

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

19 December 2014

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)

Please find **attached** details of the SKYCITY progress update on the NZICC project.

Yours faithfully



Peter Treacy
Company Secretary

SKYCITY provides progress update on NZICC project

SKYCITY Entertainment Group, with the agreement of the Crown, is today lodging a resource consent application for the New Zealand International Convention Centre (NZICC).

The application to Auckland Council is for the NZICC and an adjacent five star 300-room SKYCITY hotel and pedestrian laneway to be developed separately.

SKYCITY Chief Executive, Nigel Morrison, says today's announcement is a significant and exciting milestone for the project, following a further six-month preliminary design process involving close collaboration between the NZICC design team and the Crown.

The resource consent application contains plans for a public gallery entrance from Hobson Street, multiple meeting rooms, a dedicated 3000-seat theatre and an exhibition floor the size of Eden Park's rugby pitch. A luxury hotel will be built alongside the NZICC with a pedestrian laneway of bars, restaurants and boutique shopping running between the two buildings from Hobson Street to Nelson Street.

"Lodging an application for resource consent represents a significant step towards realising what will be a magnificent facility for both Auckland and New Zealand," says Mr Morrison.

"We have been consulting and engaging extensively with an array of stakeholders and related parties to evolve our designs and prepare our resource consent application. The process we have followed has been thorough and rigorous, and as such we have every confidence that the convention centre will be a real asset for Auckland that will significantly enhance the city."

Mr Morrison says that design improvements that will further enhance the quality of the convention centre facility and which are required to meet the design brief for the project set out in the NZICC Agreement, together with significant recent and expected construction cost inflation, has meant that early estimates of the full cost of the development have had to be revised to a range of \$470-530 million depending on the level of future construction cost inflation. This includes land but excludes the new hotel and laneway. The sensitive treatment of the historic Nelson House and the Albion Hotel, have also added to the increased cost.

"It is expected that further refinement of the detailed design and careful management by SKYCITY of the tendering process will ensure a competitive total fixed construction cost is obtained from the market. However the Crown and SKYCITY will work constructively to identify additional options to address the funding of any costs over and above SKYCITY's \$402 million contractual obligation."

Mr Morrison says SKYCITY and the Crown have therefore agreed to extend the date for formally approving the preliminary design of the NZICC, which includes agreeing both the design and the total construction cost, until the end of February.

"The final timeline is still to be determined but once the designs for the NZICC are finalised with the Crown and resource consent is granted by Auckland Council, SKYCITY would hope to sign a binding construction contract in the final quarter of 2015. The

commencement of the regulatory concessions for SKYCITY in the NZICC Agreement is tied to the date of the signing of a construction contract. SKYCITY expects the construction process to take approximately three years to complete after signing the contract.

“SKYCITY looks forward to progressing the NZICC project and is confident the NZICC will provide substantial economic benefits for Auckland and New Zealand,” says Mr Morrison.

Following the resolution of the preliminary design (both design and total construction cost), development of the NZICC remains subject to the conditions contained in the NZICC agreement between SKYCITY and the Crown.

ENDS

For more information, please contact:

Media	Investor Relations
Kelly Armitage SKYCITY Group Communications Manager Kelly.armitage@skycity.co.nz Phone: +64 9 363 6368 Mobile: +64 27 213 5625	Ben Kay Investor Relations and Corporate Development Manager Phone: +64 9 363 6067 Mobile: +64 21 512 657