

SKYCITY Entertainment Group Limited

Federal House 86 Federal Street

PO Box 6443 Wellesley Street

Auckland New Zealand

Telephone +64 (0)9 363 6141

Facsimile +64 (0)9 363 6140

www.skycitygroup.co.nz

13 October 2017

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

**RE: SKYCITY ENTERTAINMENT GROUP LIMITED (SKC)
ACQUISITION OF NPT LIMITED'S INTEREST IN THE AA CENTRE**

Please find **attached** a market release with regard to SKYCITY's acquisition of NPT Limited's interest in the AA Centre in Auckland.

Yours faithfully



Jo Wong
Company Secretary

MARKET RELEASE

13 October 2017

ACQUISITION OF NPT LIMITED'S INTEREST IN THE AA CENTRE

SKYCITY Entertainment Group Limited (SKC.NZX) ("SKYCITY") has acquired NPT Limited's (NPT.NZX) interest in the AA Centre, 99 Albert Street, Auckland for \$47 million. SKYCITY and NPT Limited entered into a conditional agreement on 31 August 2017, and the conditions have now been satisfied.

The acquisition is consistent with SKYCITY's intention to consolidate control over its Auckland precinct as part of the Auckland master planning being undertaken. The master plan, once completed, will incorporate opportunities for further hotels, apartments, food & beverage outlets, entertainment facilities and office spaces, with the aim of having a cohesive and integrated mixed-use entertainment precinct, and will ensure that SKYCITY leverages the benefits of the increased pedestrian traffic flows anticipated following completion of the City Rail Link.

The AA Centre is a 17 level tower on the corner of Albert and Victoria Streets with connectivity to SKYCITY Auckland via a through-site link (connecting Federal Street and Albert Street).

NPT's interest in the building includes 15 levels (12,000 m²) of commercial office space, ground floor retail, the through-site link and 90 car park spaces. The remainder of the interest in the building (namely 2 levels of office space, additional ground floor retail and a small number of car park spaces) is owned by the New Zealand Automobile Association.

The key terms of the acquisition are as follows:

- **Purchase price:** \$47 million (which represents approximately a 7% yield on the income from the property).
- **Deposit:** 10% of purchase price paid upon going unconditional.
- **Capital expenditure:** NPT required to complete certain capital improvements to the building (totalling \$2 million) prior to settlement.
- **Settlement:** 9 months from 12 October 2017 (i.e. 12 July 2018).

The acquisition is expected to be marginally earnings accretive for SKYCITY from FY19, and will be funded from existing bank facilities.

For more information concerning this announcement, please contact:

Ben Kay

GM Corporate Development & Investor Relations

Ph: +64 (9) 363 6067

Email: Ben.Kay@skycity.co.nz