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GALAXY ENTERTAINMENT GROUP LIMITED

銀河娛樂集團有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 27)

ANNOUNCEMENT ON CERTAIN SELECTED UNAUDITED KEY PERFORMANCE INDICATORS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

This announcement is issued pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board of Directors (the “Board”) of Galaxy Entertainment Group Limited (“GEG”) is pleased to announce certain selected unaudited key performance indicators of GEG and its subsidiaries (collectively referred to as the “Group”) for the third quarter ended 30 September 2013 as follows:

HIGHLIGHTS

GEG: Record Highs in Revenue and Adjusted EBITDA

- Revenue of HK\$16.3 billion, an increase of 16% year-on-year
- Adjusted EBITDA of HK\$3.2 billion, up 24% year-on-year
- Latest twelve months Group Adjusted EBITDA, up 22% year-on-year to HK\$11.5 billion
- Completed the strategic acquisition of the Grand Waldo Complex in July 2013

Galaxy Macau™: 9th Consecutive Quarter of Adjusted EBITDA Growth

- Revenue of HK\$10 billion, up 20% year-on-year
- Adjusted EBITDA of HK\$2.3 billion, up 31% year-on-year
- Mass win increased by 45% year-on-year to HK\$2.7 billion
- VIP win of HK\$6.5 billion, up 13% year-on-year
- Construction of Phase 2 is on budget and on schedule to complete by mid-2015

StarWorld Macau: Best Quarter of Adjusted EBITDA Ever

- Adjusted EBITDA grew 8% year-on-year to HK\$910 million
- Mass record win of HK\$1.0 billion, an increase of 64% year-on-year
- VIP volume increased 15% year-on-year to HK\$169 billion

Balance Sheet: Strong Financial Platform for Future Growth

- Cash on hand at 30 September 2013 of HK\$14.4 billion and net cash of HK\$7.7 billion
- Prepaid HK\$3.5 billion of debt in Q3 2013 which reduced borrowings by approximately 35% from HK\$10.3 billion to HK\$6.7 billion at 30 September 2013
- Subsequently prepaying HK\$2.9 billion of debt in early Q4 2013, which will reduce borrowings by approximately 44% from HK\$6.7 billion to HK\$3.8 billion

GEG continues to build its high quality brand and strive to be ‘Globally recognized as Asia’s leading gaming and entertainment corporation’. GEG’s service philosophy is to provide its guests with a memorable customer experience by offering the highest quality resort facilities and by delivering ‘World Class, Asian Heart’ service. The Board believes that this is what truly differentiates GEG.

GEG’s efforts to deliver on its vision have translated into another set of record quarterly results. The Group’s results were driven by the high quality service performances of its two flagship properties, Galaxy Macau™ and StarWorld Macau. The exciting plans for Phase 2 of Galaxy Macau™ remain on schedule, and will further fulfill its promise of providing customers with quality facilities and services.

Over the years the Group has received numerous industry awards as evidence of its focus on delivering the very best customer experience including : Best Managed Company in Hong Kong, Top 10 Resort Hotels of China and Best Service Hotel, to name a few. These achievements would not be possible without the dedication and tireless efforts of the Group’s 15,000 strong team members. The Board would like to thank them all for their commitment to achieving GEG’s Vision.

Looking ahead, Macau and the region are set to prosper for many years to come as major infrastructure works come on stream that will greatly improve access to Macau from Mainland China and transform travel within the region.

Group Financial Results

The Group posted record quarterly revenue and earnings in the third quarter of 2013. Revenue increased by 16% year-on-year to HK\$16.3 billion, while Adjusted EBITDA improved 24% year-on-year to HK\$3.2 billion. As of 30 September 2013, the latest twelve months Group Adjusted EBITDA climbed 22% to HK\$11.5 billion. Galaxy Macau™’s 31% growth in Adjusted EBITDA along with StarWorld Macau achieving its highest ever quarter of Adjusted EBITDA were the key factors in the increase in Group earnings.

As of 30 September 2013, cash on hand stood at HK\$14.4 billion, including restricted cash of HK\$2.2 billion, and were net cash by HK\$7.7 billion. During the quarter we reduced our borrowings by almost 35% by prepaying HK\$3.5 billion of bank debt where total debt declined from approximately HK\$10.3 billion to HK\$6.7 billion at 30 September 2013. Subsequent to the period end, we are prepaying HK\$2.9 billion of debt in early Q4 2013 which will reduce borrowings by approximately 44% from HK\$6.7 billion to HK\$3.8 billion.

Galaxy Macau™

Galaxy Macau™ delivered its ninth consecutive quarter of Adjusted EBITDA growth at HK\$2.3 billion, an increase of 31% year-on-year and 10% quarter-on-quarter. Revenue of HK\$10 billion, grew 20% year-on-year and 8% sequentially. During the quarter, mass revenue was up by 45% to HK\$2.7 billion and VIP revenue also grew 13% to HK\$6.5 billion. Non-gaming revenue in the quarter remained broadly in line with the same period last year, but grew 12% quarter-on-quarter to HK\$376 million. Hotel occupancy at Galaxy Macau™ which encompasses three five star hotels was 99%. Adjusted EBITDA margin for the period improved to 23% (Q3 2012: 21%) calculated under HK GAAP, or 31% under US GAAP (Q3 2012: 29%). The property also generated latest twelve months Return on Investment (“LTM ROI”) * of 48%.

* LTM ROI calculated based on the total Adjusted EBITDA for the latest twelve months divided by gross book value through 30 September 2013 including allocated land cost.

VIP Gaming					
HK\$m	Q3 2012	Q2 2013	Q3 2013	YoY%	QoQ%
Turnover	173,295	178,196	191,140	10%	7%
Net Win	5,720	5,965	6,473	13%	9%
Win %	3.3%	3.3%	3.4%		

Mass Gaming					
HK\$m	Q3 2012	Q2 2013	Q3 2013	YoY%	QoQ%
Table Drop	6,297	6,845	7,012	11%	2%
Net Win	1,885	2,538	2,730	45%	8%
Hold %	29.9%	37.1%	38.9%		

Electronic Gaming					
HK\$m	Q3 2012	Q2 2013	Q3 2013	YoY%	QoQ%
Slots Handle	5,345	7,781	8,375	57%	8%
Net Win	313	383	402	28%	5%
Hold %	5.8%	4.9%	4.8%		

StarWorld Macau

StarWorld Macau achieved its highest ever quarter of Adjusted EBITDA at HK\$910 million, an increase of 8% year-on-year. These results were driven by record mass win and strong performance in VIP. Mass revenue grew 64% year-on-year and 18% sequentially to a record HK\$1.0 billion. On the VIP side, rolling chip volume grew a healthy 15% year-on-year to HK\$169 billion while win grew only 2% to HK\$4.5 billion due to a lower win rate of 2.7% in Q3 2013 compared to 3.0% in Q3 2012. Hotel occupancy was 99% for the quarter. Adjusted EBITDA margin under HK GAAP and US GAAP remained consistent with the same period last year at 16% and 26%, respectively. StarWorld Macau reported LTM ROI of 94%.

VIP Gaming					
HK\$m	Q3 2012	Q2 2013	Q3 2013	YoY%	QoQ%
Turnover	147,064	161,913	169,121	15%	4%
Net Win	4,416	4,807	4,500	2%	(6%)
Win %	3.0%	2.9%	2.7%		

Mass Gaming					
HK\$m	Q3 2012	Q2 2013	Q3 2013	YoY%	QoQ%
Table Drop	2,627	2,663	2,829	8%	6%
Net Win	618	856	1,012	64%	18%
Hold %	23.1%	32.2%	35.4%		

Electronic Gaming					
HK\$m	Q3 2012	Q2 2013	Q3 2013	YoY%	QoQ%
Slots Handle	882	777	744	(16%)	(4%)
Net Win	59	48	44	(25%)	(8%)
Hold %	6.7%	6.1%	5.9%		

Selected Industry Recognition in 2013

Group

Year	Award	Organization
2013	Best Managed Company in Hong Kong	FinanceAsia Magazine
	Best Investor Relations in Hong Kong	
	Best Corporate Governance in Hong Kong 2nd Place	
	Best Corporate Social Responsibility in Hong Kong 3rd Place	
	Casino Operator of the Year Australia / Asia	International Gaming Awards

Galaxy Macau™

Year	Award	Organization
2013	Most Charming Resort in Asia	Golden Horse Award of China Hotel
	Top 10 Resort Hotels of China	China Hotel Starlight Awards
	Forbes Travel Guide Star Awards	Forbes Travel Guide
	Best Resort Hotel Macau	International Hotel Awards

StarWorld Macau

Year	Award	Organization
2013	Best Service Hotel of the Year	China Travel and Meeting Industry Awards
	Top 10 Glamorous Hotels of China (2010-13)	China Hotel Starlight Awards
	Best Service Hotel (2011-13)	Golden Horse Award of China Hotel
	Macau Elite Service Hotel Award	Ming Pao Weekly

City Clubs and Construction Materials Division

City Clubs' Adjusted EBITDA in the third quarter was HK\$48 million, up 23% year-on-year.

The Construction Materials Division delivered a 22% year-on-year uplift in Adjusted EBITDA to HK\$138 million.

Cotai Development Update

Construction of Phase 2 of Galaxy Macau™ remains on budget and on schedule to complete as the next major project in Macau by mid-2015. GEG is well advanced with its planning of Phases 3 and 4 and expects to commence construction in early 2014.

Grand Waldo Complex

In July 2013, GEG completed the HK\$3.25 billion acquisition of the Grand Waldo Complex. Located across the street from Galaxy Macau™ and the Group's Cotai landbank, the Grand Waldo Complex is strategically important to GEG's development pipeline. GEG continues to work on exciting renovation plans and anticipates to be able to share those plans in early 2014.

Outlook

GEG continues to execute operationally resulting in record quarterly revenue and earnings at a Group level driven by strong operational performance across the board led by Galaxy Macau™ and StarWorld Macau.

As the Macau gaming market continues to evolve and cater to the mass market, a broader customer group from the Mainland in particular is visiting Macau. A key component in the Group's success is its 'World Class, Asian Heart' product and service philosophy. Understanding the changing tastes and demands of the customer is extremely important in this dynamic market, and GEG has tailored its offer at both flagship properties to strengthen their appeal and maximise returns.

Macau's prospects for the remainder of this year and beyond are very bright, and GEG looks to its future with confidence. Considerable progress is being made on the development side including the construction of Phase 2 of Galaxy Macau™ and our plans for Cotai Phases 3 and 4. Set to complete in parallel alongside major infrastructure improvements, GEG is confident these developments will capture the imagination of the next generation of visitors to Macau, unlock the Group's earnings potential for many years to come, and support Macau's efforts to diversify its economy and become a world tourism destination.

CAUTION STATEMENT

The Board wishes to remind shareholders and potential investors that the above financial data primarily relates only to a part of operations of the Group and is based on the Group's internal records and management accounts. The above financial data has not been reviewed or audited by independent auditors and is not a forecast of the performance of the gaming and entertainment division or of the Group as a whole. Shareholders and potential investors are cautioned not to unduly rely on such data and are advised to exercise caution when dealing in the shares of GEG.

By Order of the Board
Galaxy Entertainment Group Limited
Jenifer Sin Li Mei Wah
Company Secretary

Hong Kong, 7 November 2013

As at the date of this announcement, the executive Directors of GEG are Dr. Lui Che Woo (Chairman), Mr. Francis Lui Yiu Tung, Mr. Joseph Chee Ying Keung and Ms. Paddy Tang Lui Wai Yu; the non-executive Director of GEG is Mr. Anthony Thomas Christopher Carter; and the independent non-executive Directors of GEG are Mr. James Ross Ancell, Dr. William Yip Shue Lam and Professor Patrick Wong Lung Tak.

Website: www.galaxyentertainment.com