

11 May 2016

Client Market Services
NZX Limited
Level 1, NZX Centre
11 Cable Street
WELLINGTON

SKYCITY Entertainment Group Limited

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Copy to:

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)
OFFER MATERIALS RELATING TO ENTITLEMENT OFFER**

Please find **attached**:

- (a) the Offer Document and Chairman's Letter in relation to the company's recently announced Entitlement Offer; and
- (b) a copy of an email communication, which will be sent today to shareholders who have elected to receive electronic shareholder communications with a New Zealand or Australian address.

Yours faithfully



Peter Treacy
Company Secretary

SKYCITY ENTERTAINMENT GROUP LIMITED

OFFER DOCUMENT

1 FOR 10 ENTITLEMENT OFFER OF ORDINARY SHARES

11 MAY 2016

This Offer Document may not be distributed outside New Zealand or Australia except to certain institutional and professional investors in such other countries and to the extent contemplated in this Offer Document.

Not for release or distribution in the United States except by SKYCITY to Approved U.S. Shareholders.

ISSUER



JOINT LEAD MANAGERS AND UNDERWRITERS





Artist's impression of the New Zealand International Convention Centre and the SKYCITY Auckland complex

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IMPORTANT NOTICE

This Offer Document has been prepared by SKYCITY Entertainment Group Limited (SKYCITY) in connection with a 1 for 10 accelerated pro rata entitlement offer. The Offer is made to Eligible Shareholders pursuant to the exclusion in clause 19 of schedule 1 of the New Zealand Financial Markets Conduct Act 2013 and pursuant to the provisions of the Corporations Act (as modified by ASIC Instrument 2016/84 and ASIC Instrument 15-1180) which allow entitlement offers to be made by providing certain confirmations to the market. As a result, it is important for Eligible Retail Shareholders to read and understand the information on SKYCITY and the Offer made publically available, prior to accepting all or part of their Entitlement (see 'Additional information available under SKYCITY's disclosure obligations' below).

This Offer Document is not a product disclosure statement or prospectus for the purposes of the New Zealand Financial Markets Conduct Act 2013 or the Australian Corporations Act 2001 (Cth) or any other law, and does not contain all of the information that an investor would find in a product disclosure statement or prospectus or which may be required to make an informed decision about the Offer or SKYCITY.

ADDITIONAL INFORMATION AVAILABLE UNDER SKYCITY'S DISCLOSURE OBLIGATIONS

SKYCITY is subject to continuous disclosure obligations under the NZX Listing Rules which require it to notify certain material information to NZX. The ASX Listing Rules also require that SKYCITY immediately provide to ASX all the information which it provides to NZX that is, or is to be, made public. Market releases by SKYCITY, including its most recent annual report (for the year ended 30 June 2015) and its interim report (for the six months ended 31 December 2015) are available at www.nzx.com and www.asx.com.au under the stock code SKC and SKYCITY's Investor Centre at www.skycityentertainmentgroup.com.

SKYCITY may, during the Offer, make additional releases to NZX and ASX. No release by SKYCITY to NZX or ASX will permit an Applicant to withdraw any previously submitted Application without SKYCITY's prior consent.

The market price of Shares may increase or decrease between the date of this Offer Document and the date of allotment of New Shares. Any changes in the market price of Shares will not affect the Application Price and the market price of New Shares following allotment may be higher or lower than the Application Price.

WITHDRAWAL

Subject to compliance with all applicable laws, SKYCITY reserves the right to withdraw all or any part of the Offer (either generally or in particular cases) (for example, the Institutional Entitlement Offer could proceed but the Retail Entitlement Offer could be withdrawn).

OFFERING RESTRICTIONS

This Offer Document is intended for use only in connection with:

- the Offer to Eligible Retail Shareholders with a registered address in New Zealand or Australia as at 9pm (New Zealand time) on the Record Date; and
- the Offer to Eligible Institutional Shareholders with a registered address in New Zealand, Australia, the United Kingdom, Norway, Luxembourg, Germany, the Netherlands, Switzerland, Hong Kong, Japan or Singapore (in each case to Shareholders that are not acting for the account or benefit of a person in the United States) as at 9pm (New Zealand time) on the Record Date and Approved U.S. Shareholders when delivered by SKYCITY together with a subscription agreement as part of the U.S. Private Placement that forms part of the Offer.

This Offer Document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

This Offer Document may not be sent or given to any person outside New Zealand or Australia in circumstances in which the Offer or distribution of this Offer Document would be unlawful. The distribution of this Offer Document (including an electronic copy) outside New Zealand and Australia may be restricted by law. In particular, this Offer Document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside New Zealand or Australia except to the extent permitted in this Offer Document or as SKYCITY may otherwise determine in compliance with applicable laws. Further details on the offering restrictions that apply are set out in **Part 4: Details of the Offer**.

If you come into possession of this Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. SKYCITY disclaims all liability to such persons.

ENQUIRIES

Enquiries about the Offer can be directed to an NZX Firm, ASX Broker or your solicitor, stockbroker, accountant, financial adviser or other professional adviser. If you have any questions about the number of New Shares shown on your Entitlement and Acceptance Form, or how to complete the Entitlement and Acceptance Form, please contact the Registrar.

DEFINITIONS

Capitalised terms used in this Offer Document have the meanings given in **Part 6: Glossary**.

1. KEY TERMS OF THE OFFER

ISSUER	SKYCITY Entertainment Group Limited
ELIGIBLE RETAIL SHAREHOLDER	A Shareholder with a registered address in New Zealand or Australia as at 9pm (New Zealand time) on the Record Date, who is not in the United States or acting for the account or benefit of a person in the United States and is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder
ELIGIBLE INSTITUTIONAL SHAREHOLDER	A Shareholder, as at 9pm (New Zealand time) on the Record Date, with a registered address in New Zealand, Australia, the United Kingdom, Norway, Luxembourg, Germany, the Netherlands, Switzerland, Hong Kong, Japan or Singapore or a Shareholder in the United States that is an Approved U.S. Shareholder and, in each case, who is an Institutional Investor (or a nominee of an Institutional Investor), as further described in the Glossary
APPLICATION PRICE	NZ\$4.40 per New Share
OFFER SIZE	Approximate amount to be raised under the Offer: NZ\$263 million
NEW SHARES	The same class as (and ranking equally with) Existing Shares
SHARES CURRENTLY ON ISSUE	597,266,490
NUMBER OF NEW SHARES BEING OFFERED	Up to 59,726,649
OFFER	<p><i>Institutional Entitlement Offer and Retail Entitlement Offer</i></p> <p>A pro rata entitlement offer of 1 New Share for every 10 Existing Shares held by Eligible Shareholders at 9pm (New Zealand time) on the Record Date (with fractional entitlements being rounded down to the nearest New Share). A shorter than usual offer period is available to Eligible Institutional Shareholders under the Institutional Entitlement Offer, which will occur over the two Business Days immediately following the announcement of the Offer</p> <p><i>Institutional Bookbuild and Retail Bookbuild</i></p> <p>There is no rights trading. New Shares not taken up by Eligible Institutional Shareholders or attributable to Ineligible Shareholders will be offered to Institutional Investors through Bookbuilds run by the Joint Lead Managers. Any premium achieved above the Application Price for the New Shares in the Bookbuilds will be paid (with no brokerage costs deducted) on a pro rata basis to those Institutional Shareholders who do not take up all of their Entitlements or who are ineligible to do so by virtue of being an Ineligible Shareholder</p> <p>There will be a Bookbuild for the Institutional Entitlement Offer (with any premium shared by Eligible Institutional Shareholders who do not take up all of their Entitlements and Ineligible Institutional Shareholders) and a separate Bookbuild for the Retail Entitlement Offer (with any premium shared by Eligible Retail Shareholders who do not take up all of their Entitlements and Ineligible Retail Shareholders)</p> <p>There is no guarantee that there will be any premium, and the premium (if any) achieved in one Bookbuild may be different from the premium (if any) achieved in the other Bookbuild</p>
HOW TO APPLY	<p><i>Eligible Retail Shareholders:</i></p> <p>An Application by an Eligible Retail Shareholder must be made (together with payment) either:</p> <ul style="list-style-type: none"> • on the enclosed personalised Entitlement and Acceptance Form; or • using the online application form at www.skycityshareoffer.co.nz <p><i>Eligible Institutional Shareholders:</i></p> <p>The Joint Lead Managers will contact Eligible Institutional Shareholders (other than Approved U.S. Shareholders) and advise them of the terms and conditions of participation in the Offer and to confirm their application process</p> <p>SKYCITY will contact Approved U.S. Shareholders and advise them of their application process</p>
UNDERWRITING	The Offer is fully underwritten by First NZ Capital Securities Limited and Credit Suisse (Australia) Limited

2. IMPORTANT DATES

INSTITUTIONAL ENTITLEMENT OFFER AND INSTITUTIONAL BOOKBUILD

This timetable is relevant to participants in the Institutional Entitlement Offer and Institutional Bookbuild. Eligible Retail Shareholders should refer to the important dates for the Retail Entitlement Offer and Retail Bookbuild set out to the right.

KEY EVENT	DATE ¹
Trading halt commences on NZX and ASX and Institutional Entitlement Offer opens	Wednesday 11 May 2016
Institutional Entitlement Offer closes	Thursday 12 May 2016
Institutional Bookbuild	Friday 13 May 2016
Trading halt lifted on open of trading on NZX Main Board and ASX	Monday 16 May 2016
Record Date 9pm (New Zealand time)	Monday 16 May 2016
Settlement of Institutional Entitlement Offer and Institutional Bookbuild and commencement of trading of allotted New Shares on the NZX Main Board on a normal settlement basis	Thursday 19 May 2016
Payment date for next dividend following Offer	September 2016

RETAIL ENTITLEMENT OFFER AND RETAIL BOOKBUILD

This timetable is relevant to participants in the Retail Entitlement Offer and Retail Bookbuild. Eligible Institutional Shareholders should refer to the important dates for the Institutional Entitlement Offer and Institutional Bookbuild set out to the left.

KEY EVENT	DATE ¹
Trading halt commences on NZX and ASX	Wednesday 11 May 2016
Trading halt lifted on open of trading on NZX Main Board and ASX	Monday 16 May 2016
Record Date 9pm (New Zealand time)	Monday 16 May 2016
Expected despatch of this Offer Document and Entitlement and Acceptance Forms	Tuesday 17 May 2016
Retail Entitlement Offer opens 10am (New Zealand time)	Tuesday 17 May 2016
Last day to extend Retail Entitlement Offer closing date	Monday 30 May 2016
Retail Entitlement Offer closes (Closing Date) at 7pm (New Zealand time)	Thursday 2 June 2016
Retail Bookbuild (trading halt in place on NZX and ASX)	Tuesday 7 June 2016
Trading halt lifted on open of trading on NZX Main Board and ASX	Wednesday 8 June 2016
Settlement of Retail Entitlement Offer for Eligible Australian Retail Shareholders	Wednesday 8 June 2016
Allotment of New Shares for Eligible Australian Retail Shareholders	Thursday 9 June 2016
Settlement of New Zealand component of Retail Entitlement Offer, settlement of Retail Bookbuild and commencement of trading of allotted New Shares on the NZX Main Board on a normal settlement basis	Friday 10 June 2016
Trading of New Shares on ASX on a normal settlement basis and despatch of holding statements for New Shares issued under the Retail Entitlement Offer on the ASX	Friday 10 June 2016
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer on the NZX Main Board	Monday 13 June 2016
Payment date for next dividend following Offer	September 2016

¹ The dates above are subject to change and are indicative only. All times and dates refer to New Zealand time. SKYCITY reserves the right to amend the timetables (including by extending the closing dates for the Offer or accepting late Applications, either generally or in particular cases) subject to applicable laws and the Listing Rules. Any extension of the closing dates for the Offer will have a consequential effect on the issue date of New Shares. SKYCITY reserves the right to withdraw the Offer (or any of the Institutional Entitlement Offer, Institutional Bookbuild, Retail Entitlement Offer or Retail Bookbuild, and irrespective of whether or not all of them are withdrawn) at any time at its absolute discretion. The commencement of quotation of New Shares on ASX is subject to confirmation from ASX.

Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms or apply via the online application process as soon as possible. No cooling-off rights apply to applications submitted under the Offer.

3. ACTIONS TO BE TAKEN BY ELIGIBLE SHAREHOLDERS

A. IF YOU ARE AN ELIGIBLE RETAIL SHAREHOLDER, YOU MAY TAKE THE FOLLOWING ACTIONS:

- take up all of your Entitlement;
- take up part of your Entitlement; or
- do nothing.

If you only take up part of your Entitlement or do nothing, any New Shares attributable to your Entitlement but not taken up will be offered as part of the Retail Bookbuild.

The Offer is a pro rata offer to Eligible Shareholders. Eligible Shareholders who take up their Entitlement in full will not have their percentage shareholding in SKYCITY reduced by the Offer. However, Eligible Shareholders who do not take up all of their Entitlement will have their holdings diluted by the Offer.

TO TAKE UP ALL OR PART OF YOUR ENTITLEMENT

If you are an Eligible Retail Shareholder and wish to take up all or part of your Entitlement, you should:

- complete your personalised Entitlement and Acceptance Form accompanying this Offer Document in accordance with the instructions set out on that form;
- make payment by direct credit or attach your cheque or bank draft in New Zealand dollars (or if you are an Eligible Australian Retail Shareholder, in Australian dollars) to your completed Entitlement and Acceptance Form for the amount required to be paid in accordance with the payment instructions set out below; and
- return your completed Entitlement and Acceptance Form and your cheque or bank draft to the Registrar, or any NZX Firm or ASX Broker in sufficient time for the documents to be forwarded to and received by the Registrar, no later than 7pm (New Zealand time) on 2 June 2016. Contact details for the Registrar are set out on page 21 and in **Part 7: Directory**.

Alternatively, you may apply online in accordance with the instructions for online Applications below.

PAYMENT INSTRUCTIONS

- Payment must be made in full by paying NZ\$4.40 (or, if you are an Eligible Australian Retail Shareholder, A\$4.05), per New Share on Application.
- Payments are to be made in New Zealand dollars or, if you are an Eligible Australian Retail Shareholder, in Australian dollars, by direct credit, cheque or bank draft to the Registrar or by such other method of payment agreed as acceptable to SKYCITY. Please choose only one payment option.
- If there is a discrepancy between the amount of Application Monies (by way of direct credit, cheque or bank draft) and the number of New Shares indicated as your Entitlement on your Entitlement and Acceptance Form, SKYCITY will treat the Application as being for the lower of your Entitlement and the number of New Shares the Application Monies will pay for.

PAYMENT OPTIONS

Option 1 – Direct Credit

Applicants who elect to pay by direct credit should transfer funds in New Zealand dollars, or, if you are an Eligible Australian Retail Shareholder, in Australian dollars, to the trust account maintained by the Registrar, the details of which are set out in the Entitlement and Acceptance Form or in the online Application (if you are applying for New Shares using the online Application process set out below).

Applicants paying by direct credit must submit their payment instruction to their bank by no later than 5pm (New Zealand time) two Business Days before the Closing Date (i.e. by 5pm (New Zealand time) on 31 May 2016 or such other date as SKYCITY may determine).

Option 2 – Cheque or Bank Draft

Applicants who elect to pay by cheque or bank draft must ensure that the cheque is drawn on a New Zealand bank or that the bank draft is in New Zealand dollars (or, if you are an Eligible Australian Retail Shareholder, that the cheque is drawn on an Australian bank or that the bank draft must be in Australian dollars).

Cheques or bank drafts drawn in a different currency will not be accepted.

Cheques or bank drafts are to be made payable to “SKYCITY Entitlement Offer” and crossed “Not Transferable”.

If your cheque is dishonoured for any reason SKYCITY may reject your Application, cancel your allotment of New Shares and pursue any other remedies available to it at law.

MAILING ADDRESSES FOR ENTITLEMENT AND ACCEPTANCE FORMS

Completed Entitlement and Acceptance Forms and cheques or bank drafts should be mailed to the Registrar at:

SKYCITY Entertainment Group Limited
C/- Computershare Investor Services Limited
Private Bag 92119, Auckland 1142, New Zealand

or, for Eligible Australian Retail Shareholders, to:

SKYCITY Entertainment Group Limited
C/- Computershare Investor Services Pty Ltd
GPO Box 3329, Melbourne VIC 3001, Australia

to arrive no later than 7pm (New Zealand time) on 2 June 2016 or, if sent to any NZX Firm or ASX Broker, in sufficient time for the documents to be forwarded to, and **received by, the Registrar not later than 7pm (New Zealand time) on 2 June 2016**. If you have any questions in relation to such timing requirements of any NZX Firm or ASX Broker, you should discuss these directly with that NZX Firm or ASX Broker.

SKYCITY may accept late Applications and Application Monies, either generally or in particular cases, but has no obligation to do so. SKYCITY may accept or reject (at its discretion) any Entitlement and Acceptance Form or online Application which it considers to have been completed incorrectly or correct any errors or omissions on any Entitlement and Acceptance Form or online Application.

Once submitted, and subject to all applicable law, an Application may not be withdrawn without SKYCITY's prior written consent.

ONLINE APPLICATIONS

If you are an Eligible Retail Shareholder, you may also apply for all or part of your Entitlement online. To do so, you must complete an online Application at www.skycityshareoffer.co.nz **by no later than 7pm (New Zealand time) on 2 June 2016**. You will be required to enter your CSN/Holder number (or HIN or SRN if you are an Eligible Australian Retail Shareholder) and your postcode which you hold your Shares under.

Payment for Applications made online must be made by way of direct credit. Please read the instructions regarding direct credit payments under the heading "Payment Options" above. Once your Application has been completed successfully, you will be emailed an application confirmation which you should keep for your records.

B. IF YOU ARE AN ELIGIBLE INSTITUTIONAL SHAREHOLDER

The Joint Lead Managers will contact Eligible Institutional Shareholders (other than Approved U.S. Shareholders) to inform them of the terms and conditions of participation in the Institutional Entitlement Offer and seek confirmation of their Entitlements under the Offer.

SKYCITY will separately contact Approved U.S. Shareholders in connection with the U.S. Private Placement which forms part of the Offer (as the Joint Lead Managers are not managing the U.S. Private Placement).

C. INFORMATION FOR ALL ELIGIBLE SHAREHOLDERS

DECISION TO PARTICIPATE IN THE OFFER

The information in this Offer Document does not constitute a recommendation to acquire New Shares or financial product advice. This Offer Document has been prepared without taking into account the investment objectives, financial or taxation situation or particular needs or circumstances of any Applicant.

FURTHER INFORMATION

Enquiries about the Offer can be directed to an Authorised Financial Adviser, an NZX Firm or ASX Broker or your solicitor, accountant or other professional adviser.

If you have any questions about the number of New Shares shown on your Entitlement and Acceptance Form that accompanies this Offer Document, or how to complete your Entitlement and Acceptance Form or an online Application, please contact the Registrar.

The Registrar can be contacted on +64 (9) 488 8700 or at Level 2, 159 Hurstmere Road, Takapuna, Auckland 0622, New Zealand, or Private Bag 92119, Auckland 1142, New Zealand.

If you are an Eligible Australian Retail Shareholder, you can contact Computershare Australia on 1800 501 366 (from Australia), or on +61 3 9415 4083.

4. DETAILS OF THE OFFER

THE OFFER

The Offer is an offer of New Shares to Eligible Shareholders under an accelerated pro rata entitlement issue. Under the Offer, Eligible Shareholders are entitled to subscribe for 1 New Share for every 10 Existing Shares held at 9pm (New Zealand time) on the Record Date. The New Shares will be the same class as, and will rank equally with, Existing Shares which are quoted on the NZX Main Board and ASX. It is a term of the Offer that SKYCITY will take any necessary steps to ensure that the New Shares are, immediately after issue, quoted on the NZX Main Board and ASX.

The maximum number of New Shares being offered under the Offer is 59,726,649 New Shares.

SKYCITY will raise a total of approximately NZ\$263 million through the Offer, which is fully underwritten by First NZ Capital Securities Limited and Credit Suisse (Australia) Limited.

New Shares will, from the date they are issued, rank equally with Existing Shares. New Shares will be entitled to all dividends paid after they are issued.

APPLICATION PRICE

The Application Price is NZ\$4.40 per New Share and must be paid in full on application.

Payment of the Application Price for the Retail Entitlement Offer must be made in accordance with the instructions set out on the reverse of the Entitlement and Acceptance Form or in accordance with the online Application process (and as further described in **Part 3: Actions to be taken by Eligible Shareholders**).

Eligible Australian Retail Shareholders must make payment in Australian dollars at A\$4.05 per New Share. The Australian dollar price of A\$4.05 has been set by SKYCITY taking into account the NZ\$:A\$ daily exchange rate published by the Reserve Bank of New Zealand on its website for 10 May 2016.

Eligible Retail Shareholders must also deliver a completed Entitlement and Acceptance Form (either by mail, delivery, fax or email) to the Registrar. Alternatively, Applications may be made by Eligible Retail Shareholders online at www.skycityshareoffer.co.nz without the requirement to complete the Entitlement and Acceptance Form.

SKYCITY may accept late Applications and Application Monies, either generally or in particular cases, but has no obligation to do so. SKYCITY may accept or reject (at its discretion) any Entitlement and Acceptance Form or online Application which it considers to have been completed incorrectly, or correct any errors or omissions on any Entitlement and Acceptance Form or online Application.

Once submitted and subject to applicable law, an Application may not be withdrawn without SKYCITY's prior written consent.

Application Monies received will be held in a trust account with the Registrar until the corresponding New Shares are allotted or the Application Monies are refunded (whichever is applicable). Interest earned on the Application Monies

will be for the benefit, and remain the property, of SKYCITY and will be retained by SKYCITY whether or not the issue of New Shares takes place.

Any refund of Application Monies will be made without interest and within 10 Business Days of allotment or the date that the decision not to accept an Application is made (as the case may be).

WITHDRAWAL

Subject to compliance with all applicable laws, SKYCITY reserves the right to withdraw the Offer (or any of the Institutional Entitlement Offer, Institutional Bookbuild, Retail Entitlement Offer or Retail Bookbuild, and irrespective of whether or not all of them are withdrawn) (either generally or in particular cases) at any time at its absolute discretion.

If any Application is not accepted, all applicable Application Monies will be refunded without interest to the relevant Shareholder.

OVERVIEW OF THE OFFER

The Institutional Entitlement Offer

The Joint Lead Managers will approach Eligible Institutional Shareholders (other than Approved U.S. Shareholders), who may choose to take up all, part or none of their Entitlements under the Institutional Entitlement Offer.

The Institutional Bookbuild

New Shares attributable to Entitlements which are not taken up by Eligible Institutional Shareholders (together with those attributable to Entitlements of Ineligible Institutional Shareholders which will automatically lapse) will be offered to Institutional Investors (which may include Eligible Institutional Shareholders, whether or not they take up their full Entitlements under the Offer).

The U.S. Private Placement

As part of the Offer, SKYCITY will conduct the U.S. Private Placement, under which Approved U.S. Shareholders will be invited to subscribe for New Shares as part of the Institutional Entitlement Offer, Institutional Bookbuild and Retail Bookbuild. The Joint Lead Managers are not managing the U.S. Private Placement.

The Retail Entitlement Offer

Eligible Retail Shareholders will be sent this Offer Document together with a personalised Entitlement and Acceptance Form and may choose to take up all, part or none of their Entitlements.

The Retail Bookbuild

New Shares attributable to Entitlements which are not taken up by Eligible Retail Shareholders (together with those attributable to Entitlements of Ineligible Retail Shareholders which will automatically lapse) will be offered to Institutional Investors (which may include Eligible Institutional Shareholders, whether or not they take up their full Entitlements under the Offer).

PURPOSE OF THE OFFER

SKYCITY intends that the net proceeds from the Offer will be used to repay bank debt and reduce gearing, in order to support the funding of future capital expenditure commitments in Auckland and Adelaide.

THE RETAIL ENTITLEMENT OFFER

Overview of the Retail Entitlement Offer

SKYCITY is offering Eligible Retail Shareholders the opportunity to subscribe for 1 New Share for every 10 Existing Shares held as at 9pm (New Zealand time) on the Record Date, at an Application Price of NZ\$4.40 per New Share, or, for Eligible Australian Retail Shareholders, A\$4.05 per New Share. This ratio and the Application Price are the same as for the Institutional Entitlement Offer (other than any differences between the New Zealand dollar Application Price and the Australian dollar Application Price for Eligible Australian Retail Shareholders due to exchange rate movements).

The Retail Entitlement Offer opens at 10am (New Zealand time) on 17 May 2016 and closes at 7pm (New Zealand time) on 2 June 2016 (subject to SKYCITY's right to modify these dates).

Entitlements will not be listed and cannot be traded on the NZX Main Board or ASX or privately transferred. However, Ineligible Retail Shareholders, and Eligible Retail Shareholders who have not taken up their full Entitlements, may receive some value in respect of those New Shares not taken up if a Retail Premium is achieved under the Retail Bookbuild. However, there is no guarantee that any premium will be achieved, and any Retail Premium may be different from any Institutional Premium.

Eligibility under the Retail Entitlement Offer

The Retail Entitlement Offer is only open to Eligible Retail Shareholders. Eligible Retail Shareholders are those persons who:

- are registered as Shareholders at 9pm (New Zealand time) on the Record Date;
- have a registered address in New Zealand or Australia at 9pm (New Zealand time) on the Record Date;
- are not in the United States and are not acting for the account or benefit of a person in the United States; and
- are not Eligible Institutional Shareholders or Ineligible Institutional Shareholders.

If you sell any Shares (and that sale settles) prior to 9pm (New Zealand time) on the Record Date, then the Entitlements attributable to those Shares will accrue to the holder of those Shares as at 9pm (New Zealand time) on the Record Date. If you have acquired Shares (and that sale settles) after the Record Date, you will not receive any Entitlements in relation to those Shares.

The Retail Entitlement Offer does not constitute an offer to any person who is not an Eligible Retail Shareholder, including any Eligible or Ineligible Institutional Shareholder, or any Ineligible Retail Shareholder. Any person allocated New Shares under the Institutional Entitlement Offer or Institutional

Bookbuild does not have any entitlement to participate in the Retail Entitlement Offer in respect of those New Shares.

SKYCITY reserves the right to reject any Application for New Shares under the Retail Entitlement Offer that it considers comes from a person who is not an Eligible Retail Shareholder.

Acceptance of Entitlement under the Retail Entitlement Offer

The Entitlement and Acceptance Form distributed to Eligible Retail Shareholders with this Offer Document sets out an Eligible Retail Shareholder's Entitlement to participate in the Retail Entitlement Offer. Applications for New Shares by Eligible Retail Shareholders can only be made on the personalised Entitlement and Acceptance Form sent with this Offer Document or via an online Application at www.skycityshareoffer.co.nz. Applications in excess of an Eligible Retail Shareholder's Entitlement will not be accepted.

Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Retail Shareholder is entitled under an Entitlement will, in the case of fractions of New Shares, be rounded down to the nearest whole number of New Shares.

Eligible Retail Shareholders are not obliged to subscribe for any or all of the New Shares to which they are entitled under the Offer. They may choose to take up some or all of their Entitlements or allow some or all of their Entitlements to lapse.

Any person outside New Zealand or Australia who takes up an Entitlement in the Retail Entitlement Offer (and therefore applies for New Shares) through a New Zealand or Australian resident nominee, and their nominee, will be deemed to have represented and warranted to SKYCITY that the Offer can be lawfully made to their nominee pursuant to this Offer Document. None of SKYCITY, the Joint Lead Managers, the Registrar or any of their respective directors, officers, employees, agents, or advisers accept any liability or responsibility to determine whether a person is eligible to participate in this Offer.

The Retail Bookbuild

New Shares that are attributable to Entitlements that are not taken up by Eligible Retail Shareholders under the Retail Entitlement Offer (together with those attributable to Entitlements of Ineligible Retail Shareholders) will be offered under the Retail Bookbuild to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they take up their full Entitlements under the Offer). SKYCITY may also invite Approved U.S. Shareholders to subscribe for New Shares under the Retail Bookbuild as a further U.S. Private Placement. The Retail Bookbuild is expected to take place on 7 June 2016.

The Clearing Price under the Retail Bookbuild will be equal to or above the Application Price.

If the Clearing Price in respect of the Retail Bookbuild is equal to the Application Price:

- SKYCITY will receive the Application Price for all New Shares issued to Institutional Investors under the Retail Bookbuild; and
- no cash will be payable to any Eligible Retail Shareholder or Ineligible Retail Shareholder.

If the Clearing Price in respect of the Retail Bookbuild is above the Application Price:

- SKYCITY will receive the Application Price for all New Shares issued to Institutional Investors under the Retail Bookbuild; and
- the Retail Premium will be paid by the Joint Lead Managers to the Registrar, who will remit the Retail Premium pro rata to:
 - each Eligible Retail Shareholder who did not take up their Entitlement in full (with respect to the part of the Entitlement they did not take up only); and
 - each Ineligible Retail Shareholder.

No fees or costs will be payable by any Retail Shareholder, and no interest will be collected or paid to any Retail Shareholder on any Retail Premium. There is no guarantee that any value will be received from the Retail Bookbuild by Eligible Retail Shareholders who do not take up their full Entitlements or Ineligible Retail Shareholders, and any Retail Premium may be different from any Institutional Premium.

The ability to sell New Shares under the Retail Bookbuild and the ability to obtain any Retail Premium will be dependent upon various factors, including market conditions. Further, the Clearing Price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the Joint Lead Managers, will, if accepted, result in otherwise acceptable allocations to clear the entire book.

None of SKYCITY, the Joint Lead Managers or any of their respective directors, officers, employees, agents, or advisers will be liable for a failure to achieve a price in the Retail Bookbuild that is greater than the Application Price.

Any Retail Premium achieved under the Retail Bookbuild will be announced by SKYCITY on the NZX Main Board and ASX following the close of the Retail Bookbuild.

THE INSTITUTIONAL ENTITLEMENT OFFER

Overview of the Institutional Entitlement Offer

SKYCITY is offering Eligible Institutional Shareholders the opportunity to subscribe for 1 New Share for every 10 Existing Shares held as at 9pm (New Zealand time) on the Record Date, at an Application Price of NZ\$4.40 per New Share. This ratio and the Application Price are the same as for the Retail Entitlement Offer.

The Institutional Entitlement Offer opens on 11 May 2016 and closes on 12 May 2016 (subject to SKYCITY's right to modify these dates).

Entitlements will not be listed and cannot be traded on the NZX Main Board or ASX or privately transferred. However, Ineligible Institutional Shareholders, and Eligible Institutional Shareholders who have not taken up their full Entitlements, may receive some value in respect of those New Shares not taken up if an Institutional Premium is achieved under the Institutional Bookbuild. However, there is no guarantee that any premium will be achieved, and any Institutional Premium may be different from any Retail Premium.

Eligibility under the Institutional Entitlement Offer

The Institutional Entitlement Offer is only open to Eligible Institutional Shareholders, being those Shareholders at 9pm (New Zealand time) on the Record Date with a registered address in New Zealand, Australia, the United Kingdom, Norway, Luxembourg, Germany, the Netherlands, Switzerland, Hong Kong, Japan or Singapore and Shareholders in the United States that are Approved U.S. Shareholders and, in each case, who are Institutional Investors (or nominees of Institutional Investors).

If you sell any Shares (and that sale settles) prior to 9pm (New Zealand time) on the Record Date, then the Entitlements attributable to those Shares will accrue to the holder of those Shares as at 9pm (New Zealand time) on the Record Date. If you have acquired Shares (and that sale settles) after the Record Date, you will not receive any Entitlements in relation to those Shares.

SKYCITY reserves the right to reject any Application for New Shares under the Institutional Entitlement Offer that it considers comes from a person who is not an Eligible Institutional Shareholder.

Acceptance of Entitlement under the Institutional Entitlement Offer

The Joint Lead Managers will contact Eligible Institutional Shareholders (other than Approved U.S. Shareholders) to inform them of the terms and conditions of participation in the Institutional Entitlement Offer and seek confirmation of their Entitlements under the Offer. Applications for New Shares by Eligible Institutional Shareholders (other than Approved U.S. Shareholders) can only be made in accordance with that process. Applications in excess of an Eligible Institutional Shareholder's Entitlement will not be accepted.

Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Institutional Shareholder is entitled under an Entitlement will, in the case of fractions of New Shares, be rounded down to the nearest whole number.

The Institutional Bookbuild

New Shares that are attributable to Entitlements that are not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer (together with those attributable to Entitlements of Ineligible Institutional Shareholders) will be offered under the Institutional Bookbuild to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they take up their full Entitlements under the Offer). The Institutional Bookbuild is expected to take place on 13 May 2016.

The Clearing Price under the Institutional Bookbuild will be equal to or above the Application Price.

If the Clearing Price in respect of the Institutional Bookbuild is equal to the Application Price:

- SKYCITY will receive the Application Price for all New Shares issued to Institutional Investors under the Institutional Bookbuild; and
- no cash will be payable to any Eligible Institutional Shareholder or Ineligible Institutional Shareholder.

If the Clearing Price in respect of the Institutional Bookbuild is above the Application Price:

- SKYCITY will receive the Application Price for all New Shares issued to Institutional Investors under the Institutional Bookbuild; and
- the Institutional Premium will be paid by the Joint Lead Managers to the Registrar, who will remit the Institutional Premium pro rata to:
 - each Eligible Institutional Shareholder who did not take up their Entitlement in full (with respect to the part of the Entitlement they did not take up only); and
 - each Ineligible Institutional Shareholder.

No fees or costs will be payable by any Institutional Shareholder, and no interest will be collected or paid to any Institutional Shareholder on any Institutional Premium. There is no guarantee that any value will be received from the Institutional Bookbuild by either Eligible Institutional Shareholders who do not take up their full Entitlements or Ineligible Institutional Shareholders, and any Institutional Premium may be different from any Retail Premium.

The ability to sell New Shares under the Institutional Bookbuild and the ability to obtain any Institutional Premium will be dependent upon various factors, including market conditions. Further, the Clearing Price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the Joint Lead Managers, will, if accepted, result in otherwise acceptable allocations to clear the entire book.

None of SKYCITY, the Joint Lead Managers or any associates of those entities will be liable for a failure to achieve a price in the Institutional Bookbuild that is greater than the Application Price.

Any Institutional Premium achieved under the Institutional Bookbuild will be announced by SKYCITY on the NZX Main Board and ASX following the close of the Institutional Bookbuild.

SETTLEMENT OF THE INSTITUTIONAL ENTITLEMENT OFFER AND INSTITUTIONAL BOOKBUILD

Settlement of the Institutional Entitlement Offer and Institutional Bookbuild will occur on the Institutional Settlement Date in accordance with arrangements advised by the Joint Lead Managers to Eligible Institutional Shareholders. Settlement of the U.S. Private Placement in relation to the Institutional Offer will also occur on the Institutional Settlement Date in accordance with arrangements advised by SKYCITY to Approved U.S. Shareholders.

NEW ZEALAND TAXATION TREATMENT

The following is a summary of New Zealand tax implications in relation to the Entitlements granted under the Offer, the exercise of any such Entitlements, and the Institutional Premium and Retail Premium which may be payable under the Offer. This summary is limited to those aspects of the Offer and not the taxation implications of holding Existing Shares or New Shares, or any tax implications for Shareholders outside New Zealand.

Taxation on the grant and exercise of an Entitlement under the Offer

The grant and/or exercise of an Entitlement under the Offer will not constitute a taxable dividend derived by Eligible Shareholders for New Zealand tax purposes.

However, the grant and/or exercise of an Entitlement under the Offer may give rise to taxable income if a Shareholder holds their Existing Shares on revenue account. A Shareholder will hold Existing Shares on revenue account if they acquired those Shares for the purposes of selling them or they are in the business of dealing in shares.

As Shareholders' individual circumstances will differ, Shareholders should consult their own tax adviser on the taxation treatment of the grant and exercise of an Entitlement under the Offer.

Taxation on the Institutional Premium and Retail Premium

Any Institutional Premium or Retail Premium payable to any Eligible Shareholders who do not take up their Entitlements under the Offer in full, or to any Ineligible Shareholders, will not be a dividend for New Zealand tax purposes.

Any Institutional Premium or Retail Premium payable to Shareholders who hold their Existing Shares on capital account should not otherwise be taxable to those Shareholders (although this position is not entirely free from doubt).

However, there is an increased risk that the Institutional Premium or Retail Premium may be taxable if a Shareholder holds their Existing Shares on revenue account. A Shareholder will hold Existing Shares on revenue account if they acquired those Shares for the purposes of selling them or they are in the business of dealing in shares.

As Shareholders' individual circumstances will differ, Shareholders should consult their own tax adviser on the taxation treatment of any Institutional Premium or Retail Premium.

AUSTRALIAN TAXATION TREATMENT

Introduction

The following is a summary of the Australian tax implications in relation to the Entitlements granted under the Offer, the exercise of any such Entitlements, and the Retail Premium which may be payable under the Offer. This summary is limited to those aspects of the Offer and not the tax implications of holding Existing Shares or New Shares.

This summary is for Eligible Retail Shareholders who are residents of Australia for income tax purposes and hold their Existing Shares (and will hold their

Entitlements and any New Shares) on capital account. As such this summary does not apply to Eligible Retail Shareholders that:

- hold Existing Shares, Entitlements or New Shares in their business of share trading, dealing in securities or otherwise hold their Existing Shares, Entitlements or New Shares on revenue account or as trading stock;
- are subject to the 'taxation of financial arrangements' rules in Division 230 of the Australian Tax Act in relation to their holding of Existing Shares, Entitlements or New Shares;
- hold their Existing Shares, Entitlements or New Shares through a permanent establishment in New Zealand;
- acquired their Existing Shares pursuant to an employee share scheme; and/or
- hold (or will hold) a 10 percent or greater shareholding interest in SKYCITY.

The summary below does not take account of any individual circumstances of any particular Eligible Retail Shareholder. Eligible Retail Shareholders should seek specific advice applicable to their own particular circumstances from their own tax advisers

Grant of Entitlements

The grant of the Entitlement to subscribe for New Shares should not, of itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

Taking up Entitlements

The taking up of Entitlements and subscription for New Shares by an Eligible Retail Shareholder should not, of itself, result in any amount being included in that Shareholder's assessable income. The Application Price paid to subscribe for the New Shares will be included in the Eligible Retail Shareholder's cost base of the New Shares for capital gains tax purposes.

Lapsing of Entitlements

If the Clearing Price achieved under the Retail Bookbuild exceeds the Application Price, an amount equal to the excess (i.e. the Retail Premium) will be payable to Eligible Retail Shareholders who did not take up their Entitlements in full (according to the number of New Shares they were entitled to take up but did not). According to Taxation Ruling TR 2012/1 any Retail Premium payable to an Eligible Retail Shareholder would be included in their assessable income

THE NEW SHARES

Each Share confers the right to vote at meetings, subject to any voting restrictions imposed on Shareholders under SKYCITY's constitution or the NZX Listing Rules. On a show of hands or by voice, every Shareholder present in person or by proxy or representative has one vote. On a poll, every Shareholder present in person or by proxy or representative has one vote for each Share they hold. Each Share confers a right to a pro rata share of any dividend authorised by the Board on Shares, and to any distribution of surplus assets of SKYCITY on any liquidation.

Applicants for New Shares will be bound by SKYCITY's constitution and the terms of the Offer set out in this Offer Document. A copy of SKYCITY's constitution can be found free of charge on SKYCITY's file at the New Zealand Companies Office website at www.business.govt.nz/companies.

New Shares issued under the Institutional Entitlement Offer, Institutional Bookbuild, Retail Entitlement Offer and Retail Bookbuild will rank equally with each other and Existing Shares.

LISTING

Entitlements will not be listed and cannot be traded on the NZX Main Board or ASX or privately transferred.

NZX

The New Shares have been accepted for quotation by NZX and will be quoted on the NZX Main Board upon completion of allotment procedures. The NZX Main Board is a licensed market under the New Zealand Financial Markets Conduct Act 2013. However, NZX accepts no responsibility for any statement in this Offer Document. It is expected that trading on the NZX Main Board of the New Shares issued under:

- the Institutional Entitlement Offer and Institutional Bookbuild will commence on 19 May 2016; and
- the Retail Entitlement Offer and Retail Bookbuild will commence on 10 June 2016.

ASX

An application will be made to ASX for quotation of the New Shares issued under the Offer and SKYCITY expects that the New Shares will be quoted upon completion of allotment procedures. It is expected that trading on ASX of the New Shares issued under the Retail Entitlement Offer and Retail Bookbuild will commence on 10 June 2016 on a normal settlement basis and despatch of holding statements for New Shares allotted under the Offer will occur on the same day.

ASX accepts no responsibility for any statement in this Offer Document. The fact that ASX may approve the New Shares for quotation is not to be taken in any way as an indication of the merits of SKYCITY.

Holding statements for New Shares allotted under the Offer will be issued and mailed as soon as practicable after allotment. Applicants under the Offer should ascertain their allocation before trading in the New Shares. Applicants can do so by contacting the Registrar, whose contact details are set out in

Part 7: Directory.

Applicants selling New Shares prior to receiving a holding statement do so at their own risk. None of SKYCITY, the Joint Lead Managers, the Registrar nor any of their respective directors, officers, employees, agents or advisers accepts any liability or responsibility should any person attempt to sell or otherwise deal with New Shares before the holding statement showing the number of New Shares allotted to the Applicant is received by the Applicant for those New Shares.

NOMINEES

If you hold Existing Shares as nominee for more than one person, then you may (depending on the nature of each such person) be an Eligible Institutional Shareholder, Ineligible Institutional Shareholder, Eligible Retail Shareholder or Ineligible Retail Shareholder with regard to the Entitlement of each such person.

Nominees and custodians may not distribute any part of this Offer Document, and may not permit any beneficial shareholder to participate in the Offer who is located, in the United States or any other country outside New Zealand and Australia except to institutional and professional investors listed in, and to the extent permitted under, the section captioned “International Offer Restrictions” below or elsewhere as the Company may determine it is lawful and practical to make the Offer.

OVERSEAS SHAREHOLDERS

The Retail Entitlement Offer is open only to Shareholders with a registered address in New Zealand or Australia at 9pm (New Zealand time) on the Record Date, who are not in the United States or acting for the account or benefit of a person in the United States, and who are not Eligible Institutional Shareholders or Ineligible Institutional Shareholders.

The Institutional Entitlement Offer is open only to Shareholders as at 9pm (New Zealand time) on the Record Date with a registered address in New Zealand, Australia, the United Kingdom, Norway, Luxembourg, Germany, the Netherlands, Switzerland, Hong Kong, Japan or Singapore or Shareholders in the United States that are Approved U.S. Shareholders and, in each case, who are Institutional Investors (or nominees of an Institutional Investor).

The Offer is not open in other jurisdictions as SKYCITY considers that it is unduly onerous for SKYCITY to make the Offer into those jurisdictions. Shareholders with a registered address in those jurisdictions will not be able to take up their Entitlements.

New Shares attributable to the Entitlements of Ineligible Institutional Shareholders and Ineligible Retail Shareholders will be offered under the Bookbuilds. Whether Ineligible Shareholders receive any value following the Bookbuilds will depend on whether the Clearing Prices in those Bookbuilds are above the Application Price. For more information, see under the headings ‘The Retail Bookbuild’ and ‘The Institutional Bookbuild’ in **Part 4: Details of the Offer**.

This Offer Document is intended for use only in connection with the Offer to Eligible Retail Shareholders with a registered address in New Zealand and Australia, Eligible Institutional Shareholders with a registered address in New Zealand, Australia, the United Kingdom, Norway, Luxembourg, Germany, the Netherlands, Switzerland, Hong Kong, Japan or Singapore and Shareholders in the United States who are Approved U.S. Shareholders and does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

This Offer Document is not to be sent or given to any person outside New Zealand or Australia in circumstances in which the Offer or distribution of this Offer Document would be unlawful. The distribution of this Offer Document (including an electronic copy) outside New Zealand or Australia

may be restricted by law. If you come into possession of this Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law, including as set forth below.

No person may purchase, offer, sell, distribute or deliver New Shares, or be in possession of, or distribute to any other person, any offering material or any documents in connection with the New Shares, in any jurisdiction other than in compliance with all applicable laws and regulations.

INTERNATIONAL OFFER RESTRICTIONS

This Offer Document does not constitute an offer of Entitlements or New Shares in any jurisdiction in which it would be unlawful. In particular, this Offer Document may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside New Zealand or Australia except to the extent permitted below.

AUSTRALIA

This Offer is being made to Australian resident Shareholders without a prospectus in accordance with section 708AA of the Corporations Act (as modified by ASIC instrument 2016/84 and ASIC Instrument 15-1180). This Offer Document is not a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act and has not been and will not be lodged with ASIC. Neither ASIC or ASX take any responsibility for the contents of this Offer Document. Accordingly, this Offer Document may not contain all information which a prospective investor may require to make a decision whether to subscribe for New Shares and it does not contain all of the information which would otherwise be required by Australian law to be disclosed in a prospectus.

EUROPEAN ECONOMIC AREA - GERMANY, LUXEMBOURG AND THE NETHERLANDS

The information in this Offer Document has been prepared on the basis that all offers of Entitlements and New Shares will be made pursuant to an exemption under the Directive 2003/71/EC (“Prospectus Directive”), as amended and implemented in Member States of the European Economic Area (each, a “Relevant Member State”), from the requirement to publish a prospectus for offers of securities.

An offer to the public of Entitlements and New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, “MiFID”); or

- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

HONG KONG

WARNING: This Offer Document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). No action has been taken in Hong Kong to authorise or register this Offer Document or to permit the distribution of this Offer Document or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Offer Document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Offer Document, you should obtain independent professional advice.

JAPAN

The Entitlements and the New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the “FIEL”) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Entitlements or New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Entitlements or New Shares is conditional upon the execution of an agreement to that effect.

NORWAY

This Offer Document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act

of 29 June 2007. Accordingly, this Offer Document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Norway except to “professional clients” (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

SINGAPORE

This Offer Document and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore.

Accordingly, this Offer Document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Offer Document has been given to you on the basis that you are (i) an existing holder of the Company’s shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Offer Document immediately. You may not forward or circulate this Offer Document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

SWITZERLAND

The Entitlements and the New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This Offer Document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Offer Document nor any other offering or marketing material relating to the Entitlements and the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. These securities will only be offered to regulated financial

intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this Offer Document nor any other offering or marketing material relating to the Entitlements and the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offer Document will not be filed with, and the offer of Entitlements and New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This Offer Document is personal to the recipient only and not for general circulation in Switzerland.

UNITED KINGDOM

Neither the information in this Offer Document nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the Entitlements or the New Shares. This Offer Document is issued on a confidential basis to “qualified investors” (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and these securities may not be offered or sold in the United Kingdom by means of this Offer Document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Offer Document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Entitlements or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Offer Document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this Offer Document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Offer Document or any of its contents.

UNITED STATES

The Entitlements and New Shares described in this Offer Document have not been, and will not be, registered under the U.S. Securities Act of 1933 and may

not be offered or sold in the United States (or for the account or benefit of a person in the United States) except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

This Offer Document may be distributed in the United States only by the Company and only to Approved U.S. Shareholders.

NO GUARANTEE

No person named in this Offer Document (nor any other person) guarantees the New Shares to be issued pursuant to the Offer or warrants the future performance of SKYCITY or any return on any investment made pursuant to this Offer Document.

UNDERWRITING AGREEMENT

SKYCITY has requested that the Underwriters underwrite the Offer and the Underwriters have agreed to do so. This means that the Underwriters will subscribe at the Application Price for any New Shares that are not subscribed for by Shareholders or Institutional Investors under the Offer in accordance with the terms of the Underwriting Agreement.

A summary of the principal terms of the Underwriting Agreement are set out as follows:

- The Underwriters have the power to appoint sub-underwriters.
- The Underwriters will be paid an underwriting fee of 1.50%, and a lead management fee of up to 0.50%, of the total gross proceeds to be raised under the Offer.
- If the Underwriting Agreement is terminated by the Underwriters or SKYCITY, a termination fee may be payable to the Underwriters. Any termination fee cannot exceed 100% of the underwriting and lead management fee.
- Either of the Underwriters may terminate its obligations under the Underwriting Agreement on the occurrence of a number of events, including the following:
 - Certain New Zealand or Australian legal requirements failing to be satisfied on or prior to the date this Offer Document was distributed.
 - A Material Adverse Event (as defined in the Underwriting Agreement), which includes an event or events, or any matter or matters or information which occurs after the date of the Underwriting Agreement, and which in an Underwriter’s reasonable opinion, has or is likely to have a material adverse effect on:
 - SKYCITY or its business or prospects
 - the Offer or this Offer Document
 - the price at which the Existing Shares are traded, or New Shares will trade, on the NZX Main Board or ASX
 - the allotment of and payment for the New Shares to be issued
 - the ability of SKYCITY to issue the New Shares at the Application Price

- acceptance by SKYCITY of Valid Applications (as defined in the Underwriting Agreement) for the New Shares under the Offer
 - the quotation of the New Shares on the NZX Main Board or ASX, or
 - the transfer or disposition of the New Shares through the NZX Main Board, ASX or otherwise
 - The occurrence of certain events (including hostilities, changes in financial, economic and political conditions, a general moratorium on commercial banking activities, suspension of trading or listing) in certain countries or financial markets that are Material Adverse Events.
 - The occurrence of certain other specified events (including changes to this Offer Document, changes in law, public proceedings against SKYCITY or any director in their capacity as a director of SKYCITY, changes of directors or certain of its senior executive management, a default by SKYCITY of any of its obligations under the Underwriting Agreement, changes to SKYCITY's capital structure or constitution, a Reserve Bank policy change, any regulatory action taken by a regulatory body in relation to the Offer or this Offer Document, SKYCITY being required to give or giving a correcting notice, SKYCITY or its subsidiaries or respective directors failing to comply with relevant laws) that are Material Adverse Events.
 - the report of the working group established by SKYCITY to carry out the due diligence investigations, or any other information supplied by or on behalf of SKYCITY to the Underwriters in relation to SKYCITY or the Offer being inaccurate, incomplete, misleading or deceptive (including by omission) in any material respect.
 - Failure to ensure legal compliance of this Offer Document or the Offer in a material respect, SKYCITY being prevented from conducting or completing the Offer.
 - SKYCITY or any of its directors or certain of its senior executives engaging in any specified fraudulent conduct or activity.
 - SKYCITY's Shares ceasing to be quoted on the NZX Main Board or the ASX.
 - The charging of a director of SKYCITY or the interim Chief Executive Officer or the Chief Financial Officer with a crime involving dishonesty, or any such person being in breach of certain provisions of the Financial Markets Conduct Act 2013.
 - There having been a decline in the NZX50 Index or the S&P/ASX 200 Index whereby the index is at a level equivalent to 10% or more below its level as at 7pm on the Business Day prior to the date of the Underwriting Agreement, and which decline is maintained for a period of at least two consecutive Business Days.
 - There being an Insolvency Event (as defined in the Underwriting Agreement) in respect of SKYCITY or any of its subsidiaries.
 - A breach of any warranty given by SKYCITY to the Underwriter which, if capable of being remedied, is not remedied within three Business Days after notification of the breach, and that is a Material Adverse Event.
 - A delay in the timetable in respect of the Offer by two or more Business Days without the prior consent of the Underwriter.
 - A force majeure event occurring.
 - A judgment, order or encumbrance being enforced or becoming enforceable against any property of SKYCITY for a sum exceeding \$50 million.
 - SKYCITY does not issue the New Shares when required for settlement of the Offer.
 - Any due diligence investigation of SKYCITY or conducted by, in conjunction with, or on behalf of the Underwriter, revealing any matter of which the Underwriter was not previously aware and that is a Material Adverse Event.
 - SKYCITY may terminate the Underwriting Agreement at any time.
 - SKYCITY has agreed to indemnify the Underwriters in connection with the underwrite against certain losses incurred as a result of or in relation to the Offer, the allotment of the New Shares or the Underwriting Agreement.
 - For a period of three months after the Retail Allotment Date, SKYCITY may not, without the prior consent of the Underwriter:
 - offer for sale or accept an offer for any shares or other equity securities issued by SKYCITY
 - allot or issue any Shares or other equity securities of SKYCITY
 - issue or grant any right or option that entitles the holder to call for the issue of Shares by SKYCITY or that is otherwise convertible into, exchangeable for or redeemable by the issue of, Shares or other equity securities by SKYCITY
 - create any debt instrument or other obligation which may be convertible into, exchangeable for or redeemable by, the issue of Shares or other equity securities by SKYCITY
 - otherwise enter into any agreement whereby any person may be entitled to the allotment and issue of any Shares or other equity securities by SKYCITY, or
 - make any announcement of an intention to do any of the foregoing other than pursuant to its dividend reinvestment plan, an existing employee incentive scheme or the Offer.
 - SKYCITY may not, without the prior consent of the Underwriter, for a period of one month after the Retail Allotment Date:
 - dispose of or charge, or agree to dispose of or charge, the whole or any substantial part of its business, or
 - enter into any commitment or arrangement which is or may be material in the context of the Offer, the underwriting of any shortfall of the Offer or quotation
- except, in each case, as expressly contemplated in this Offer Document, or as disclosed on the NZX Main Board and ASX or in writing to the Underwriters prior to the date of the Underwriting Agreement.
- Warranties given by SKYCITY in the Underwriting Agreement include warranties relating to the content of the Offer Document, compliance by SKYCITY with relevant laws, the existence of no material litigation, the solvency of SKYCITY, and the valid issue and allotment of New Shares.

BROKER STAMPING FEES

No investor will pay brokerage on taking up their Entitlement or as a subscriber for New Shares under the Offer. A stamping fee of 0.5% of Application Monies on New Shares allotted will be paid to NZX Firms who submit a valid claim for a broker stamping fee on successful Applications, subject to a fee limit of NZ\$300 per Shareholder. The aggregate fee payable on all successful Applications will be limited to NZ\$200,000. In the event that total stamping fees payable exceeds NZ\$200,000, the stamping fee payable per successful Application will be scaled back on a pro rata basis. This fee will be met by the Underwriters. Details of the claims process are to be separately communicated to NZX Firms by the Underwriters. No stamping fees will be paid on any Retail Premium or Institutional Premium achieved or to ASX brokers on successful applications on the ASX. Following allotment, the sale of the New Shares may be subject to normal brokerage fees.

PRIVACY

Any personal information provided by Eligible Shareholders on the Entitlement and Acceptance Forms or via the online application process will be held by SKYCITY and/or the Registrar at the addresses set out in the Directory. The information will be used for the purposes of administering your investment in SKYCITY. This information will only be disclosed to third parties with your consent or if otherwise required by law. Under the New Zealand Privacy Act 1993 and the Australian Privacy Act 1988 (Cth), you have the right to access and correct any personal information held about you.

GOVERNING LAW

This Offer Document, the Offer and any contract resulting from it are governed by the laws of New Zealand, and each Applicant submits to the exclusive jurisdiction of the courts of New Zealand.

TIMES, CURRENCY AND LAWS

Unless otherwise stated, all references in this Offer Document to times and dates are to New Zealand, all references to currency are to New Zealand dollars, and all references to applicable statutes and regulations are (unless otherwise stated) references to New Zealand statutes and regulations.

5. OTHER INFORMATION

NZX WAIVERS

NZX has granted SKYCITY waivers from the following NZX Listing Rules in respect of the Offer, subject to certain terms and conditions:

- NZX Listing Rule 7.3.1(a): so that SKYCITY is not required to obtain Shareholder approval for the issue of New Shares in connection with the Offer. This waiver is subject to the condition that the issue be conducted in accordance with NZX Listing Rule 7.3.4(a) (read in conjunction with NZX Listing Rules 7.3.4(d) to 7.3.4(h)), except that the Entitlements need not be renounceable, and that SKYCITY ensures that the Bookbuilds occur in the manner set out in this Offer Document;
- NZX Listing Rule 7.10.1: to enable Eligible Institutional Shareholders to be notified of their Entitlements prior to the Record Date and to enable that notification to occur by means other than physical letters of entitlement;
- NZX Listing Rule 7.10.2: to the extent it would otherwise require the Institutional Entitlement Offer to remain open for 12 Business Days, subject to the condition that SKYCITY's announcement of the Offer, and this Offer Document, clearly state that a shorter than usual offer period will be available to Eligible Institutional Shareholders under the Institutional Entitlement Offer; and
- NZX Listing Rule 7.10.8: to the extent it would have required SKYCITY to notify NZX of the Offer five Business Days prior to the ex-date for the Offer, subject to the condition that the Offer is notified to NZX in accordance with NZX Listing Rule 7.10.8 no later than the ex-date for the Offer.

6. GLOSSARY

A\$	the lawful currency of Australia
Applicant	an investor whose application for New Shares has been received by the Registrar
Application	an application to subscribe for New Shares under this Offer Document
Application Monies	monies received from Applicants in respect of their Applications
Application Price	NZ\$4.40 per New Share (or for Eligible Australian Retail Shareholders, A\$4.05 per New Share)
Approved U.S. Shareholder	one of a limited number of institutional Shareholders in the United States that SKYCITY has invited to participate in the U.S. Private Placement
ASIC	the Australian Securities and Investments Commission
ASX	ASX Limited or the market it operates as the context requires
ASX Broker	any ASX participating organisation
ASX Listing Rules	the listing rules of the ASX as they apply to SKYCITY as a foreign exempt listed issuer, as amended from time to time and for so long as SKYCITY is admitted to the official list of such exchange
Australian Tax Act	the Income Tax Assessment Act 1936 (Cth) and Income Tax Assessment Act 1997 (Cth) as applicable
Authorised Financial Advisor	a financial advisor who is registered on the New Zealand Financial Service Providers Register
Board	the board of directors of SKYCITY
Bookbuilds	the Institutional Bookbuild and Retail Bookbuild
Business Day	a time between 8.30am and 5.30pm (New Zealand time) on a day on which NZX is open for trading
Clearing Price	the price determined: (a) in respect of the Institutional Bookbuild, through the Institutional Bookbuild process; and (b) in respect of the Retail Bookbuild, through the Retail Bookbuild process, which may be equal to or above the Application Price
Closing Date	7pm (New Zealand time) on 2 June 2016
Corporations Act	the Australian Corporations Act 2001 (Cth)
Eligible Australian Retail Shareholder	an Eligible Retail Shareholder with a registered address in Australia as at 9pm (New Zealand time) on the Record Date

Eligible Institutional Shareholder	a Shareholder who, as at 9pm (New Zealand time) on the Record Date: (a) has a registered address in New Zealand, Australia, the United Kingdom, Norway, Luxembourg, Germany, the Netherlands, Switzerland, Hong Kong, Japan or Singapore and is not acting for the account of or benefit of a person in the United States, or is a Shareholder in the United States that is an Approved U.S. Shareholder; and (b) is an Institutional Investor (or the nominee of an Institutional Investor); and (c) is invited to participate in the Institutional Entitlement Offer, provided that it does not include any Shareholder who SKYCITY determines is not available to receive and process an offer under the Institutional Entitlement Offer on the date of this Offer Document
Eligible Retail Shareholder	a Shareholder with a registered address in New Zealand or Australia as at 9pm (New Zealand time) on the Record Date, who is not in the United States or acting for the account or benefit of a person in the United States and is not an Eligible Institutional Shareholder or Ineligible Institutional Shareholder
Eligible Shareholder	an Eligible Retail Shareholder or Eligible Institutional Shareholder
Entitlement	the right to subscribe for 1 New Share for every 10 Existing Shares at the Application Price under the Offer
Entitlement and Acceptance Form	the personalised entitlement and acceptance form provided to Eligible Retail Shareholders
Existing Share	a fully paid ordinary share in SKYCITY on issue on the NZX Main Board or ASX at 9pm (New Zealand time) on the Record Date
Ineligible Institutional Shareholder	a Shareholder who is not an Eligible Institutional Shareholder but who, if it (and/or the person for whom it holds Shares) had an address in any of the jurisdictions noted in the definition of 'Institutional Investor' would, in the opinion of SKYCITY, be an Eligible Institutional Shareholder
Ineligible Retail Shareholder	a Shareholder who is not an Eligible Retail Shareholder, Eligible Institutional Shareholder or Ineligible Institutional Shareholder
Ineligible Shareholders	Shareholders other than Eligible Shareholders
Institutional Bookbuild	the bookbuild process conducted by the Joint Lead Managers under which New Shares attributable to Entitlements that are not taken up by Eligible Institutional Shareholders, together with New Shares attributable to Entitlements of Ineligible Institutional Shareholders, are offered to Institutional Investors (which may include Eligible Institutional Shareholders, whether or not they take up their full Entitlement under the Offer)
Institutional Entitlement Offer	the offer of New Shares to Eligible Institutional Shareholders

Institutional Investor	a person:
	(a) in New Zealand, who SKYCITY considers is an institutional, habitual, or sophisticated investor;
	(b) in Australia, who SKYCITY considers is a person to whom an offer of shares for issue may be lawfully made without disclosure under Part 6D.2 of the Corporations Act 2001 because of sections 708(8) to 708(12) of the Corporations Act 2001;
	(c) in Hong Kong, who SKYCITY considers is a “professional investor” as defined in the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong;
	(d) in Japan, who SKYCITY considers is a “qualified institutional investor” (as defined in article 2, paragraph 3 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948));
	(e) in Singapore, who SKYCITY considers is an “institutional investor” or a “relevant person” as defined in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore;
	(f) in the United Kingdom, who SKYCITY considers is a “qualified investor” within the meaning of section 86(7) of the Financial Services and Markets Act 2000;
	(g) in Norway, who SKYCITY considers is a “professional client” as defined in Norwegian Securities Regulation of 29 June 2007 no. 876;
	(h) in Luxembourg, who SKYCITY considers is a “qualified investor” within the meaning of the European Prospectus Directive (Directive 2003/71/EC) as amended and implemented in Luxembourg;
	(i) in Germany, who SKYCITY considers is a “qualified investor” within the meaning of the European Prospectus Directive (Directive 2003/71/EC) as amended and implemented in Germany;
	(j) in the Netherlands, who SKYCITY considers is a “qualified investor” within the meaning of the European Prospectus Directive (Directive 2003/71/EC) as amended and implemented in the Netherlands;
	(k) in Switzerland, who SKYCITY considers is an institutional investor (i) subject to Swiss or foreign prudential supervisions such as a bank, securities dealer, insurance institution or fund management company; or (ii) with professional treasury operations;
	(l) in the United States, who is an Approved U.S. Shareholder; or
	(m) any other person to whom SKYCITY considers the Offer may be made without the need for a lodged prospectus or other formality (other than a formality with which SKYCITY is willing to comply), and, in each case (other than paragraph (l)), who is not acting for the account or benefit of a person in the United States

Institutional Premium	the cash excess (if any) of the Clearing Price in the Institutional Bookbuild over the Application Price, calculated and paid in New Zealand dollars
Institutional Settlement Date	the date of settlement and allotment of New Shares under the Institutional Entitlement Offer and Institutional Bookbuild on the NZX Main Board, expected to be 19 May 2016
Joint Lead Managers	First NZ Capital Securities Limited and Credit Suisse (Australia) Limited
New Share	a fully paid ordinary share in SKYCITY offered under the Offer of the same class as (and ranking equally in all respects with) Existing Shares at the time of allotment of the New Shares
NZ\$ or \$	the lawful currency of New Zealand
NZX	NZX Limited
NZX Firm	an entity designated as an NZX Firm under the Participant Rules of NZX
NZX Listing Rules	the listing rules of the NZX Main Board, as amended from time to time and for so long as SKYCITY is admitted to the official list of such exchange
NZX Main Board	the main board equity securities market operated by NZX
Offer	the offer of New Shares pursuant to the Institutional Entitlement Offer, Institutional Bookbuild, U.S. Private Placement, Retail Entitlement Offer and Retail Bookbuild
Offer Document	this document
Record Date	16 May 2016
Registrar	Computershare Investor Services Limited
Retail Bookbuild	the bookbuild process conducted by the Joint Lead Managers under which New Shares attributable to Entitlements that are not taken up by Eligible Retail Shareholders, together with New Shares attributable to Entitlements of Ineligible Retail Shareholders, are offered to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they take up their full Entitlement under the Offer)
Retail Entitlement Offer	the offer of New Shares to Eligible Retail Shareholders
Retail Premium	the cash excess (if any) of the Clearing Price in the Retail Bookbuild over the Application Price, calculated and paid in New Zealand dollars (except for Eligible Australian Retail Shareholders who did not take up their full entitlements to whom any Retail Premium will be paid in Australian dollars at the prevailing A\$:NZ\$ exchange rate)
Share	one fully paid ordinary share in SKYCITY
Shareholder	a registered holder of Shares on issue
SKYCITY	SKYCITY Entertainment Group Limited (New Zealand company number 610568)

Underwriters	First NZ Capital Securities Limited and Credit Suisse (Australia) Limited
Underwriting Agreement	the agreement entered into between SKYCITY and the Underwriters, a summary of the principal terms of which are set out in Part 4: Details of the Offer under the heading 'Underwriting Agreement'
United States or U.S.	the United States of America
U.S. Private Placement	the offer of New Shares by SKYCITY to Approved U.S. Shareholders as part of the Institutional Entitlement Offer, Institutional Bookbuild or Retail Bookbuild

7. DIRECTORY

THE ISSUER

SKYCITY Entertainment Group Limited

Level 6, Federal House
86 Federal Street
Auckland 1010
New Zealand

or

PO Box 6443
Wellesley Street
Auckland 1010
New Zealand

DIRECTORS OF SKYCITY ENTERTAINMENT GROUP LIMITED

Chris Moller	Chairman
Bruce Carter	Deputy Chairman
Sue Suckling	Director
Brent Harman	Director
Richard Didsbury	Director
Richard Tsiang	Director

REGISTRAR

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LEGAL ADVISER

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or

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Auckland 1140
New Zealand

Not for release or distribution in the United States

11 May 2016

Dear Shareholder

Capital Raising to Fund Major Growth Projects

SKYCITY is seeking to raise NZ\$263 million of new equity from Eligible Shareholders through a fully underwritten accelerated pro-rata entitlement offer ("**Offer**").

The Offer provides an equal opportunity for all Eligible Shareholders to participate in the equity raising and is a key element of SKYCITY's funding plan for its two major growth projects in Auckland and Adelaide.

Major Growth Projects

Since 2013, SKYCITY has been working on successfully executing its two major growth projects, namely:

- the development of the New Zealand International Convention Centre ("**NZICC**") and the Hobson St hotel in Auckland; and
- the expansion of the Adelaide Casino.

SKYCITY remains committed to progressing both projects and expects them to deliver a significant increase in revenue and earnings over time which will benefit the company and its Shareholders.

The development of the NZICC and Hobson St hotel is progressing well, remains on-budget and is scheduled for completion in Q1 2019.

We are also making good progress on finalising arrangements for the expansion of the Adelaide Casino. The joint early works with the South Australian Government are currently expected to commence in 2H 2016 and the main construction works are expected to commence 12 months later. Completion of the Adelaide expansion is now likely to occur in late 2019 or early 2020.

The total capital investment required for both projects is approximately NZ\$1 billion through to completion, some of which has already been incurred.

Funding Plan

Consistent with previous market statements, we have been evaluating over the past 18 months a range of options for funding this capital commitment which will enable SKYCITY to maintain its BBB- investment grade credit rating. These options have included a sale of the Hobson St hotel, other asset sales, a change to our dividend policy and raising new equity.

The Board has now determined that the best funding option for the company and its Shareholders is to raise new equity. This follows the completion of the sale process for the Hobson St hotel, where the decision was made by the Board to retain the asset, and the increased certainty achieved on the timing and cost of our two major growth projects.

The Board also reiterates its commitment to maintaining SKYCITY's existing dividend policy (being a minimum annual payout ratio of 80% of normalised net profit after tax) for the foreseeable future, which should provide an attractive cash yield for Shareholders.

Raising new equity is expected to provide SKYCITY with sufficient funding capacity and headroom to fund our major growth projects and maintain our credit rating. Furthermore, it should also allow SKYCITY to continue to invest prudently in the business, consistent with our vision of delivering a world-class entertainment offering for our customers.

Participation in the Offer

On behalf of the Board, I am pleased to offer Eligible Shareholders the ability to participate in the Offer. The Offer provides an opportunity for Eligible Shareholders to increase the number of Shares they hold in SKYCITY and to take advantage of the discount at which the New Shares will be issued.

Under the Offer, Eligible Shareholders are entitled to acquire 1 New Share for every 10 existing Shares held as at 9.00pm (NZ time) on the Record Date of 16 May 2016, at an Application Price of NZ\$4.40 per New Share (or A\$4.05 per New Share for Eligible Retail Shareholders in Australia).

The Application Price reflects a 12.8% discount to NZ\$5.04, being the volume weighted average price of SKYCITY's shares as traded on NZX for the last five trading days prior to 11 May 2016 and a 11.2% discount to the theoretical ex-entitlement price of NZ\$4.95¹.

Eligible Retail Shareholders will have until 2 June 2016 to subscribe for New Shares, while the institutional component of the Offer will be accelerated and close on 12 May 2016 with an Institutional Bookbuild being undertaken on 13 May 2016.

Under the Offer, there will be no trading of entitlements. Instead, New Shares not taken up or attributable to Ineligible Shareholders will be offered to Eligible Institutional Investors through Bookbuilds run by the Joint Lead Managers. Any premium achieved above the Application Price for the New Shares in each of the Bookbuilds will be shared on a pro-rata basis (with no brokerage costs deducted) between those Shareholders who do not exercise their entitlements or who are ineligible to do so in respect of each relevant Bookbuild.

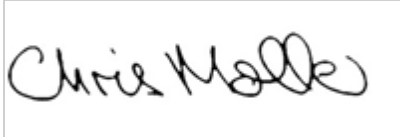
The Offer is fully underwritten by Credit Suisse (Australia) Limited and First NZ Capital Securities Limited.

¹ The theoretical ex-entitlement price is the theoretical price at which a Share would trade immediately after the ex date for the Offer. This is the weighted average of 10 existing Shares valued at NZ\$5.01 and 1 New Share issued at NZ\$4.40. It is a theoretical calculation only and the actual price at which Shares will trade immediately after the ex date for the Offer will depend on many factors and may not be equal to the theoretical ex-entitlement price.

After reading the accompanying Offer Document, the Board encourages you to seek financial, investment, or other professional advice from a qualified professional adviser and that you take the time to consider this Offer. Additional information can be found at www.skycityshareoffer.co.nz and in the investor presentation which we have released to the NZX and ASX.

Reflecting their commitment to SKYCITY, I am pleased to confirm that all SKYCITY directors intend to take up their full Entitlements under the Offer.

On behalf of the Board, I welcome your participation in this Offer.

A handwritten signature in black ink, reading "Chris Moller", enclosed within a thin black rectangular border.

Chris Moller

Chairman

SKYCITY Entertainment Group Limited

Note: All capitalised terms used in this letter have the meanings given in Part 6: Glossary of SKYCITY's Offer Document dated 11 May 2016.

This letter has been prepared for release in New Zealand and Australia and may not be released in the United States. This letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction.

Any securities described in this letter have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the U.S. Securities Act and applicable US state securities laws.

From: SKYCITY Entertainment Group Limited [skycity@mailservice.computershare.com.au]
Sent:
To:
Subject: SKYCITY Entitlement Offer



Dear shareholder

SKYCITY Entertainment Group Limited (SKYCITY) is seeking to raise approximately NZ\$263 million of new equity from its existing shareholders through an accelerated pro-rata entitlement offer (Offer). SKYCITY intends that the net proceeds from the Offer will be used to repay bank debt and reduce gearing, in order to support the funding of future capital expenditure commitments in Auckland and Adelaide.

Under the Offer, eligible retail shareholders with a registered address in New Zealand or Australia are entitled to acquire 1 new fully paid ordinary share in SKYCITY (New Share) for every 10 existing fully paid ordinary shares in SKYCITY held as at 9.00pm (NZ time) on the record date of 16 May 2016 at an application price of NZ\$4.40 per New Share (or A\$4.05 per New Share for shareholders with an Australian registered address on the record date).

The application price reflects a 12.8% discount to a SKYCITY share price of NZ\$5.044 per share, being the volume weighted average sale price (VWAP) over the 5 trading days on the NZX Main Board market immediately prior to 11 May 2016.

A copy of the Offer Document, with further details of the Offer, can be downloaded [here](#). In addition, a copy of the Offer Document and a personalised entitlement and acceptance form will be mailed to eligible retail shareholders on 17 May 2016.

The Offer to eligible retail shareholders opens at 10.00am (NZ time) on 17 May 2016 and closes at 7.00 pm (NZ time) on 2 June 2016. Eligible retail shareholders can participate in the Offer and take up some or all of their entitlements online at www.skycityshareoffer.co.nz or, alternatively, by completing their personalised entitlement and acceptance forms.

Regards

Rob Hamilton
Chief Financial Officer

The offer of New Shares in SKYCITY Entertainment Group Limited is made on the terms and conditions set out in the Offer Document dated 11 May 2016. This email may not be distributed in the United States and may not be forwarded to any person (or otherwise reproduced in any manner) in the United States or any other jurisdiction outside New Zealand or Australia. Any forwarding or other distribution of this email in whole or in part may result in a violation of relevant securities laws. Nothing in this email constitutes an offer to sell, or an invitation to purchase, any securities or financial products to any person outside New Zealand and Australia.

In particular, the entitlements and the New Shares have not been and will not be registered under the US Securities Act of 1933, as amended, or the securities laws of any state of the United States and may not be

offered or sold in the United States or to, or for the account or benefit of, any person in the United States, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable state securities laws.

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