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GALAXY ENTERTAINMENT GROUP SELECTED UNAUDITED Q1 2014 FINANCIAL DATA

**RECORD QUARTERLY GROUP ADJUSTED EBITDA OF \$3.8 BILLION,
UP 38% YEAR-ON-YEAR**

**GALAXY MACAU™ PHASE 2 WELL ADVANCED,
ON BUDGET AND ON SCHEDULE TO COMPLETE BY MID-2015**

Hong Kong, 20 May 2014 – Galaxy Entertainment Group Limited (“GEG” or the “Group”) (HKEx stock code: 27) today reported selected unaudited 2014 first quarter financial data for the three months ended 31 March 2014.

Q1 2014 HIGHLIGHTS

GEG: Record Quarterly Results

- Revenue of \$20.2 billion, up 33% year-on-year and 7% sequentially
- Adjusted EBITDA of \$3.8 billion, up 38% year-on-year and 8% sequentially
- Latest twelve months Adjusted EBITDA increased by 30% year-on-year to \$13.6 billion

Galaxy Macau™: 11th Consecutive Quarter of Adjusted EBITDA Growth

- Revenue of \$12.8 billion, up 44% year-on-year and 9% sequentially
- Adjusted EBITDA of \$2.8 billion, up 44% year-on-year and 10% sequentially

StarWorld Macau: Best Ever Quarter of Adjusted EBITDA

- Revenue of \$6.8 billion, up 19% year-on-year and 8% sequentially
- Adjusted EBITDA of \$1.1 billion, up 26% year-on-year and 5% sequentially

Development Update: Continue to Advance Strong Pipeline

- Galaxy Macau™ Phase 2 – Remains on budget and on schedule to complete by mid-2015
- Cotai Phases 3 & 4 – Finalising plans for a \$50 - \$60 billion resort with construction expected to commence as early as late 2014
- Grand Waldo Complex – Plan to unveil plans in mid 2014 and to re-launch in early 2015
- Hengqin Island – Developing concept plans for the 2.7 sq km land parcel

Balance Sheet: Continues to be Healthy and Liquid

- Cash on hand of \$11.7 billion as at 31 March 2014
- Virtually debt free with a net cash position of \$11.3 billion

Dividend: Announced Special Dividend

- As previously announced a special dividend of \$0.70 per share will be paid on or about 31 July 2014



Dr. Lui Che Woo, Chairman of GEG said:

“2014 has begun well for the Group and for Macau as a whole. GEG’s success is underpinned by our commitment to provide customers with a truly memorable experience, by offering the highest quality resort facilities and delivering ‘World Class, Asian Heart’ service. We believe that this truly differentiates GEG.

Both Galaxy Macau™ and StarWorld Macau performed very well during the quarter. Revenue and earnings at Galaxy Macau™ continued to increase in a sustainable way. As an established property, StarWorld Macau’s year-on-year growth was especially noteworthy, driven by growing mass gaming revenues.

Our future remains bright. Construction of Phase 2 of Galaxy Macau™ is on budget and on schedule to complete by mid-2015, providing our customers with an ever wider array of quality facilities and services. Construction of Phases 3 and 4 will begin as early as the end of the year, refitting works are underway at the Grand Waldo Complex and plans for our site on Hengqin Island are moving forward. We also continue to explore new opportunities to expand our success beyond Macau. We are confident that our development pipeline will translate into sustainable future earnings growth and enhance value for our shareholders.

In February this year, I was delighted to receive the Outstanding Contribution Award at the International Gaming Awards in London. This award, and GEG winning the Casino Operator of the Year Australia/Asia for the third consecutive year, recognizes the enormous hard work and success of all our 16,000 team members. I would like to take this opportunity, once again, to thank all the staff for their tireless hard work in pursuit of making GEG ‘globally recognized as Asia’s leading gaming and entertainment corporation’.

Group Financial Results

The Group posted record quarterly revenue and earnings in the first quarter of 2014. Revenue increased by 33% year-on-year to \$20.2 billion, while Adjusted EBITDA improved 38% year-on-year to \$3.8 billion. As of 31 March 2014, the latest twelve months Adjusted EBITDA climbed 30% to \$13.6 billion. Galaxy Macau™ achieving 44% year-on-year growth in Adjusted EBITDA and StarWorld Macau delivering Adjusted EBITDA up 26% year-on-year, were the key factors in driving in Group earnings.

A key contributing factor in the Group’s earnings growth was the strong performance in both the VIP and the mass segment. The Group’s total gaming revenue on a management basis¹, in Q1 2014 grew 33% year-on-year to \$20.2 billion as total mass table revenue increased 37% year-on-year to \$5.1 billion and total VIP revenue grew 32% year-on-year to \$14.6 billion.

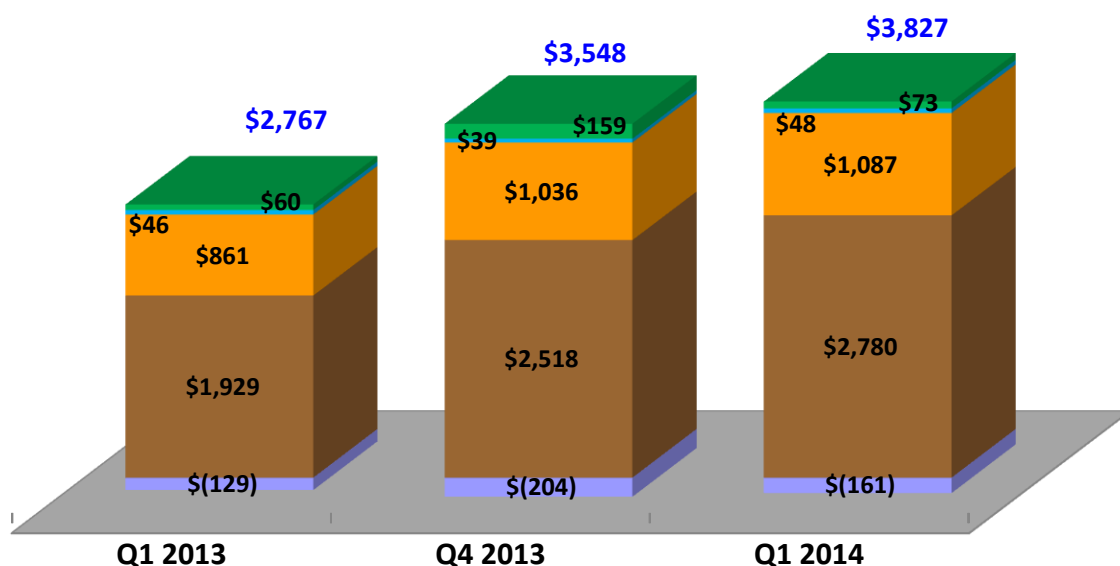
As of 31 March 2014, cash on hand stood at \$11.7 billion, including restricted cash of \$0.4 billion. The Group is virtually debt free and reported a net cash position of \$11.3 billion at the period end.

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.



Group Adjusted EBITDA (HK\$'m)

■ Galaxy Macau™ ■ StarWorld Macau ■ City Clubs ■ Construction Materials ■ Net Corporate Costs



Galaxy Macau™

In Q1 2014, Galaxy Macau™ reported its 11th consecutive quarter of Adjusted EBITDA growth, up 44% year-on-year and 10% sequentially, to \$2.8 billion. Revenue of \$12.8 billion, represented an increase of 44% year-on-year and 9% sequentially.

Both mass and VIP net win were up by 47% to \$3.3 billion and \$8.7 billion respectively on a year-on-year basis in the first quarter. Non-gaming revenue in the quarter remained broadly in line with the same period last year, but grew 7% quarter-on-quarter to \$375 million. Hotel occupancy at Galaxy Macau™ which encompasses three five star hotels was 98%. Adjusted EBITDA margin for the period was 22% (Q1 2013: 22%) calculated under HKFRS, or 31% under US GAAP (Q1 2013: 30%). The property generated a latest twelve months ROI² of 56%.

VIP Gaming

HK\$'m	Q1 2013	Q4 2013	Q1 2014	YoY%	QoQ%
Turnover	168,014	236,793	252,834	50%	7%
Net Win	5,910	8,143	8,697	47%	7%
Win %	3.5%	3.4%	3.4%		

² ROI calculated based on the total Adjusted EBITDA for the latest twelve months divided by gross book value through 31 March 2014 including allocated land cost.



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Mass Gaming

HK\$'m	Q1 2013	Q4 2013	Q1 2014	YoY%	QoQ%
Table Drop	6,694	7,345	7,368	10%	0.3%
Net Win	2,261	2,932	3,331	47%	14%
Hold %	33.8%	39.9%	45.2%		

Electronic Gaming

HK\$'m	Q1 2013	Q4 2013	Q1 2014	YoY%	QoQ%
Slots Handle	6,187	7,708	8,918	44%	16%
Net Win	359	371	412	15%	11%
Hold %	5.8%	4.8%	4.6%		

StarWorld Macau

StarWorld Macau achieved its highest ever quarterly revenue of \$6.8 billion, an increase of 19% year-on-year and 8% sequentially; and record quarterly Adjusted EBITDA of \$1.1 billion, an increase of 26% year-on-year and 5% sequentially. These results were driven by a healthy 43% year-on-year increase in mass revenue to \$1.1 billion. StarWorld Macau also delivered a strong performance in VIP, with revenue up 16% year-on-year and 12% sequentially to \$5.6 billion. Hotel occupancy continued to be near full capacity at 98%. Adjusted EBITDA margin under HKFRS and US GAAP remained broadly consistent with the same period last year at 16% and 26%, respectively. StarWorld Macau reported a latest twelve months ROI³ of 111%.

VIP Gaming

HK\$'m	Q1 2013	Q4 2013	Q1 2014	YoY%	QoQ%
Turnover	149,440	181,548	180,213	21%	-1%
Net Win	4,805	4,964	5,556	16%	12%
Win %	3.2%	2.7%	3.1%		

Mass Gaming

HK\$'m	Q1 2013	Q4 2013	Q1 2014	YoY%	QoQ%
Table Drop	2,664	2,935	2,934	10%	-0.03%
Net Win	802	1,193	1,147	43%	-4%
Hold %	29.6%	40.2%	38.6%		

Electronic Gaming

HK\$'m	Q1 2013	Q4 2013	Q1 2014	YoY%	QoQ%
Slots Handle	898	781	997	11%	28%
Net Win	64	53	52	-19%	-2%
Hold %	7.1%	6.8%	5.2%		

³ ROI calculated based on the total Adjusted EBITDA for the latest twelve months divided by gross book value through 31 March 2014 including allocated land cost.



City Clubs and Construction Materials Division

City Clubs' Adjusted EBITDA in the first quarter was \$48 million, up 4% year-on-year.

The Construction Materials Division delivered a 22% year-on-year increase in Adjusted EBITDA to \$73 million.

Selected Awards in 2014

	Award	Organization
GEG	Best Managed Companies in Asia 2014 – Gaming	Euromoney Magazine
	Casino Operator of the Year Australia / Asia	International Gaming Awards
Galaxy Macau™	Top 10 Resort Hotels of China	China Hotel Starlight Awards
	Hurun Report Best of the Best Awards – Luxury Hotel in Macau Star Performer	Hurun Report
StarWorld Macau	Best Service Hotel	Golden Horse Award of China Hotel
	Top 10 Glamorous Hotels of China	China Hotel Starlight Awards

Development Update

Phases 2, 3 & 4

Building on the success of Phase 1, GEG is progressing well with its construction of Phase 2 of Galaxy Macau™. Set to almost double the footprint of the existing property, and due to complete on budget and on schedule by mid-2015 as Macau's next major project.

Cotai Phases 3 & 4 design plans are in the final stages and we expect to commence construction as early as late 2014 with an investment of \$50-\$60 billion.

Grand Waldo Complex

Refitting works are well underway at the Grand Waldo Complex. We anticipate unveiling our plans in mid 2014 and re-launching the property in early 2015. It is strategically located adjacent to Galaxy Macau™ and will be complementary to our Cotai development.



Hengqin Island

GEG continues to develop the concept plans for the 2.7 square kilometre land parcel in Hengqin Island. With beautiful natural landscape including approximately 2.5 kilometres of waterfront coastline, we plan to invest RMB10 billion to build a world class destination resort, which will complement GEG's business in Macau, significantly differentiate us from our competitors and play a key role in supporting Macau to become a world centre of tourism and leisure.

Outlook

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

Phase 2 of Galaxy Macau™ will see a continuation of this tailoring and significant diversification of the Group's offering, as will Phases 3 and 4, together with the re-launch of the Grand Waldo Complex and the development in Hengqin Island, strategically positions GEG to capture future opportunities. Our strong development pipeline is set to complete in parallel alongside major infrastructure improvements. We are also actively exploring new opportunities to expand into overseas markets and enhance value for our shareholders.

Notwithstanding the recent press reports and associated share price volatility, we believe that Macau's prospects in the short, medium and long-term continue to be very bright, and GEG looks to its future with confidence. GEG's development pipeline, against a backdrop of continuing economic growth in Asia, strategically positions the Group to create value for many years to come, and support Macau's efforts to diversify its economy and become a world class tourism destination.

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About Galaxy Entertainment Group (HKEx stock code: 27)

Galaxy Entertainment Group Limited (“GEG”) is one of Asia’s leading gaming and entertainment corporations, and is a member of the Hang Seng Index.

GEG primarily develops and operates hotels, gaming and integrated resort facilities in Macau, the only legal gaming location in China and the largest gaming entertainment market in the world.

The two flagship properties of GEG include Galaxy Macau™, a world class integrated destination resort opened in May 2011 at Cotai, and StarWorld Macau, an award-winning property opened in 2006 on the Macau peninsula.

In April 2012, GEG announced the development of Galaxy Macau™ Phase 2 that will nearly double the size of the existing resort to one million square metres. Upon its targeted completion by mid-2015, Galaxy Macau™ Phase 2 will bring to Macau some of the most exciting entertainment, leisure, retail and MICE facilities. In December 2012, GEG outlined its concept plans for Phases 3 & 4 of its Cotai landbank and expects to commence construction as early as late 2014.

Recently GEG entered into a framework agreement with the Hengqin Island authority to develop a 2.7 square kilometre land parcel for a world class destination resort in Hengqin Island. This project will complement GEG’s business in Macau and differentiate us from our peers, as well as play a key role in supporting Macau to become a world centre of tourism and leisure.

Additionally, GEG operates a Construction Materials Division.

For more information, please visit www.galaxyentertainment.com.

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