

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

17 October 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)
ANNUAL MEETING OF SHAREHOLDERS**

In accordance with ASX Listing Rule 3.13.3, please find **attached** the following prepared announcements that will be delivered at the company's annual meeting of shareholders to be held at 10.00am (New Zealand time) in Auckland, New Zealand, today:

- (a) Chairman's Address; and
- (b) Chief Executive Officer's Presentation.

In addition, **attached** is a copy of the company's media release of today's date.

Copies of these announcements will be available from SKYCITY's website later today.

Yours faithfully



Peter Treacy
Company Secretary

Chairman's Address: Chris Moller

Moving now to my Chairman's address for 2014

It is my pleasure to again review SKYCITY's annual performance with you, our shareholders and capital note holders at our twentieth annual meeting.

This has been a highly significant year for SKYCITY as we moved into the detailed planning, design and implementation phases for the three key developments that underpin our medium-term growth strategy, namely

- The New Zealand International Convention Centre;
- The transformation of our Adelaide Casino into a world-class integrated entertainment complex; and
- The construction of an additional 300 bed hotel to complement the New Zealand International Convention Centre development.

These three developments will drive growth for our business, our partners, our investors and the wider community and economy in the years ahead.

As a public company, we are committed to five things:

- Firstly maximising the value for our shareholders through investments that provide appropriate returns;
- Secondly ensuring the long-term future of the business;
- Thirdly offering safe, fun entertainment;
- Fourthly being a responsible operator, corporate citizen and employer; and

- Fifthly continuing to bring flair, variety and energy to the cities in which we operate.

This year we were also included in the ASX200 Index for the first time.

The reason for this significant step was due to the sheer volume of our shares being traded on the Australian Stock Exchange.

Our standing as a truly Australasian investment is now reinforced by the investments we are making on both sides of the Tasman and by a share register that includes an increasing proportion of Australian resident SKYCITY shareholders.

While results this year were down on last year's record, Normalised Net Profit After Tax was in line with market expectations.

The two significant factors that directly affected us were foreign exchange rates, which worked against our actual results in Australia when translated into New Zealand dollars and the extended disruptions to our business in Adelaide as we invested for the future.

Setting these two factors aside, the underlying results of the Group were pleasing.

Nigel will elaborate further on these matters when he addresses the meeting.

This year Federal Street's standing as Auckland city's food and entertainment destination has again moved from strength to strength with the opening of four new restaurants:

- Masu by Nic Watt;
- Peter Gordon's The Sugar Club;

- Al Brown's Federal Deli; and
- Sean Connelly's Gusto at The Grand.

Once again, many of these restaurants collected top awards or were listed amongst the top 50 restaurants in the City.

We have also worked closely with the Auckland City Council to finish creating a pedestrian-friendly space where people can meet, relax and be entertained.

It is quite amazing to think that just a few years ago this area was little more than a right-of-way.

Along with the opening of new VIP gaming rooms and the continued refurbishment of the hotels, these changes all contributed to the renewed attraction and appeal of our Auckland site.

The New Zealand International Convention Centre will enhance the precinct even further and provide us with an international quality facility to compete globally for a fair share of large-scale conferences, exhibitions and events.

The New Zealand International Convention Centre Master Plan now includes the 300 room five star hotel I referred to earlier, additional car parking, new retail space, and further restaurants, plus an air bridge over Hobson Street to the main site and laneway access.

We expect to apply for the requisite resource consents by the end of this year.

In Adelaide, we took the opportunity this year to refurbish and reconfigure the current facilities, adding new rooms and systems.

Our proposed new six star boutique hotel, VIP gaming and signature restaurants, the first of which, Sean's Kitchen, was opened by the South Australian Premier, Jay Weatherill, last Friday, will deliver an integrated

entertainment complex that the South Australian Government, the City of Adelaide, our customers and investors will be excited by and proud of.

Our anticipated completion date at this stage is the end of 2018.

These developments in Adelaide and Auckland are inter-generational changes.

They will underpin our strategic growth over the next decade.

SKYCITY is the biggest private sector contributor to the Adelaide Riverbank precinct and the sole investor in the New Zealand International Convention Centre.

We were the catalyst for the development of Federal Street.

We added a three hundred bed luxury hotel to the International Convention Centre development.

All of these initiatives represent opportunities to add new vitality to places that must compete for visitors and investment against an increasingly global and competitive backdrop.

They also highlight our commitment to urban development and renewal, and our willingness and skill in helping to enhance the cities we do business in and to work alongside the Governments we partner with.

Notwithstanding please be assured that, even as we proceed with these critically important projects, the Board and Management will continue to work hard to achieve earnings growth, and to transform SKYCITY from a yield stock to one with a strong growth trajectory as well as strong dividend flows.

Nigel will talk about these initiatives further in his Managing Director's address.

In terms of funding these developments, we remain confident at this time that existing debt facilities, including undrawn committed facilities, together with

operational cash flows and other potential debt facilities, will enable us to complete our Auckland and Adelaide growth projects and maintain our current dividend policy.

This year's final dividend was the same as last year's final dividend of ten cents per share.

The dividend reinvestment plan was again available for the final dividend, this time with a two percent discount.

Combining the final and interim dividends, investors have received a total of twenty cents per share in dividends this year.

Total dividends paid were \$116m, which at the current share price, is a dividend yield of approximately 7%.

We remain committed to providing competitive returns at the same time as we invest in new assets that will generate growth over the medium term.

In addition being a socially responsible business lies at the heart of our strategy.

Our commitment to operate responsibly continues to permeate all of our operations and governance practices.

Our Corporate Social Responsibility programme is how we retain our social licence to operate.

And oversight of these responsibilities extends all the way to Board level with our Corporate Social Responsibility Committee, chaired by Director Peter Cullinane.

We have world leading programmes that ensure our venues are some of the safest places to gamble.

But we are not stopping there.

We are working closely with the Gambling Commission and the Department of Internal Affairs to ensure we maintain leadership in this area.

We are constantly talking to them about how we continue to evolve our host responsibility programmes to ensure we remain at the forefront of international best practice.

Our three Community Trusts support initiatives in the community.

To date, they have made grants of approximately \$40m to 3650 organisations, benefitting hundreds of thousands of New Zealanders, particularly here in Auckland.

We thank all of our hardworking Trustees and pay a special tribute to Arthur Loo, the retiring SKYCITY Auckland Community Trust Chair, for all his work over a period of eight years.

This has been a busy and challenging year for the Board.

I wish to take this opportunity to thank my fellow Directors for their hard work and commitment at this important time.

I would also like to extend the thanks of the Board to Nigel Morrison and the Executive Management team for a year where significant progress has been made.

Nigel and his team have worked diligently and with vigour to bring our exciting new developments to this point and in doing so extended our licenses and obtained tax certainty here in New Zealand and in South Australia.

Those achievements should not be under estimated.

In the Auckland and Adelaide negotiations, the team has met the needs of governments and regulators, delivered on our needs as a business and further developed the attractiveness of the cities in which we operate.

As someone who has been involved in quite a number of negotiations in my time, I can tell you that separately these two geographical negotiations are no mean feats; in combination they are quite remarkable achievements.

On behalf of the Board, I also extend our thanks to the staff, who serve and entertain our customers on our gaming floors, in our restaurants and bars, at our attractions, in our hotels and at events and functions across our six sites.

In our joint annual report, Nigel and I referred to this year as a year of transformation.

The Board and Management are confident that the foundations are in place to underpin our future growth and drive our momentum ahead.

SKYCITY has shown that we can find a way forward that is characterised by responsibility and vision, by care for people and commitment to places, by big plans and steady returns.

The journey is however far from over – in fact, it is never over.

It continues at pace together with the challenges of achieving growth, efficiencies, the greatest levels of competitiveness we can and returns that are acceptable to you.

I will now invite our Managing Director and Chief Executive Nigel Morrison to share more of the year that was, and the year that will be, with you.



Chief Executive's Annual Meeting Address

17 October 2014

Nigel Morrison

1



Annual Meeting – Overview

- FY14 Financial Highlights
- First Quarter FY2015 Trading Update
- Development Update
- SKYCITY in the Community
- Outlook and Concluding Comments

2





FY14 Financial Highlights

3



FY14 Results Overview

- The year saw good growth across our core businesses, underpinned by:
 - Strong Auckland performance, with robust growth across all business segments, with strong momentum particularly evident in 2H14
 - International Business turnover grew strongly, with good, sustained momentum in 2H14 with turnover exceeding \$6bn for the year
- However, overall, underlying growth across the group was masked by:
 - The continued significant appreciation (~13%) of the New Zealand Dollar against the Australian dollar over the FY14 year, resulting in a \$9.9m exchange rate impact to EBITDA (~\$43m impact on revenues)
 - The disruption at Adelaide Casino from the extensive construction works as we transform the property to take advantage of the reforms negotiated with the SA Government, resulting in a A\$4.1m hit to EBITDA
- As a result, Normalised EBITDA for FY14 declined by 4.3% (\$12.9m) from \$300.5m to \$287.6m
 - In Australian dollars, Normalised EBITDA was up 8.2% (A\$19.7m) for the year

4

FY14 Result Overview

	FY14	FY13	Movement	
	\$m	\$m	\$m	%
Normalised Revenue (incl Gaming GST)	927.3	945.7	(18.4)	(1.9%)
Normalised EBITDA	287.6	300.5	(12.9)	(4.3%)
Normalised NPAT	123.2	134.0	(10.8)	(8.1%)
Normalised EPS	21.3 cps	23.2 cps	(1.9 cps)	(8.2%)
Reported Revenue (incl Gaming GST)	902.5	947.8	(45.3)	(4.8%)
Reported EBITDA	256.5	293.9	(37.4)	(12.7%)
Reported NPAT	98.5	127.3	(28.8)	(22.6%)
Reported EPS	17.0 cps	22.1 cps	(5.1 cps)	(23.1%)
Reported NPAT (\$m)	98.5	127.3		
Development and project costs	9.1	5.0		
IB adjustment to theoretical	15.6	4.0		
Christchurch Casino	-	(2.3)		
Normalised NPAT (\$m)	123.2	134.0		

• Average NZD/AUD cross-rate during FY14 0.9049 and FY13 0.8003 (13.1% movement)

• Normalised FY13 results throughout this document exclude \$2.3m from Christchurch Casino at revenue, EBITDA and NPAT levels

5

Annual Dividend of 20 cents per share

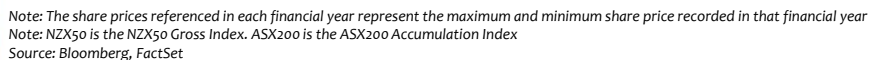
	FY14	FY13	Movement	
Dividend – NZ\$	20.0 cps	20.0 cps	0.0 cps	0.0%
Dividend – A\$*	18.3 cps	17.7 cps	0.6 cps	3.4%

- The final dividend of 10 cps takes the total dividend to 20 cps, which is consistent with the prior year. For Australian shareholders, given the strengthening of the NZD to current rates, this is a 3.4% increase*
- Based on the current share price, this represents an annual gross dividend yield of 7%
- The final FY14 dividend was 100% imputed in New Zealand, nil franking for Australia
- The Dividend Reinvestment Plan was available for the FY14 final dividend, with a 2% discount and resulted in a 33% take up by shareholders
- The Company is committed to maintaining its Dividend policy of a minimum of 20 cps annually

* For illustrative purposes, converting Final Dividend cps to A\$, FY14 converted at the 9th of August 2014 rate of 0.9130 and FY13 at the 9th of August 2013 rate of 0.8846

6

7



Source: Bloomberg, FactSet

8



Group Revenue – 1Q15 update to 30 September

- The good momentum evident in 2H14 has continued through into 1Q15 with overall revenues up 5.9%, on actual currency and up 7.5% on a constant currency basis:
 - Auckland revenues are up 9.1% excluding IB and up 12.4%, including IB
 - Strong IB performance with record group turnover for the Quarter of \$2.2bn, representing growth of ~56% and with an IB win rate above theoretical for the Quarter
 - Domestically, Adelaide's revenues continued to contract but at a lesser rate with September 2014 revenues now back at September 2013 levels. For the Quarter, domestic revenues were down 3.2% as a result of the continued construction disruption. With strong growth in IB in Adelaide overall revenues were up 4.0% for the Quarter
 - While Darwin's revenues for the Quarter were effectively flat, better expense and marketing subsidy management saw EBITDA growth of 9.3% for the Quarter
- While general economic conditions have been buoyant in Auckland, conditions in Hamilton, South Australia and, to a lesser extent, Darwin have been more challenging
- Currency headwinds are diminishing and the impact of the disruption at Adelaide is reducing (transformation of existing facility to be completed by December 2014 / January 2015)

9

Group Revenue – 1Q15 update to 30 September

	1Q15 \$m	1Q14 \$m	Movement	
			\$m	%
New Zealand Casinos				
■ Auckland	143.1	127.3	15.8	12.4%
■ Rest of NZ	15.7	17.0	(1.2)	(7.3%)
Total New Zealand	158.8	144.2	14.6	10.1%
Australian Casinos				
■ Adelaide (A\$)	43.0	41.4	1.6	4.0%
■ Darwin (A\$)	40.0	38.8	1.2	3.0%
Total Australia (A\$)	83.0	80.2	2.8	3.5%
Total Australia at LY fx rate 0.8698 (NZ\$)	95.4	92.2	3.2	3.5%
Normalised Revenue at constant currency	254.2	236.4	17.8	7.5%
Exchange rate impact	(3.9)		(3.9)	
Normalised Revenue at actual currency	250.3	236.4	13.9	5.9%
International Business actual win rate %	1.72%	1.45%		

■ In constant currency section FY14 1 Jul – 30 Sept adjusted to LY fx rate of 0.8698
 ■ Current actual YTD FY15 fx rate of 0.9076

10

1Q15 Auckland Trading Update

- Strong momentum at Auckland, our flagship property, has continued into 1Q15 with overall revenue growth of 12.4% on 1Q14
 - Domestic revenue growth is up 9.1%
 - Mass gaming (machines & local tables) revenue growth of 5.4%;
 - Strong non-gaming revenue growth of 17.6%; and
 - International Business turnover growth of 41.2%
- Our signature restaurants are all performing strongly:
 - Sugar Club (Opened in August 2013) and Bellotta by Peter Gordon
 - Depot and the Federal Deli by Al Brown (Opened in September 2013)
 - Masu by Nic Watt (opened in October 2013)
 - The Grill and Gusto Cucina by Sean Connelly (Opened February 2014)
 - Orbit – the SKY Tower Revolving Restaurant
- In addition to being very viable businesses in their own right, with annualised revenues now in excess of \$40m and healthy margins, they are critical to our IB success
- The Grand and SKYCITY Hotels enjoy above industry occupancy levels and Room Rates with strong EBITDA margins, no doubt benefiting from the range of outstanding restaurants

11

Auckland Revenue Update 1Q15

	1Q15 \$m	1Q14 \$m	Movement	
			\$m	%
Revenue				
Gaming				
■ Mass (local tables & gaming machines)	84.4	80.0	4.4	5.4%
■ International tables (normalised)	18.8	13.3	5.5	41.2%
Gross Gaming Revenue (including GST)	103.2	93.4	9.8	10.5%
Non-gaming				
■ Food & Beverage	23.2	18.7	4.5	24.2%
■ Hotels & Conventions	10.0	8.9	1.1	12.2%
■ Sky Tower, Parking, Other	6.7	6.3	0.4	6.1%
Total Non-Gaming Revenue	39.9	33.9	6.0	17.6%
Total Revenue (incl Gaming GST)	143.1	127.3	15.8	12.4%

12

1Q15 Adelaide Trading Update

- Overall revenue for 1Q15 of A\$43m was up 4.0% on 1Q14
- Local gaming disrupted by continued construction with gaming revenues down 1.6%, mainly in July and August with September 2014 now back to September 2013 levels
- Strong growth was experienced over the Quarter in IB play in Adelaide, with turnover up ~161%
- F&B revenues continued to be significantly impacted by the closure of key outlets
- Sean's Kitchen, our first new signature restaurant in Adelaide, was officially opened by the Premier, The Hon. Jay Weatherill, last Friday, 10 October
- Construction works are continuing with completion (mainly VIP rooms and lounges) expected December 2014 / January 2015 – on time and on budget
- The final development is Madame Hanoi, a French-Vietnamese restaurant by signature chef Nic Watt
- We expect disruption to continue in Adelaide for the remainder of 1H15 while we complete the re-development and then look forward to growth in 2H15

13

Adelaide Revenue Update 1Q15

	1Q15	1Q14	Movement	
	A\$m	A\$m	A\$m	%
Revenue				
Gaming				
■ Mass (local tables & gaming machines)	34.4	35.0	(0.6)	(1.6%)
■ International tables (normalised)	4.7	1.8	2.9	160.9%
Gross Gaming Revenue (including GST)	39.2	36.8	2.4	6.4%
Non-gaming				
■ Food & Beverage	2.9	3.8	(0.8)	(22.4%)
■ Other	0.9	0.8	0.1	17.8%
Total Non-Gaming Revenue	3.8	4.6	(0.7)	(15.6%)
Total Revenue (incl Gaming GST)	43.0	41.4	1.6	4.0%

14

1Q15 International Business Trading Update

- As noted, International Business (“IB”) turnover grew strongly in 1Q15, continuing on from a strong 2H14
 - Record turnover for 1Q15 of \$2.2bn, up \$0.8bn (~56%) from \$1.4bn in 1Q14
- Actual win for the quarter was 1.72%, being above the theoretical win rate of 1.35%
- We continue to see good growth from Chinese players, our core target VIP market, with turnover from Chinese domiciled players up over 400% on pcip
- Major SKYCITY destinations attracting IB play are:
 - Auckland (64%);
 - Adelaide (18%); and
 - Darwin (16%)

15

International Business Revenue Update 1Q15

		1Q15	1Q14	Movement	
		\$m	\$m	\$m	%
Turnover					
■ Auckland		1,393.0	986.5	406.6	41.2%
■ Other NZ		56.7	67.7	(11.0)	(16.3%)
■ Adelaide	(A\$)	350.3	134.3	216.1	160.9%
■ Darwin	(A\$)	317.9	188.0	129.9	69.1%
Total Turnover	(NZ\$)	2,186.1	1,404.4	781.7	55.7%
Normalised Revenue					
■ Auckland		18.8	13.3	5.5	41.2%
■ Other NZ		0.8	0.9	(0.1)	(16.3%)
■ Adelaide	(A\$)	4.7	1.8	2.9	160.9%
■ Darwin	(A\$)	4.3	2.5	1.8	69.1%
Total Normalised Revenue	(NZ\$)	29.5	19.0	10.6	55.7%
International Business actual win rate %		1.72%	1.45%		

16



Development Update

Federal Street, SKYCITY Auckland



Federal Street Re-Development

- Federal Street has now re-opened with building works completed in July this year
 - The general amenity of Federal Street is significantly improved, with a wide, open, pedestrian feel
- As noted, our signature restaurants Masu, The Grill, Gusto, Bellota, Depot, Federal Deli, the Sugar Club and Orbit continue to trade strongly and are particularly resonating with our VIP and international guests
- Masu has been highly acclaimed since opening on 12 October 2013:
 - Voted the 2014 Best New Restaurant of the Year by Metro magazine
- The Grand Hotel and SKYCITY Hotel continue to operate at industry-leading occupancies
 - With room refurbishment of 5 floors of The Grand Hotel completed during 2H14
 - The balance of the refurbishment is being completed now
- We are working closely with the Auckland Council to further activate Federal Street and will celebrate the formal opening of the revitalized street with a festival on Friday 7 November

A World Class Destination



19

SKYCITY Auckland – Restaurant Awards



- 2014 Metro Magazine Restaurant of the Year Supreme Winner
- 2014 Metro Magazine Best New Restaurant
- 2014 Metro Magazine Best Smart Dining
- 2014 Metro Magazine Top 50



- 2012 *Cuisine* NZ Good Food Awards Restaurant of the Year
- 2013 *Cuisine* NZ Good Food Awards - 2 Hats
- 2013 Metro Magazine Top 50
- 2014 Metro Magazine Top 50



- 2012 New Zealand Beef and Lamb Excellence Award
- 2013 New Zealand Beef and Lamb Excellence Award
- 2014 New Zealand Beef and Lamb Excellence Award



- 2012 *Cuisine* NZ Good Food Awards Restaurant of the Year Runner up
- 2013 *Cuisine* NZ Good Food Awards - 1 Hat
- 2013 *Cuisine* Restaurant Personality of the Year - Al Brown
- 2013 Metro Magazine Best Casual Bistro
- 2013 Metro Magazine Top 50
- 2014 Metro Magazine Top 50
- 2014 Metro Magazine Personality of the Year – Gatlin Avery



- 2014 Metro Magazine Top 50



- 2014 New Zealand Beef and Lamb Excellence Award
- 2014 Metro Magazine Top 50

20

Federal Street – Masu – Japanese Robata



21

Federal Street – Masu – Japanese Robata



22

Federal Street – Masu – Japanese Robata



23

Federal Street – Masu – Japanese Robata



24

Federal Street – Gusto Cucina and Bar



25

Federal Street – Gusto Cucina and Bar



26

Federal Street – Gusto Cucina and Bar



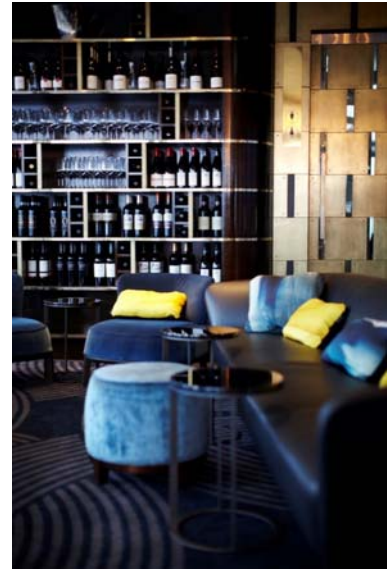
27

Federal Street – The Sugar Club



28

Federal Street – The Sugar Club



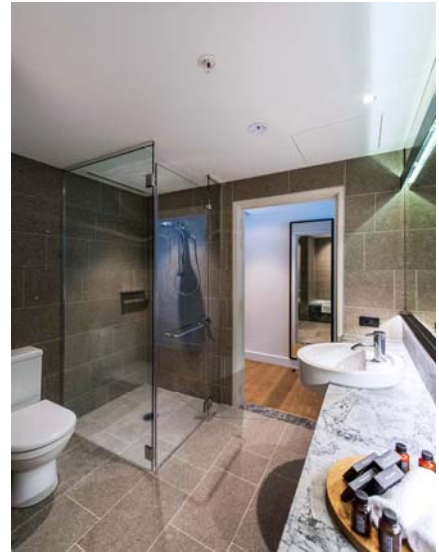
29

Federal Street – Fed St Delicatessen



30

Grand Hotel Refurbishment



31



New Zealand International Convention Centre





NZICC Update

- SKYCITY signed the NZICC Agreement with the Crown and the enabling legislation was passed by the NZ Parliament in the first half of FY14
- In exchange for the commitment to build the New Zealand International Convention Centre at a cost of \$402m, the agreement and legislation provide for:
 - SKYCITY Auckland's casino licence being extended to 2048;
 - Gaming tax certainty; and
 - An increase in gaming product and concessions in relation to operations
- NZICC Concept Design was agreed with the Crown in May 2014
- After extensive consultation with the Crown design team, Preliminary Design was lodged with the Crown earlier this month on 6 October 2014
- We will now be engaging with the Crown over the coming weeks with the objective of finalising and agreeing the approved Preliminary Design
- We expect to apply for Resource Consent once agreement of Preliminary Design is reached with the Crown

33



NZICC Update

- We have worked closely with the Crown to achieve its objective of a landmark development for Auckland that will significantly enhance Auckland as an international destination for leading world conferences and conventions
- In addition to the development of a world-class International Convention Centre, the expanded Master Plan for the NZICC site (as announced on 13 August 2014) now includes the proposed development of:
 - A 300 room 5 star hotel on Hobson Street adjacent to the NZICC;
 - A laneway connecting Hobson St and Nelson St; and
 - An increase in car parking taking the total car park spaces to over 1,000
- As previously announced, these additional developments are expected to cost SKYCITY between \$170-\$180m

34

Expanded NZICC Master Plan



35

Expanded NZICC Master Plan – Hotel, Convention Centre Plaza



36

Expanded NZICC Master Plan – Laneway



37

Expanded NZICC Master Plan – Plenary



38



Transforming the Adelaide Casino into a World Class Entertainment Complex



Adelaide Redevelopment Update

- SKYCITY signed the new Approved Licencing Agreement and Casino Duty Agreement with the SA Government in the first half of FY14 and the enabling legislation was then passed by Parliament
- These agreements provided the Adelaide Casino with an extension of its licence exclusivity to 2035, renegotiated tax rates with tax certainty for that period, an expansion of gaming product and a range of gaming concessions
- Based upon the current status of discussions and subject to receipt of necessary Government approvals, the expanded Adelaide development, which includes the 6 star boutique hotel, new VIP and Horizon gaming, additional signature restaurants, and an expanded casino podium accommodating the additional product plan is to be completed for FY18
- As announced by the Premier in February 2014, the Government has advised that SKYCITY will be provided with at least 1,000 car park spaces for our exclusive use, in an adjacent car park development, priced on similar terms to those of the State Government

A New World Class Integrated Entertainment Complex



41

Transforming the Existing Adelaide Casino

- Our immediate focus this year has been on transforming the existing Adelaide Casino to maximise the opportunities under the re-negotiated agreements with the Government
- Between December 2013 and June 2014, we completed an extensive staged programme of works significantly transforming the Adelaide Casino, currently housed within the existing Heritage listed Adelaide Railway Station
- The extensive works that were completed over this period included:
 - New Baccarat Pavilion and Table Gaming area
 - New Platinum EGM room
 - Upgraded Grange Table Games room
 - Refurbishment of main gaming floor F&B outlets including Chandelier Bar and Cafe Junction
 - New Barossa Room
 - VIP customer Bar and Lounge

42

Adelaide Casino Transformation – Baccarat Pavilion



43

Adelaide Casino Transformation – Platinum Room



44

Adelaide Casino Transformation – Barossa Room



45

Adelaide Casino Transformation -VIP Lounge & Private Dining



46

Adelaide Casino Transformation – Sean’s Kitchen

- **Sean’s Kitchen** – a new and fully re-developed restaurant, bar and function concept in what was previously North Restaurant. This was officially opened by the Premier The Hon. Jay Weatherill last Friday 10 October, to much acclaim

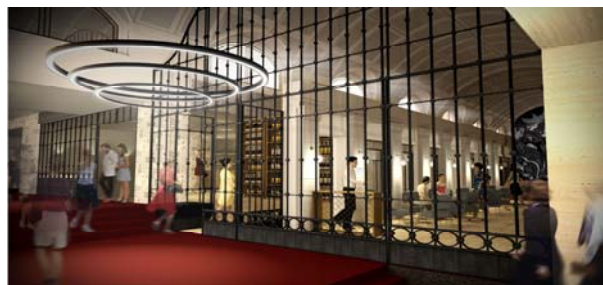


47

Adelaide Casino Transformation – Madame Hanoi

- A new contemporary offering, “**Madame Hanoi**” will feature a modern French-Vietnamese inspired bar and food menu by award winning Chef Nic Watt. This is scheduled to open January 2015

MADAME  **HANOI**



48

Adelaide Casino Transformation – The New “Black Room”

- **The Black Room** – a new Premium Gaming area for top-tier Black level VIP EGM customers. Due to open November 2014



49



Funding Capacity



Funding Capacity

- Total debt at 30 June 2014 was \$659m (Net Debt: EBITDA 2.3x), with an average debt maturity of 4.3 years
- Available committed and undrawn bank facilities total \$330m
- Of total committed facilities of ~\$1bn, only \$190m matures before 2018
- SKYCITY holds a Standard and Poor's Investment grade rating of BBB- (Stable outlook)
- We are confident that our existing debt facilities, together with operational cash flows and other potential debt facilities, will enable us to complete our planned Auckland and Adelaide projects, whilst maintaining our current dividend policy, incorporating the Dividend Reinvestment Plan
- Additional funding flexibility could be provided by way of the sale of non-core assets (e.g. Federal Street car park for ~\$35m) or entering into partnership or joint venture type arrangements for the development of certain parcels of the capital projects (e.g. hotel / car parks)

51



SKYCITY in the Community

52



SKYCITY as a Leading Employer

- SKYCITY provides 6,500 jobs across New Zealand and Australia
- During FY14, SKYCITY paid ~\$280m in employee salaries and associated benefits
- SKYCITY is committed to being a non-minimum wage employer. No SKYCITY employee is paid at the minimum wage in any of our locations across New Zealand and Australia
- Over 150,000 job seekers are registered with SKYCITY
- We have an active policy of employee development, advancement and promotion. ~33% of all available roles advertised in FY14 were filled by existing SKYCITY staff
- Over 1,400 new jobs/new employees at SKYCITY Auckland from 1 July 2013
- SKYCITY is also committed to Diversity:
 - We continue our strong commitment to the BEST Pasifika Leadership Academy which funds and supports the leadership development of high potential Pasifika staff
 - Since 2006 we have partnered with Workbase to deliver English as a Second Language, numeracy and literacy training and support for our team
 - We are a member of the Hospitality Indigenous Employment Initiative in South Australia

53

SKYCITY's Host Responsibility

- SKYCITY is committed to providing a safe environment for anyone who comes to work, stay or be entertained at SKYCITY
- The SKYCITY Board and Senior Management take our host responsibility obligations very seriously. Peter Cullinane chairs our Corporate Social Responsibility Board sub-committee
- SKYCITY Auckland has the most comprehensive host responsibility programme in NZ and it is considered world-leading by experts
- We spend more than \$5m annually in Auckland on customer care and host responsibility
- It is central to what we do every day and we invest significant resources into ensuring our venues are as safe as possible for all our customers
- We can always do better and are constantly striving to do so

54

SKYCITY in the Community

Community Trusts

- Our Community Trusts in Auckland, Hamilton and Queenstown continue our support of initiatives in the community to proactively assist New Zealanders to be more financially secure. A total of \$2.3m was allocated to 256 community groups this year with a particular focus on financial literacy and employment-related issues
- Since the Trusts were established, their combined contributions to communities have reached approx \$40m shared across 3,650 organisations
- We would like to take this opportunity to thank retiring SKYCITY Auckland Community Trust Chair Arthur Loo for all his hard work. Arthur has been a member of the SKYCITY Auckland Community Trust since 2006 and Chair since 2010

Key Sponsorships



Darwin gala ball



55



Outlook and Concluding Comments

56



Outlook and Focus for FY15

- Good momentum has continued into FY15 with revenues for 1Q15 experiencing solid growth, with strong Auckland and IB performance
- Significant progress has been made with the transformation of the Adelaide Casino and redevelopment of the existing property will be completed effectively by December 2014 / January 2015
- Currency headwinds impacting the translation of our Australian earnings into NZD are subsiding
- Management focus for FY15:
 - Continue to optimise the operating performance of our core businesses
 - Continue to actively manage the Adelaide re-development process and return the property to growth in the second half of this financial year
 - Agree Preliminary Design for the NZICC with the Crown and lodge Resource Consent
 - Finalise the planning and design on the Adelaide development including the new 6 star boutique hotel, signature restaurants, expanded casino podium and car parks
- We plan to announce our 1H15 results on 11 February 2015, at which time a further update on the FY15 outlook will be provided

57

Appointment of our New CFO – Mr Rob Hamilton

- Following the departure of our former Chief Financial Officer (“CFO”), James Burrell, we are delighted to announce the appointment of Rob Hamilton
- Rob is a respected leader in the New Zealand business community with more than 20 years experience at First NZ Capital, a leading New Zealand investment bank
- Rob has Bachelor degrees in Commerce (Finance, Accounting and Economics) and Science (Physics and Mathematics) and is also on the board of the New Zealand Olympic Committee
- Rob joined us this week, officially starting on Monday, 13 October
- Please join me in welcoming Rob to SKYCITY
- I would also like to take this opportunity to thank Richard Smyth for “holding the fort” over the past 4 months, as Acting CFO

58



Disclaimer

- All information included in this presentation is provided as at 17 October 2014.
- Reconciliation of Reported Revenue to Normalised Revenue
 - Gaming Revenue figures reflect gaming win (inclusive of gaming GST). This facilitates Australasian comparisons and is consistent with the treatment adopted by major Australian casinos
 - Non-gaming Revenues are net of GST
 - Total Revenues are gaming win plus Non-gaming Revenues
 - Reported revenue reflects actual International Business win rate while normalised revenue shows International Business at the theoretical win rate of 1.35%.
 - Normalisation adjustments have been calculated in a consistent manner with prior periods.
- The presentation includes a number of forward-looking statements. Forward looking statements, by their nature, involve inherent risks and uncertainties. Many of those risks and uncertainties are matters which are beyond SKYCITY's control and could cause actual results to differ from those predicted. Variations could either be materially positive or materially negative.
- This presentation has not taken into account any particular investor's investment objectives or other circumstances. Investors are encouraged to make an independent assessment of SKYCITY.



**Media Release
17 October 2014**

SKYCITY celebrates strong start to new financial year

Substantial growth in SKYCITY's Auckland business, led by the excellent ongoing performance of the Federal Street dining precinct and high hotel occupancy, have helped deliver a strong start to FY15 for SKYCITY Entertainment Group.

SKYCITY Chief Executive Nigel Morrison says the first quarter of the financial year has been pleasing for the company, and with several key projects entering exciting development phases, FY15 promises to be a busy year for the business.

"We have started the year with strong momentum, with revenues across the Group up by 6 per cent on the first quarter of FY14," Mr Morrison says.

"Our Auckland business has once again been the star of the show, with revenues up by just over 12 per cent, driven by a 41 per cent growth in International Business and strong non-gaming revenue growth of 17.6 per cent. Gaming revenue growth was 5.4 per cent.

"Our signature restaurants are performing strongly, with annualised revenues now in excess of \$40 million and healthy margins."

Auckland also experienced high occupancy rates in both the SKYCITY Hotel and Grand Hotel, above the industry average, with average daily rates also up.

The transformation of Federal Street into a world-class destination is now complete and signature restaurants Masu, The Grill, Gusto, Bellota, Depot, Federal Deli and The Sugar Club are popular with locals and international visitors alike.

SKYCITY is working closely with Auckland Council on the Federal Street Shared Space Project and will be celebrating the formal opening of the street with a festival on Friday, November 7, Mr Morrison says.

Group-wide, International Business also grew strongly in the first quarter of the financial year, up 55 per cent on this time last year, and with record turnover of \$2.2 billion.

"We continue to see strong growth from Chinese players, our core target market for the VIP side of our business, which is not only great news for SKYCITY, but also for local businesses and tourism operators, contributing to local economic growth."

SKYCITY Adelaide has also experienced good revenue growth overall, up 4 per cent for the quarter, underpinned by a strong International Business performance. Domestically, Adelaide's revenues continued to moderately contract as a result of the ongoing construction works but at a lesser rate, with September 2014 revenues now back at the levels they were at the same time last year.

The redevelopment of Adelaide has continued apace, and is scheduled for completion by January 2015. Celebrity chef Sean Connolly opened his new restaurant, Sean's Kitchen, to much acclaim in early October. Another of our chefs, Nic Watt, will open his French Vietnamese restaurant Madame Hanoi in January.

"We are excited about the developments being made in Adelaide and look forward to their completion – it is going to be an outstanding piece of tourism infrastructure for the city, its people and its visitors," says Mr Morrison.

Revenues at SKYCITY's Darwin casino were effectively flat, but better cost management saw EBITDA growth of 9 per cent for the quarter.

On the New Zealand International Convention Centre, SKYCITY is working closely with the Crown to achieve its objective of a landmark development for Auckland. Preliminary Design was lodged with the Crown in early October, following extensive consultations with the Crown design team.

"We would expect to apply for resource consent once agreement of Preliminary Design is reached with the Crown," Mr Morrison says.

SKYCITY Board Chairman Chris Moller says SKYCITY's strategic growth over the next five to ten years would be underpinned by both the International Convention Centre and the Adelaide redevelopment.

"These two projects, along with our strong offering in Federal Street and our plans to build a 300 bed complementary hotel for the NZICC, represent opportunities to add new vitality to places that must compete for visitors and investment against an increasingly competitive backdrop globally."

"SKYCITY is committed to urban development and renewal, and in enhancing the cities in which we operate, and we are looking forward to seeing these significant projects evolve over the next couple of years."

Mr Moller has also paid tribute to Rod McGeoch, retiring Director and former Chairman of SKYCITY Entertainment Group. "Rod's deep experience and diverse skill set have been invaluable to the Board and we wish him all the best," he says.

For Chris Moller's full Chairman's address and Nigel Morrison's presentation to shareholders please click here: <http://stagingconnections.org/skycity-annual-meeting-fy14>

For more information please contact:

Lydia Jarman

Senior Communications Advisor

SKYCITY

+ 64 363 7126

+64 21 389 150 or lydia.jarman@skycity.co.nz