



GALAXY ENTERTAINMENT GROUP

REPORTS SELECTED UNAUDITED Q3 2017 FINANCIAL DATA

Hong Kong, 9 November 2017 – Galaxy Entertainment Group (“GEG” or the “Group”) (HKEx stock code: 27) today reported unaudited results for the three months period ended 30 September 2017. (All amounts are expressed in Hong Kong dollars unless otherwise stated)

LETTER FROM THE CHAIRMAN OF GALAXY ENTERTAINMENT GROUP

I would like to take this opportunity to provide you an update on the extraordinary period that Macau experienced as a result of Typhoons Hato and Pakhar and on our Q3 2017 financial performance.

Macau was severely hit by the most powerful typhoon in over half a century in August. Many citizens including our team members and guests suffered significant hardship. During such a difficult period, we witnessed great endurance and unity in people from all walks of life in Macau. With the dedicated time and effort made by everyone including Macau’s citizens, the Government, the broader community and GEG, Macau is recovering from the typhoons and is now returning to normal. During the past two months, many of our team members contributed to the relief efforts in various ways ranging from substantial donations of goods and services to volunteer works in areas of need. The GEG Foundation and the Lui Che Woo Foundation also contributed a total of MOP 60 million, including construction materials, to help rebuild the community. We wish that everyone will continue to work hand in hand to ensure a full recovery of Macau and to move forward with a very bright future.

Our recent efforts over the past few months have been very focused on repairing and supporting the recovery of Macau. We continue with our repair works to the damages from the typhoon at our Macau resorts, but, in the main, we are back to business as usual. Thanks to the tireless efforts of our team members, Broadway Hotel and Casino smoothly reopened for business on 25 September 2017. Despite the impact of Typhoons Hato and Pakhar, our businesses continued to perform well and have delivered satisfactory results for the three months period ended 30 September 2017.

We are very proud of the efforts of all of our team members. I would like to take this opportunity to thank each and everyone of our team members for delivering professional and outstanding customer service, especially during the challenging time that we recently encountered.

Dr. Lui Che Woo
GBM, MBE, JP, LLD, DSSc, DBA
Chairman



Q3 2017 RESULTS HIGHLIGHTS

GEG: Recovering from the Recent Typhoons

- Q3 Group Revenue of \$15.9 billion, up 23% YoY, up 10% QoQ
- Q3 Group Adjusted EBITDA of \$3.5 billion, up 31% YoY, up 7% QoQ
- Played unlucky in gaming operations in Q3 which decreased Adjusted EBITDA by approximately \$110 million
- LTM Adjusted EBITDA of \$12.9 billion

Galaxy Macau™: Solid Operational Execution Delivers Earnings Growth

- Q3 Revenue of \$11.3 billion, up 20% YoY, up 15% QoQ
- Q3 Adjusted EBITDA of \$2.7 billion, up 23% YoY, up 9% QoQ
- Played unlucky in gaming operations in Q3 which decreased Adjusted EBITDA by approximately \$159 million
- Normalized Q3 Adjusted EBITDA of \$2.9 billion, up 44% YoY, up 11% QoQ
- Hotel occupancy for Q3 across five hotels was 98%

StarWorld Macau: Another Solid Quarter

- Q3 Revenue of \$3.8 billion, up 36% YoY, up 5% QoQ
- Q3 Adjusted EBITDA of \$799 million, up 49% YoY, up 4% QoQ
- Played lucky in gaming operations in Q3 which increased Adjusted EBITDA by approximately \$49 million
- Normalized Q3 Adjusted EBITDA of \$750 million, up 49% YoY, up 9% QoQ
- Hotel occupancy for Q3 was 99%

Broadway Macau™: Reopened in Late September after Typhoon Hato

- Hotel and Casino reopened in late September 2017 after approximately one month closure
- Q3 Revenue of \$105 million (versus Q3 2016: \$167 million)
- Q3 Adjusted EBITDA of \$(4) million (versus Q3 2016: \$7 million)
- No material luck impact for Q3 Adjusted EBITDA
- Hotel occupancy for the full three months was 61%, excluding hotel closure occupancy was 93%

Balance Sheet: Remains Well Capitalized and Liquid

- Cash and liquid investments was \$36.3 billion and net cash of \$28.5 billion as at 30 September 2017
- Debt of \$7.8 billion as at 30 September 2017 primary reflects ongoing treasury yield management initiative
- GEG paid the previously announced special dividend of \$0.33 per share on 27 October 2017

Development Update: Macau's Largest Development Pipeline and Future Earnings Potential

- Cotai – The Next Chapter continuing to move forward
- Hengqin – Plans moving forward to develop a leisure destination resort to complement our high-energy entertainment resorts in Macau
- International – Continuing to progress our strategic partnership with Monte-Carlo SBM to explore the development of IRs in Asia – including Japan



Market Overview

Despite increased competition both in Macau and regionally, we are encouraged to see that the Macau market continues to recover. Gross Gaming Revenue for Q3 2017 was \$65 billion, up 22% year-on-year and 7% quarter-on-quarter.

In Q3 2017, total visitation to Macau was 8.3 million, up 2.1% year-on-year and up 7.5% quarter-on-quarter. In particular, overnight visitors grew at a faster rate of 7% year-on-year and up 9% quarter-on-quarter. We view this as a positive trend as overnight visitors have a higher spend per customer than day trippers, especially on the higher margin non-gaming activities.

Group Financial Results

Q3 2017

The Group posted revenue of \$15.9 billion, up 23% year-on-year and up 10% quarter-on-quarter. Adjusted EBITDA was \$3.5 billion, up 31% year-on-year and up 7% quarter-on-quarter. Galaxy Macau™'s Adjusted EBITDA was \$2.7 billion, up 23% year-on-year and up 9% quarter-on-quarter. StarWorld Macau's Adjusted EBITDA was \$799 million, up 49% year-on-year and up 4% quarter-on-quarter. Broadway Macau™'s Adjusted EBITDA was \$(4) million (versus Q3 2016: \$7 million; Q2 2017: \$1 million). LTM Adjusted EBITDA was \$12.9 billion.

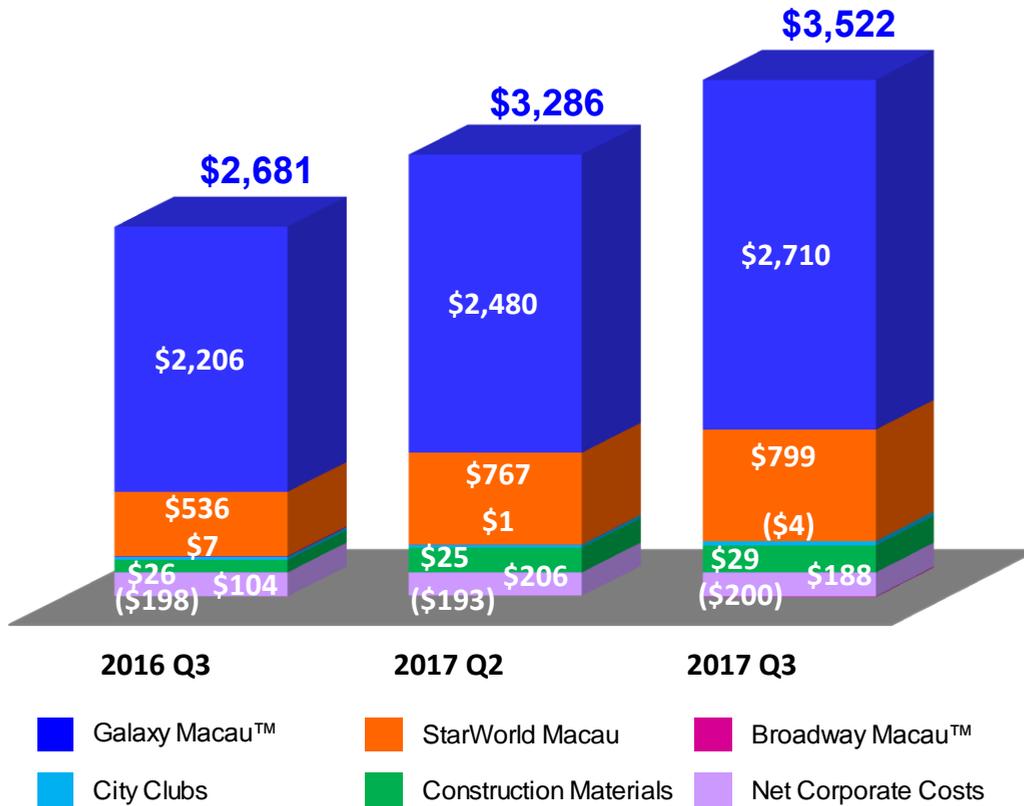
During Q3 2017, GEG experienced bad luck in its gaming operation which decreased its Adjusted EBITDA by approximately \$110 million.

The Group's total gaming revenue on a management basis¹ in Q3 2017 was \$14.9 billion, up 24% year-on-year and up 12% quarter-on-quarter. Total mass table games revenue was \$6.1 billion, up 14% year-on-year. Total VIP revenue was \$8.2 billion, up 34% year-on-year. Total electronic gaming revenue was \$567 million, up 9% year-on-year.

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.



GEG Adjusted EBITDA (HK\$'m)



Balance Sheet, Treasury Management and Special Dividend

The Group's balance sheet remains liquid and healthy. As of 30 September 2017, cash and liquid investments were \$36.3 billion and net cash was \$28.5 billion. Total debt was \$7.8 billion as of 30 September 2017 (30 June 2017: \$6.5 billion). Our debt primarily reflects a treasury management exercise where interest income on cash holdings exceeds corresponding borrowing costs. Our strong balance sheet combined with substantial cash flow from operations allows us to return capital to shareholders via dividends and to fund our development pipeline and international expansion ambitions.

GEG paid the previously announced special dividend of \$0.33 per share on 27 October 2017, an 83% increase compared to October 2016.

Galaxy Macau™

Galaxy Macau™ is the primary contributor to Group revenue and earnings. During Q3 2017, revenue was \$11.3 billion, up 20% year-on-year and up 15% quarter-on-quarter. Adjusted EBITDA was \$2.7 billion, up 23% year-on-year and up 9% quarter-on-quarter. Adjusted EBITDA margin for Q3 2017 calculated under HKFRS was 24% (Q3 2016: 23%), or 31% under US GAAP (Q3 2016: 29%).

Galaxy Macau™ experienced bad luck in its gaming operations which decreased its Adjusted EBITDA by approximately \$159 million in Q3 2017. Normalized Q3 2017 Adjusted EBITDA was \$2.9 billion, up 44% year-on-year and up 11% quarter-on-quarter.



VIP Gaming Performance

VIP rolling chip volume for Q3 2017 was \$164.9 billion, up 41% year-on-year and up 24% quarter-on-quarter. This translated into revenue of \$5.9 billion, up 27% year-on-year and up 21% quarter-on-quarter.

VIP Gaming

HK\$m	Q3 2016	Q2 2017	Q3 2017	YoY%	QoQ%
Turnover	117,048	132,899	164,876	41%	24%
Net Win	4,617	4,830	5,854	27%	21%
Win %	3.9%	3.6%	3.6%	--	--

Mass Gaming Performance

Mass gaming revenue for Q3 2017 was \$4.2 billion, up 17% year-on-year and up 8% quarter-on-quarter.

Mass Gaming

HK\$m	Q3 2016	Q2 2017	Q3 2017	YoY%	QoQ%
Table Drop	8,103	8,930	9,619	19%	8%
Net Win	3,572	3,845	4,169	17%	8%
Hold %	44.1%	43.1%	43.3%	--	--

Electronic Gaming Performance

Electronic gaming revenue for Q3 2017 was \$482 million, up 5% year-on-year and up 10% quarter-on-quarter.

Electronic Gaming

HK\$m	Q3 2016	Q2 2017	Q3 2017	YoY%	QoQ%
Slots Handle	11,681	11,187	11,708	0%	5%
Net Win	461	439	482	5%	10%
Hold %	3.9%	3.9%	4.1%	--	--

Non-Gaming Performance

Non-gaming revenue for Q3 2017 was \$773 million, up 2% year-on-year and up 8% quarter-on-quarter. The combined five hotels registered strong occupancy of 98% for Q3 2017.

Net Rental Revenue for the Promenade was \$222 million, up 11% year-on-year and up 5% quarter-on-quarter.

Non-Gaming Revenue

HK\$m	Q3 2016	Q2 2017	Q3 2017	YoY%	QoQ%
Net Rental Revenue	200	212	222	11%	5%
Hotel / F&B / Other Revenue	561	501	551	(2%)	10%
Total	761	713	773	2%	8%



StarWorld Macau

During Q3 2017, StarWorld Macau's revenue was \$3.8 billion, up 36% year-on-year and up 5% quarter-on-quarter. Adjusted EBITDA was \$799 million, up 49% year-on-year and up 4% quarter-on-quarter. Adjusted EBITDA margin for Q3 2017 calculated under HKFRS was 21% (Q3 2016: 19%), or 29% under US GAAP (Q3 2016: 25%).

StarWorld Macau experienced good luck in its gaming operations which increased its Adjusted EBITDA by approximately \$49 million in Q3 2017. Normalized Q3 2017 Adjusted EBITDA was \$750 million, up 49% year-on-year and up 9% quarter-on-quarter.

VIP Gaming Performance

VIP rolling chip volume for Q3 2017 was \$66.9 billion, up 35% year-on-year and up 7% quarter-on-quarter. This translated into revenue of \$2.3 billion, up 62% year-on-year and up 9% quarter-on-quarter.

VIP Gaming

HK\$m	Q3 2016	Q2 2017	Q3 2017	YoY%	QoQ%
Turnover	49,601	62,698	66,891	35%	7%
Net Win	1,419	2,102	2,292	62%	9%
Win %	2.9%	3.4%	3.4%	--	--

Mass Gaming Performance

Mass gaming revenue for Q3 2017 was \$1.4 billion, up 10% year-on-year and flat quarter-on-quarter.

Mass Gaming

HK\$m	Q3 2016	Q2 2017	Q3 2017	YoY%	QoQ%
Table Drop	3,154	3,501	3,569	13%	2%
Net Win	1,301	1,426	1,425	10%	0%
Hold %	41.2%	40.7%	39.9%	--	--

Electronic Gaming Performance

Electronic gaming revenue for Q3 2017 was \$41 million, up 64% year-on-year and up 14% quarter-on-quarter.

Electronic Gaming

HK\$m	Q3 2016	Q2 2017	Q3 2017	YoY%	QoQ%
Slots Handle	684	1,668	1,570	129%	(6%)
Net Win	25	36	41	64%	14%
Hold %	3.6%	2.2%	2.6%	--	--

Non-Gaming Performance

Non-gaming revenue for Q3 2017 was \$51 million, up 4% year-on-year and up 2% quarter-on-quarter. Hotel room occupancy was 99% for Q3 2017.



Non-Gaming Revenue

HK\$m	Q3 2016	Q2 2017	Q3 2017	YoY%	QoQ%
Net Rental Revenue	9	11	12	33%	9%
Hotel / F&B / Other Revenue	40	39	39	(3%)	0%
Total	49	50	51	4%	2%

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. During Q3 2017, revenue was \$105 million and Adjusted EBITDA was \$(4) million. Broadway Macau™ was impacted by the temporary suspension of hotel and casino operations post Typhoon Hato. Broadway's hotel and casino were closed for approximately one month and reopened on 25 September 2017.

Mass Gaming Performance

Mass gaming revenue for Q3 2017 was \$48 million, down 53% year-on-year and down 25% quarter-on-quarter.

Mass Gaming

HK\$m	Q3 2016	Q2 2017	Q3 2017	YoY%	QoQ%
Table Drop	474	291	184	(61%)	(37%)
Net Win	103	64	48	(53%)	(25%)
Hold %	21.7%	22.0%	26.1%	--	--

Electronic Gaming Performance

Electronic gaming revenue for Q3 2017 was \$6 million, down 25% year-on-year and down 25% quarter-on-quarter.

Electronic Gaming

HK\$m	Q3 2016	Q2 2017	Q3 2017	YoY%	QoQ%
Slots Handle	139	308	183	31%	(41%)
Net Win	8	8	6	(25%)	(25%)
Hold %	5.8%	2.6%	3.1%	--	--

Non-Gaming Performance

Non-gaming revenue for Q3 2017 was \$51 million, down 9% year-on-year and down 7% quarter-on-quarter. Hotel room occupancy for the full three months including the period of closure was 61%, excluding the hotel closure occupancy would have been 93%.

Non-Gaming Revenue

HK\$m	Q3 2016	Q2 2017	Q3 2017	YoY%	QoQ%
Net Rental Revenue	16	10	9	(44%)	(10%)
Hotel / F&B / Other Revenue	40	45	42	5%	(7%)
Total	56	55	51	(9%)	(7%)



City Clubs and Construction Materials Division

During Q3 2017, City Clubs contributed Adjusted EBITDA of \$29 million to the Group, up 12% year-on-year and up 16% quarter-on-quarter. The Construction Materials Division's Adjusted EBITDA was \$188 million, up 81% year-on-year and down 9% quarter-on-quarter.

Development Update

Cotai – The Next Chapter

GEG is uniquely positioned for long term growth. We continue to move forward with our plans for Phases 3 and 4, and we look forward to formally announcing our development plans in the future.

Hengqin

We continue to make progress with our concept plan for our Hengqin project. Hengqin will allow GEG to develop a leisure destination resort that will complement our high energy resorts in Macau.

International

GEG and Monte-Carlo SBM continue to progress our strategic partnership, which includes a mutual commitment to enhance the respective businesses and brands of each company and to work together on the development and operation of entertainment businesses including Integrated Resort ("IR") projects in the Asia-Pacific region, including opportunities in Japan. This partnership follows a strategic investment made by GEG in Monte-Carlo SBM in July 2015.

Selected Major Awards in 2017

Award	Presenter
GEG	
Best Gaming Operator	Asia Gaming Awards 2017
Best IR Company – Large Cap Best IR Presentation Collaterals – Large Cap	Hong Kong Investor Relations Association
Top 100 Hong Kong Listed Companies Award – Comprehensive Strength	QQ.com x Finet
Galaxy Macau™	
Best Integrated Resort	Asia Gaming Awards 2017
Casino Integrated Resort of the Year	International Gaming Awards
The Supreme Award of Asia's Most Favored Tourism Integrated Resort by Parent-Child	The 17 th Golden Horse Awards of China Hotel
StarWorld Macau	
Best Gaming Property	Asia Gaming Awards 2017
Top 10 Glamorous Hotels of China	The 12 th China Hotel Starlight Awards
The Supreme Award of Asia's Best F&B Service Hotel	The 17 th Golden Horse Awards of China Hotel



Broadway Macau™	
Recommended Restaurant - Dragon Portuguese Cuisine - Du Hsiao Yueh - Wong Kun Sio Kung - Katong Corner	Michelin Guide Hong Kong Macau 2017
Construction Materials Division	
Occupational Health Award 2016-2017 – Joyful @ Healthy Workplace Best Practices Award – Enterprise / Organization Category – Merit Award	Labour Department / Occupational Safety and Health Council
Hong Kong Green Organization Certification – Wastewi\$e Certificate - Excellence Level	Environmental Campaign Committee
HKCMA Directors' Awards for Health and Safety & Environmental Excellence 2016-2017 - Environmental Performance Award – Certificate of Best in Class	Hong Kong Construction Materials Association

Group Outlook

Following the devastating impact of Typhoons Hato and Pakhar, we continue to focus on our recovery and repair efforts and working hand in hand with the Macau community to ensure Macau quickly returns to its former self. Our business operations have effectively returned to normal and we continue to believe in the long term potential of Macau. Our confidence in the long term future of Macau remains as strong as ever and is supported by a number of key factors including: the low penetration within Mainland China, the continuing growth in the demand for leisure, tourism and travel by Chinese, the ongoing build out of infrastructure in accessing Macau and movement within Macau, and the support of both the Central and Macau Governments.

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About Galaxy Entertainment Group (HKEx stock code: 27)

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

GEG is one of the three original concessionaires in Macau with a successful track record of delivering innovative, spectacular and award winning properties, products and services, underpinned by a “World Class, Asian Heart” service philosophy, that has enabled it to consistently outperform and lead the market in Macau.

GEG operates three flagship destinations in Macau: on Cotai, Galaxy Macau™, one of the world’s largest integrated destination resorts, and the adjoining Broadway Macau™, a unique landmark entertainment and food street destination; and on the Peninsula, StarWorld Macau, an award winning premium property.

The Group has the largest undeveloped landbank of any concessionaire in Macau. When The Next Chapter of its Cotai development are completed, GEG’s resorts footprint on Cotai will double to more than 2 million square meters, making the resorts, entertainment and MICE precinct one of the largest and most diverse integrated destinations in the world. GEG is planning to develop a world class leisure and recreation 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, GEG continues to explore international development opportunities. In July 2015, GEG made a strategic investment in Société Anonyme des Bains de Mer et du Cercle des Etrangers à Monaco (“Monte-Carlo SBM”), a world renowned owner and operator of iconic luxury hotels and resorts in the Principality of Monaco. This partnership includes a mutual commitment to work together on the development and operation of entertainment businesses including, but not limited to Integrated Resort (“IR”) projects in the Asia-Pacific region and to enhance the respective businesses and brands of each company.

GEG is committed to delivering world class unique experiences to its guests and building a sustainable future for the communities in which it operates.

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

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