

SKYCITY Entertainment Group Limited

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27th May, 2015

ASX Market Announcements
Australian Stock Exchange
Exchange Centre
Level 6
20 Bridge Street
Sydney NSW 2000
Australia

Dear Sir/Madam

**RE: SKYCITY ENTERTAINMENT GROUP LIMITED (SKC)
Investor Day Presentations and Trading Update**

Please see our Market Release and Presentation attached.

Yours faithfully



Peter Treacy
Company Secretary

MARKET RELEASE

27 May 2015

Investor Day Presentations and Trading Update

SKYCITY Entertainment Group Limited (NZX/ASX:SKC) is hosting investor presentations in Auckland today and Adelaide tomorrow. The presentations being given are attached to this release.

As part of the investor presentations, SKYCITY will provide a trading update for the financial year-to-date to 24 May 2015. The key highlights of the trading update, relative to the prior comparable periods, are:

- Normalised group revenue (including gaming GST) is up 10.0% for 2H15 year-to-date, as compared to 9.2% in 1H15;
- Actual group revenue (including gaming GST) is up 17.9% for 2H15 year-to-date, reflecting a significantly improved IB win rate;
- Auckland has continued to perform strongly:
 - Normalised revenue (including gaming GST but excluding IB revenue) is up 10.7% for 2H15 year-to-date, as compared to 9.3% in 1H15;
 - Including IB revenue, normalised revenue (including gaming GST) is up 14.5% for 2H15 year-to-date;
- Hamilton has improved significantly in 2H15 vs 1H15, with normalised revenue (including gaming GST but excluding IB revenue) up 6.0% for 2H15 year-to-date;
- Adelaide is also showing clear signs of recovery since the major refurbishment, with normalised revenue (including gaming GST but excluding IB revenue) up 5.2% for 2H15 year-to-date, as compared to 0.5% in 1H15;
- Darwin has continued to experience challenging trading conditions, with normalised revenue (including gaming GST but excluding IB revenue) down 2.8% for 2H15 year-to-date;
- International Business (IB) has continued to achieve strong growth:
 - IB group turnover for FY15 year-to-date is up 63% to \$8.62 billion;
 - Actual IB revenue (including gaming GST) for FY15 year-to-date is up 99% to \$118 million, buoyed by an improved win rate of 1.37% (vs 1.12% in the pcp); and
- EBITDA margins across the group in 2H15 year-to-date are broadly consistent with those achieved in 1H15.

Further details on the trading update are provided on pages 12 to 16 of the attached investor presentations.

SKYCITY will announce its annual results for the 2015 financial year on 12 August 2015.

Note: Normalised revenue is adjusted for IB at a theoretical win rate of 1.35%.

For more information on the content of this release please contact:

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Investor Relations & Corporate Development Manager

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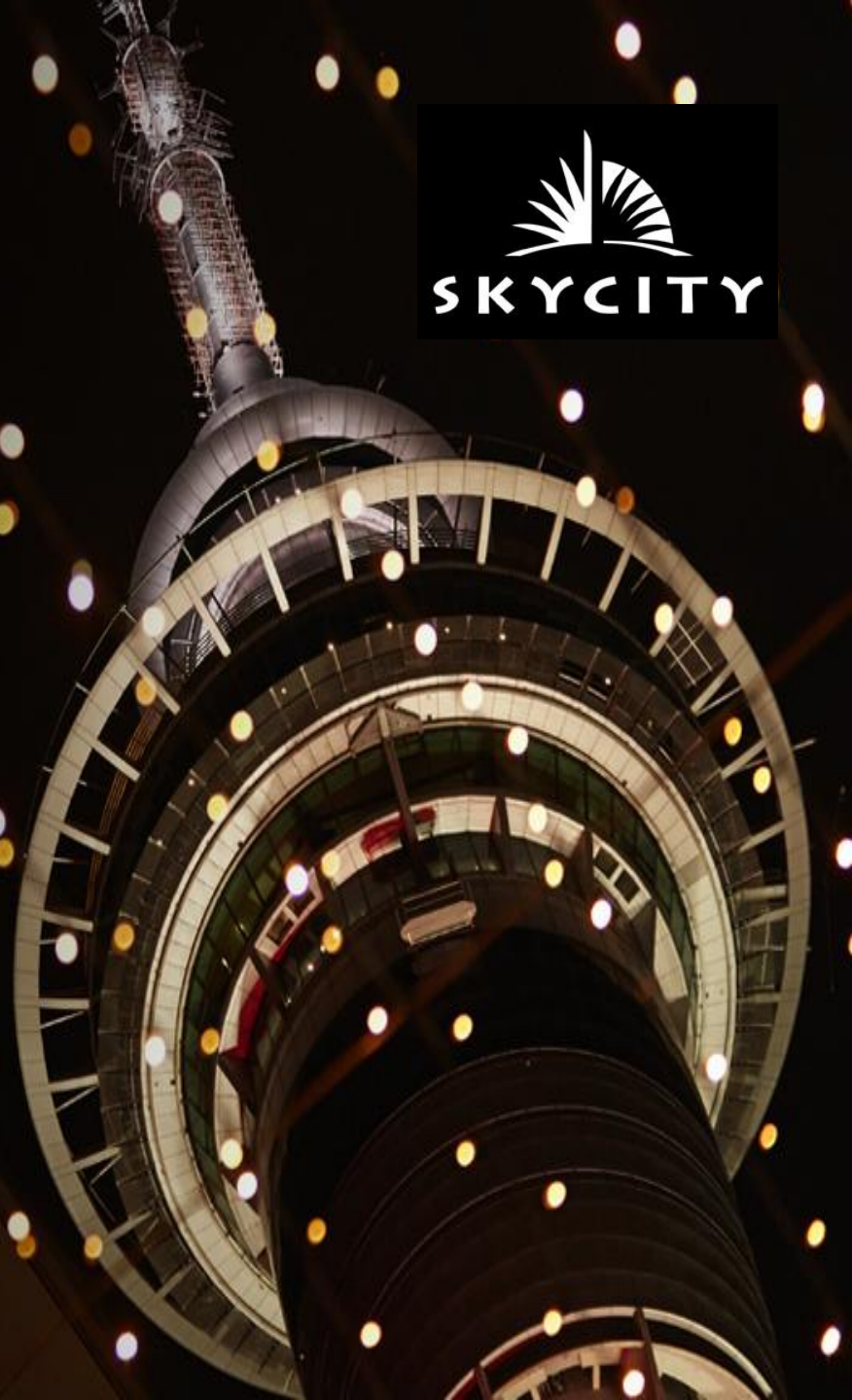
**SKYCITY Entertainment
Group Limited**



**Auckland & Adelaide
Investor Day(s)**

Investor Presentation

May 2015





Auckland Investor Day

27 May 2015

Introduction

Nigel Morrison
CEO



Introduction & Welcome

■ Aspirations for the Investor Day(s)

1

Update the market on our current thinking on group strategy, and the challenges and opportunities associated with each of our businesses

2

Map out our approach to capital management and delivery of shareholder returns

3

Provide a current trading update for the YTD period to 24 May 2015

4

Provide an update on the progress of our major capital projects in Auckland and Adelaide

Senior Management Presenting



Nigel Morrison, CEO



Rob Hamilton, CFO



Simon Jamieson, Group GM -
NZICC Development &
Tourism



Ejaaz Dean, President IB



Matt Ballesty, Assistant GM,
SKYCITY Auckland



Aaron Morrison, Acting GM,
SKYCITY Adelaide



Michele Baillie, GM, SKYCITY
Hamilton



Callum Mallet, Acting GM
SKYCITY Darwin

Programme: Auckland, 27 May

Time	Event	Speaker / coordinator
10.00am-10.30am	Registration at Conservatory, Level 7, SKYCITY Grand Hotel	Ben Kay & Stephanie Warren
10.35am	Welcome	Nigel Morrison
10.45am	Property tour	Matthew Ballesty, Ben Kay & Judd Hallas
11.45am	Group update and trading	Nigel Morrison
12.45pm	Lunch: Group performance and capital management	Rob Hamilton
1.45pm	Update on NZICC project	Nigel Morrison, Rob Hamilton & Simon Jamieson
2.45pm	Update on Auckland operations	Matt Ballesty
3.30pm	Update on Hamilton operations	Michelle Baillie
4.15pm	Conclusions & closing remarks	Nigel Morrison

Programme: Adelaide, 28 May

Time	Event	Speaker / coordinator
10.30am-11.00am	Registration at Station Road Entry Vestibule, Adelaide Casino	Ben Kay & Judy Salvemini
11.00am	Welcome	Rob Hamilton
11.15am	Property tour & walk of Riverbank precinct	Aaron Morrison, Tim White & Ben Kay
12.30pm	Lunch: Presentation from Renewal SA	Renewal SA
1.15pm	Update on Adelaide operations	Aaron Morrison
2.15pm	Update on Adelaide redevelopment project	Aaron Morrison & Tim White
3.00pm	Break	
3.30pm	Update on Group IB	Ejaaz Dean
4.15pm	Update on Darwin operations	Callum Mallet
5.00pm	Conclusions & closing remarks	Rob Hamilton

Group Update and Trading

Nigel Morrison

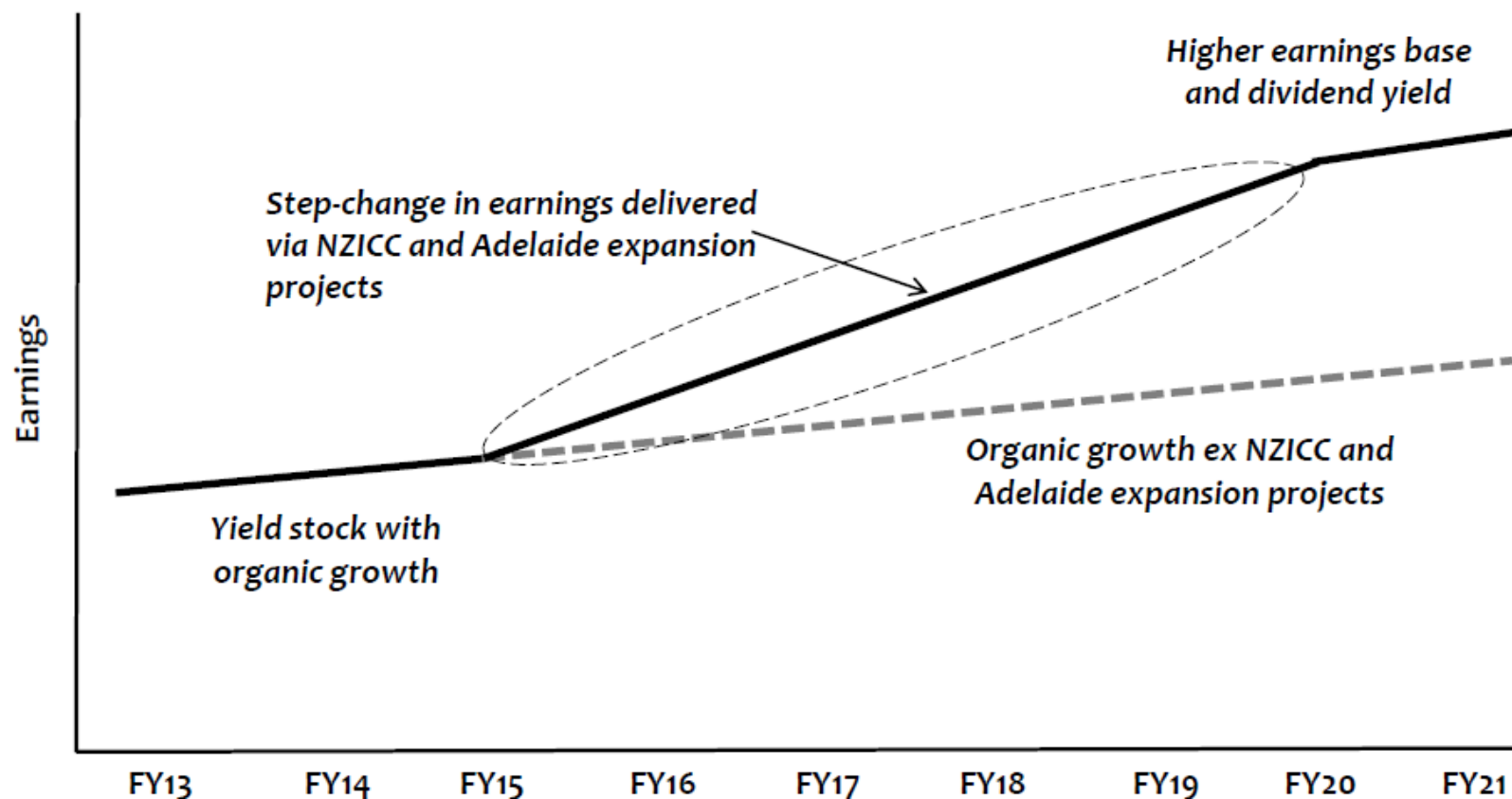


Strategy & Vision

- Primary objective of the SKYCITY Board of Directors and Senior Management team is to drive earnings growth in order to maximise total shareholder return
- Key tenets to deliver growth and maximise shareholder value:
 1. Maximising the potential of our existing casino licences
 2. Ensuring our properties are world-class integrated entertainment destinations
 3. Focusing on our customers and exceeding their expectations
 4. Successfully planning and executing our two major growth projects
 5. Delivering strong and sustainable earnings across our underlying business
 6. Identifying and executing strategic initiatives which complement our core business
 7. Having constructive partnerships with governments, regulators and other key stakeholders
 8. Being a pro-active and supportive member of our local communities
 9. Being a responsible corporate citizen

Key Elements of Strategy

- NZICC and Adelaide expansion projects should deliver significant lift in both earnings and dividends



Investment in Brand



Please find a copy of the recent SKYCITY advert at <https://youtu.be/i5wJkcjKbbs>

Overview of Recent Performance

- Significant investment (over \$250 million over past 3 years) in new projects delivering growth
 - Horizon IB suites and salons across Auckland, Adelaide and Darwin
 - Auckland premium gaming spaces (Black, Platinum, Baccarat Room, Eight)
 - World-class restaurant precinct in Auckland
 - Refurbishment of SKYCITY Grand hotel in Auckland
 - Darwin Lagoon Resort
 - Hamilton premium gaming spaces
 - Adelaide interim redevelopment, with new and contemporary gaming spaces and 2 new signature restaurants
- Significant investment in gaming systems and technologies
- Recent management changes across the group having a positive impact

Overview of Recent Performance

Revenue Update for YTD to 24 May 2015

	2H15 HY YTD \$m	2H14 HY YTD \$m	Movement %	FY15 May YTD \$m	FY14 May YTD \$m	Movement %
New Zealand Casinos						
▪ Auckland	247.5	216.2	14.5%	550.1	474.2	16.0%
▪ Hamilton	19.9	18.7	6.3%	45.1	43.6	3.4%
▪ Queenstown / Other	10.4	5.7	83.8%	16.9	12.2	38.7%
Total New Zealand	277.9	240.6	15.5%	612.1	530.0	15.5%
Australian Casinos						
▪ Adelaide (A\$)	67.0	67.0	(0.0%)	154.2	150.1	2.7%
▪ Darwin (A\$)	49.1	46.6	5.4%	122.3	119.6	2.3%
Total Australia (A\$)	116.1	113.6	2.2%	276.5	269.7	2.5%
Total Australia at LY fx rate (NZ\$)	125.3	122.6	2.2%	307.6	300.2	2.5%
Normalised Revenue at constant currency	403.1	363.2	11.0%	919.7	830.2	10.8%
Exchange rate impact	(3.8)			(10.3)		
Normalised Revenue at actual currency	399.4	363.2	10.0%	909.4	830.2	9.5%
Actual Revenue at actual currency	415.6	352.6	17.9%	911.1	817.8	11.4%
International Business actual win rate %	1.77%	0.96%		1.37%	1.12%	
International Business turnover	3,896.1	2,726.8	42.9%	8,622.8	5,302.0	62.6%

Note: Normalised Revenue is adjusted for IB at theoretical win rate of 1.35%

Overview of Recent Performance

Property by Property Growth Rates (ex-IB)

	2H15 HY YTD \$m	2H14 HY YTD \$m	Movement %	1H15 \$m	1H14 \$m	Movement %
New Zealand Casinos (ex IB)						
▪ Auckland	214.0	193.3	10.7%	257.5	235.6	9.3%
▪ Hamilton	19.8	18.6	6.0%	25.2	24.9	1.2%
▪ Queenstown / Other	5.3	5.0	5.1%	5.8	5.9	(2.1%)
Total New Zealand	239.1	217.0	10.2%	288.5	266.4	8.3%
Australian Casinos (ex IB)						
▪ Adelaide (A\$)	60.1	57.2	5.2%	77.0	76.6	0.5%
▪ Darwin (A\$)	43.0	44.2	(2.8%)	67.3	69.6	(3.4%)
Total Australia (A\$)	103.1	101.4	1.7%	144.2	146.2	(1.3%)
Total Australia at LY fx rate (NZ\$)	111.2	109.4	1.7%	163.5	165.7	(1.3%)
International Business ("IB") at constant currency	52.8	36.8	43.5%	64.6	34.8	85.8%
Normalised Revenue at constant currency	403.1	363.2	11.0%	516.6	467.0	10.6%
Exchange rate impact	(3.7)			(6.6)		
Normalised Revenue at actual currency	399.4	363.2	10.0%	510.0	467.0	9.2%
Actual IB at actual currency	68.8	26.3	162.2%	49.3	33.1	48.9%
Actual Revenue at actual currency	415.6	352.6	17.9%	495.5	465.2	6.5%

Note: Normalised Revenue is adjusted for IB at theoretical win rate of 1.35%

Overview of Recent Performance

Observations & Trends (1 of 2)

- Normalised group revenue (including gaming GST) is up 10.0% for 2H15 YTD, as compared to 9.2% in 1H15
- Actual group revenue (including gaming GST) is up 17.9% for 2H15 YTD, reflecting a significantly improved IB win rate
- Auckland has continued to perform strongly:
 - Normalised revenue (including gaming GST but excluding IB revenue) is up 10.7% for 2H15 YTD, as compared to 9.3% in 1H15
 - Including IB revenue, normalised revenue (including gaming GST) is up 14.5% for 2H15 YTD
- Hamilton has improved significantly in 2H15 vs. 1H15, with normalised revenue (including gaming GST but excluding IB revenue) up 6.0% for 2H15 YTD
- Adelaide is also showing clear signs of recovery since the major refurbishment, with normalised revenue (including gaming GST but excluding IB revenue) up 5.2% for 2H15 YTD, as compared to 0.5% in 1H15

Overview of Recent Performance

Observations & Trends (2 of 2)

- Darwin has continued to experience challenging trading conditions, with normalised revenue (including gaming GST but excluding IB revenue) down 2.8% for 2H15 YTD
- IB has continued to achieve strong growth:
 - Group turnover for FY15 YTD is up 63% to \$8.62 billion
 - Actual revenue (including gaming GST) for FY15 YTD is up 99% to \$118 million, buoyed by an improved win rate of 1.37% (vs. 1.12% in the pcpc)
- EBITDA margins across the group in 2H15 YTD are broadly consistent with those achieved in 1H15
 - Auckland margins maintained on 1H15 and improving on the pcpc
 - Adelaide margins improving on 1H15, but unlikely to exceed the pcpc
 - Darwin, Hamilton and Queenstown margins all improving on the pcpc

Key Events Since 1H15 Result (11 February 2015)

■ NZICC project

- NZ Government confirmed no financial contribution to NZICC (February 2015)
- SKYCITY and NZ Government agreed Preliminary Design (26 May 2015)

■ Adelaide car park

- SA Govt and Walker Corp agreed A\$610 million transformation of Festival Plaza precinct (19 March 2015)
- SKYCITY agreed an exclusive lease for 750 spaces (of 1,560 available spaces) for use by the Adelaide Casino (out to 2035) (19 March 2015)

■ Darwin Community Benefit Levy

- NT Government imposed Community Benefit Levy on casinos, 10% of gaming machine revenue from 1 July 2015 (28 April 2015)
- Annual cost of \$6 million and NPAT impact of \$4 million, all things being equal
- Gaming tax review scheduled for July/August – required to take account of new levy

Key Milestones for Remainder of 2015

- NZICC planning and approvals
 - Resource Consent
 - Procurement of building works contract
 - Activation of gaming concessions
 - Commencement of construction
- Adelaide expansion project
 - Finalising plans for expanded casino and six-star hotel
 - Preparatory works for expansion to commence by the end of 2015
- FY15 result
 - To be announced Wednesday, 12 August 2015
- Darwin tax review
 - Required to be completed by 31 August 2015

Summary & Conclusions

- Exclusive long-term casino licences secured in all jurisdictions
- Properties are major entertainment destinations in all key markets
- Diversified revenue and earnings base – by both geography and business activity
- Achieving organic growth following recent capital investment – especially Auckland, Adelaide and IB
- Good and sustained trading momentum across underlying businesses
- Strong cash flow generation and attractive cash flow yield
- Robust balance sheet
- Significant earnings growth potential from two major projects – NZICC and the Adelaide expansion
- Announcement of approved Preliminary Design with the Crown for the NZICC on 26 May 2015

Questions?



Group Performance and Capital Management

Rob Hamilton
CFO



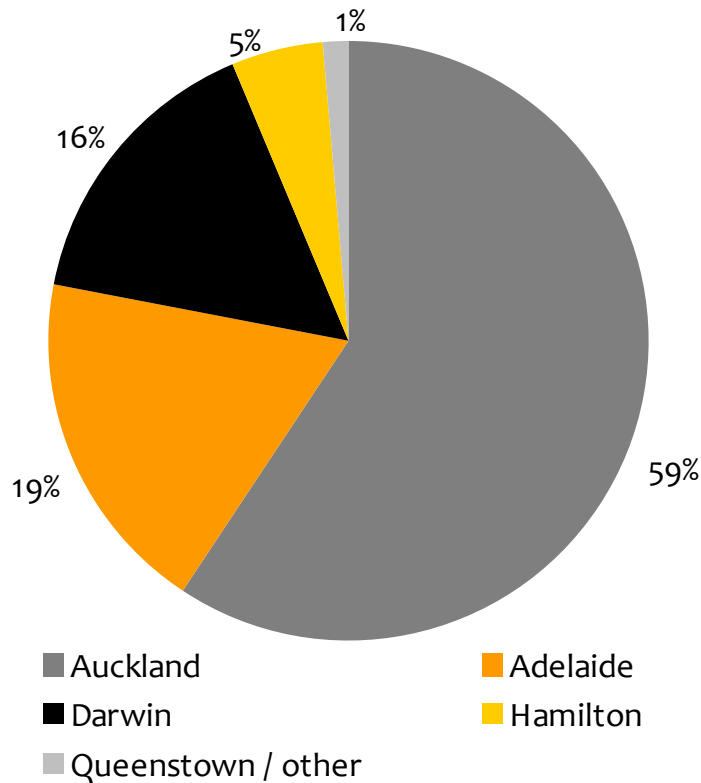
Focus as New CFO

- Working in partnership with businesses
- Enhancing financial performance across the Group
- Maximising returns for our shareholders
- Supporting major projects and strategic initiatives
- Sourcing and allocating capital efficiently
- Mitigating key financial risks across the Group

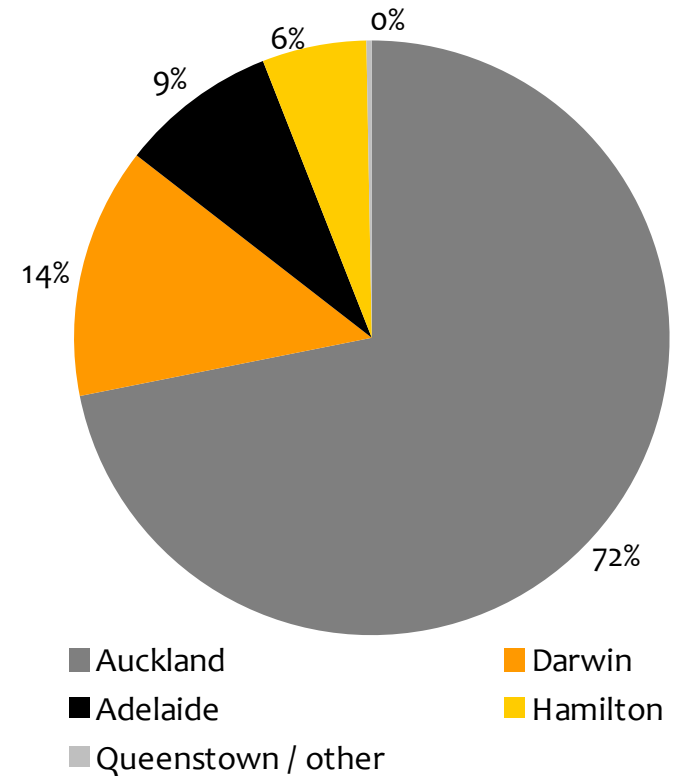
Group Financial Performance – Property Mix

Auckland the bedrock of Group earnings generating ~70% of Group EBITDA

1H15 Normalised Revenue



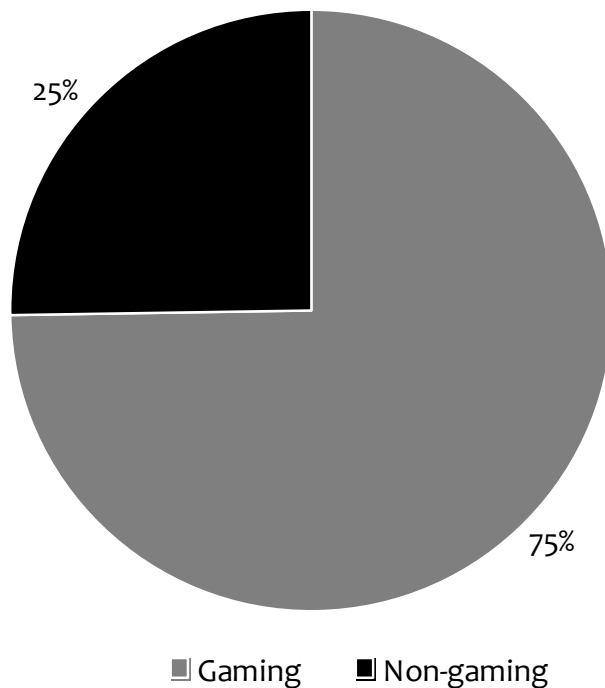
1H15 Normalised EBITDA



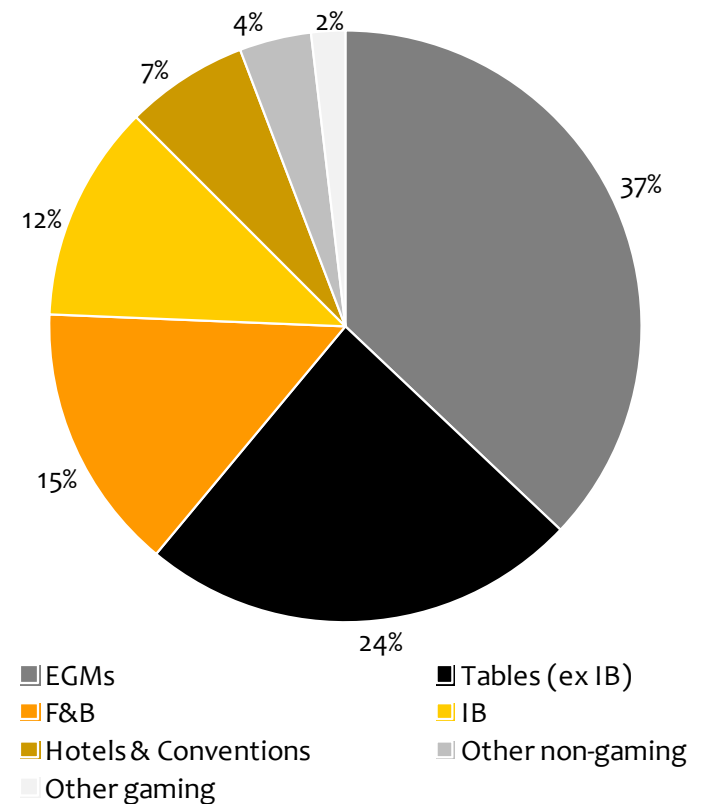
Group Financial Performance – Business Mix

Gaming revenues represent ~75% of total Group revenues

1H15 Normalised Revenue: gaming vs. non-gaming



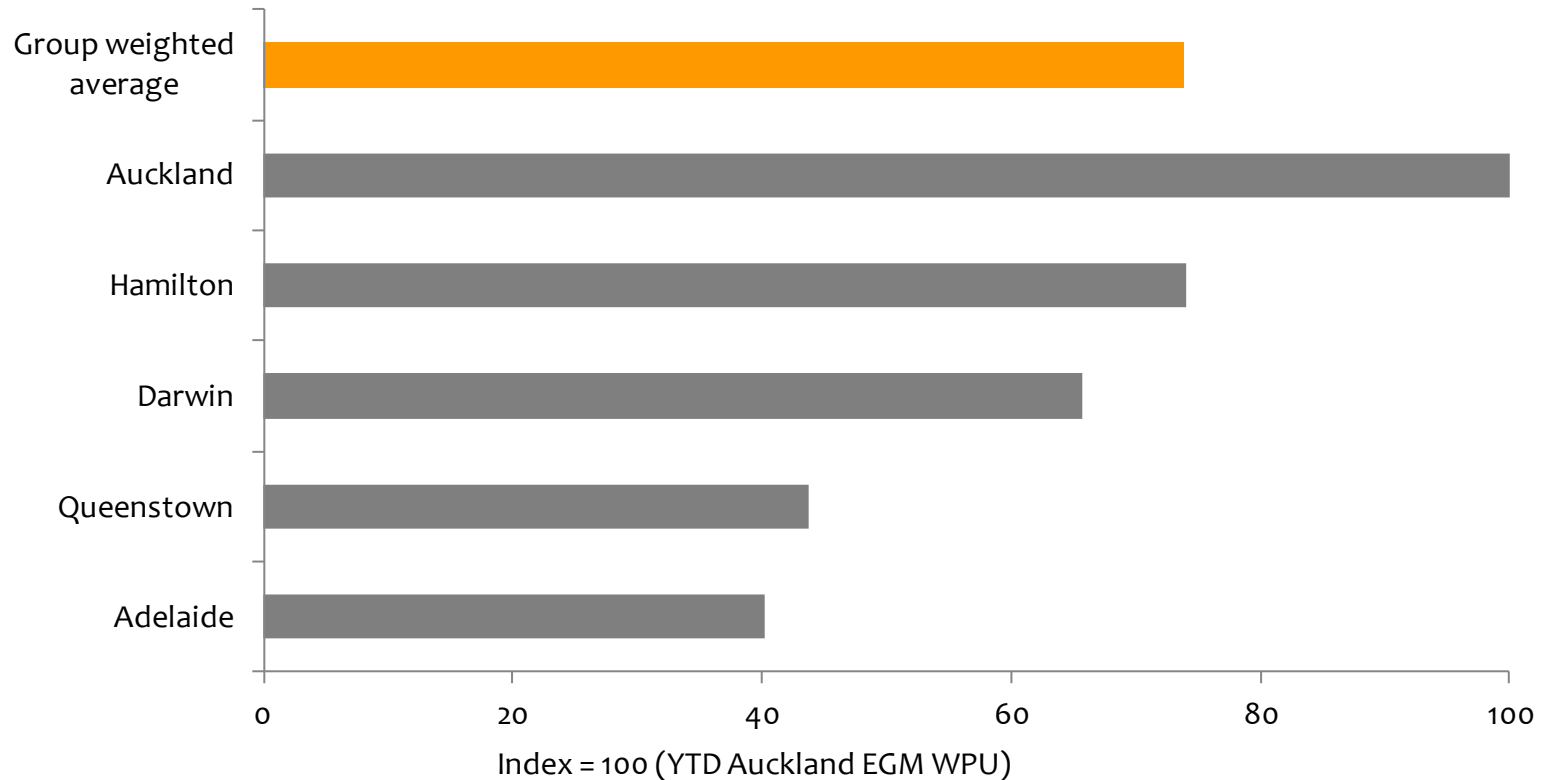
1H15 Normalised Revenue by business segment



Group Financial Performance – EGMs

Lowest EGM WPU being achieved by Adelaide, only 40% of Auckland YTD average

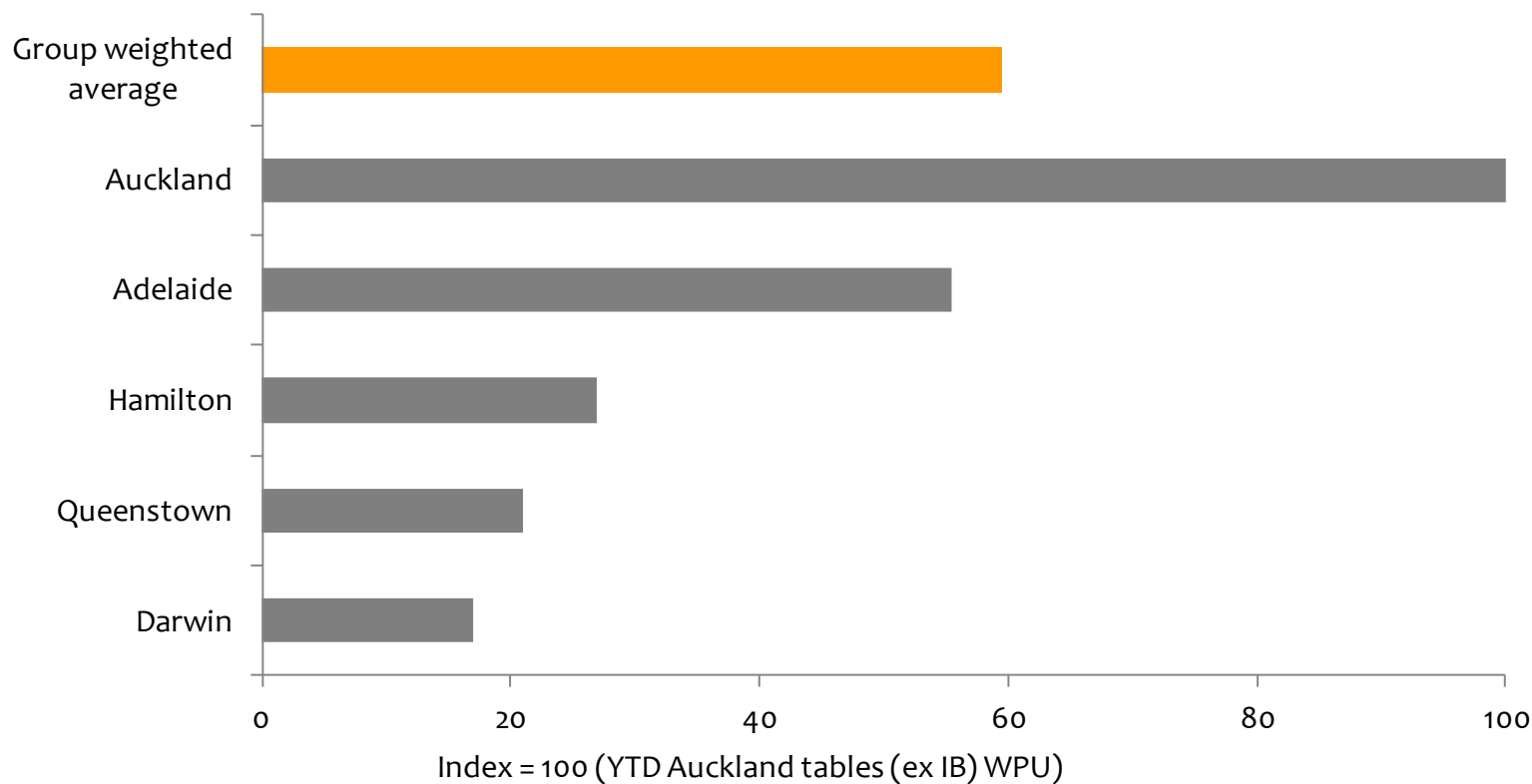
YTD average WPU by property



Group Financial Performance – Tables (ex-IB)

Adelaide tables WPU is around 60% of Auckland YTD average

YTD average WPU (ex-IB) by property



Group Financial Performance – Key Observations

- Significant recent investment in properties now delivering organic growth
- Auckland continues to be the standout performer, with strong growth across all business segments, underpinned by combination of good management and positive external factors
- IB continues to be a strong growth business, with good prospects over the medium-term
- Ongoing structural challenges to deliver sustainable growth in Darwin
- Hamilton and Queenstown benefiting from strong NZ macro environment
- Adelaide disrupted by refurbishment but gradual recovery is now underway
- Strong cash flow generation and robust balance sheet

Macroeconomic Environment – NZ

	Auckland	Hamilton
Real GDP growth	+3.4% in year to year to Dec 2014	+2.9% in year to year to Dec 2014
Employment	+3% in year to Dec 2014	+1.9% in year to Dec 2014
Unemployment	5.7% at Dec 2014	8.1% at Sept 2014
Population	1.53m (est.) at June 2014 (~22% Asian)	153k (est.) at June 2014 (~14% Asian)
Real retail sales	+5.9% in year to Dec 2014	+3.5% in year to Sept 2014
Net migration	+26k in year to April 2015	+817 in year to Sept 2014
International visitor arrivals	+7.0% to 2.2m in year to April 2015 (23% from Asia growing at +20%)	NA
Annual hotel guest nights	+4% to 7.0m in year to Feb 2015	+7.2% to 627k in year to Sept 2014
Consumer confidence	Above 10-year trend and 3% above NZ average	Above 10-year trend but 7% below NZ average
House prices	+17.7% in year to April 2015	+2.7% in year to Sept 2014

Sources: Auckland Council, Hamilton City Council, Statistics NZ, Infometrics, Westpac, REINZ, Auckland Airport

Macroeconomic Environment – Australia

	Adelaide, SA	Darwin, NT
Real GSP growth	~2% in year to year to June 2015	~5% in year to year to June 2015
Employment	+0.3% in year to March 2015	+0.9% in year to March 2015
Unemployment	6.7% at March 2015	4.3% at March 2015
Population	1.30m (est.) at Dec 2014 (~8% Asian)	150k (est.) at Dec 2014
Real retail sales	+5.0% in year to March 2015	-1.1% in year to March 2015
International visitor arrivals	+7% to 390k in year to Sept 2014	+8% to 280k in year to Sept 2014 (10% from Asia)
Consumer confidence	Below long-term trend and Australian average	NA
House prices	+3.4% in year to Feb 2015	Recently turned negative

Source: Australian Bureau of Statistics, South Australian Government, Northern Territory Government, ANZ, CBA, NAB

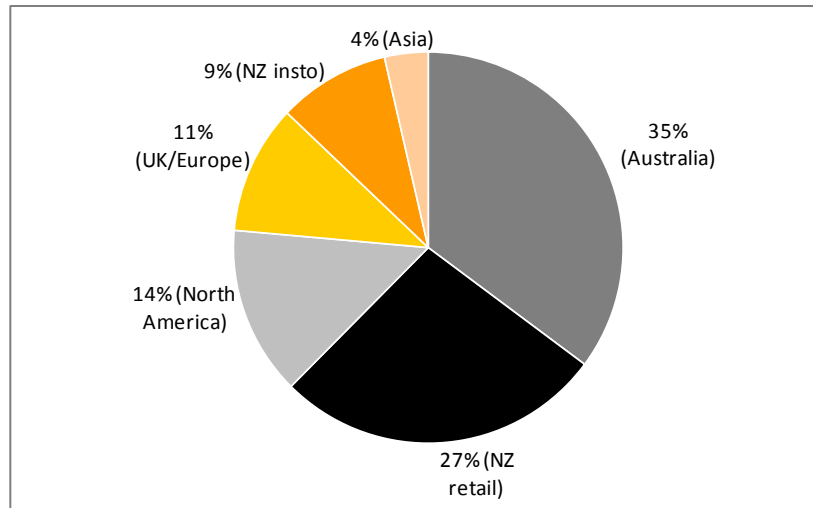
Queenstown Medium-Term Opportunities

- Two small properties, SKYCITY Queenstown and SKYCITY Wharf, only 200m apart
- Combined gaming product of 156 gaming machines and 18 tables
- FY14 normalised revenue of \$14 million and normalised EBITDA of \$2 million
- Venue licences expire in 2025 and 2024 respectively, and property leases expire in 2020 and 2019 respectively
- Iconic location with strong tourism growth:
 - Around 2m visitors per annum, 65% international
 - 28% increase (to 378k) in international visitor arrivals into Queenstown airport in year to March 2015
- Increasingly attractive destination for IB customers, but limited offering and reliant on external hotels and F&B
- Potential medium-term opportunity to enhance VIP offering and/or consolidate licences, but any significant actions would require regulatory changes

Ownership & Research Coverage

- Member of ASX 200 and NZX10 indices
- Open register with largest shareholder around 7%
- Consistently within top 5 most liquid stocks traded on NZX
- Covered by 14 brokers – 5 from NZ, 9 from Australia

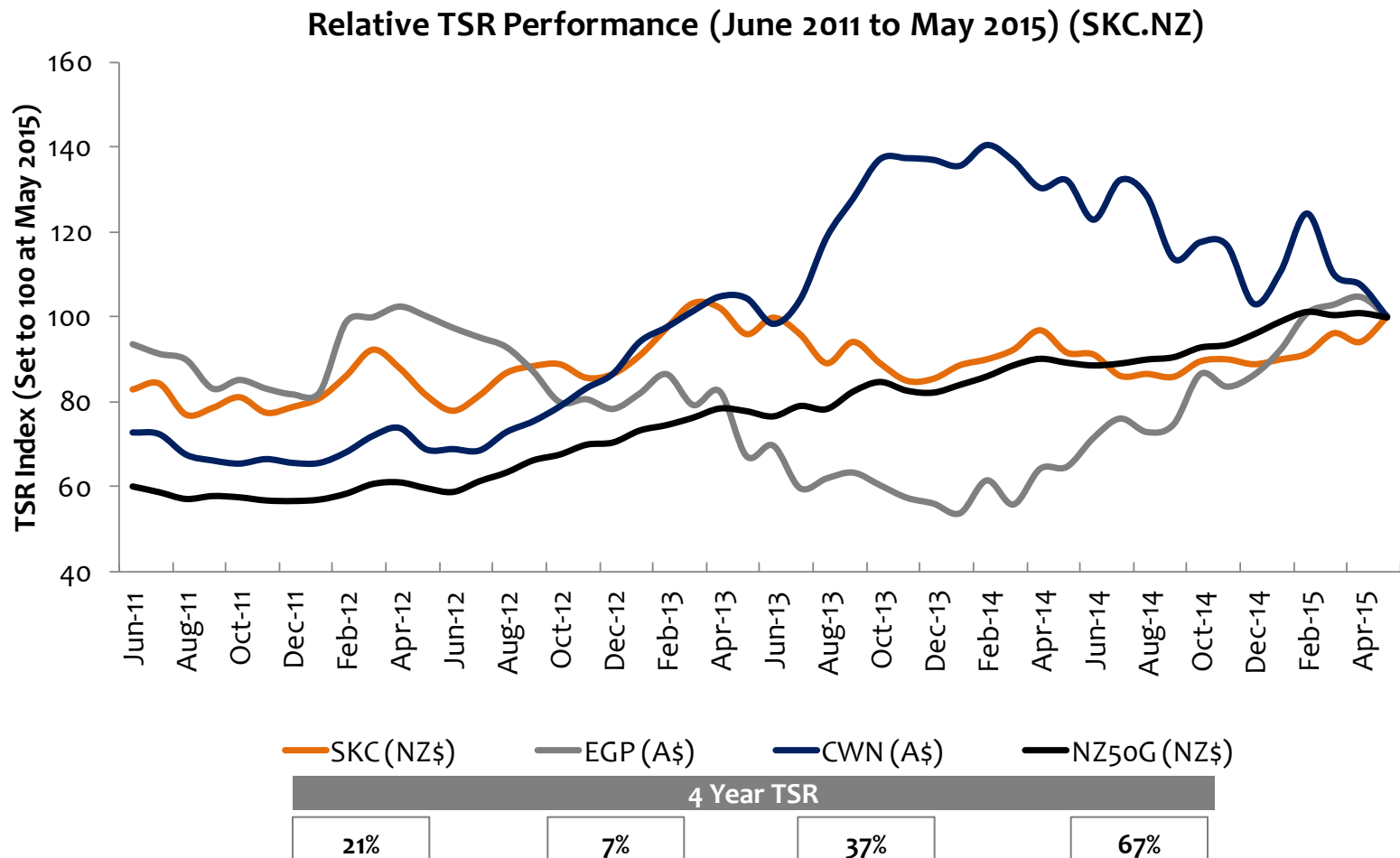
SKYCITY share register (April 2015)



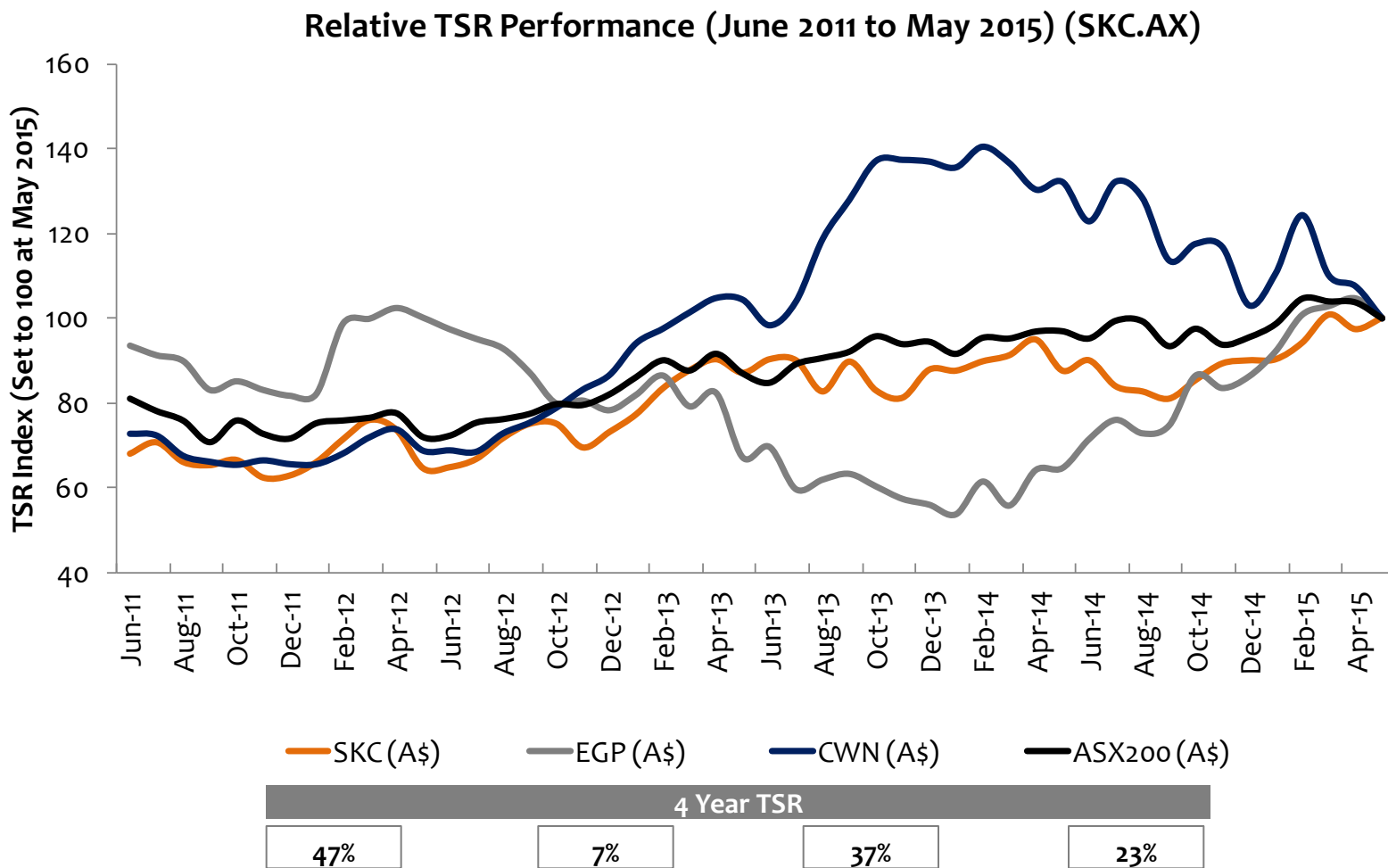
Brokers covering SKYCITY



TSR Performance – Last 4 Years (NZX)



TSR Performance – Last 4 Years (ASX)



Driving Future TSR Performance

- Organic EBITDA and EBIT growth
 - Focus on improving our core businesses
 - Deliver world-class casino entertainment for our customers
 - Benefits of operating and financial leverage (i.e. improving margins)
- Efficient capital usage within the existing business
 - Prudent rationing of maintenance capex
 - Improving cash flow generation
- New projects with expected returns above cost of capital
- Sustaining effective monopoly casinos in the jurisdictions within which we operate
- Mitigating key business risks – e.g. licence expiries, gaming tax rates, regulatory changes

Property Assets

NZ \$million	Book Value ⁽¹⁾	Market Value ⁽²⁾
Land		
Auckland	229	342
Hamilton	8	9
Darwin	27	31
Total Land	264	382
Buildings		
Auckland	468	716
Hamilton	33	75
Darwin	130	218
Total Buildings	631	1,008
Total	895	1,390

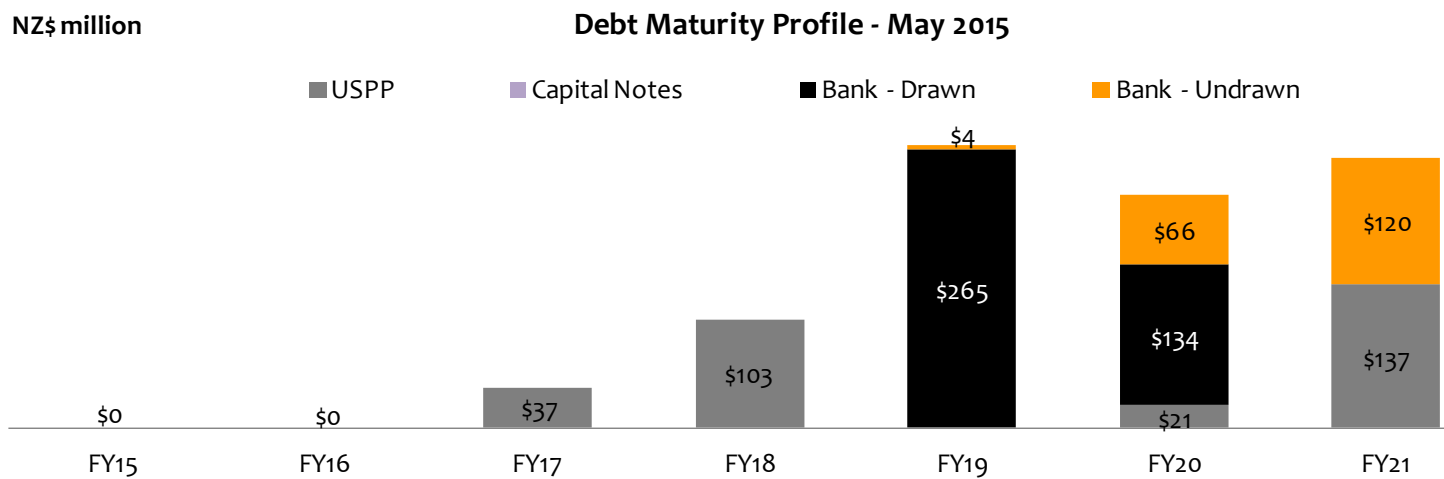
(1) As at 31 March 2015

(2) Latest estimates available over the past 12 months

- Current market value of land and buildings estimated at \$1.39 billion vs. book value (at March 2015) of \$0.89 billion
- Value of land and buildings represents 43% of SKYCITY's enterprise value of \$3.25 billion
- Based on a market value of \$1.39 billion of property assets, SKYCITY would rank 4th amongst NZ largest listed property companies (behind Goodman, Kiwi and Precinct, but ahead of Argosy)
- NZICC project and Adelaide expansion will further increase value of SKYCITY's property assets
- No current plans to separate property assets but will continue to monitor and evaluate options for purposes of funding and maximising shareholder value

Funding & Balance Sheet Outlook (1 of 2)

- Current debt outstanding of \$696 million as at 24 May 2015
 - \$399 million of bank debt
 - \$297 million of USPP notes
- Current unutilised debt funding capacity of \$190 million considered sufficient for expected funding requirements out to the start of FY18
 - Expecting total debt to remain stable over this period
 - Gearing (Debt/EBITDA) should decline slightly with increasing EBITDA over this period
- Weighted average debt maturity of 4.6 years



Funding & Balance Sheet Outlook (2 of 2)

- Still progressing NZ senior bond issue and exploring USPP options
 - Expect to launch NZ senior bond issue post FY15 result announcement
 - USPP options more expensive but offer longer maturities
 - Seeking committed facilities of at least \$1.0 billion by December 2015
- No change in S&P's credit rating guidelines for SKYCITY to retain its BBB- investment grade rating
 - Maximum gearing (Debt/EBITDA) of 3.0x, but some flexibility to slightly exceed this limit
 - Currently expect gearing to peak in FY19 (when both major projects are expected to complete)
- Exploring various funding options to fund major projects, reducing reliance on debt
 - Partnering options with external investors for development / ownership of Hobson St hotel
 - Other property-related options which are mutually beneficial for SKYCITY and investors
 - Potential divestment of Federal Street car park, releasing ~\$40 million (current value)

Dividend Policy

- SKYCITY remains committed to its stated dividend policy for the foreseeable future
 - Dividend payout ratio of not less than 80% of normalised NPAT
 - Subject to minimum dividend of 10cps interim, 10cps final
 - Continuation of dividend reinvestment programme, with a 2% discount

Summary & Conclusions

- Diverse group by geography and business mix, with key drivers continuing to be Auckland and gaming business units
- Macroeconomic outlook continues to be favourable in NZ, although weaker conditions persisting in Australia
- Management maintains a clear focus on the key drivers of TSR performance going forward
- Significant property assets which will increase with further investments in NZICC and Adelaide
- Robust balance sheet with sufficient (and planned increasing) funding headroom out to early 2018
- Exploring a range of property-related options to fund major projects and reduce reliance on debt
- Committed to maintaining both BBB- credit rating and existing dividend policy

Questions?



Update on NZICC Project

Nigel Morrison & Rob
Hamilton



Update on NZICC project (1 of 2)

- Preliminary Design agreed with the NZ Government
- SKYCITY and the Crown have agreed and executed an amended agreement for the development of the NZICC
 - Increase in SKYCITY's minimum capital investment from \$402 million to \$430 million
 - Relocation of FDU land from Wellesley Street to Hobson Street, thereby facilitating the development of the proposed Hobson Street hotel adjacent to the NZICC
 - Replacement of the original design brief with the agreed Preliminary Design
 - The Crown allowing SKYCITY to have greater control over the final stages of design, procurement and construction processes through to the completion of the NZICC
- Intend to construct a new laneway space and increase the total car parks as part of the overall NZICC development

Update on NZICC project (2 of 2)

- Previously announced (and remain committed) to the development of a new 300 room five-star hotel on Hobson Street, adjacent to the NZICC
 - Estimated cost of developing the hotel will be in the order of \$130-\$140 million (excluding land)
 - Forms part of the resource consent application currently being considered by Auckland Council
- SKYCITY remains hopeful of receiving a non-notified resource consent from Auckland Council for the overall development , including the hotel, over the coming months
- Subject to receiving such consent, SKYCITY expects to have a building works contract signed with a construction partner by the end of September 2015
 - Already initiated preliminary discussions with a range of potential construction firms
 - Construction expected to commence before the end of 2015

Expected Total Costs

- SKYCITY estimates the total project cost of the NZICC (as defined in the NZICC Agreement) will increase to \$450-470 million (including land)
 - Reduced from previous upper estimate of \$530 million, announced in December 2014
 - Reflects a significant reduction in the allowance for future construction cost escalation and reduced cost associated with the revised Preliminary Design
- Estimated future capital commitment of completing the NZICC development is estimated at \$430-450 million
 - Includes the laneway and additional car parks, plus other fees and costs
 - Already invested approximately \$113 million to date (primarily land)
- As part of funding the overall NZICC project, SKYCITY is exploring various funding options
 - Partnering options with external investors for development and future ownership of the Hobson St hotel
 - Other property-related funding options which are mutually beneficial for SKYCITY and investors
 - Potential divestment of Federal Street car park (current value ~\$40 million)

Activation of NZICC Gaming Concessions (1 of 4)

Concession	Timing vs. Signing Contract	Comment
TiTo/Cashless/Bill Acceptors	Effective immediately	In July 2013, Korda Mentha (“KM”) estimated TiTo/Cashless would provide a 6% lift on EGM GGR and represent a \$90 million NPV to SKYCITY
230 new EGMs	Vast majority of new product deployed within 3 months	To be deployed across existing main floor and premium rooms. KM estimated a \$111 million NPV to SKYCITY
40 new tables	Approximately a third of new product deployed within 3 months	To be deployed within newly created gaming spaces and existing premium rooms. KM estimated a \$79 million NPV to SKYCITY
240 new ATGs	~50% of new product deployed within 3 months	To be deployed across existing main floor and newly created gaming spaces. KM estimated a \$103 million NPV to SKYCITY
Expanded red line	Effective immediately	Gaming permitted on Federal St side of existing footprint
Extension of venue licence to 2048	Effective immediately	KM estimated a \$75 million value to SKYCITY for the venue licence extension to 2048
Gaming tax rate certainty for 7 years	Effective immediately	Gaming taxes secured at existing rates for a minimum 7 year period
Harm Minimisation	Initiatives well advanced	Additional host responsibility initiatives introduced by SKYCITY

Activation of NZICC Gaming Concessions (2 of 4)

- Gaming concessions become operative following signing NZICC building works contract
- Plans to activate various gaming concessions are well advanced and split into two stages
- **Stage 1:**
 - 70% of new product on existing gaming floor within 3 months of signing building works contract
 - Only minor short-term capital works required (to be completed in June 2015)
 - Constraint on deploying all EGMs due to limited space for tables and requirements to maintain maximum 15:1 ratio for EGMs and ATGs to tables
 - Cashless and TITO ready for rapid deployment across main gaming floor
- **Stage 2:**
 - Need to develop new gaming spaces to accommodate remaining product
 - New Horizon suites and destinational sports bar with gaming product
 - Infill of part of main atrium to expand main gaming floor
 - Deploy remaining EGMs and ATGs once additional tables are deployed (maintain 15:1 ratio)

Activation of NZICC Gaming Concessions (3 of 4)

Gaming concessions activation plan (indicative only)

	Current	Stage 1	Sub-Total	Stage 2	Total
EGMs	1,608	250	1,858	19	1,877
ATGs	39*	80	119	121	240
Tables	110	22	132	18	150
Ratio of EGMs & ATGs to Tables	15.0:1		15.0:1		14.1:1

*Currently included within definition of EGMs

Activation of NZICC Gaming Concessions (4 of 4)

- Allowed up to \$50 million of additional capital expenditure for activation
 - Internal building works at existing Auckland properties
 - Purchase of new gaming product
 - Roll-out of cashless and TITO systems
- SKYCITY remains confident that the NZICC project and other associated developments will be value enhancing for the company and its shareholders

NZICC Preliminary Design

Simon Jamieson
NZICC Project Director



Design Philosophy

The design philosophy for the NZICC maximises functionality through the inherent flexibility of spaces. It provides adaptable and multi-function areas that meet the changing needs and diversity of customers and the convention industry

The NZICC design is an opportunity to create a powerful contemporary expression of Auckland and New Zealand's identity. It creates an authentic and memorable delegate experience for those using the facility, and embodies what it means to both be here in Auckland and in New Zealand as a visitor, and be from here as a local

Design Overview (1 of 2)

- Very proud of the exceptional design and are happy to have reached this milestone
- Revised design is for a slightly smaller centre, but is smart, streamlined and flexible which makes for a clever use of space
- More than 32,000sqm total floor space
- Five times larger than the largest convention centre in NZ which we operate
- Exhibition Hall – can accommodate over 3,000 people theatre-style – it is 8,100sqm overall over six times larger than the NZ room at the current convention centre at 1300sqm
- Three column free exhibition halls
- Plenary theatre seats 2,850 people – the largest theatre in NZ
- Capable of hosting two 1200 delegate Conventions at one time
- At least 24 meeting rooms to support the overall numbers

Design Overview (2 of 2)

- Able to attract new Conventions business between 1,000 and 3,000 delegates
- Not possible to host such events in NZ today – opportunity to win export dollars from Australian cities who have this business now
- Ability to host two of these concurrently
- All facilities of international standard – NZ will now be able to host high-level meetings e.g. APEC, CHOGM, IOC, etc
- All International Association Conferences held in the Asia Pacific region last year were of a size that would be able to be accommodated at the NZICC- appropriately sized

Hobson Street View



Nelson Street View



Cross-Section



Exhibition Hall



Laneway (1 of 2)



Laneway (2 of 2)

- Laneway to house a number of cafes, bars & restaurants
- Aim to create another Federal Street-style eating and entertainment precinct
- Potential to house boutique shopping/retail offerings
- Hub of activity to support the atmosphere of the NZICC and the office population of the area
- Supporting the rejuvenation of Victoria Quarter

Next Steps

- Secure resource consent from Auckland Council
- Sign a building works contract – activate gaming concessions
- Subject to receipt of non-notified resource consent, expect to start construction later this year
- Estimated 3 year build from signing a contract (estimated completion early 2019)

Questions?



Auckland Operations

Matt Ballesty
*Assistant General
Manager, SKY CITY*
Auckland



Introduction to Management



**John Mortensen, COO NZ and
GM SKYCITY Auckland**

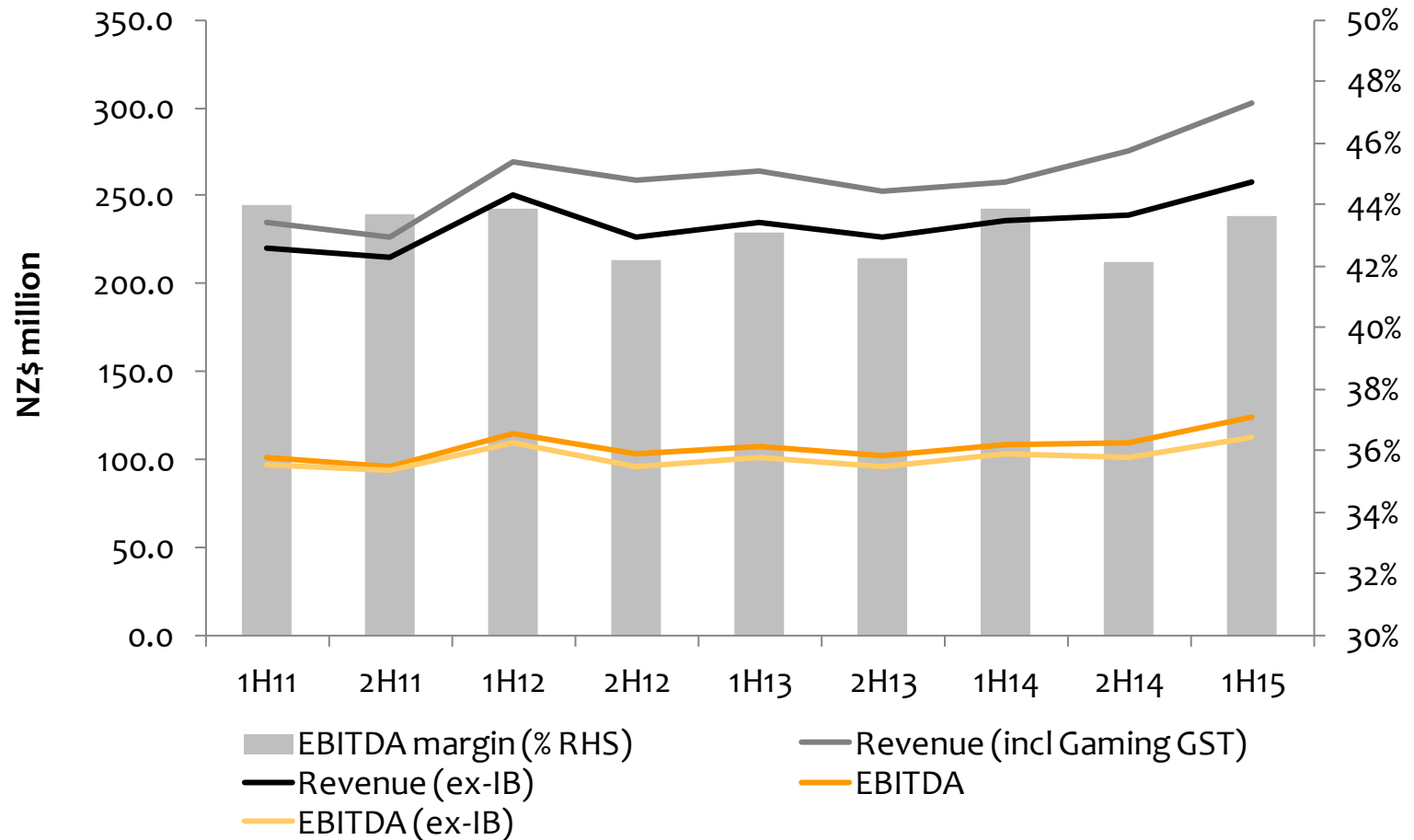


**Matt Ballesty, Assistant GM,
SKYCITY Auckland**

Brief Overview of Business

- Opened in 1996
- Award winning and leading NZ tourism and entertainment destination
- Business activities include gaming, hotels, car parking, restaurants & bars, convention facilities, out-catering and the Sky Tower
- 3,300 employees
- FY14 normalised revenue of \$533 million, FY14 normalised EBITDA of \$218 million
- Auckland represents ~70% of Group EBITDA (FY14)
- Gaming product
 - 1,647 gaming machines (additional 230 machines under NZICC agreement)
 - 110 tables (additional 40 tables under NZICC agreement)
 - Additional 240 ATGs (Vegas Star) under NZICC agreement (currently included under EGMs and tables allocation)
- ~50% of local gaming machine market share in Auckland metropolitan area
- Casino licence expires 2021 (extended to 2048 under NZICC agreement if conditions satisfied)

Recent Financial Performance – Auckland (FY11 – 1H15)



Recent Financial Performance

- Strategic initiatives over past 18 months delivering strong organic growth
- Auckland has delivered 5 quarters of consecutive EBITDA growth, reflecting benefits of being able to offer world-class integrated entertainment facilities
- Strong performance, both local and IB, underpinned by:
 - Revitalized Federal St precinct
 - Success of both SKYCITY Hotels (90% occupancy, with good ADR growth)
 - Strong local tables growth, across all segments (VIP and mass)
 - Robust performance from gaming machines
- Favourable macroeconomic drivers to positively influence the business over the medium-term

Recent Strategic Initiatives Driving Growth

- Investment in gaming facilities
 - IB / Horizon
 - Premium gaming spaces (Black, Baccarat room, Eight, Platinum)
 - New floor refurbishment
- Investment in world-class dining offerings in Federal Street (Masu, the Grill, Gusto, Depot, Fed Deli, Sugar Club)
- Customer stratification and identification
- Strong relationships with key local stakeholders – ATEED events benefiting hotels and Federal Street
- Focus on cost control
- Investment in people – “Quest for the Best”, “Smiles for Miles”
- Investment in market-leading management team

Challenges & Opportunities Over The Medium-Term

Opportunities

- Activation and optimisation of NZICC regulatory concessions
- Leveraging brand
- Continuing to grow and develop customer base and loyalty programme
- Investing in assets which are complementary to existing operations and which will deliver appropriate returns on capital
- Atrium in-fill, Cantonese restaurant and destinalional sports bar concept

Challenges / Risks

- Increased competition in gaming machine space, particularly in premium gaming (offshore)
- Changes to laws / regulations around smoking balconies and other regulatory risks
- Ability to deliver sustained growth in a mature market

Conclusions & Outlook

- NZ's leading entertainment destination
- Strong and focused management team in place
- Strategic initiatives delivering strong growth
- Well positioned to capitalise on new business opportunities over the medium-term
- Operating in strong macroeconomic environment
- NZICC to provide step change in revenue and earnings and drive critical mass to the property

Questions?



Hamilton Operations

Michelle Baillie

*General Manager,
SKY CITY Hamilton*



Introduction to Management



**Michelle Baillie, GM SKYCITY
Hamilton**

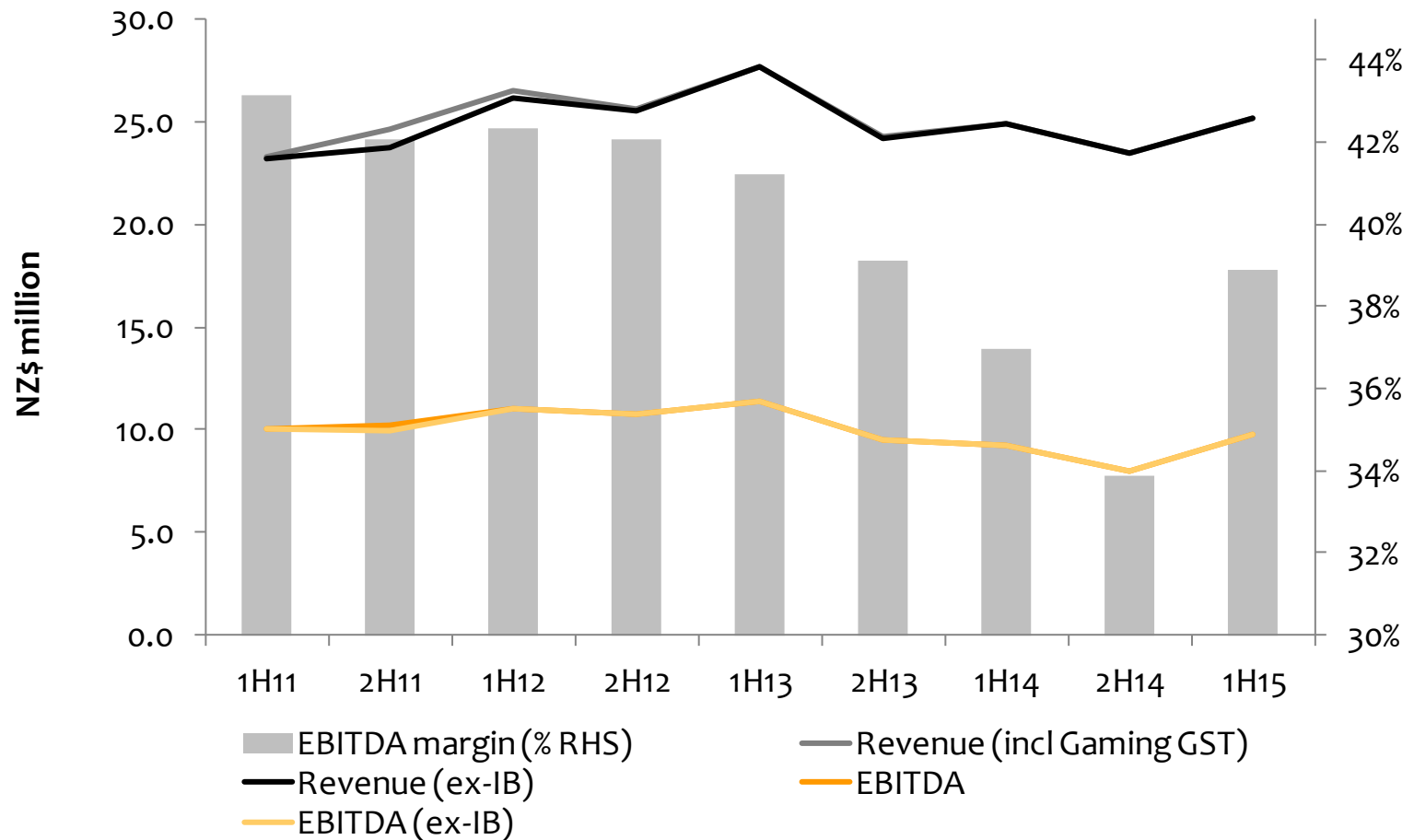


John Mortensen, COO NZ

Brief Overview of Business

- Waikato's leading gaming and entertainment destination, situated on the banks of the Waikato River
- Opened in 2002, 100% ownership since July 2005
- Located ~150kms south of Auckland
- Business activities include gaming, bars and restaurants, a function centre, Bowling Alley and on-site car-park
- 400 employees
- FY14 normalised revenue of \$49 million, FY14 normalised EBITDA of \$17 million
- Gaming product
 - 339 gaming machines
 - 23 tables
- Casino licence expires 2027

Recent Financial Performance – Hamilton (FY11 – 1H15)



Recent Financial Performance

- Property returned to revenue and EBITDA growth in 1H15 under new management
- Growth has further accelerated into 2H15, with normalised revenue (including gaming GST but excluding IB revenue) up 6.0% for 2H15 YTD, with EBITDA margins improving on the pcp
- Continued improved performance, underpinned by:
 - Improved gaming machine revenues delivered by new premium gaming spaces
 - Renewed focus on customer experience and loyalty programme
 - Delivery of better product, facilities and cost management
 - Improving local macroeconomic conditions
- Medium-term outlook remains positive, underpinned by strategic initiatives to drive visitation to the property in addition to investment in surrounding Riverbank precinct by the Hamilton City Council

Recent Strategic Initiatives Driving Growth

- Leadership team changes, with Michelle Baillie's appointment as GM in April 2014, reporting to John Mortensen, COO NZ
- 2nd tier management restructure in September 2014
- Investment in and repositioning of gaming facilities i.e. Premium gaming spaces (Diamond Lounge VIP, Salon 8)
- Investment in quality gaming systems and technologies
- Targeted marketing and promotion campaigns
- Customer stratification and identification
- Focus on cost control
- Investment in brand / reconnecting with the community through sponsorships and creating awareness through hosting major events

Challenges & Opportunities Over the Medium-Term

Opportunities

- Utilise great CBD and riverside location
- Potential activation of vacant car park space and River frontage
- Develop an F&B / entertainment hub in the middle of the CBD
- Continue to grow local gaming market share (~60% EGM market share today) through delivery of a differentiated product and a quality customer experience
- Seek to activate conventions business, given quality of location and facilities available
- Support the Hamilton City Council “Riverbank” plan

Challenges / Risks

- Shift of economic activity “hub” away from casino precinct to the Southern end of the city and to suburban areas
- Sensitivity of local economy to commodity prices
- Sluggish visitor market
- Ability to deliver sustained growth in a mature market

Conclusions & Outlook

- Property has returned to growth under new management
- 2015 has been a year of change with a new leadership team in place
- Clear vision for the business, and a renewed focus on new products, marketing and promotions, and on building strong community connections
- SKYCITY to further invest in new products and experiences to deliver sustainable growth for the long-term

Questions?



Conclusions & Closing Remarks

Nigel Morrison



Conclusions & Closing Remarks

- Primary objective is to drive earnings growth in order to maximise total shareholder return
- Effective monopoly casino licences secure for the long-term
- Strategic initiatives are delivering organic growth across core business
- Robust trading momentum YTD across underlying business
- Strong management team now in place
- Preliminary design agreed with the Crown for the NZICC on 26 May 2015
- NZICC and Adelaide expansion projects should deliver significant lift in both earnings and dividends, and both projects are progressing well
- Focus on the efficient and effective allocation of capital and delivery of value accretive capital projects



Adelaide Investor Day

28 May 2015

Presentation from Renewal SA



Presentation from Renewal SA



[Please contact judy.salvemini@adelaidecasino.com.au for a copy of the Renewal SA presentation](mailto:judy.salvemini@adelaidecasino.com.au)

Adelaide Operations

Aaron Morrison
*Acting General
Manager, SKY CITY
Adelaide*



Introduction to Management



**Aaron Morrison, Acting General
Manager**



**Matt Hardman, Assistant
General Manager**

Brief Overview of Business

- Acquired in 2000 from SA Government
- Situated in heritage-listed historic Adelaide Railway Station building
- In its current configuration, the casino has:
 - An allowance for 1500 gaming machines (currently ~900), 300 ATGs (currently ~60) and 200 tables (currently ~65)
 - 4 Restaurants and 5 Bars
- 1,200 employees
- FY14 normalised revenue of A\$166 million and normalised EBITDA of A\$34 million
- Major redevelopment and expansion project planned following new ALA and CDA with SA Government in 2013
- Casino licence term to 2085 (with exclusivity to 2035)

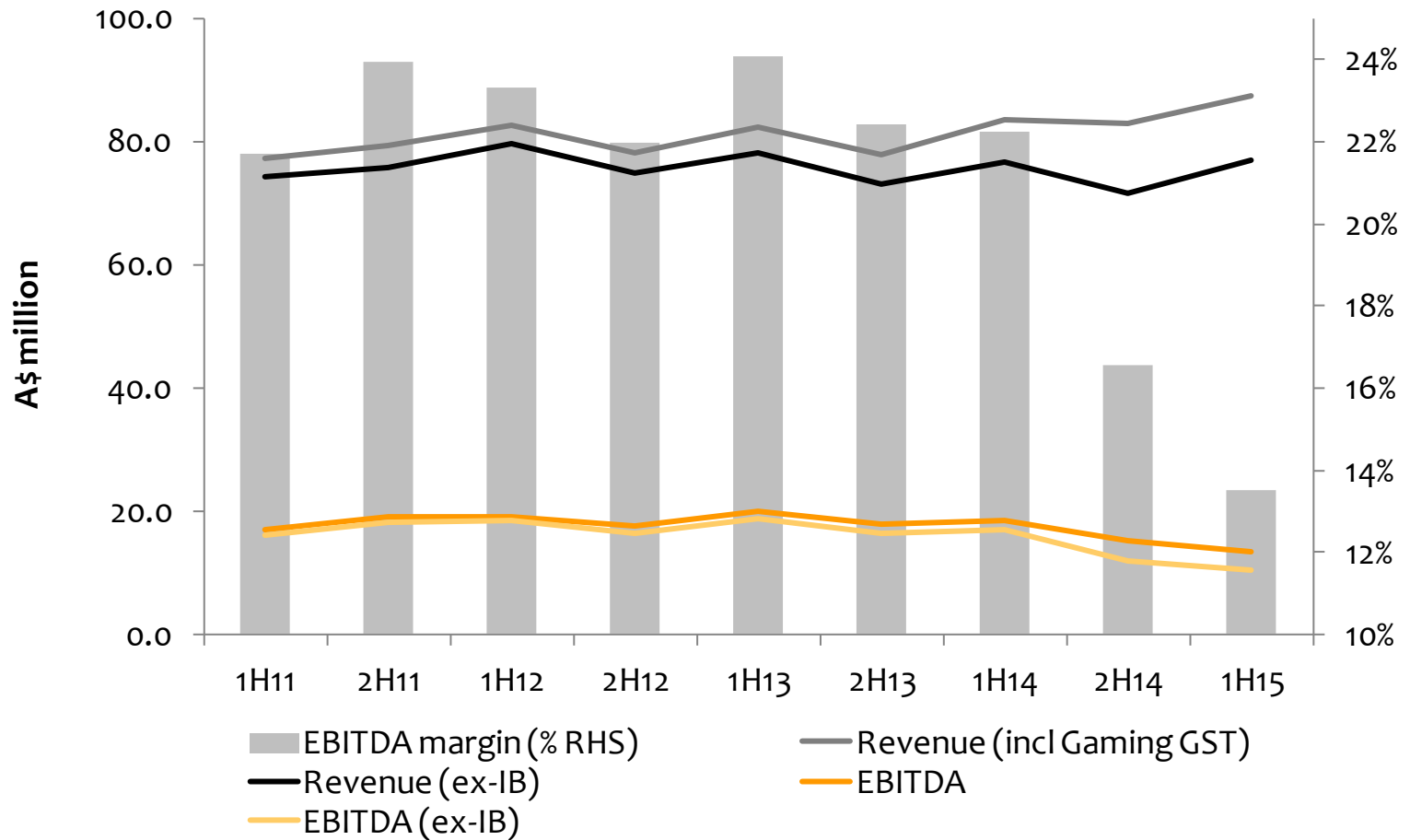
Adelaide Redevelopment Project – Overview

- Vision is to transform the Adelaide Casino into a full-service world-class entertainment complex
- Significant opportunity to grow market share locally and with international customers and to turnaround a long-term underperforming casino
- Interim Redevelopment (Phase I, A\$50 million completed January 2015)
 - Staged re-configuration and redevelopment of existing facilities
 - Modernisation of gaming products and technologies
 - Segmented customer offerings
 - Commencement of TITO, cashless gaming and other new regulatory and taxation reforms
- Expansion (Phase II, ~A\$350 million)
 - Construction of a new contemporary iconic building
 - Additional gaming capacity, Horizon gaming suites and villas and 6 star hotel
 - Signature restaurants and bars

Revised Adelaide Regulatory Framework

- New ALA and CDA, which commenced in February 2014, address many of the historic disadvantages experienced by the Adelaide Casino and levels the playing field with competitor casino peers
 - Allow for modern, contemporary gaming product and systems (TITO and cashless gaming)
 - 20 year extension of exclusivity to 2035
 - Additional EGMs, tables and ATGs (~80% increase in gaming capacity)
 - Lower tax rates for VIP gaming
 - Paid \$A20 million to the SA Government in February 2014 in connection with this revised regulatory framework
- These regulatory and taxation changes now justify SKYCITY significantly investing in Adelaide for the first time

Recent Financial Performance – Adelaide (FY11 – 1H15)



Recent Financial Performance

- FY14 and 1H15 operations significantly effected by disruption caused by interim transformation works
- EBITDA margins were significantly impacted in 1H15 due to higher costs associated with launch of new facilities and high fixed labour costs over the period
- Improving trends in 2H15 underpinned by:
 - Completion of physical transformation of existing Adelaide property
 - Addition of new signature restaurants (Madame Hanoi, Sean's Kitchen)
 - Resilient local and international table games performance
 - Improving margins through focus on cost control and labour scheduling
 - Growth in visitation and local gaming / F&B
 - New management team – significantly more experienced, to oversee next stage of growth

Strategic Initiatives Implemented Post Interim Redevelopment

- Brand re-launch
- New marketing and promotional campaigns (to both local and interstate customers)
- Management team restructure
- Delivery of a customer friendly TiTo and cashless product
- Delivery of short term car parking solution
- Strong focus on cost control driving margin expansion
- Review of premium gaming qualification
- Strong community partnerships secured
- Improved gaming systems and technologies
- Success of new F&B facilities (ref Sean's Kitchen winning "The Best Adelaide New Restaurant" in the 2015 City Awards)

Investment in Brand



Please find attached a copy of the recent SKYCITY Adelaide advert at https://youtu.be/AYG_oK_77WM

Adelaide Redevelopment

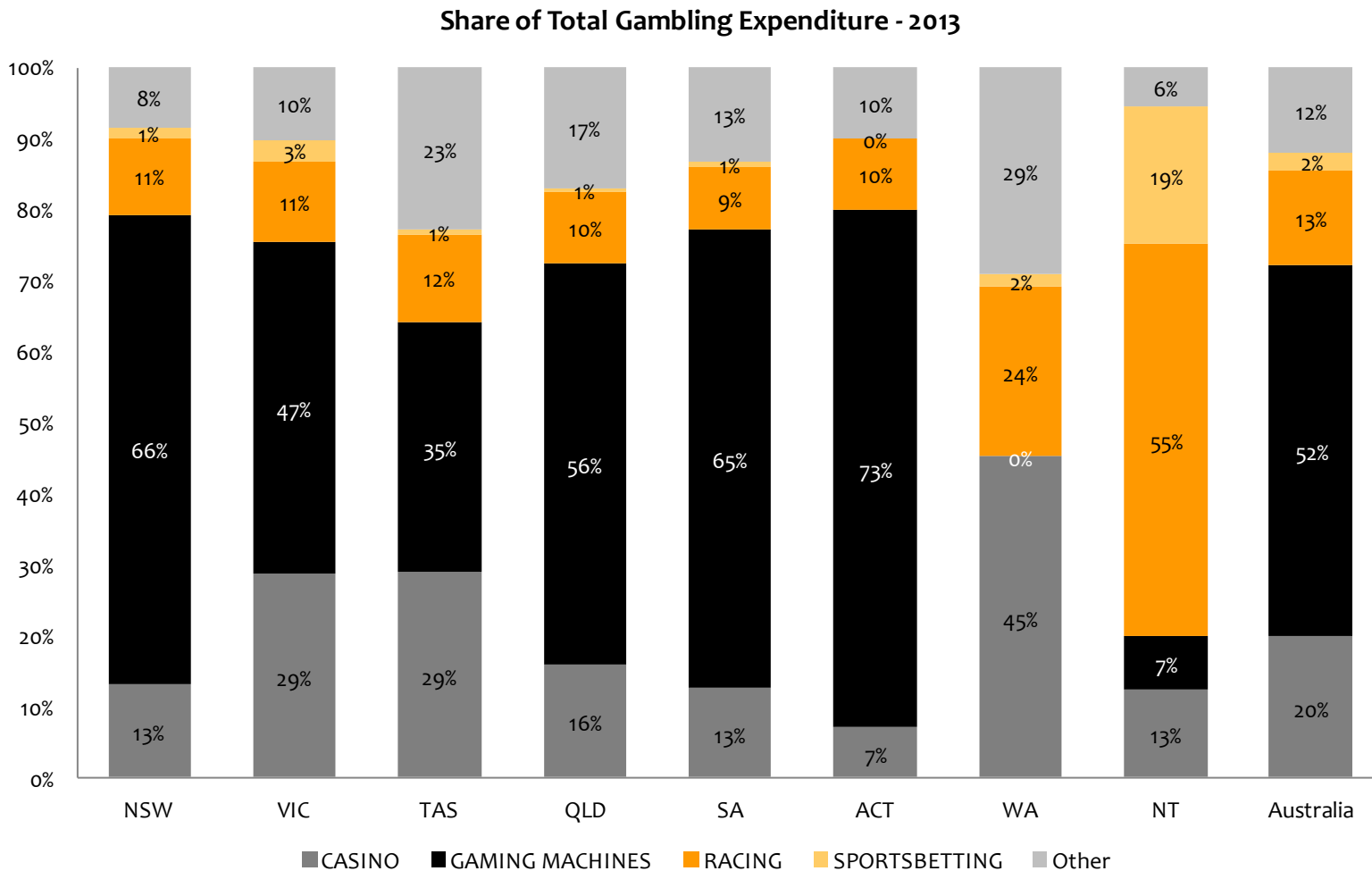
Aaron Morrison & Tim
White



Expansion Update

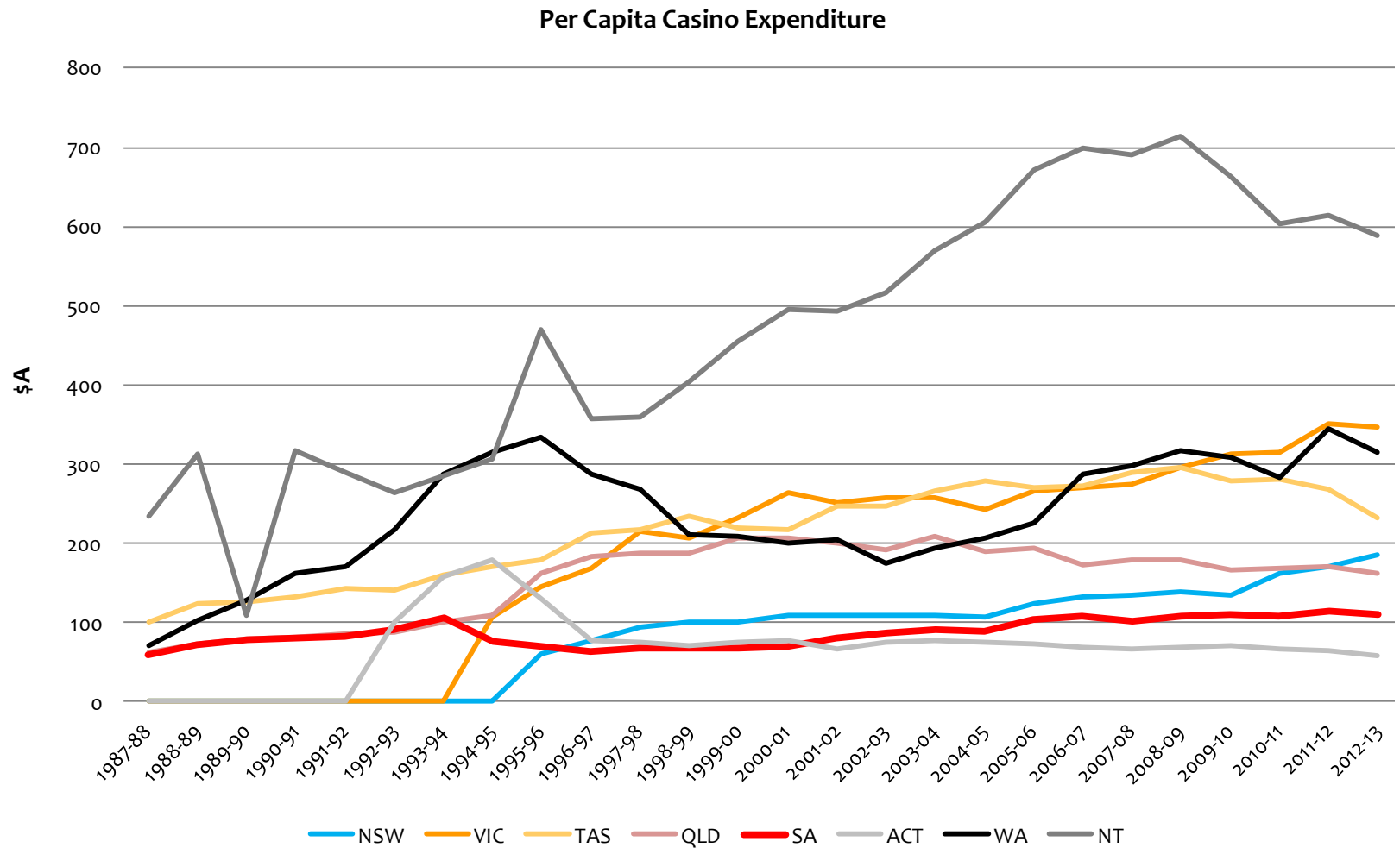
- SKYCITY is committed to expanding and reconfiguring the existing Adelaide Casino and constructing a 6-star boutique hotel adjoining the expanded Adelaide Casino
 - Requirement of Approved Licensing Agreement (“ALA”) signed in late 2013
 - Must be completed and open by 30 June 2019 (unless otherwise extended by agreement with the SA Government) otherwise gaming concessions lapse
- “Big picture” opportunity for Adelaide Casino is significant
 - Located at the heart of Adelaide’s entertainment precinct going forward
 - Surrounded by multiple other major development projects
 - Significant growth potential in local, inter-state and international markets
- Provides ideal platform for transformation of Adelaide Casino into world-class integrated entertainment facility
 - Combination of gaming, hotel, F&B, car parking, other entertainment activities and adjacent retail, all catering to wide range of customers
 - Unique opportunity to replicate similar facilities in Auckland, Melbourne and Sydney
- Continuing to refine expansion plans internally

Macro Gaming Opportunity (1 of 3) – Share of Total Gaming Expenditure (2013)



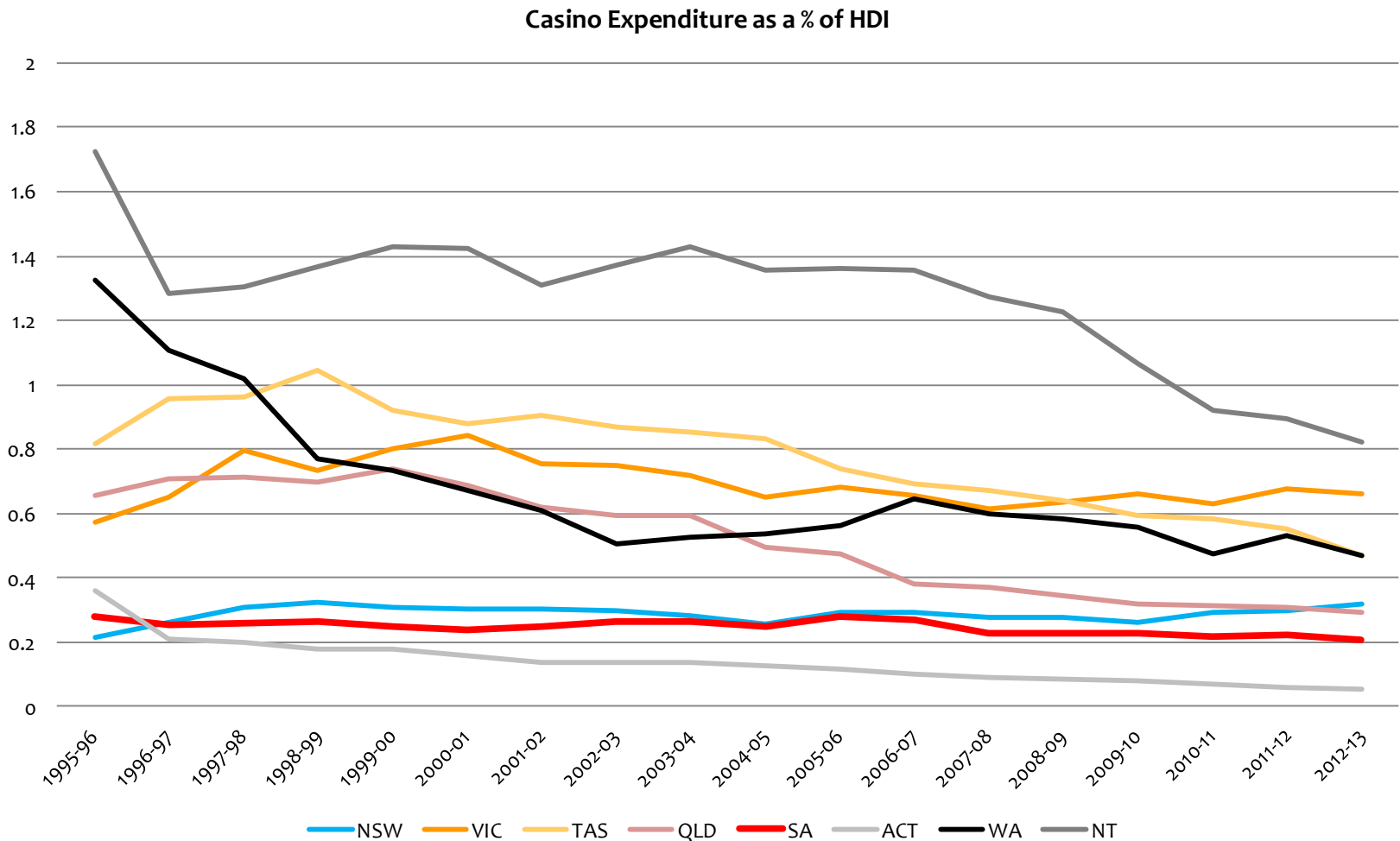
Source - Australian Gambling Statistics 30th Edition

Macro Gaming Opportunity (2 of 3) – Per Capita Casino Expenditure



Source - Australian Gambling Statistics 30th Edition

Macro Gaming Opportunity (3 of 3) – Casino Expenditure as a % of HDI



Source - Australian Gambling Statistics 30th Edition

Riverbank Precinct (1 of 2)

Riverbank Precinct
Close to A\$4.5 billion being
invested



Riverbank Precinct (2 of 2)



Festival Plaza Development

- SA Government and Walker Corporation agreed A\$610 million transformation of Festival Plaza precinct
- Includes 1,560 space underground car park adjacent to Adelaide Casino, in addition to a 25 storey office tower, retail / F&B precinct and the creation of a new Civic plaza for Adelaide
- Heads of Agreement reached with Walker Corporation for the lease of 750 spaces for exclusive use by Adelaide Casino (out to 2035)
- A\$4.7 million annual lease cost increasing at CPI inflation + 0.5% (lease commences upon completion / handover)
- Car park construction to commence end of 2015, likely completion June 2018
- No construction risk for SKYCITY

Concept Design (1 of 2)

- Concept design progressing, with current features including:
 - 6 star boutique all-suite hotel (~100 rooms)
 - Expanded gaming, hospitality and entertainment facilities
 - Dedicated International VIP 'Horizon' table games floor
 - Expanded premium and main gaming / non-premium gaming areas
 - Additional signature restaurants, bars and cafes
 - Improved back of house facilities for increased staff members
- Current estimate of total cost for expansion of ~A\$350 million
- Exploring larger hotel option which would increase the overall capex spend

Concept Design (2 of 2)



Timing

- Planning approval of 2-3 months following confirmation of final design
- Expected build program of up to three years so need to commence construction by June 2016
- Key first step is completion of Government roads project to divert road and other infrastructure within the proposed expansion site footprint. We expect the Government to commence this work by the end of 2015
- Expect Walker Corporation to commence car park construction by the end of 2015 and be completed by mid 2018

Summary & Conclusions

- Interim redevelopment completed, on time and on budget
- World-class facilities now available, with contemporary gaming product
- Underlying financial performance gradually improving
- Management firmly focused on delivering sustained revenue and earnings growth
- New, significantly experienced management team in place to oversee next stage of growth
- SKYCITY is committed to expanding and reconfiguring the existing Adelaide Casino
- Final concepts for broader expansion being evaluated
- Management hopeful of construction commencing by the end of 2015
- Car parks in adjacent location available from mid 2018, with 750 exclusively leased spaces
- Committed to delivering a value accretive project for shareholders
- Redevelopment project and revised regulatory framework underpins the long-term future of the Adelaide business

Questions?



International Business

Ejaaz Dean

President

International Business



Introduction to Management



**Ejaaz Dean, President International
Business**

Brief Overview of Business

- SKYCITY participates in the highly competitive segment referred to as International Business (“IB”)
- IB comprises of high-worth players and/or groups who visit casinos as part of their leisure activities
- SKYCITY competes with casinos in Australia, Singapore, Macau, Malaysia, Philippines and USA (over 100 casinos vie for this business)
- This segment travel as individuals or groups (up to 60 pax) and demand the best in hotel accommodation, food and beverage as well as off site tourist activities
- Key factors for success of IB:
 - Premium gaming facilities
 - Premium hotels
 - Premium F&B
 - Access (airlift)
- Understanding the “The Player Pyramid”

Recent Financial Performance

- Sustained turnover growth across IB, with a 36% CAGR since from July 2012 to December 2014
- Strong growth underpinned by:
 - Success of our expanded sales and marketing team
 - Increased recognition of our 'Horizon' brand and offering
 - Higher table differential levels (NZ\$250k) introduced during FY14
 - Strong focus on direct relationships with our VIP customers
 - Continued growth in the number of Asian VIP customers visiting New Zealand
- 3 year win rate close to the theoretical of 1.35%
- Strong margins of ~20%, with junket business representing less than 40% of turnover
- SKYCITY delivered record activity during 1H15 with turnover nearly doubling

Reasons to Visit

- SKYCITY offers players incentives to visit our properties, including (but not limited to):
 - Cash rebates based on play volumes (turnover)
 - Complementary benefits including free airfares, accommodation, food and beverage
 - Lucky Money (Ang Poa) is also offered during times of celebration (Chinese New Year)
 - Golf and fishing trips
 - Shopping tours
 - Spa treatments
 - Unique tours and sightseeing across all locations
 - Privacy and seclusion whilst gambling
 - Organised activities for family and extended family
 - Personal dedicated host during length of stay

Recent Strategic Initiatives Driving Growth

- Investment in gaming facilities i.e. Horizon in Auckland, Queenstown and Darwin
- Investment in world-class F&B offerings in Auckland
- Darwin Lagoon resort and gaming salons
- Establishment of market leading sales & marketing team
- Prudent approach to the extension of credit
- Increasing table differential to \$250k, proactively managing volatility

State of Play in Macau & Broader Casino Industry Affecting IB

- Austerity drive in Macau under new Chinese leadership
- Significant fall VIP revenues in Macau over last 12 months (down ~50% yoy)
- Some evidence of a transition of Macanese VIP revenues into regional and Australasian casinos (ref Crown, Echo and SKYCITY's 1H15 volumes)
- Large number of new casino developments (Philippines, Queen's Wharf, Barangaroo) through the region will add to capacity
- Uniqueness of the 4 SKYCITY IB offerings, strong marketing team in the region and well penetrated Horizon brand should mitigate increased competition

Vision for the Business

- Sustained double digit growth is a realistic goal
- Significant opportunity across the medium-term
 - Step change in Adelaide, post expansion, given its location and attractiveness as an IB location (Barossa, golf courses)
 - Upside in Darwin, if airlift issues are alleviated (jets, junket JV)
 - Consolidate Auckland's market-leading position, post NZICC concessions being activated
 - Further Queenstown penetration
 - Opportunity to increase length of stay and play in NZ
 - Very popular and well understood destination throughout S-E Asia and China
- Emphasis on measured approach to credit, bet size, and optimal direct vs. junket mix

Summary & Conclusions

Location	Gaming	Hotel	F&B	Access
Auckland	✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓
Adelaide today	✓ ✓	✓ ✓	✓ ✓	✓ ✓
Adelaide post expansion	✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓	✓ ✓ ✓
Darwin	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓	✓ ✓	✓
Queenstown	✓ ✓	✓ ✓	✓ ✓	✓ ✓

✓ SKYCITY ✓ External

Questions?



Darwin Operations

Callum Mallet
*Acting General
Manager, SKY CITY
Darwin*



Introduction to Management



**Callum Mallet, Acting General
Manager**

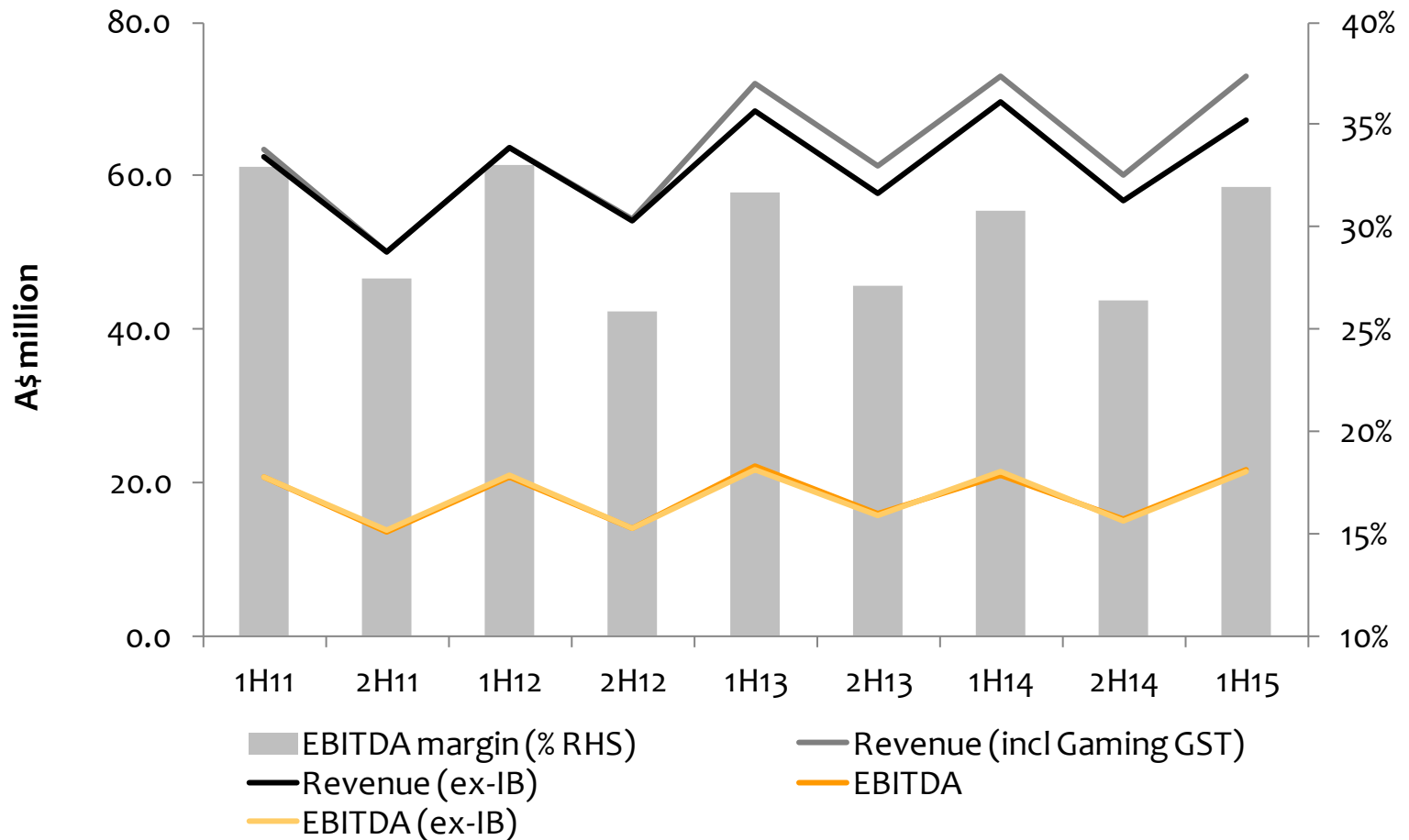


**Grant Dewsbury, Finance &
Strategy Manager**

Brief Overview of Business

- Acquired in 2004 from MGM Grand
- Leading entertainment facility in Northern Territory
- Situated 2km from the CBD, directly on Mindil Beach
- Strategic location close to Asia
- Home of Darwin major events including the annual gala Ball (up to 5,000 pax)
- Business activities include gaming, hotels, restaurants and bars
- 900 employees
- FY14 normalised revenue of A\$133 million and normalised EBITDA of \$A36 million
- 633 gaming machines and 65 tables
- Casino licence exclusivity in northern half of Northern Territory until 2031

Recent Financial Performance – Darwin FY11 to 1H15



Recent Financial Performance

- Strong performance since acquisition
- Flat revenues from FY11 to FY15 due to challenging local macroeconomic environment
 - Soft visitor numbers
 - Infrastructure projects not having expected impact on local economy
 - Itinerant population driving up cost of living
 - Increased competition from Pubs & Clubs, who have been granted bill acceptors and additional gaming entitlements
- Table games, both local and international, continue to be robust
- Despite flat revenues, the property achieved EBITDA growth in 1H15, underpinned by cost and subsidy management
- Property expected to benefit from the completion of 'Aces' Sports Bar, the Sunset Restaurant and the introduction of TiTo across the main gaming floor

Recent Strategic Initiatives Driving Growth

- Investment in and repositioning of gaming facilities
- Investment in world-class accommodation / dining offerings (Lagoon Resort, 'Aces' Sports Bar)
- Introduction of TiTo
- Customer stratification and identification
- Focus on cost control and subsidy management
- Creating awareness through hosting major events including the annual gala Ball (up to 3,000 pax)

Community Benefit Levy, Gaming Tax Review & Regulatory Changes

- The Northern Territory Government has announced that it will impose a new Community Benefit Levy (“CBL”) on SKYCITY Darwin
 - 10% of the gross profits of electronic gaming machines
 - The CBL will be effective from 1 July 2015
- SKYCITY estimates that the new CBL could cost up to \$6 million per annum, all else being equal
- Within the Casino Operator’s Agreement for SKYCITY Darwin the Northern Territory Government is required to review the gaming tax rates that will apply for the next ten years until 30 June 2025
- The introduction of the CBL will be taken into account as part of that review
- The gaming tax review is required to be completed by 31 August 2015
- Further regulatory change in the Northern Territory over recent times has included:
 - Pubs & Clubs granted approval to install gaming machines with note acceptors (2012)
 - An increase in the cap on the number of allowable gaming machines at Pubs & Clubs by 10 units per venue (effective 1 July 2015)

Challenges & Opportunities Over the Medium-Term

Opportunities

- VIP opportunity / JV with junket operator(s) to build volumes and alleviate access issues
- Investment in private jet
- Leverage strategic location close to Asia
- In-bound tourism expected to grow significantly – Government stated focus
- Further investment in and around the main gaming floor
- Activation of Little Mindil site / JV

Challenges / Risks

- Upcoming tax review
- Sluggish economic growth
- Small, itinerant population, with low expected growth
- Access / airlift issues for VIP / IB customers
- Further regulatory concessions for Pubs & Clubs

Conclusions & Outlook

- Strong performance since acquisition
- Focus on cost control and subsidy management delivering EBITDA growth in a challenging market
- Longer-term growth for property underpinned by promotion of IB play, potential activation of Little Mindil site and further investment in existing facilities
- Gaming tax review to conclude by 31 August 2015 with tax rates then secured for a minimum 10 year period

Questions?



Disclaimer

- All information included in this presentation is provided as at 27 May 2015
- The presentation includes a number of forward-looking statements. Forward looking statements, by their nature, involve inherent risks and uncertainties. Many of those risks and uncertainties are matters which are beyond SKYCITY's control and could cause actual results to differ from those predicted. Variations could either be materially positive or materially negative
- This presentation has not taken into account any particular investors investment objectives or other circumstances. Investors are encouraged to make an independent assessment of SKYCITY

