

**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](http://www.skycitygroup.co.nz)

21 May 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)  
ADELAIDE CASINO EXPANSION – PROJECT UPDATE**

Please find **attached** an update regarding the company's Adelaide Casino expansion project and the appointment of Hansen Yuncken Pty Limited as the main contractor for the delivery of the expansion project.

For more information, please contact:

**Media**

Colin Espiner  
GM, Communications  
DDI: +64 9 363 6467  
Mobile: +64 27 5046294  
Email: [colin.espiner@skycity.co.nz](mailto:colin.espiner@skycity.co.nz)

**Investors & analysts**

Ben Kay  
GM, Corporate Development &  
Investor Relations  
DDI: +64 9 363 6067  
Email: [ben.kay@skycity.co.nz](mailto:ben.kay@skycity.co.nz)

Yours faithfully



Jo Wong  
Company Secretary

# SKYCITY Entertainment Group Limited

## Project Update

## Adelaide Expansion

21 May 2018



- Construction contract signed with Hansen Yuncken for expansion of Adelaide Casino
  - Hansen Yuncken is one of Australia's leading building contractors
  - Largely lump sum, fixed price contract
  - Agreed commercial terms provide significant risk protection for SKYCITY
- Total project budget of ~A\$330m (including appropriate contingencies), in-line with previous guidance
- Main construction works to commence by end of FY18, with completion expected in 1H21
- Continue to expect car park (being developed by Walker Corporation) to be opened contemporaneous with expansion
- Remain confident in investment thesis for Adelaide – expect to deliver an acceptable return on the project
- Project represents a significant investment in the future of Adelaide and the revitalisation of the Riverbank precinct

## Main Contractor – Hansen Yuncken

- One of Australia's leading building contractors – chosen following competitive tender process
- Experienced in managing large construction projects across a range of industries and asset classes (e.g. Uni SA, Adelaide Airport)
- 100 years of operation in Australia – completed over 4,500 projects
- Involved in initial scoping and development of Adelaide Casino in 1985
- Privately owned company, with significant presence in Adelaide
- Expect to create up to 1,000 local jobs during construction phase

## Key Commercial Terms

- Building works to deliver the hotel and casino expansion, and integrate facility with existing building, public spaces and car park
- ~27 month construction period from commencement
- Appropriate incentives to complete on-time
- ~90% of construction costs fixed
- Remaining ~10% represented by provisional sums within SKYCITY's control (i.e. fit-out and FF&E)
- Budget includes appropriate contingencies
- Contract based on full detailed design – largely build only, with design responsibility primarily remaining with SKYCITY





*Adelaide expansion from the Festival Plaza (1 of 3)*



*Adelaide expansion from the Festival Plaza (2 of 3)*





*Adelaide expansion from the Festival Plaza (3 of 3)*

# Key Design Features

## Casino

- Significant expanded gaming and entertainment facilities
- New casino podium to accommodate ~30% increase in gaming product post expansion, but with flexibility to increase over time if required
- Dedicated IB offering (4 salons)

## Non-gaming

- Boutique all-suite hotel (123 rooms), including dedicated IB accommodation
- Additional signature restaurants and bars / cafes (including a rooftop bar)
- Function spaces (to accommodate up to 750 pax) and meeting rooms
- 1,500 space car park adjacent to casino (developed by Walker Corporation), of which 750 spaces to be exclusively leased to SKYCITY
- Improved back of house facilities

## Integration with existing building

- Revitalisation of existing gaming spaces that appeal to local market
- Refurbishment and expansion of some restaurants & bars
- Effective connection and circulation between the expansion and the existing building
- Enhanced facade emphasising heritage aspects of the building



## Total Project Costs

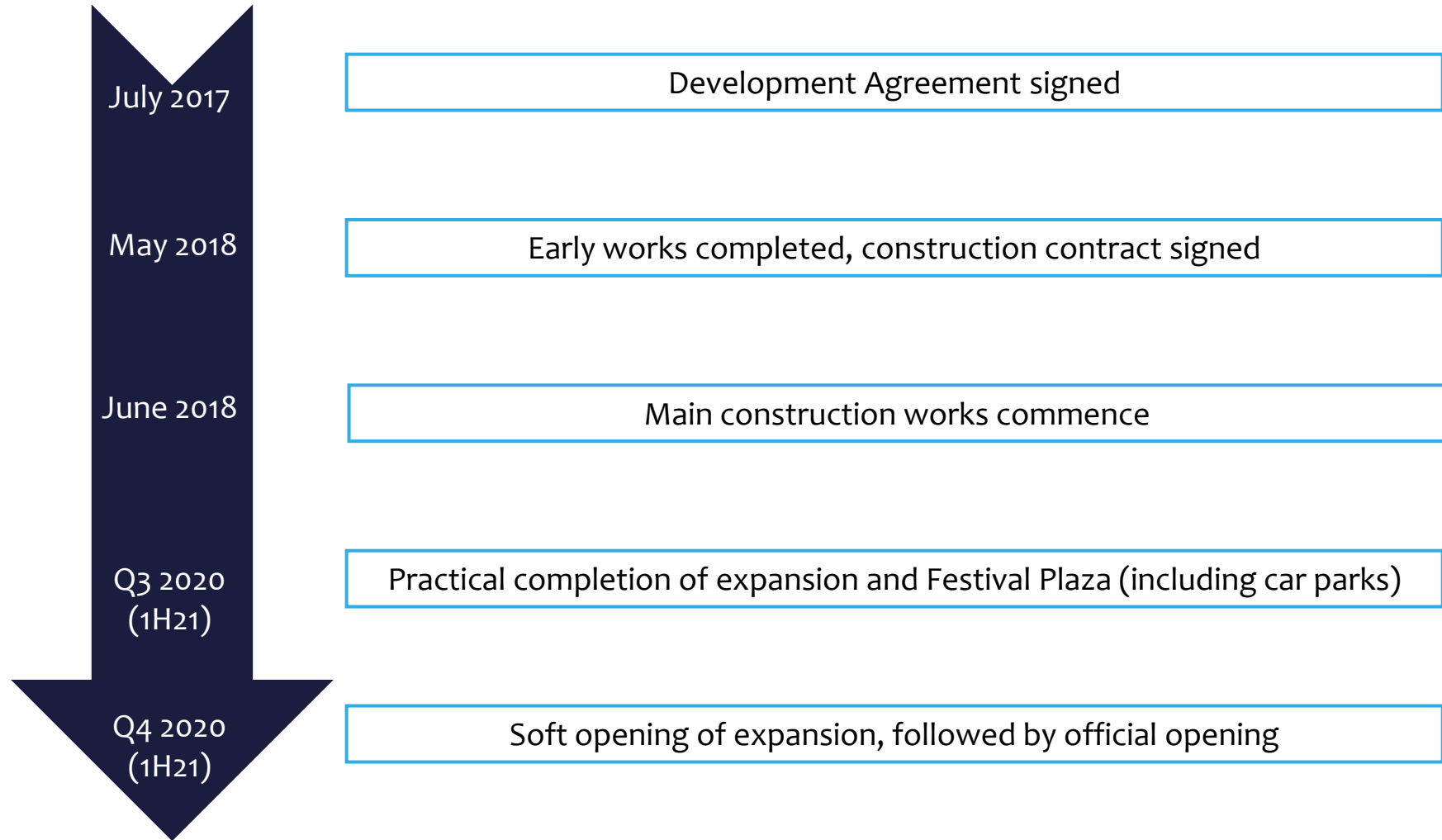
	A\$m
Early works programme	8
Site lease	12
Modifications to existing building	15
Gaming product / entitlements & operational costs	30
Construction, consultants & contingency	265
<b>Total</b>	<b>330</b>

- Total project budget of ~A\$330m, (including appropriate contingency), in-line with previous guidance
- Total costs include a lease prepayment to the SA Government, new gaming product / gaming machine entitlements, internal costs, contributions to the early works programme and modifications to the existing building
- Phasing of capex out to FY21 slightly changed from previous guidance following receipt of construction programme from Hansen Yuncken

## Future Capex Profile

A\$m	Before FY18	FY18	FY19	FY20	FY21+	Total
Adelaide expansion costs	29	29	68	152	52	<b>330</b>

# Project Timetable



- All information included in this presentation is provided as at 21 May 2018
- This 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 investors investment objectives or other circumstances. Investors are encouraged to make an independent assessment of SKYCITY



