able to provide additional information on our development plans in late 2016 or early 2017.

Hengqin

GEG's concept plan for our Hengqin project continued to progress. Hengqin will allow GEG to develop a low rise, low-density integrated resort that will complement our high energy resorts in Macau. We anticipate to be able to provide further details later in the year.

International

GEG is continuously exploring opportunities in overseas markets.



Selected Major Awards 2016 (January to October)

Award	Presenter
GEG	
Best Managed Company in Asia – Gaming	Euromoney
The Most Generous Chinese of “Hurun Non-Mainland Chinese Philanthropy List 2016”	Hurun Report
Socially Responsible Operator	International Gaming Awards
Certificate of Excellence in Investor Relations	Hong Kong Investor Relations Association
Top 100 HK Listed Companies Award – Comprehensive Strength	QQ.com x Finet
Galaxy Macau™	
Asia’s Leading Casino Resort 2016	23 rd Annual World Travel Awards
Best Integrated Resort	Asia Gaming Awards
Macau Elite Service Award 2015 - The Best Integrated Resort and Hotel Service and Brand	Exmoo
2015 Macao Green Hotel Award - Gold (Hotel Okura Macau) - Silver (Galaxy Hotel)	Macao Environmental Protection Bureau (DSPA)
The Supreme Award for the Most Favored Integrated Resort by Parent-Child in Asia	Golden Horse Awards of China Hotel
StarWorld Macau	
TOP 10 Glamorous Hotels of China	China Hotel Starlight Awards
Smiling Enterprise Award - StarWorld Hotel	Smiling Enterprise Award
The Supreme Award for the Most Glamorous Hotel of Asia	Golden Horse Awards of China Hotel
Broadway Macau™	
The Supreme Award for the Most Local Experience Resort in Asia	Golden Horse Awards of China Hotel
Construction Materials Division	
22 nd Considerate Contractors Site Award Scheme - Outstanding Environmental Management & Performances Award – Bronze Award - Public Works – New Works – Bronze Award	Development Bureau / Construction Industry Council

Outlook

The Group has delivered a very solid Q3 performance with Adjusted EBITDA of \$2.7 billion, up 28% year-on-year and up 18% quarter-on-quarter. The Macau market is clearly transitioning to a mass market focused environment and GEG continues to align its operations with the changing



market conditions. We continue to diligently manage the business, grow revenue streams, and tightly control costs without compromising our customer service standards.

We are encouraged by the reported recent growth of gaming revenue in both August and September. Further Macau experienced solid demand during the recent October Golden Week Holiday, however we would like to see a continuation of the trend before calling the bottom of the market.

We acknowledge the continuing challenging market conditions but GEG continues to remain optimistic about the medium to longer term outlook for Macau in general and GEG specifically. This optimism is supported by initial signs of stabilization within the market, combined with a low penetration of the Mainland catchment and a growing middle class in China who are seeking a more holistic tourism and travel experience. GEG as a growth company with a robust development pipeline is uniquely positioned to capture this future growth in tourism and travel and support Macau in its objective to become a World Center of Tourism and Leisure.

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About Galaxy Entertainment Group (HKEx stock code: 27)

Galaxy Entertainment Group Limited (“GEG” or the “Group”) is one of the world’s leading hospitality and gaming companies. It primarily develops and operates hotels, gaming and integrated resort facilities in Macau. The Group is listed on the Hong Kong Stock Exchange and is a member of the Hang Seng Index.

GEG is one of six gaming concessionaires in Macau with a track record of delivering innovative, spectacular and industry leading properties, products and services, underpinned by a “World Class, Asian Heart” service philosophy, that has enabled it to consistently outperform the wider market.

GEG operates three flagship venues in Macau: on Cotai, Galaxy Macau™, one of the world’s largest integrated destination resorts, and the adjoining Broadway Macau™, a new hotel, entertainment and retail landmark destination; and on the Peninsula, StarWorld Macau, an award winning high end property.

The Group has the largest development pipeline of any concessionaire in Macau. When Phases 3 & 4 of its Cotai landbank are completed, GEG’s footprint on Cotai will double to more than 2 million square meters. GEG has also entered into a framework agreement to develop a low rise, low density world class destination resort on a 2.7 square kilometer land parcel on Hengqin adjacent to Macau. This resort will complement GEG’s offer in Macau, differentiate it from its peers and support Macau in its vision to become a World Centre of Tourism and Leisure. Additionally, we continue to explore international development opportunities.

GEG is committed to delivering unique ‘World Class, Asian Heart’ holiday experiences to its guests and building a sustainable future for Macau.

GEG also operates a Construction Materials Division.

For more information about the Group, please visit www.galaxyentertainment.com

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