

GALAXY<sup>™</sup>  
MACAU  
澳門銀河

銀娛GEG

星際酒店  
StarWorld·Macau

# ***Selected Unaudited 2012 First Quarter Financial Data***

May 10, 2012

# Executive Summary

## GEG

- Group EBITDA more than tripled YoY to a record \$2.2 billion in Q1 2012
- Delivered 14<sup>th</sup> consecutive quarter of EBITDA growth
- Latest twelve months Group EBITDA to March 31, 2012 increased by 185% to a record \$7.2 billion

## Galaxy Macau™

- EBITDA of \$1.3 billion grew 6% QoQ for the 3<sup>rd</sup> full quarter of operation
- EBITDA margin improved by 12% QoQ from 16% to 18%
- Strong hotel occupancy of 89% for Q1 2012
- Enhanced gaming and entertainment offering with the opening of two Sky casinos, The Pavilion High Limit Slots, an additional VIP room and China Rouge
- Q1 2012 annualized ROI improved to 32%

## StarWorld

- 15<sup>th</sup> consecutive quarter of EBITDA growth at \$852 million, up 28% YoY
- ROI improved to 91%
- Strong hotel occupancy of 98% for Q1 2012

## Balance Sheet

- Remain well capitalized and liquid with Cash on Hand of \$9.5 billion at March 31, 2012 including restricted cash of \$1.9 billion

## Post Q1 Subsequent Event

- Announced the proposed \$16 billion Galaxy Macau™ Phase 2 on April 26, 2012
  - Macau's next major project to be completed in mid-2015
  - GEG does not intend to issue equity



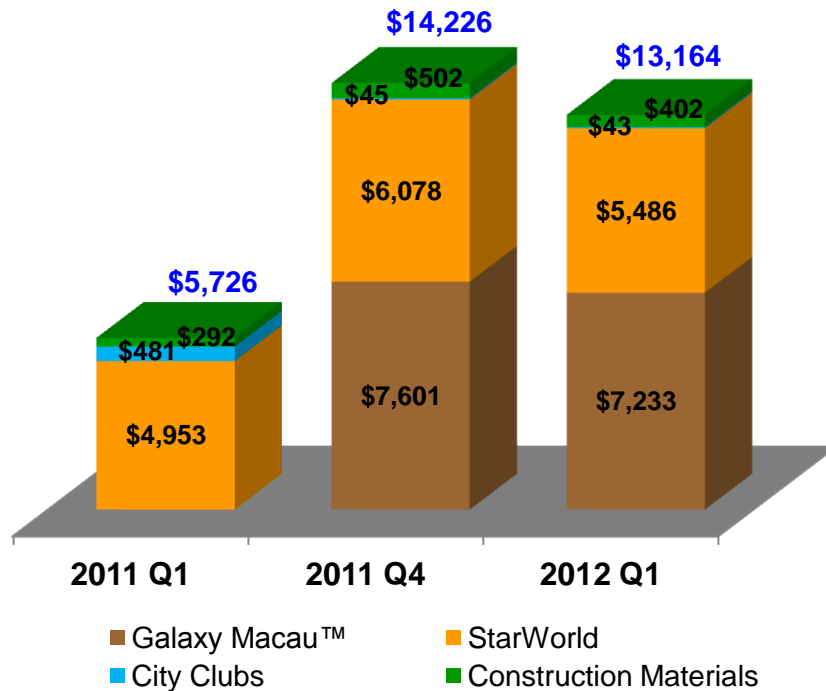
銀娛 GEG

# Galaxy Entertainment Group

# GEG Revenue Summary Q1 2012

Revenue in Q1 grew 130% YoY to \$13.2 billion driven by Galaxy Macau™'s third full quarter of operation

GEG Revenue (HK\$'m)



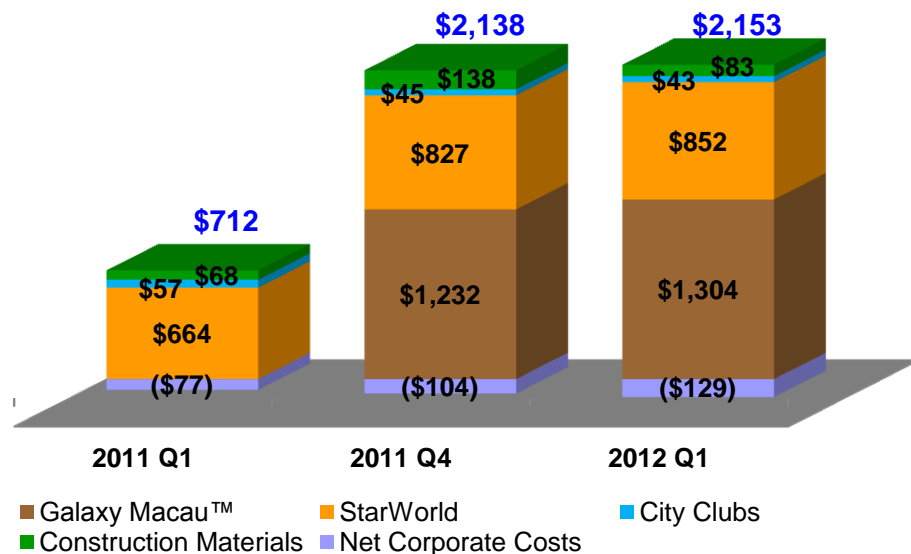
	Q1 YoY	Q1 2012 to Q4 2011
GEG Total	+130%	(8)%
Galaxy Macau™	n/a	(5)%
StarWorld	+11%	(10)%
City Clubs	(91)%	(4)%
Construction Materials	+38%	(20)%

# GEG EBITDA Summary Q1 2012

**Group EBITDA grew 202% YoY in Q1 2012 to \$2.2 billion**

- GEG reports **14<sup>th</sup>** consecutive quarter EBITDA growth in Q1 with \$2.2 billion
- Galaxy Macau™ contributes a healthy \$1.3 billion of EBITDA
- StarWorld reports **15<sup>th</sup>** consecutive quarter of EBITDA growth with \$852 million

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



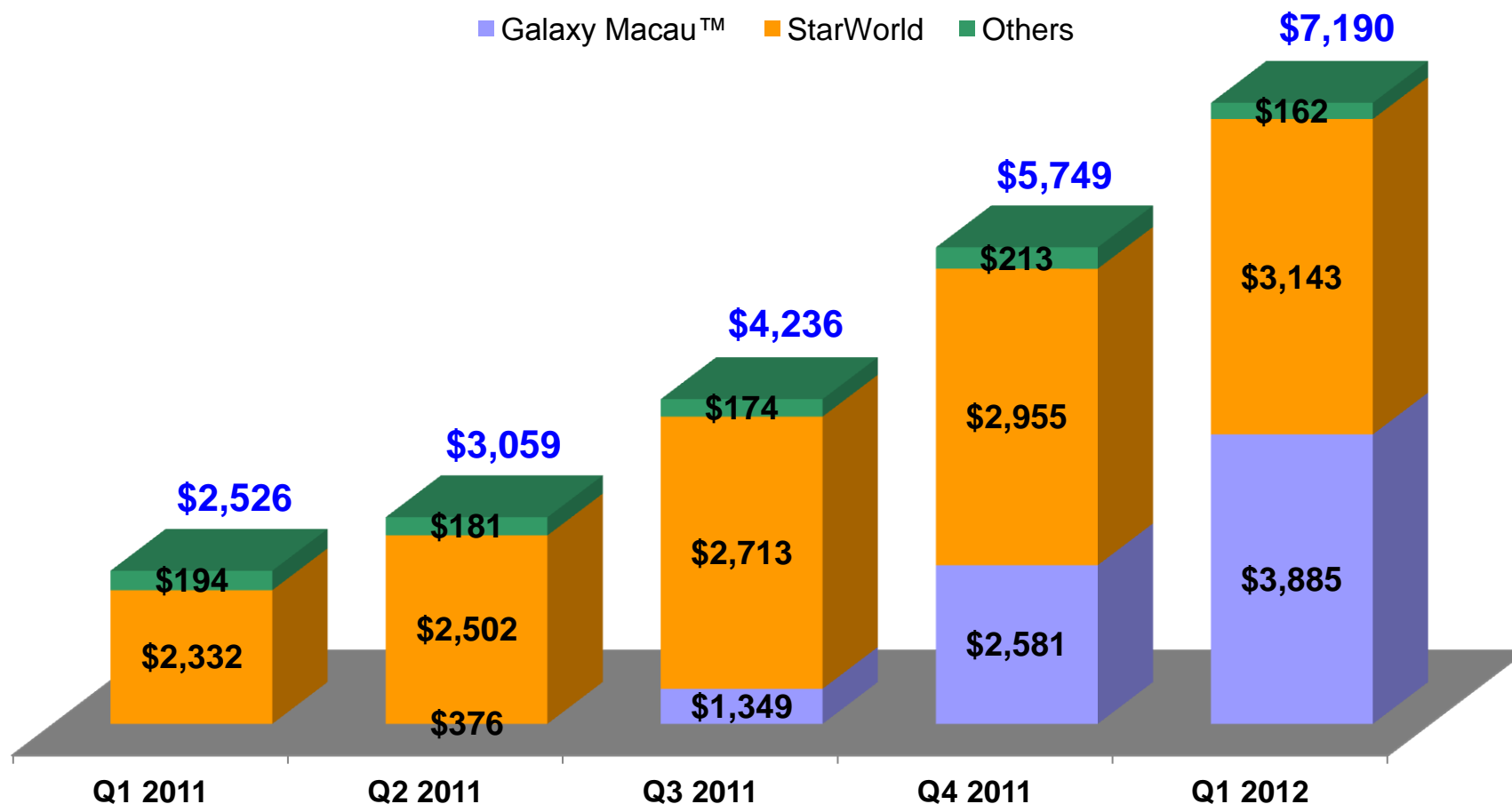
	Q1 YoY	Q1 2012 to Q4 2011
GEG Total	+202%	+1%
Galaxy Macau™	n/a	+6%
StarWorld	+28%	+3%
City Clubs	(24)%	(3)%
Construction Materials	+22%	(40)%

# GEG Latest 12 Month EBITDA Summary

LTM EBITDA ended March 2012 grew 185% to \$7.2 billion

## GEG (HK\$'m)

■ Galaxy Macau™ 
 ■ StarWorld 
 ■ Others



# Acknowledgment of Excellence

## GEG / Galaxy Macau™ / StarWorld's Award Lists 2012

	Date	Awards	Organization
GEG	2012 Jan	Casino Operator of the Year Australia/ Asia	International Gaming Award
	2012 Jan	The World's Best Casino / Integrated Resort of the Year	International Gaming Awards
Galaxy Macau™	2012 Jan	2011 Best Integrated Resort	Top Travel Awards Beijing
	2012 Mar	Top 10 Resort Hotels of China	China Hotel Starlight Awards
	2012 Apr	The Best Creative Ad	Metro Daily Creative Awards
	2012 Apr	The Best New Hotel (Macau)	TTG China Travel Awards
	2012 Apr	The Best New Hotel (Macau)	TTG China Travel Awards
StarWorld	2012 Jan	High-Flyers Award – Leading Hotel & Casino	Hong Kong Business Magazine
	2012 Mar	Top 10 Most Charming Hotel in Asia	Golden Horse Award of China Hotel
	2012 Mar	Best Service Hotel (2 <sup>nd</sup> consecutive year)	Golden Horse Award of China Hotel
	2012 Mar	Top Ten Glamorous Hotels Of China (3 <sup>rd</sup> consecutive year)	China Hotel Starlight Awards





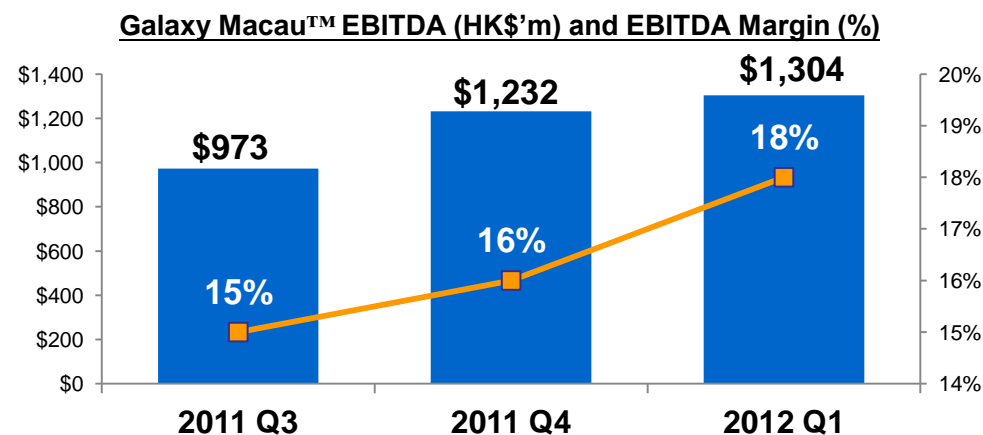
“World Class, Asian Heart”  
「傲視世界，情繫亞洲」



**Positive momentum continues into Q1 2012 as EBITDA grew 6% QoQ to \$1.3 billion with 12% margin lift from 16% to 18%**

- Total Revenue and EBITDA of \$7.2 billion and \$1.3 billion, respectively
- Mass market revenue increased by 16% QoQ
- HK GAAP EBITDA margin improved from 16% to 18% and US GAAP from 23% to 26%
- Enhanced offering with opening two new luxurious Sky casinos, The Pavilion High Limit Slots, the spectacular China Rouge private members club and an additional VIP Room
- Annualized Q1 2012 EBITDA of \$5.2 billion translates into an ROI of 32%\*

Revenue	Q1 yoy	Q1 2012 vs Q4 2011
Galaxy Macau™ Total	n/a	(5)%
VIP Gaming	n/a	(8)%
Mass Gaming	n/a	+16%
Slots	n/a	+11%
<b>EBITDA</b>	n/a	<b>+6%</b>



Note: \* ROI calculated based on annualized Q1 2012 EBITDA divided by \$16.5 billion project cost

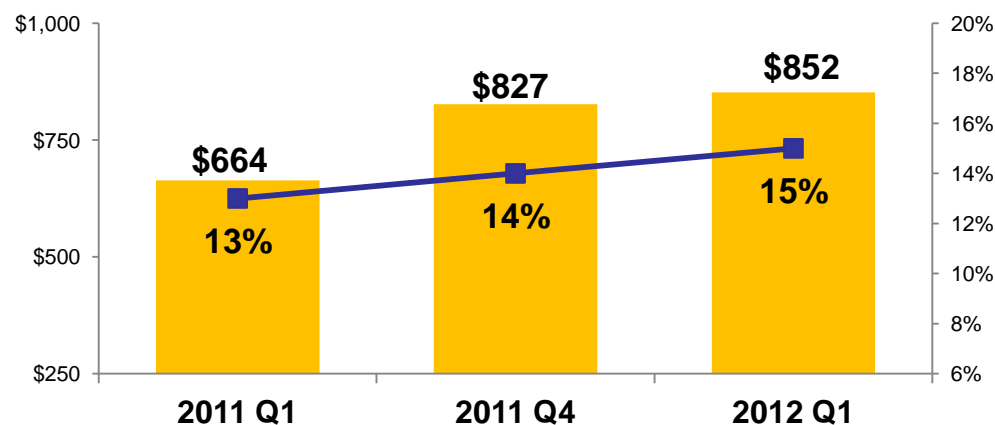
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## Reported 15<sup>th</sup> consecutive quarter of EBITDA growth in Q1 2012 with \$852 million, up 28% YoY

- Revenue increased by 11% YoY to \$5.5 billion, but fell 10% QoQ due to a lower than expected VIP win rate of 2.7% in Q1 2012 versus Q4 2011 of 3.1% despite growing VIP volume
- Mass gaming revenue grew 56% YoY to a record \$564 million on strong volume of \$2.4 billion
- EBITDA of \$852 million, with margin 15% under HK GAAP and 26% under US GAAP
- Hotel occupancy remains highest of Macau's 5-star hotels with 98%
- Annualized ROI continues to improve with an exceptional 91%\*

Revenue	Q1 yoy	Q1 2012 vs Q4 2011
StarWorld Total	+11%	(10)%
VIP Gaming	+7%	(12)%
Mass Gaming	+56%	+13%
Slots	(12)%	(3)%
<b>EBITDA</b>	<b>+28%</b>	<b>+3%</b>

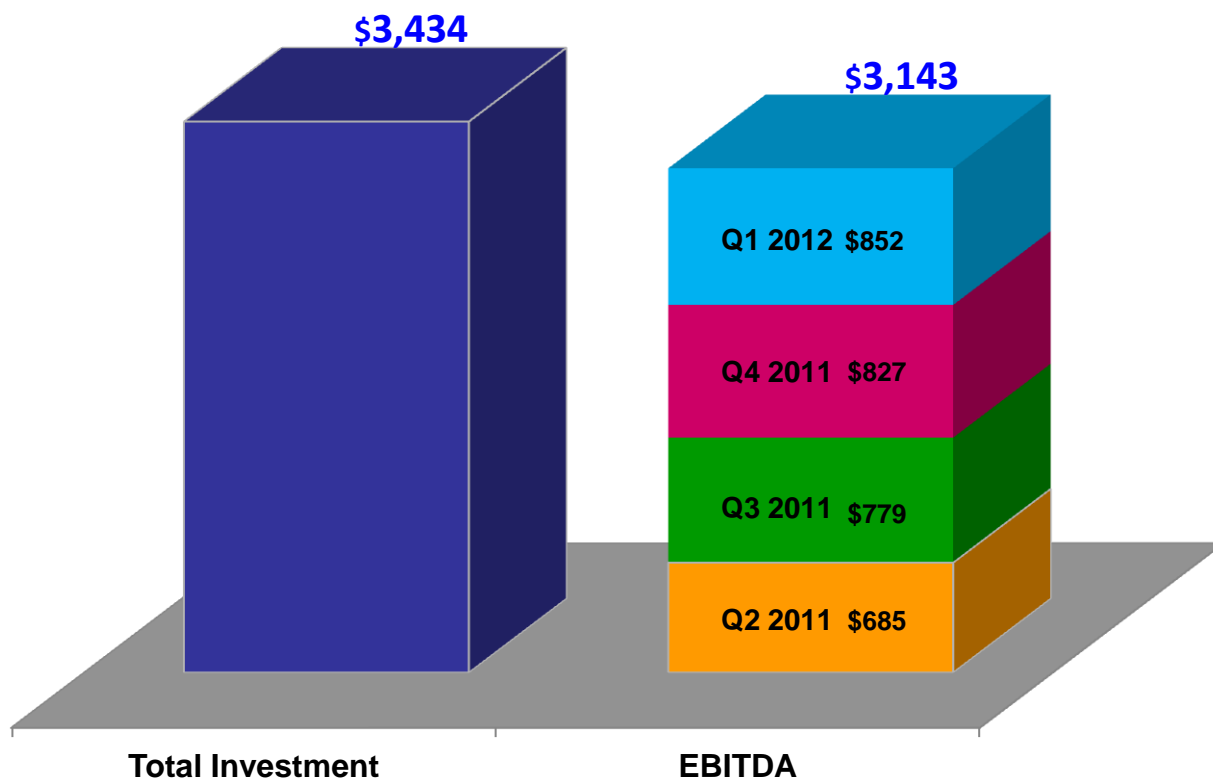
**StarWorld EBITDA (HK\$'m) and EBITDA Margin (%)**



Note: \* ROI calculated based on the total EBITDA for the latest twelve months divided by gross book value through March 31, 2012 including land cost

## StarWorld annualized ROI continues to improve with 91%\*

StarWorld Annualized ROI as at March 31, 2012 (HK\$'m)



- StarWorld is one of the highest return casinos in the world with a 91% ROI
- StarWorld's total investment equals \$3.4 billion
- Over the past 12 months, StarWorld generated EBITDA of \$3.1 billion

*Note: \* ROI calculated based on the total EBITDA for the latest twelve months divided by gross book value through March 31, 2012 including land cost*



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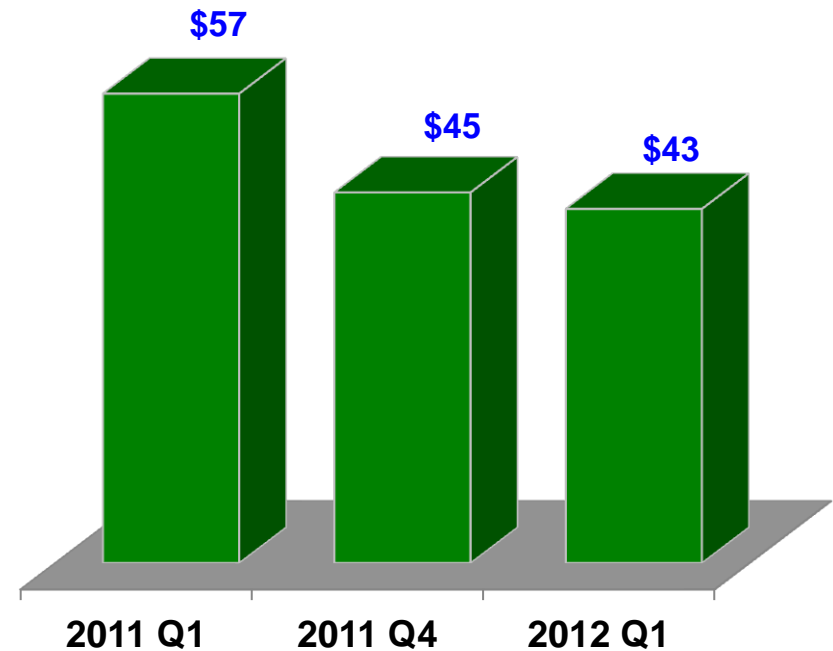
**CITY CLUBS**

# City Clubs

City Clubs reported Q1 EBITDA of \$43 million



City Clubs EBITDA (HK\$'m)

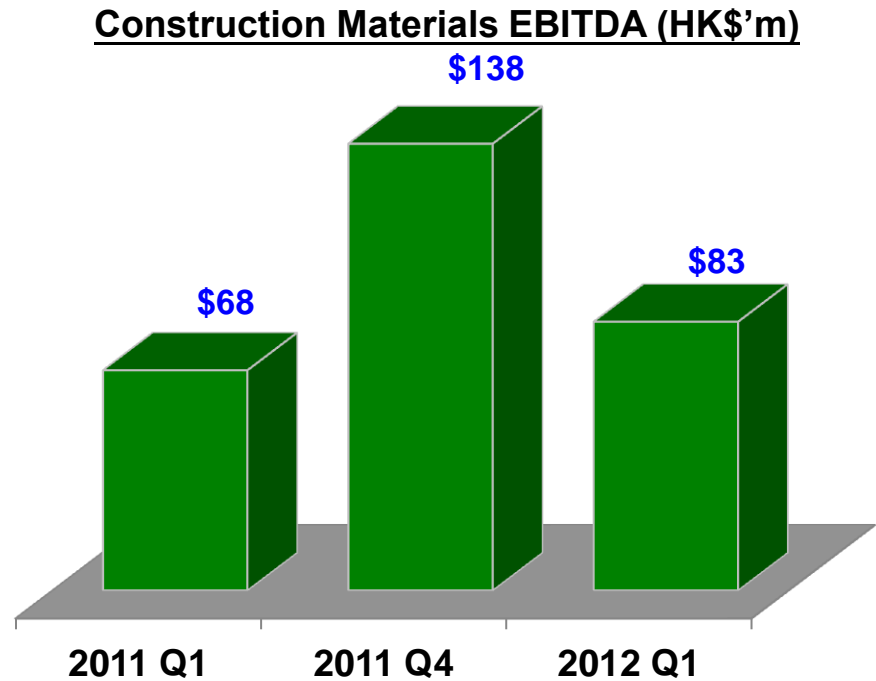




# Construction Materials

# Construction Materials

EBITDA grew a healthy 22% YoY to \$83 million despite seasonality



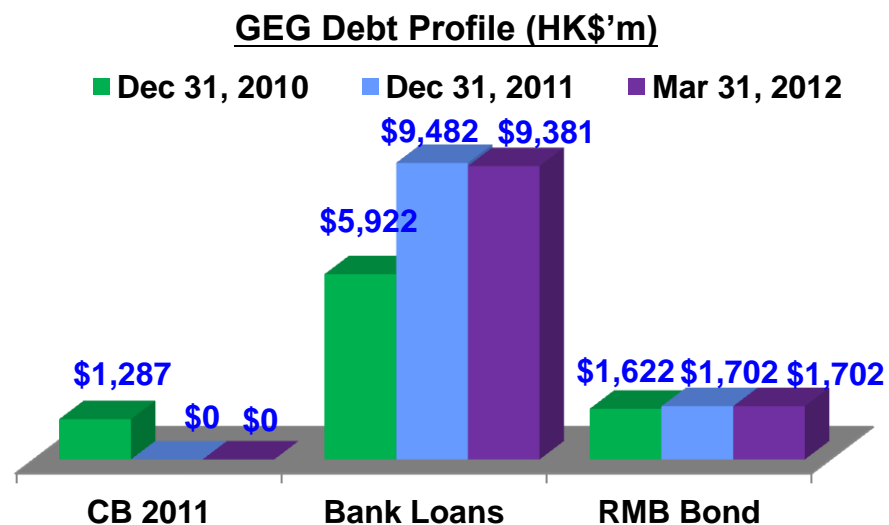
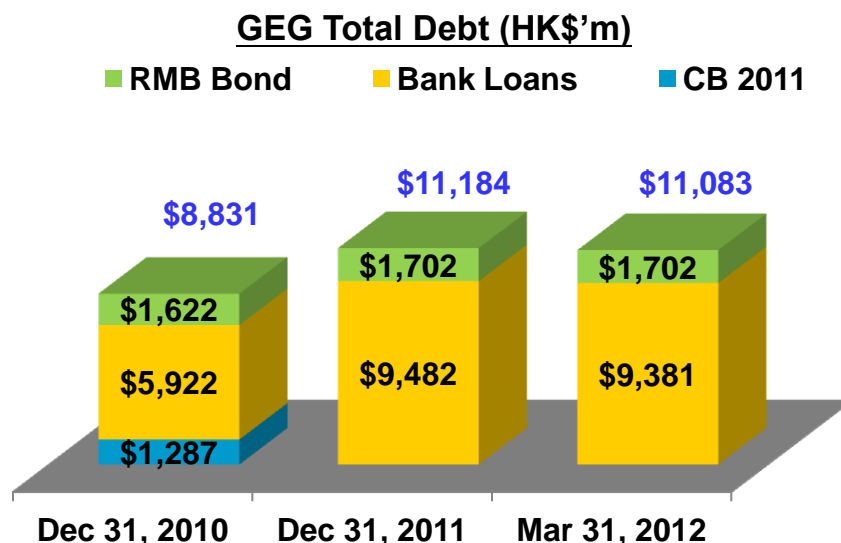


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# Liquidity and Financing Update

# Cash on Hand & Long Term Debt

GEG continues to remain well capitalized with significant cash of \$9.5 billion at March 31, 2012 including \$1.9 billion of restricted cash, supported by strong operational performance



Note: Exchange Rate: US\$1 = HK\$7.8 ; RMB\$1 = HK\$1.2335 & 1.1752 at Dec 31, 2011 & 2010, respectively; Adopted the same rate for Dec 31, 2011 and for Mar 31, 2012 for comparison purpose



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# Post Q1 Subsequent Event

## Announced accelerated launch of Galaxy Macau™ Phase 2 in April 2012, virtually doubles the size of the resort to 1.0 million square meters

- Two new luxury hotels, the first ever all suite The Ritz-Carlton and the world's largest JW Marriott, bringing a grand total of approximately 3,600 rooms across 5 luxury hotels
- Greatly expanded retail space to over 100,000 square metres and up to 200 high-end retail outlets
- Over 45 new international food & beverage outlets, taking the total to over 100
- Expanded Meeting, Event and Banquet space for seating capacity of over 3,000 guests
- Proposed \$16 billion investment with target completion in mid-2015



# Summary

## Operations

- GEG reports \$2.2 billion EBITDA in Q1 2012 for the 14<sup>th</sup> consecutive quarter of EBITDA growth
- Galaxy Macau™ reports QoQ EBITDA growth of 6% to \$1.3 billion after 3<sup>rd</sup> full quarter
- StarWorld reports \$852 million of EBITDA in Q1 2012 for the 15<sup>th</sup> consecutive quarter of EBITDA growth
- Latest twelve months Group and StarWorld EBITDA through March 2012 grew to \$7.2 and \$3.1 billion, respectively
- Galaxy Macau™ and StarWorld delivered a continuously improving ROI of 32% and 91% in Q1 2012, respectively

## Financing

- Well capitalized and liquid with \$9.5 billion of cash at March 31, 2012

## Development

- Announced launch of Galaxy Macau™ Phase 2 in April 2012
- Well positioned for future growth with Macau's largest landbank

# Positioned for Growth



- **Galaxy commenced with a vision**
- **“To be Asia’s Leading Gaming & Entertainment Corporation”**
- **We are delivering upon and realizing that vision**

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