

**SKYCITY Entertainment Group Limited**

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19 October 2018

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

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)  
ANNUAL MEETING OF SHAREHOLDERS**

Please find **attached** a copy of the presentation to be delivered at the company's annual meeting of shareholders to be held at 10.00am (New Zealand time) in Auckland today.

A copy of the presentation and the video presentation that will be screened at the annual meeting will be available to view from SKYCITY's website later today.

Yours faithfully

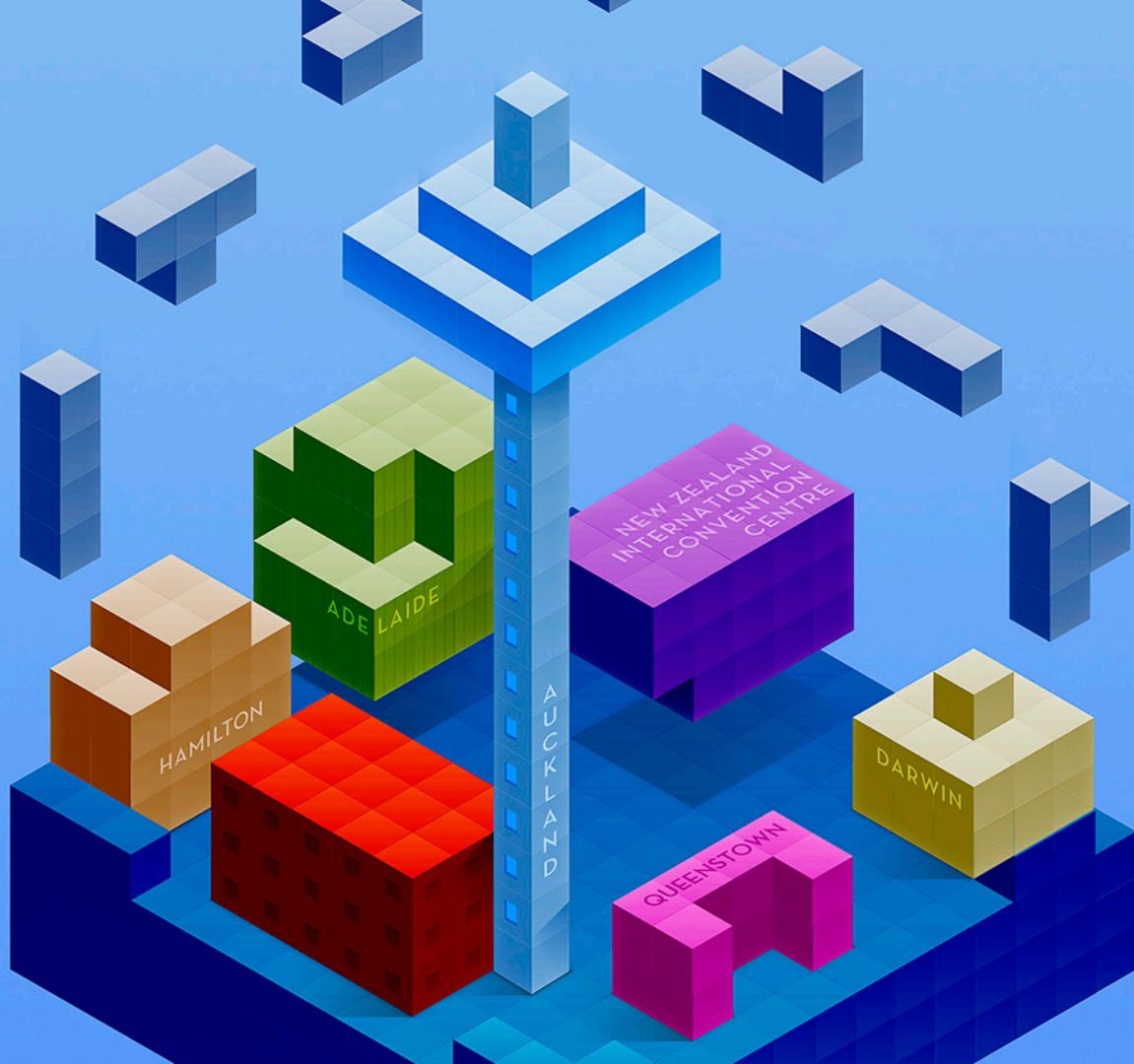


Jo Wong  
Company Secretary



# Annual Meeting

19 October 2018



# 2018 Annual Meeting

- Meeting duly convened
- Quorum present
- Minutes of 2017 Annual Meeting available on SKYCITY's website

# Sequence of Meeting

- Presentation from Chairman and CEO
- Presentations from Chairs of Board Committees
- General Q&A session on management and operations of business
- Four resolutions and questions relating to the resolutions
- Refreshments

# **Rob Campbell, Chairman & Graeme Stephens, CEO**



# FY18 Key Achievements

**Record financial performance**

**Improved operational performance at all properties**

**Completed refresh of Group strategy**

**Successfully progressed key strategic initiatives**

**Increased focus on sustainability and wellbeing**

**Focused on executing strategic plan**

# Board's Commitment

- Approve and oversee medium term strategy
  - Focus on capital allocation and shareholder value
- High performance management team
- Risks identified and managed
- Governance and accountability prioritised
- Sustainability and community focus

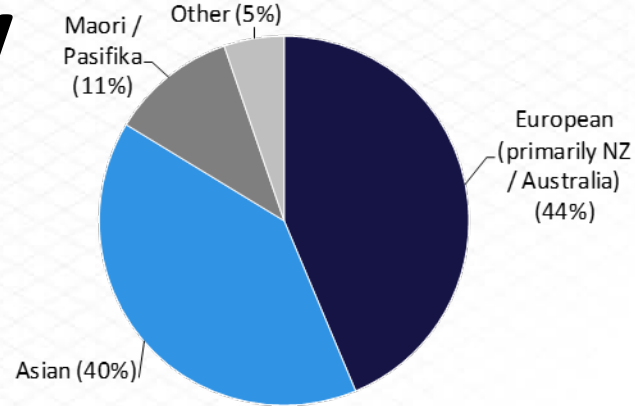
# Board Activity

- Strong Committee work programmes
- Attention to major projects and health & safety
- Focus on gaming industry and governance issues
- Accountability of management for achieving goals and alignment with shareholders

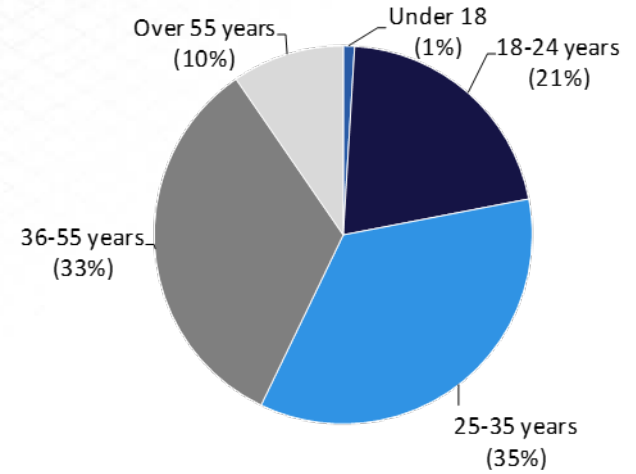


# Diversity

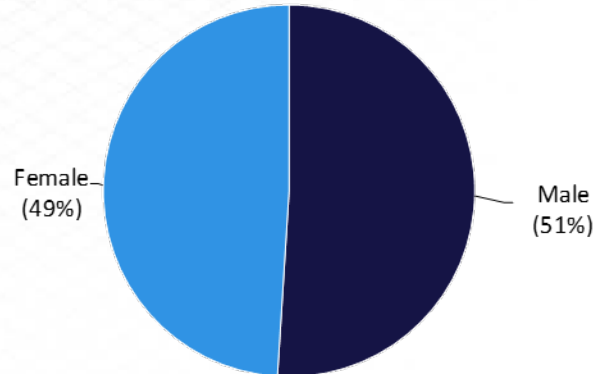
**Employees by ethnicity<sup>(1)</sup>**



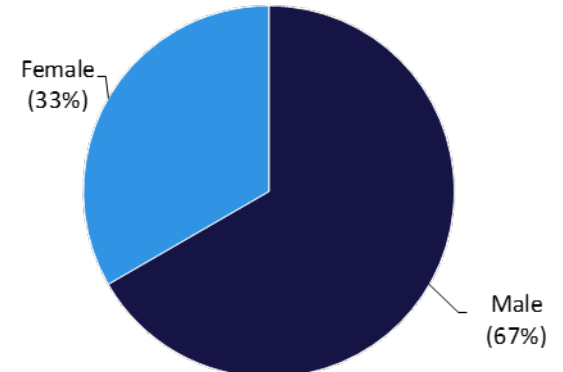
**Employees by age<sup>(1)</sup>**



**Employees by gender<sup>(1)</sup>**



**Board / Management by gender**



<sup>(1)</sup> Information based on collected data during FY18

# CEO Milestones

- Management team established
- Met key stakeholders
- Positive FY18 result
- Completed refresh of Group strategy and commenced implementation

# Refreshed Group Strategy

## VISION

To be the leader in gaming, entertainment and hospitality in our communities

## BUSINESS GOALS



Improve our operating performance



Optimise our existing portfolio



Grow and diversify our business

## CHARACTER & CULTURE GOALS



Offer a great and safe place to work

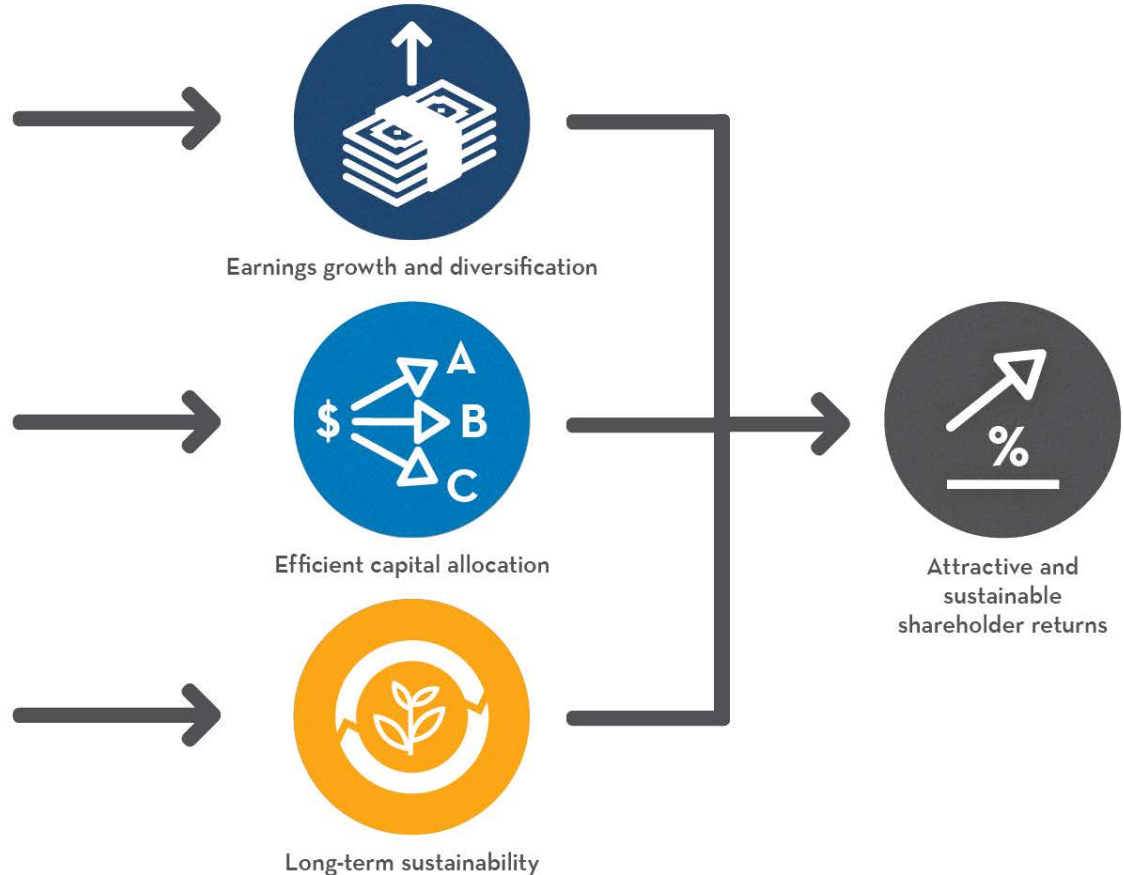


Always put customers first



Be responsible leaders in  
our communities

# Long-Term Value Creation



# FY18 Result

	FY18	FY17	Movement	
	\$m	\$m	\$m	%
Normalised NPAT	169.9	153.8	16.1	10.4%
Normalised EPS	25.4cps	23.4cps	2.0cps	8.5%
Reported NPAT	169.5	44.9	124.6	277.9%
Reported EPS	25.3cps	6.8cps	18.5cps	272.1%
Total Dividend NZ\$ DPS	20.0cps	20.0cps	0.0cps	0.0%

# FY18 Highlights

- Record Group result
- Record performance in International Business, Auckland and Hamilton
- Improved performance in Adelaide and Darwin
- Strong 2H18 electronic gaming machine (EGM) performance
- Cost focus driving margin improvement
- On-going investment in ICT
- Total dividend of 20cps

# Year to Date Trading

- Trends from 2H18 have continued into FY19
- Trading update on 12 November (UBS Investor Conference)



# Key Strategic Initiatives

## NZICC & Horizon Hotel

- Continuing progress on the NZICC and Horizon Hotel project over the past six months
- Remains a challenging project - likely to be further delays to completion beyond December 2019
- Further update once greater certainty around completion dates



# Key Strategic Initiatives

- Adelaide expansion on-time and on-budget
- Marketing for potential sale of Auckland car parks commenced
- Potential sale of Darwin nearing conclusion
- Auckland, Hamilton and Queenstown master planning progressing well
- Progressing strategy to grow hotels business

# Key Strategic Initiatives

- Exploring options to develop offshore-based online casino
- Broadening entertainment offering - Let's Play Live & All Blacks
- On-going investment in ICT/digital
- Group-wide review of brand, customer relationship management (CRM) and loyalty
- Upweighted focus on corporate social responsibility (CSR) pillars

# FY19 Focus

- Improve operating performance and team quality
- Execute major projects effectively
- Conclude asset sales
- Progress key strategic initiatives
- Continue to better governance and enhance sustainability and wellbeing initiatives

# Closing Remarks

- Platform created to unlock value
- Positive momentum in business
- Focus on capital allocation and shareholder value
- Seeking to maximise existing assets before go looking for more
- Strive to be a good corporate citizen

# **Bruce Carter**

## **Chair of Audit & Risk Committee**



# Committee's Activities in FY18

- Audit tender concluded
- Scope expanded to cover all risks
- Clean audit report
- Clean IRD review
- Focus on conduct risk and risk culture

# Key Issues for Committee in FY19

- New accounting standards - revenues and leases
- Managing key risks
- “Capital lighter” focus
- Capital structure review
- Climate change risks and reporting

# **Sue Suckling**

## **Chair of Corporate Social Responsibility Committee**





# Committee's Activities in FY18

- Review of corporate social responsibility (CSR) framework and pillars



# Committee's Activities in FY18

- Our people
  - Snapshot of diversity at SKYCITY
- Our customers
  - Leading host responsibility

# Key Issues for Committee in FY19

- Our community
  - Youth development and pathways to employment
- Our environment
  - Measuring and reporting our carbon footprint
  - Reduction of waste
- Our suppliers
  - Ethical, local and sustainable supply chain

**Murray Jordan**  
**Chair of Remuneration &**  
**Human Resources Committee**



# Remuneration Initiatives

- Short Term Incentive (STI) outcome delivered in restricted share rights
- Review of variable remuneration structure
- Re-design of Long Term Incentive (LTI) Plan
- Review of Non-Executive Director Remuneration Policy
- Proposal for ~5% increase to Non-Executive Director fee pool

# Human Resources Initiatives

- Focus on diversity and inclusion
- Representation of women in senior management positions
- Commitment to a \$20 minimum wage in NZ by 2020



# **General Questions from Shareholders**

(not relating to the resolutions)

# Voting

- Voting by way of poll
- 517 million proxy votes (representing 76% of all voting securities) received by 10am on Wednesday 17 October



# Proxy Count

Resolution	For	Against	Discretionary	Total	Abstain
Re-elect Bruce Carter	513,218,797	1,997,028	1,526,521	516,742,346	1,283,638
Re-elect Richard Didsbury	515,096,435	115,139	1,530,772	516,742,346	1,283,638
Increase in Directors' Fees	499,535,802	15,695,529	1,409,869	516,641,200	1,384,784
Fix Auditor's Fees	512,619,777	2,651,432	1,322,202	516,593,411	1,321,884

# Resolution 1

## Re-election of Director: Bruce Carter

- Appointed to Board in October 2010
- Independent
- Board unanimously recommends that shareholders vote in favour of his election



# Resolution 2

## Re-election of Director: Richard Didsbury

- Appointed to Board in July 2012
- Independent
- Board unanimously recommends that shareholders vote in favour of his election



# Resolution 3

## **Increase in Directors' Fees**

- Increase in total pool from \$1,365,000 (plus GST, if any) to \$1,440,000 (plus GST, if any) for each financial year
- Increase of \$75,000 (plus GST, if any) or ~5% effective from 1 July 2018

# Resolution 4

## Remuneration of Auditor

- Authorise the Directors to fix the auditor's remuneration
- PricewaterhouseCoopers continues as the auditor of SKYCITY

# Conclusion

- Place completed voting papers in one of the ballot boxes
- If you need a voting paper, please see Computershare in the foyer after the meeting
- Results advised to NZX/ASX later today
- Close of meeting
- Refreshments

# Disclaimer

- *All information included in this presentation is provided as at 19 October 2018*
- *This presentation has not taken into account any particular investors investment objectives or other circumstances. Investors are encouraged to make an independent assessment of SKYCITY*



