



  
**GALAXY™**  
MACAU  
澳門銀河

  
**銀娛 GEG**

  
**星際酒店**  
StarWorld Hotel



***Interim Results 2013***

**August 20, 2013**

# Executive Summary

## GEG: Record Half Year Revenue, Adjusted EBITDA and NPAS

- Half year revenue increased 9% year-on-year to \$30.8 billion
- Half year Adjusted EBITDA of \$5.8 billion, up 23% year-on-year
- Second quarter Adjusted EBITDA of \$3.02 billion, a year-on-year increase of 18%
- Net profit attributable to shareholders increased by 35% to \$4.6 billion

## GEG: Recognition and Strategic Acquisition

- Included as a constituent of the benchmark Hang Seng Index in June 2013
- Completed strategic \$3.25 billion acquisition of the Grand Waldo Complex in July 2013

## Galaxy Macau™: Quarterly Adjusted EBITDA Grew for 8<sup>th</sup> Consecutive Quarter

- Half year revenue climbed 13% to \$18.1 billion and Adjusted EBITDA rose 40% to \$4 billion
- Second quarter Adjusted EBITDA of \$2.1 billion increased 34% year-on-year
- Achieved latest twelve months (LTM) Return on Investment (ROI\*) of 45%
- Construction of Phase 2 is on budget and on schedule to complete by mid-2015
- Plans for phases 3 & 4 are well advanced; construction targeted to commence by end 2013 / early 2014

## StarWorld Macau: Improving Momentum with Second Best Quarter of Adjusted EBITDA

- Half year revenue increased 2% year-on-year to \$11.6 billion and Adjusted EBITDA reduced slightly to \$1.7 billion vs 1H12 \$1.8 billion
- Second quarter Adjusted EBITDA of \$885 million, the second best quarter
- Achieved LTM ROI\* of 92%

## Balance Sheet: Remains Healthy with Significant Reduction in Leverage

- Cash on hand at June 30, 2013 of \$18.1 billion, up from \$15.6 billion at December 31, 2012
- Subsequently reduced borrowings by approximately 35% from \$10.3 billion at June 30, 2013 to \$6.8 billion with \$3.5 billion debt prepayment in early Q3 2013
- Gearing Ratio remains at zero at June 30, 2013



銀娛 GEG

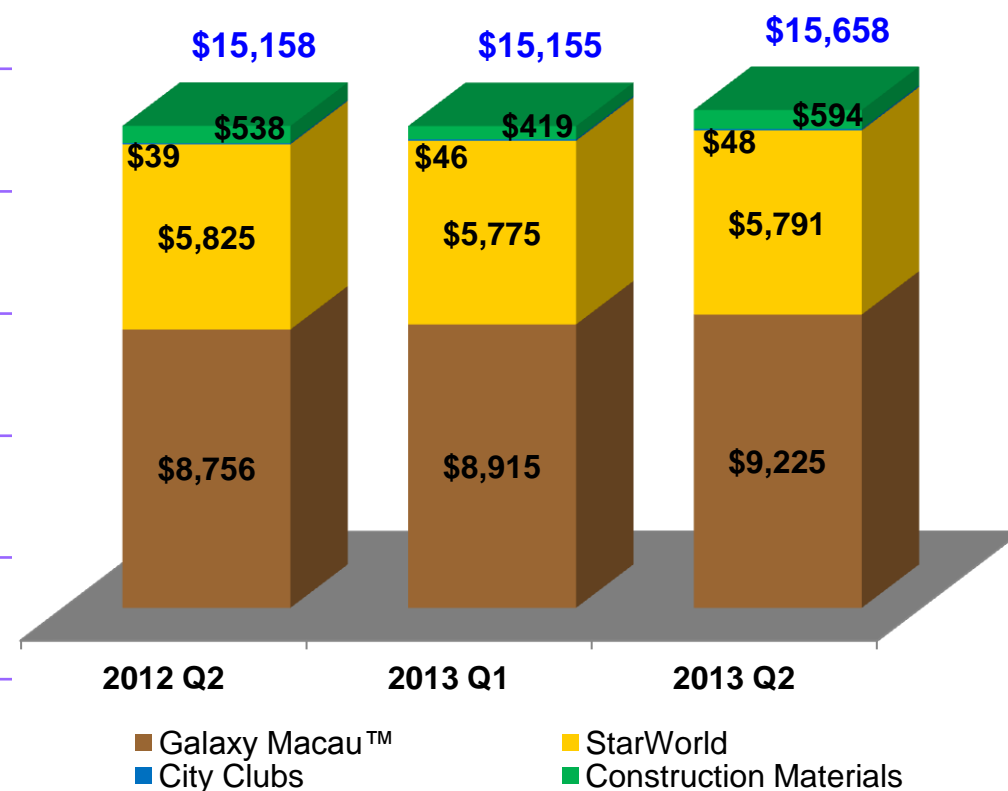
# Q2 2013 RESULTS

# GEG Revenue Summary Q2 2013

Group Revenue in Q2 2013 grew 3% YoY to \$15.7 billion

	Q2 YoY	Q1 to Q2 2013 QoQ
GEG Total	+3%	+3%
Galaxy Macau™	+5%	+3%
StarWorld	(1)%	0%
City Clubs	+23%	+4%
Construction Materials	+10%	+42%

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

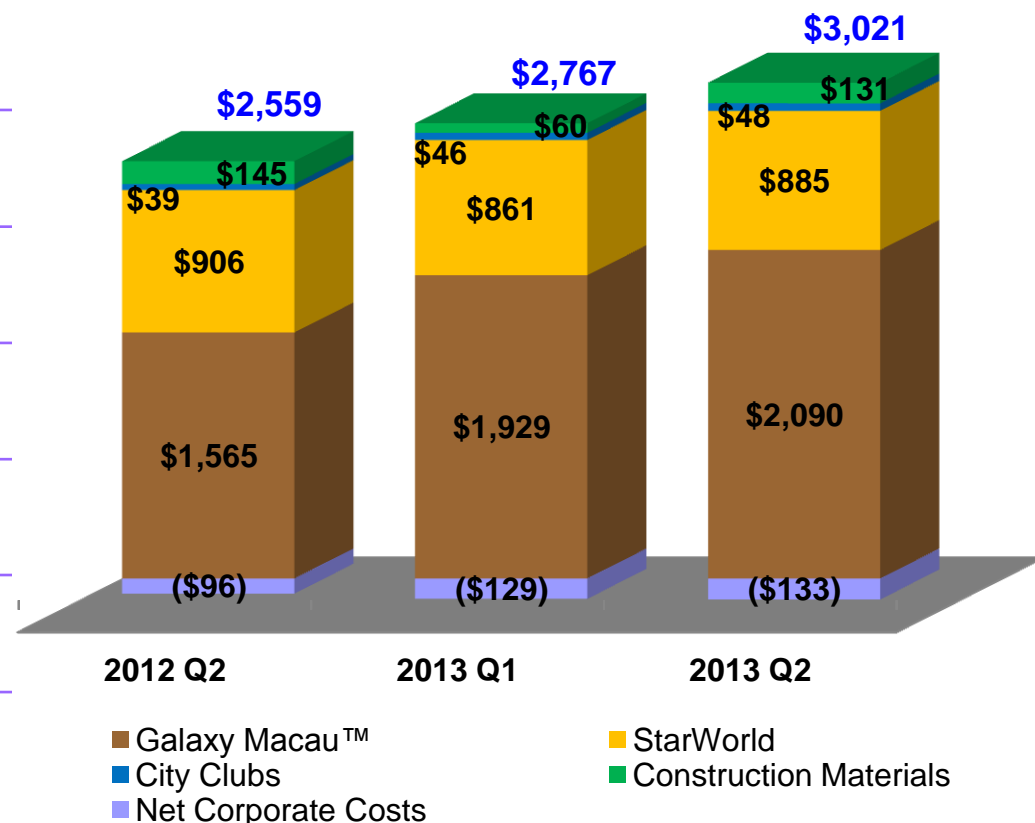


# GEG EBITDA Summary Q2 2013

Group EBITDA grew 18% YoY in Q2 2013 to an all time quarterly record of \$3.0 billion driven by Galaxy Macau™'s 8<sup>th</sup> consecutive quarter of EBITDA growth and StarWorld's second best quarter ever

GEG EBITDA (HK\$'m)

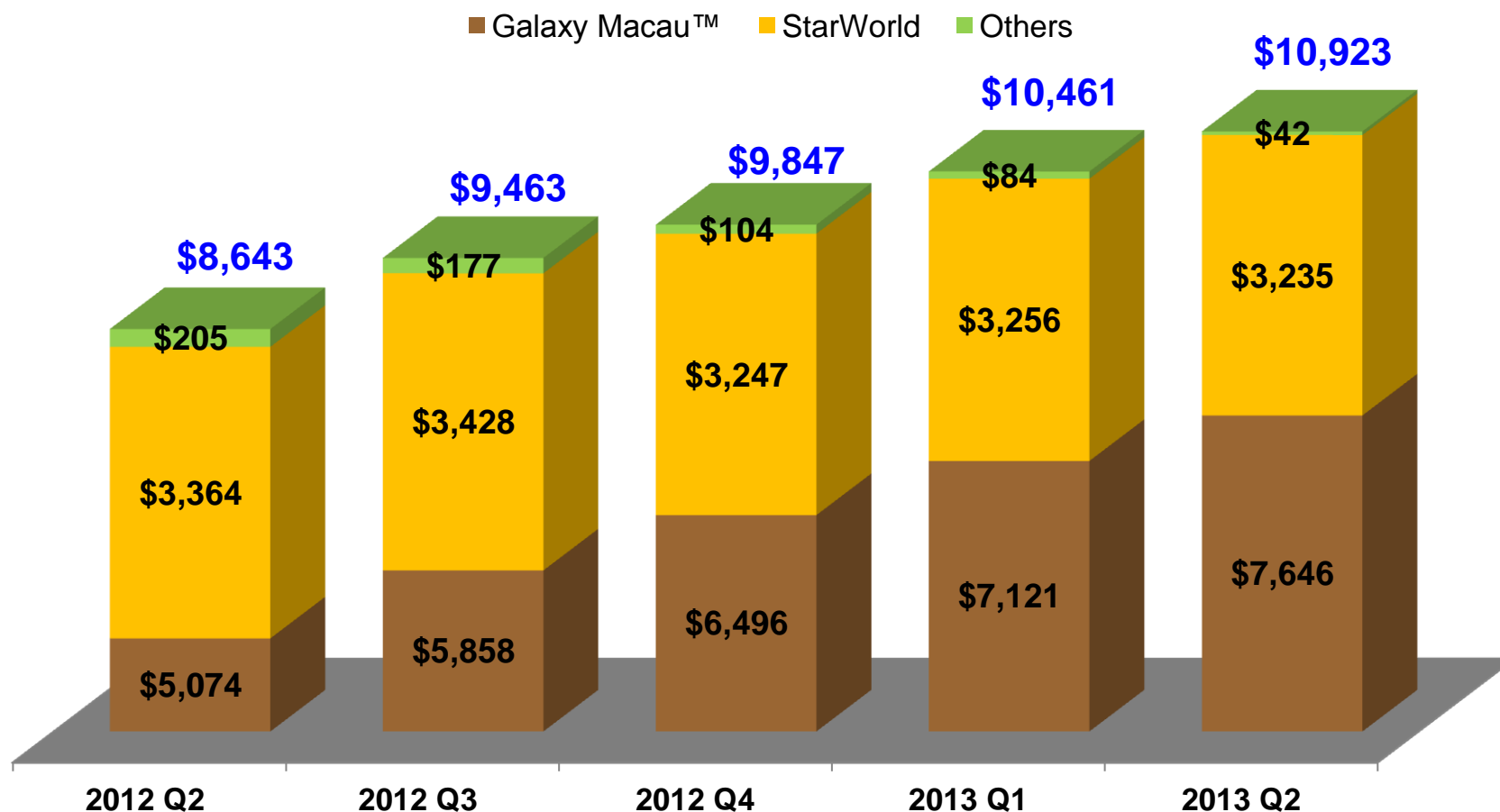
	Q2 YoY	Q1 to Q2 2013 QoQ
GEG Total	+18%	+9%
Galaxy Macau™	+34%	+8%
StarWorld	(2)%	+3%
City Clubs	+23%	+4%
Construction Materials	(10)%	+118%



# GEG Latest 12 Month EBITDA Summary

LTM EBITDA ended June 30, 2013 climbed 26% to nearly \$11 billion

## GEG (HK\$'m)





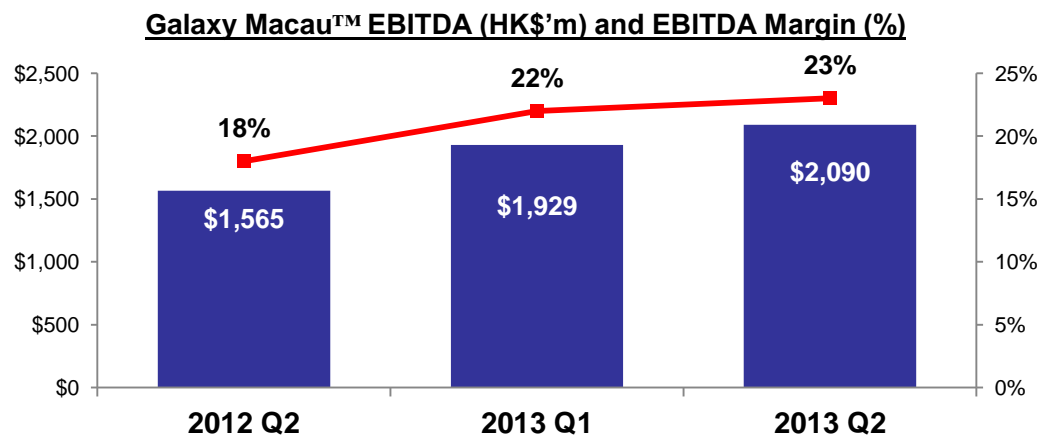


# Galaxy Macau™ Q2 2013

**Galaxy Macau™ reported 8<sup>th</sup> consecutive quarter of EBITDA growth in Q2 with EBITDA of \$2.1 billion due primarily to improving Mass**

- Reported revenue of \$9.2 billion and EBITDA of \$2.1 billion
- Mass revenue increased 12% QoQ with \$2.5 billion
- Reported healthy occupancy of 99% even with new capacity in Cotai
- HK GAAP EBITDA Margin of 23% and US GAAP of 31%
- LTM ROI\* of 45%

Revenue	Q2 YoY	Q1 to Q2 2013 QoQ
Galaxy Macau™ Total	+5%	+3%
VIP Gaming	(5)%	+1%
Mass Gaming	+48%	+12%
Slots	+41%	+7%
Non-Gaming	(8)%	(12)%
<b>EBITDA</b>	<b>+34%</b>	<b>+8%</b>





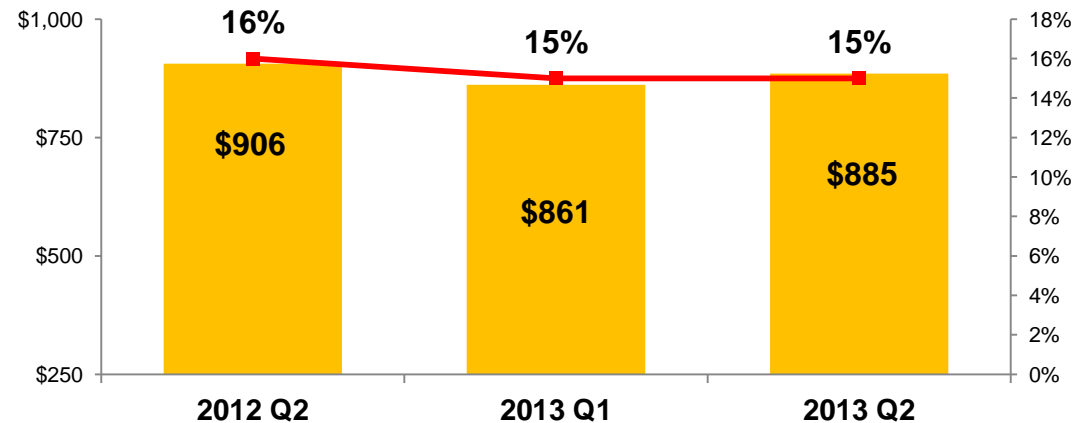


## StarWorld's improving momentum continues with 2<sup>nd</sup> best EBITDA quarter with \$885 million

- Total revenue of \$5.8 billion
- Mass record win of \$856 million grew 57% YoY
- EBITDA of \$885 million increased 3% QoQ
- Reported strong occupancy of 99%
- EBITDA Margin of 15% on HK GAAP and 26% on US GAAP
- LTM ROI\* of 92%

Revenue	Q2 YoY	Q1 to Q2 2013 QoQ
StarWorld Total	(1)%	0%
VIP Gaming	(6)%	0%
Mass Gaming	+57%	+7%
Slots	(20)%	(25)%
Non-Gaming	(23)%	(23)%
<b>EBITDA</b>	<b>(2)%</b>	<b>+3%</b>

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



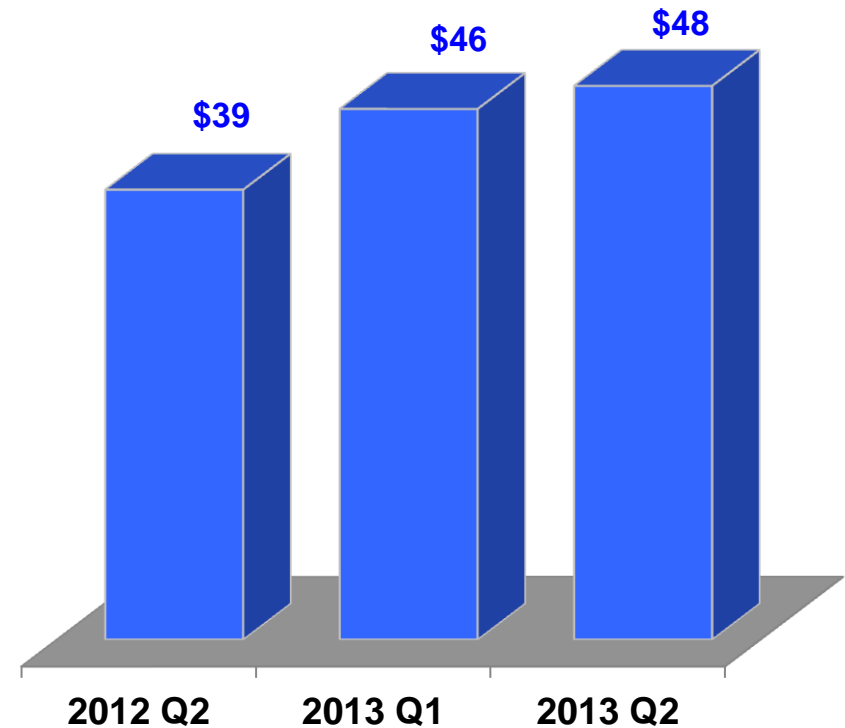


# City Clubs

## City Clubs reported Q2 2013 EBITDA of \$48 million

- Grand Waldo casino suspended operations as part of GEG's acquisition

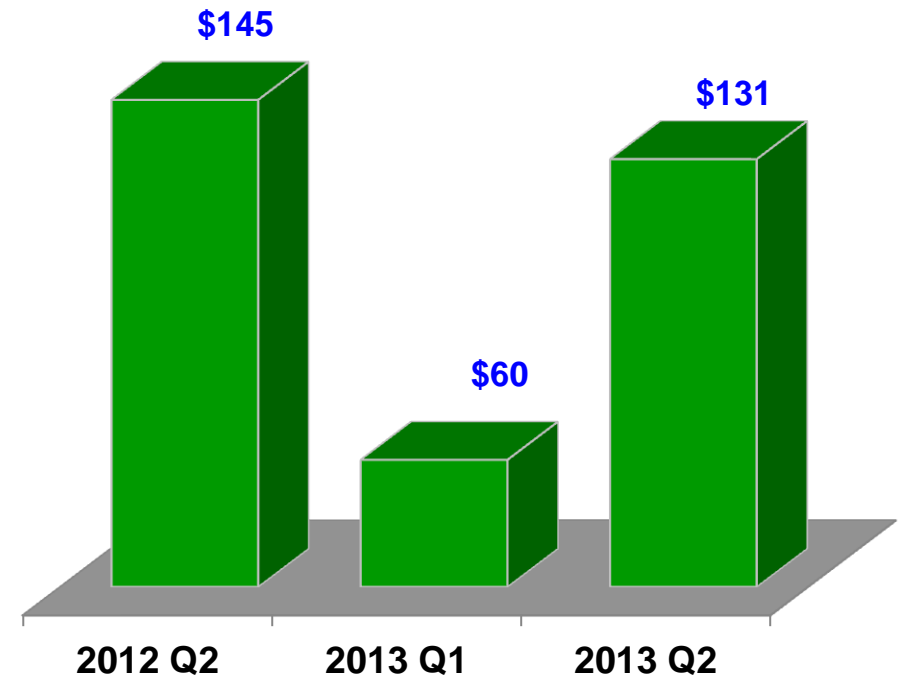
City Clubs EBITDA (HK\$'m)



# Construction Materials

Reported Q2 2013 EBITDA of \$131 million

Construction Materials EBITDA (HK\$'m)





# Acknowledgment of Excellence

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

- GEG received many honours and awards in 2013

	Date	Awards	Organization
GEG	2013 Jun	Best Managed Company Best Investor Relations Best CEO – Mr. Francis Lui Best CFO – Mr. Robert Drake Best Corporate Governance 2 <sup>nd</sup> Place Best Corporate Social Responsibility 3 <sup>rd</sup> Place	FinanceAsia Magazine
	2013 Jun	Best IR Company 3 <sup>rd</sup> Place Best IR Professional – Mr. Peter Caveny	Institutional Investor Magazine – All Asia Executive Team Survey
	2013 /2012 Jan	Casino Operator of the Year Australia / Asia (2 <sup>nd</sup> Consecutive Year)	International Gaming Awards (IGA) 國際博彩業大獎
Galaxy Macau™	2013 Mar	Most Charming Resort in Asia 亞洲最具魅力渡假城	Asia Hotel Forum – 13 <sup>th</sup> China Hotel Golden Horse Award 亞洲酒店論壇中心 -第十三屆中國飯店金馬獎
	2013 Mar	Top 10 Resort Hotels of China 中國十佳旅遊渡假酒店	Asia Hotel Forum – 8 <sup>th</sup> Annual China Hotel Starlight Awards 亞洲酒店論壇中心 -第八屆中國酒店星光獎
	2013 Jan	Casino VIP Room of the Year	International Gaming Awards (IGA) 國際博彩業大獎
StarWorld Macau	2013 May	Best Service Hotel of the Year (2013)	China Travel and Meeting Industry Awards
	2013 Mar	Best Service Hotel of Asia 中國最佳卓越服務酒店	Asia Hotel Forum – 13 <sup>th</sup> China Hotel Golden Horse Award 亞洲酒店論壇中心 -第十三屆中國飯店金馬獎
	2013 Mar	Top Ten Glamorous Hotels of China (3 <sup>rd</sup> consecutive year) 中國十大最具魅力酒店	Asia Hotel Forum – 8 <sup>th</sup> Annual China Hotel Starlight Awards 亞洲酒店論壇中心 -第八屆中國酒店星光獎



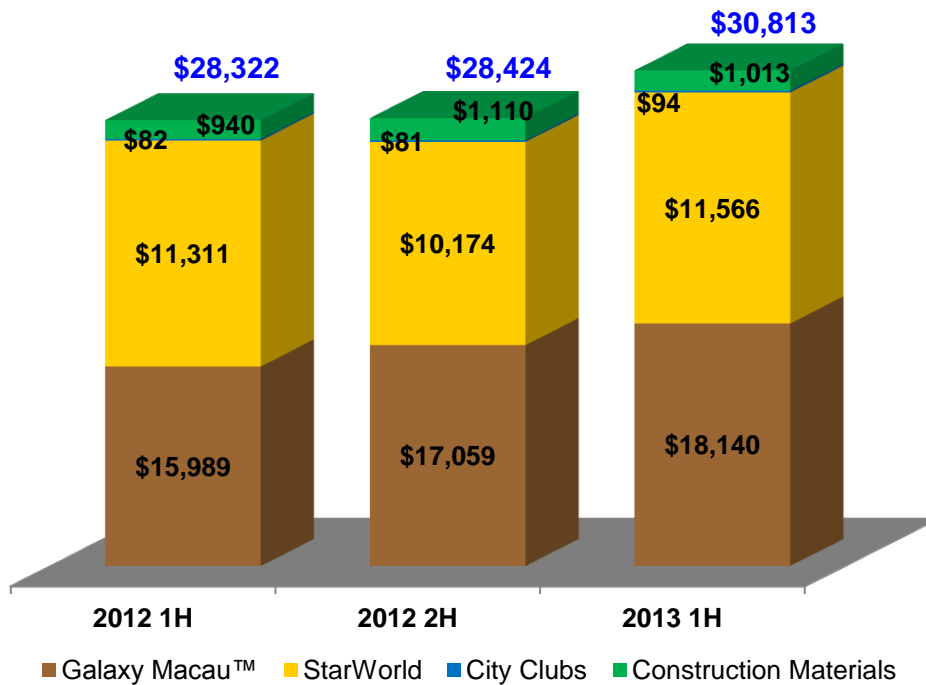
銀娛 GEG

# 1H 2013 RESULTS

# GEG Revenue Summary 1H 2013

Revenue in first half 2013 grew 9% YoY to a record \$30.8 billion driven by Galaxy Macau™ & StarWorld

GEG Revenue (HK\$m)

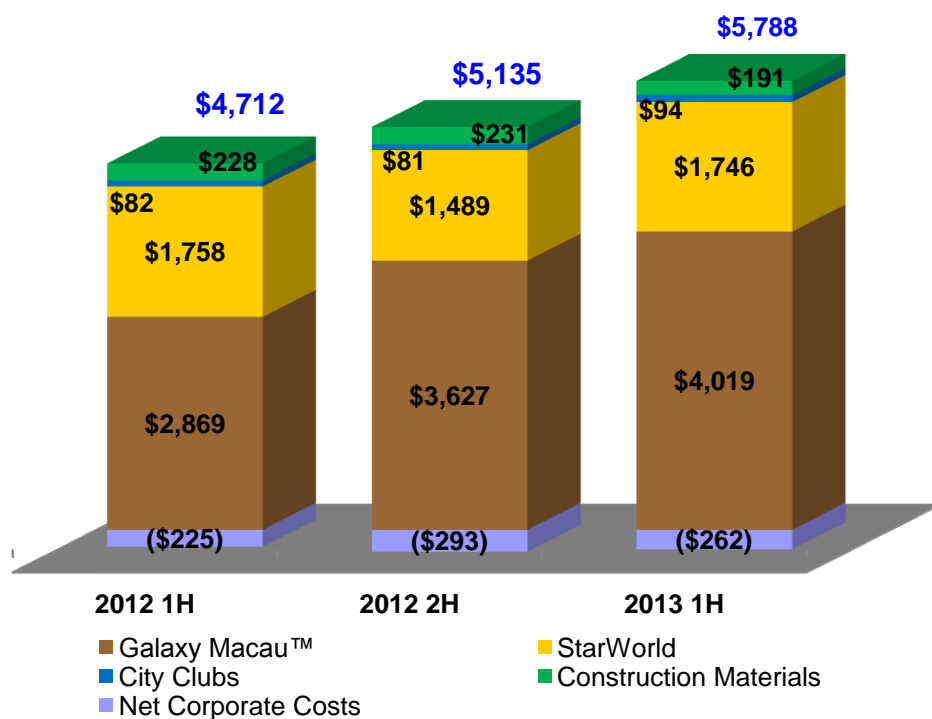


	1H 13 YoY	2H12 to 1H13
GEG Total	+9%	+8%
Galaxy Macau™	+13%	+6%
StarWorld	+2%	+14%
City Clubs	+15%	+16%
Construction Materials	+8%	(9)%

# GEG EBITDA Summary 1H 2013

Group EBITDA increased 23% YoY to a record \$5.8 billion in the first half of 2013 led by Galaxy Macau™ & StarWorld

## GEG EBITDA (HK\$'m)



	1H 13 YoY	2H12 to 1H13
GEG Total	+23%	+13%
Galaxy Macau™	+40%	+11%
StarWorld	(1)%	+17%
City Clubs	+15%	+16%
Construction Materials	(16)%	(17)%



# GEG 1H 2013 NPAS

2013 1H NPAS grew 35% to a record \$4.6 billion

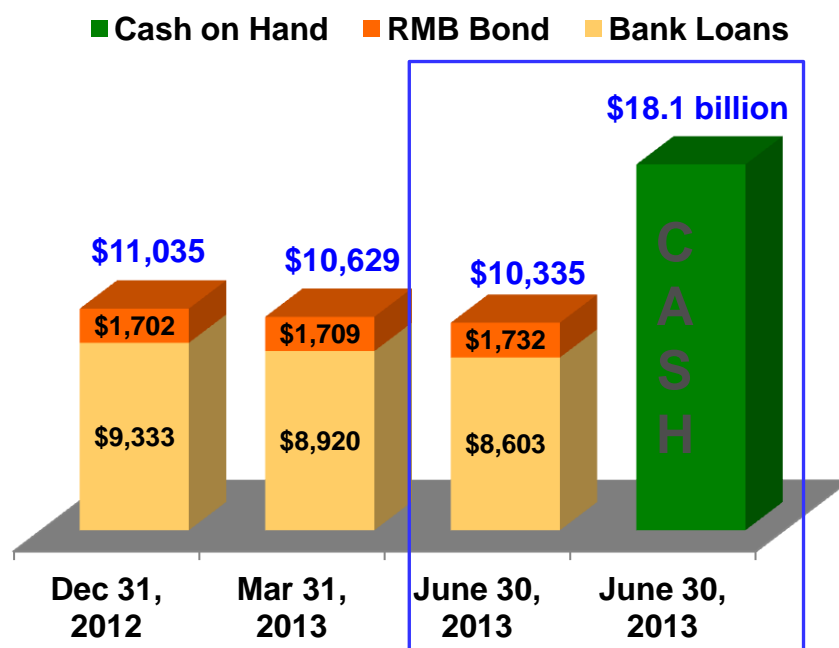
<i>(in HK\$ mn)</i>	1H 2012	1H 2013	13/12 var
<b>Total Revenue</b>	<b>28,322</b>	<b>30,813</b>	<b>9%</b>
<b>EBITDA</b>	<b>4,712</b>	<b>5,788</b>	<b>23%</b>
<b>Net Profit attributable to shareholders (NPAS)</b>	<b>3,446</b>	<b>4,646</b>	<b>35%</b>

# Cash on Hand & Long Term Debt

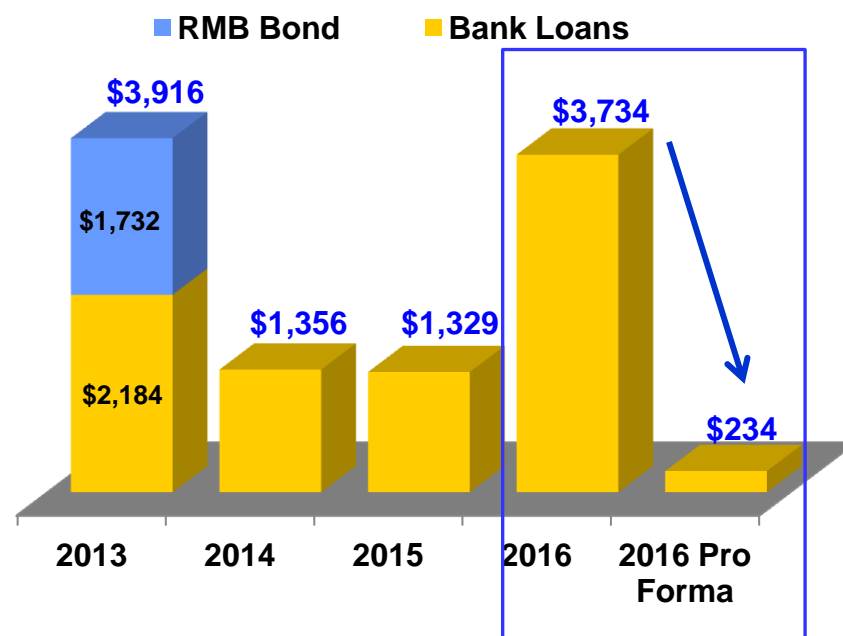
GEG continues to remain well capitalized with Cash of \$18.1 billion at June 30, 2013 including restricted cash of \$2.2 billion

- Represent a “net cash” position of \$7.8 billion
- Subsequently prepaid \$3.5 billion of debt and reduced total borrowings by nearly 35% in early Q3 2013
- Gearing ratio remains zero at June 30, 2013

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



**Debt Maturity Profile (HK\$'m)**



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

# GEG Cotai Development Update





# Galaxy Macau™ Phase 2: August 2013





# Galaxy Macau™ Phase 2: August 2013



# Cotai Development Update

## **Galaxy Macau™ Phase 2 on schedule to complete in Mid-2015**

- Remains on budget and on schedule to complete by mid-2015

## **Cotai Phases 3 & 4**

- Finalizing planning with construction targeted to commence by the end of 2013/ early 2014
- Doubles the footprint of the Galaxy Macau™'s first 2 phases
- Target to complete in stages between 2016-2018

## **Strategic Acquisition of the Grand Waldo Complex**

- Announced the \$3.25 billion acquisition in May 2013
- Strategically located across the street from Galaxy Macau™ and the Group's Cotai landbank
- Subsequently completed the transaction in July 2013



# Summary

## Corporate

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

## Operations

- Galaxy Macau™ reports 8<sup>th</sup> consecutive quarter of EBITDA growth with \$2.1 billion in Q2 2013
- StarWorld reports \$885 million EBITDA in Q2 2013, 2<sup>nd</sup> highest EBITDA ever
- Galaxy Macau™ and StarWorld deliver healthy LTM ROIs of 45% and 92%, respectively

## Financing

- Well capitalized and liquid with \$18.1 billion of cash at June 30, 2013
- Net Cash position of \$7.8 billion at June 30, 2013
- Subsequently reduced total borrowings by 35% in early Q3 2013

## 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 by the end of 2013 / early 2014
- Completed strategic acquisition of the Grand Waldo Complex in Q3 2013

# 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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