

13 February 2013

Company Announcements Office
Australian Stock Exchange
Exchange Centre, Level 6
20 Bridge Street
Sydney NSW 2000
AUSTRALIA

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

Dear Sir/Madam

**RE : SKYCITY ENTERTAINMENT GROUP LIMITED – SKC
INTERIM RESULT (FOR THE SIX MONTHS TO 31 DECEMBER 2012)**

We supply herewith the financial information as required by Listing Rule 4.2A together with a copy of the company's FY13 Interim Result presentation and the SKYCITY Entertainment Group Limited financial statements for the six month period ended 31 December 2012.

Please find attached:

1. Appendix 4D (ASX Listing Rule 4.2A) detailing the Preliminary Announcement for the six month period ended 31 December 2012.
2. FY13 Interim Result for the six month period ended 31 December 2012.
3. Copy of Appendix 7 (as required by NZX Listing Rule 7.12.2) detailing the interim distribution of NZ\$0.10 cents per ordinary share to be paid on 5 April 2013 to those shareholders on the company's share register as at 5.00pm on 27 March 2013.
4. Financial statements and notes for the six month period ended 31 December 2012.
5. ASX Listing Rule 4.2A.2 declaration by directors in respect of the half year financial statements and notes.
6. Media release.

Yours faithfully



James Burrell
Chief Financial Officer

For personal use only

SKYCITY Entertainment Group Limited

ASX Preliminary final report

For the six months ended 31 December 2012
(Previous corresponding period for the six months ended 31 December 2011)

Lodged with the ASX under Listing Rule 4.2A.3

Contents

| | |
|---|-----|
| Results for Announcement to the Market <i>(Appendix 4D item 2)</i> | 2-3 |
| Other Appendix 4D Information <i>(Appendix 4D items 3 to 9)</i> | 4-5 |
| Additional Information | 5-6 |

SKYCITY Entertainment Group Limited
 Half Year ended 31 December 2012
 (Previous corresponding period:
 Half Year ended 31 December 2011)

Results for Announcement to the Market

All figures are NZ\$ unless otherwise stated

| Reported | | | | \$NZ'000 |
|---|------|-------|----|----------|
| Reported revenue including gaming GST from ordinary activities and including interest revenue | down | 1.3% | to | 487,337 |
| Reported revenue from ordinary activities and including interest revenue <i>(Appendix 4D item 2.1)</i> | down | 1.5% | to | 444,485 |
| Reported profit/(loss) from ordinary activities after tax attributable to members <i>(Appendix 4D item 2.2)</i> | down | 15.9% | to | 66,314 |
| Reported net profit/(loss) for the period attributable to members <i>(Appendix 4D item 2.3)</i> | down | 15.9% | to | 66,314 |

| Normalised | | | | \$NZ'000 |
|--|------|------|----|----------|
| Normalised revenue including gaming GST from ordinary activities and including interest revenue | up | 1.4% | to | 495,739 |
| Normalised revenue from ordinary activities and including interest revenue | up | 1.1% | to | 451,757 |
| Normalised profit/(loss) from ordinary activities after tax attributable to members | down | 3.5% | to | 74,361 |
| Normalised net profit/(loss) for the period attributable to members | down | 3.5% | to | 74,361 |

Note: Normalised results sets International Business win to theoretical win rate of 1.35% and adjust for certain revenue and expense items. Reconciliation between reported and normalised financial information is provided at the end of this document.

The 1H12 results included the impact of the Rugby World Cup 2011 which ran from 9 September 2011 to 23 October 2011.

| Dividends/distributions <i>(Appendix 4D item 2.4)</i> | Amount per security | Franked amount per security |
|---|---------------------|-----------------------------|
| Interim dividend | 10.00 ¢ | 5.0 ¢ |
| Final dividend (prior year) | 8.00 ¢ | 4.8 ¢ |

Record date for determining entitlements to the dividend
(Appendix 4D item 2.5)

| |
|---------------|
| 27 March 2013 |
|---------------|

Explanation of Revenue *(Appendix 4D item 2.6)*

Reference should be made to the Company's FY13 Interim Result Presentation which provides detail and explanatory comment on operating and financial performance.

Explanation of Dividends *(Appendix 4D item 2.6)*

On 13 February 2013, the directors resolved to provide for an interim dividend to be paid in respect of the six months ended 31 December 2012. The 50% imputed/50% franked dividend of 10 cents per share will be paid on 5 April 2013 to all shareholders on the company's register at the close of business on 27 March 2013.

For personal use only

SKYCITY Entertainment Group Limited
Supplementary Appendix 4D information

NTA Backing *(Appendix 4D item 3)*

| | 2012 | 2011 |
|---|-------|-------|
| Net tangible asset backing per ordinary share | 71.9¢ | 68.0¢ |

Controlled entities acquired or disposed of *(Appendix 4D item 4)*

| Acquired | N/A |
|---|-----|
| Date control gained | |
| Contribution to profit from ordinary activities after tax in current period, where material | |
| Profit from ordinary activities after tax during the whole of the previous corresponding period, where material | |

| Disposed of | N/A |
|---|-----|
| Date control lost | |
| Contribution to profit from ordinary activities after tax in current period, where material | |
| Profit from ordinary activities after tax during the whole of the previous corresponding period, where material | |

Additional dividend information¹ *(Appendix 4D item 5)*

Details of dividends declared or paid during or subsequent to the half year ended 31 December 2012 are as follows:

| Record date | Payment date | Type | Amount per security | Total dividend / distribution | Franked amount per security | Foreign sourced dividend amount per security |
|-------------------|----------------|---------|---------------------|-------------------------------|-----------------------------|--|
| 27 March 2013 | 5 April 2013 | Interim | 10.0 cents | \$57,696,000 | 5.0 cents | 10.00 cents |
| 28 September 2012 | 5 October 2012 | Final | 8.00 cents | \$46,171,000 | 4.8 cents | 8.00 cents |
| 22 March 2012 | 5 April 2012 | Interim | 9.00 cents | \$51,915,000 | 5.4 cents | 9.00 cents |

Dividend reinvestment plans *(Appendix 4D item 6)*

The dividend reinvestment plan will not be available for the April 2013 dividend payment.

¹ Dividends declared between the end of the financial period and the completion of this report that have not been provided for in the interim accounts are to be included in this disclosure

For personal use only

SKYCITY Entertainment Group Limited
Supplementary Appendix 4D information

Associates and Joint Venture entities *(Appendix 4D item 7)*

| Name | Ownership interest | | Aggregate share of profits/(losses), where material | | Contribution to net profit, where material | |
|---|--------------------|--------|---|--------------|--|--------------|
| | 2012 % | 2011 % | 2012 NZ\$000 | 2011 NZ\$000 | 2012 NZ\$000 | 2011 NZ\$000 |
| Christchurch Casinos Limited | 0.0 | 50.0 | | | 2,245 | 2,419 |
| The company's interest in Christchurch Casinos Limited was disposed effective 20 December 2012. | | | | | | |

Foreign Accounting standards *(Appendix 4D item 8)*

The company prepares its accounts pursuant to New Zealand International Financial Reporting Standards

Audit *(Appendix 4D items 9)*

This report is based on accounts that have been the subject of a review by the company's auditor. Their review report is provided with this preliminary final report.

Additional information

N/a

Earnings per share

| | Amount (cents per share) | Percentage change |
|------------|--------------------------|-------------------|
| Reported | 11.5 | -16.1% |
| Normalised | 12.9 | -3.7% |

Reported earnings per share for the six months to 31 December 2012 year were 11.5 cents per share (31 December 2011: 13.7 cents per share). Normalised earnings per share for the six months to 31 December 2012 year were 12.9 cents per share (31 December 2011: 13.4 cents per share). "Normalised" eliminates certain revenue and expense items and adjusts International VIP commission business win rate to theoretical.

Discontinued Operations

N/a

Results of Segments

**Half year ended
31 December 2012**

| | SKYCITY Auckland \$'000 | Rest of New Zealand \$'000 | SKYCITY Adelaide \$'000 | SKYCITY Darwin \$'000 | International Business \$'000 | Corporate / Group \$'000 | Total \$'000 |
|--|-------------------------------|----------------------------------|-------------------------------|-----------------------------|-------------------------------------|--------------------------------|-----------------|
| Revenue from external customers and other revenue | 213,077 | 28,691 | 91,601 | 81,464 | 27,407 | - | 442,240 |
| Share of net profits of associate | - | 2,304 | - | - | - | - | 2,304 |
| Total sales revenue | 213,077 | 30,995 | 91,601 | 81,464 | 27,407 | - | 444,544 |
| Less | | | | | | | |
| Expenses | (111,885) | (16,449) | (67,578) | (53,802) | (26,566) | (15,379) | (291,659) |
| Depreciation and amortisation | (21,125) | (2,488) | (5,450) | (6,746) | - | (2,664) | (38,473) |
| Segment profit/(loss) (Earnings before Interest and Tax) | 80,067 | 12,058 | 18,573 | 20,916 | 841 | (18,043) | 114,412 |
| Finance costs - net | | | | | | | (26,204) |
| Profit before income tax | | | | | | | 88,208 |

**Half year ended
31 December 2011**

| | SKYCITY Auckland \$'000 | Rest of New Zealand \$'000 | SKYCITY Adelaide \$'000 | SKYCITY Darwin \$'000 | International Business \$'000 | Corporate / Group \$'000 | Total \$'000 |
|--|-------------------------------|----------------------------------|-------------------------------|-----------------------------|-------------------------------------|--------------------------------|-----------------|
| Revenue from external customers and other revenue | 228,121 | 27,001 | 93,683 | 75,658 | 24,400 | - | 448,863 |
| Share of net profits of associate | - | 2,419 | - | - | - | - | 2,419 |
| Less | | | | | | | |
| Expenses | (118,288) | (15,317) | (69,951) | (48,849) | (15,818) | (14,828) | (283,051) |
| Depreciation and amortisation | (19,495) | (2,874) | (5,301) | (5,754) | - | (2,812) | (36,236) |
| Segment profit/(loss) (Earnings before Interest and Tax) | 90,338 | 11,229 | 18,431 | 21,055 | 8,582 | (17,640) | 131,995 |
| Finance costs - net | | | | | | | (25,498) |
| Profit before income tax | | | | | | | 106,497 |

**Year end ended
30 June 2012**

| | SKYCITY Auckland \$'000 | Rest of New Zealand \$'000 | SKYCITY Adelaide \$'000 | SKYCITY Darwin \$'000 | International Business \$'000 | Corporate / Group \$'000 | Total \$'000 |
|--|-------------------------------|----------------------------------|-------------------------------|-----------------------------|-------------------------------------|--------------------------------|-----------------|
| Revenue from external customers and other revenue | 433,648 | 53,929 | 182,043 | 140,021 | 43,817 | - | 853,458 |
| Share of net profits of associate | - | 5,447 | - | - | - | - | 5,447 |
| Less | | | | | | | |
| Expenses | (228,335) | (30,609) | (137,182) | (95,275) | (35,294) | (31,747) | (558,442) |
| Depreciation and amortisation | (39,868) | (5,284) | (10,678) | (11,358) | - | (5,582) | (72,770) |
| Segment profit/(loss) (Earnings before Interest and Tax) | 165,445 | 23,483 | 34,183 | 33,388 | 8,523 | (37,329) | 227,693 |
| Finance costs | | | | | | | (48,861) |
| Profit before income tax | | | | | | | 178,832 |

Reconciliation between reported and normalised financial information

| | 1H13 | | | | 1H12 | | | |
|---------------------------------------|-------------------------------|---------------|--------------|-------------|-------------------------------|---------------|--------------|-------------|
| | Revenue incl Gaming \$m | EBITDA \$m | EBIT \$m | NPAT \$m | Revenue incl Gaming \$m | EBITDA \$m | EBIT \$m | NPAT \$m |
| Reported | 487.3 | 152.8 | 114.4 | 66.3 | 494.0 | 168.2 | 132.0 | 78.8 |
| Restructuring Costs | | 1.1 | 1.1 | 0.7 | | 0.3 | 0.3 | 0.2 |
| Interest on purchased NCC Land bank | | | | 1.0 | | | | |
| Profit from sale of Christchurch | | | | (0.1) | | | | |
| Other Adjustments | | 0.8 | 0.8 | 0.6 | | 0.5 | 0.6 | 0.5 |
| Total Adjustments | | 1.9 | 1.9 | 2.2 | | 0.8 | 0.9 | 0.7 |
| Adjusted | 487.3 | 154.7 | 116.3 | 68.5 | 494.0 | 169.0 | 132.9 | 79.5 |
| International Business at Theoretical | 8.4 | 8.0 | 8.0 | 5.9 | (5.0) | (3.5) | (3.5) | (2.5) |
| Normalised | 495.7 | 162.7 | 124.3 | 74.4 | 489.0 | 165.5 | 129.4 | 77.0 |

SKYCITY's objective of producing normalised financial information is to provide data that is useful to the investment community in understanding the underlying operations of the Group.

Gaming revenue figures reflect gaming win (inclusive of gaming GST). This facilitates Australasian comparisons and is consistent with the treatment adoption by major Australian casinos

Non-gaming revenues are net of GST

Total revenues are gaming win plus non-gaming revenues

Key Adjustments are:

- Restructuring costs – costs associated with changing the staffing structures designed to create future efficiencies
- Interest on purchase of National Convention Centre (NCC) land bank – calculated using the Group's average cost of debt
- Profit from sale of Christchurch
- Other Adjustments includes one-off costs associated with opening of the Darwin Tropical Resort, the introduction of the Bally gaming system and other miscellaneous items

IB win rate at 1.06% for 1H13. Adjustment to theoretical win rate of 1.35% based on actual turnover increases EBITDA by \$8.0m; during 1H12 the same adjustment reduced EBITDA by \$3.5m

Normalisation adjustments have been calculated in a consistent manner in 1H13 and 1H12



SKYCITY Interim Result 1H13

1H13 Result Presentation

2

Interim Dividend and Updated Policy

11

Major Projects Update

13

Outlook

26

Appendices and Financial Summaries

28



1H13 Result Highlights

| | 1H13 | 1H12 | Movement | |
|--------------------------------------|-----------------|-----------------|------------------|----------------|
| | \$m | \$m | \$m | % |
| Normalised Revenue (incl Gaming GST) | 495.7 | 489.0 | 6.7 | 1.4% |
| Normalised EBITDA | 162.7 | 165.5 | (2.8) | (1.7%) |
| Normalised NPAT | 74.4 | 77.0 | (2.6) | (3.4%) |
| Normalised EPS | 12.9 cps | 13.4 cps | (0.5 cps) | (3.7%) |
| Reported Revenue (incl Gaming GST) | 487.3 | 494.0 | (6.7) | (1.4%) |
| Reported EBITDA | 152.8 | 168.2 | (15.4) | (9.2%) |
| Reported NPAT | 66.3 | 78.8 | (12.5) | (15.9%) |
| Reported EPS | 11.5 cps | 13.7 cps | (2.2 cps) | (16.1%) |

- Group Reported NPAT of \$66.3m was \$12.5m down on 1H12, negatively impacted by:
 - the Rugby World Cup (“RWC”) in 1H12 (\$4.7m) and,
 - a softer win rate in International Business of 1.06%, compared to the higher win rate of 1.64% in 1H12, resulting in a difference of \$8.4m (note: theoretical win rate is 1.35%)

• The difference between Normalised and Reported can be seen on page 46



1H13 Result Highlights – Adjusted for Rugby World Cup Impact* (Sept-Oct 2011)

- As disclosed previously in the FY12 results, 1H12 benefited from the Rugby World Cup:
 - 1H12 Revenue of \$11.5m (Auckland \$10.7m, Hamilton \$0.8m)
 - 1H12 EBITDA of \$6.5m (Auckland \$6.0m, Hamilton \$0.5m)
 - 1H12 NPAT of \$4.7m

| | 1H13 | 1H12* | Movement* | |
|---|--------------|--------------|-------------|-------------|
| | \$m | \$m | \$m | % |
| Normalised Revenue (incl Gaming GST) | 495.7 | 477.5 | 18.2 | 3.8% |
| Normalised EBITDA | 162.7 | 159.0 | 3.7 | 2.3% |
| Normalised NPAT | 74.4 | 72.3 | 2.1 | 2.9% |

- Excluding the impact of RWC in 1H12, growth continues across our core businesses:
 - New Zealand Revenue up 2.7% on 1H12, Corporate Costs were down 2.9% and EBITDA flat
 - Australian Revenue and EBITDA growth on 1H12, up 5.6% and 6.1% respectively
- **Overall, given the continued challenging environment in Australia, a soft New Zealand consumer environment and a strong comparative period in 1H12, we consider these results satisfactory**

* RWC 2011 ran from 9th of September to 23rd of October 2011 and impacted 1H12 results in Auckland and Hamilton. RWC impact is excluded from these movement columns

• The difference between Normalised and Reported can be seen on page 46

4



1H13 Revenue Summary by Business (incl Gaming GST)

| | 1H13 \$m | 1H12 \$m | 1H12 excl RWC* \$m | Movement* | |
|---|--------------|--------------|--------------------------|-------------|-------------|
| | | | | \$m | % |
| New Zealand Casinos | | | | | |
| ▪ Auckland | 263.7 | 268.9 | 258.2 | 5.5 | 2.1% |
| ▪ Hamilton | 27.7 | 26.5 | 25.7 | 2.0 | 7.8% |
| ▪ Christchurch | 2.3 | 2.5 | 2.5 | (0.2) | (8.0%) |
| ▪ Queenstown, Other | 4.5 | 4.1 | 4.1 | 0.4 | 9.8% |
| Total New Zealand | 298.2 | 302.0 | 290.5 | 7.7 | 2.7% |
| Australian Casinos | | | | | |
| ▪ Adelaide (A\$) | 82.5 | 82.6 | 82.6 | (0.1) | (0.1%) |
| ▪ Darwin (A\$) | 72.1 | 63.6 | 63.6 | 8.5 | 13.4% |
| Total Australia (A\$) | 154.6 | 146.2 | 146.2 | 8.4 | 5.7% |
| Total Australia (NZ\$) | 197.5 | 187.0 | 187.0 | 10.5 | 5.6% |
| Casino Revenues incl Normalised IB (incl Gaming GST) | 495.7 | 489.0 | 477.5 | 18.2 | 3.8% |
| Adjust International Business to actual win rate | (8.4) | 5.0 | 5.0 | (13.4) | |
| Reported Revenue incl Actual IB (incl Gaming GST) | 487.3 | 494.0 | 482.5 | 4.8 | 1.0% |

* RWC 2011 ran from 9th of September to 23rd of October 2011 and impacted 1H12 results in Auckland and Hamilton. RWC impact is excluded from these movement columns

- Revenue (including Gaming GST) is shown above to facilitate Australasian comparisons.
- Normalised Revenue is adjusted for IB at theoretical win rate of 1.35%, versus actual 1.06% in 1H13 (1H12: 1.64%)
- Average NZD/AUD cross-rate during 1H13 0.7836 and 1H12 0.7835

5



1H13 EBITDA Summary by Business Unit

| | 1H13 \$m | 1H12 \$m | 1H12 excl RWC* \$m | Movement* | |
|---|--------------|--------------|--------------------------|--------------|---------------|
| | | | | \$m | % |
| New Zealand Casinos | | | | | |
| ▪ Auckland | 107.6 | 114.4 | 108.4 | (0.8) | (0.7%) |
| ▪ Hamilton | 11.4 | 11.0 | 10.5 | 0.9 | 8.6% |
| ▪ Christchurch | 2.3 | 2.5 | 2.5 | (0.2) | (8.0%) |
| ▪ Queenstown, Other | 0.8 | 0.5 | 0.5 | 0.3 | 60.0% |
| Total New Zealand | 122.1 | 128.4 | 121.9 | 0.2 | 0.2% |
| Australian Casinos | | | | | |
| ▪ Adelaide (A\$) | 20.1 | 19.2 | 19.2 | 0.9 | 4.7% |
| ▪ Darwin (A\$) | 22.2 | 20.8 | 20.8 | 1.4 | 6.7% |
| Total Australia (A\$) | 42.3 | 40.0 | 40.0 | 2.3 | 5.7% |
| Total Australia (NZ\$) | 54.1 | 51.0 | 51.0 | 3.1 | 6.1% |
| Corporate Costs | (13.5) | (13.9) | (13.9) | 0.4 | 2.9% |
| Normalised EBITDA | 162.7 | 165.5 | 159.0 | 3.7 | 2.3% |
| Adjustments (Note 1) | (1.9) | (0.8) | (0.8) | (1.1) | |
| International Business to actual win rate | (8.0) | 3.5 | 3.5 | (11.5) | |
| Reported EBITDA | 152.8 | 168.2 | 161.7 | (8.9) | (5.5%) |

* RWC 2011 ran from 9th of September to 23rd of October 2011 and impacted 1H12 results in Auckland and Hamilton. RWC impact is excluded from these movement columns

▪ Normalised EBITDA is adjusted for certain items and IB at theoretical
 ▪ Average NZD/AUD cross-rate during 1H13 0.7836 and 1H12 0.7835
 Note 1: Adjustments are outlined on page 46



6

1H13 Result Highlights

- **Auckland**
 - Auckland's Normalised Revenue of \$263.7m is \$5.2m (1.9%) lower than PCP, largely due to:
 - the RWC 2011 Revenue impact of \$10.7m
 - a change in the accounting for EGM Revenues under the new Bally gaming system, which reduced 1H13 points Revenue by circa \$9.7m with an equal and opposite reduction in the associated points cost
 - offset by growth in Auckland's International Business Normalised Revenues
 - Excluding the accounting impact of Bally, Auckland's EGM Revenues were flat on 1H12, which given the 17% growth recorded in 1H12, is an acceptable performance
 - The \$10.2m increase in Auckland's IB Normalised Revenues to \$28.8m demonstrates the success of Horizon, our dedicated brand servicing the overseas, predominantly Asian, gaming market
- **Darwin opens its new Lagoon Resort, Spa and Horizon Villas**
 - Despite continuing softness in the local economy, which is yet to feel any material impact from the \$32bn INPEX LNG investment, Darwin with its new Lagoon Resort, Spa and Horizon Villas, produced a pleasing 1H13 set of results, with 13.4% growth in Normalised Revenue to A\$72.1m and 6.7% growth in Normalised EBITDA to A\$22.2m
 - Investment in Darwin continues, as we improve our offering to our premium gaming patrons, with a A\$6m gaming area refurbishment, refurbished bars, and a new events facility, all of which will open in 2H13
- **Whilst Adelaide Revenue remains flat, EBITDA grew by 4.7%**
 - The South Australian economy is still challenging and Adelaide Revenues were flat in 1H13. Tight cost management led to EBITDA growth of 4.7% to A\$20.1m, with an improved EBITDA margin



7



1H13 Result Highlights

■ SKYCITY's International Business volumes continue to grow

- The "Horizon" International Business segment has shown another period of solid growth in 1H13
 - Auckland Normalised IB Revenue increased 55% to \$28.8m for the 6 months
 - Darwin opened its Horizon Villas on 27 July 2012 with very positive feedback and generated A\$3.7m Normalised Revenue
- Total Group IB Turnover in 1H13 of \$2.91bn was 72% up on 1H12 of \$1.69bn
- Actual 1H13 Revenues were impacted by a lower than theoretical win rate of 1.06% which compares to 1.64% for PCP (note: actual theoretical win rate is 1.35%)

■ Hamilton

- Normalised EBITDA grew 3.6% on PCP with strong local tables performance following a refurbishment of the VIP room
- RWC positively impacted Hamilton in 1H12 and excluding this \$0.5m EBITDA impact, growth in EBITDA is 8.6% in 1H13

■ Queenstown

- Effective 20th December 2012, SKYCITY acquired the remaining 40% of Queenstown casino not previously owned for \$5m
- Overall, 1H13 trading is broadly in line with the prior period

8



1H13 Result Highlights

■ Christchurch

- SKYCITY's 50% interest in Christchurch Casinos Limited was sold effective 20th December 2012 for \$80m (including repayment of a \$5m shareholder loan)
- Trading to the date of disposal has been included within the SKYCITY results

■ Strong balance sheet

- Net debt to EBITDA has improved from 2.1x in June 2012 to 1.9x, from operating cash flows and the net proceeds from Christchurch
- The \$200m Syndicated Bank Facility previously maturing January 2015 has been extended out by a further two years to February 2017. Accordingly, the next debt maturity is not until March 2015 (\$85m USPP)
- Currently, the Group has committed, undrawn debt facilities of \$380m and Capital Notes in Treasury stock of \$94m, total of \$474m

■ Additional funding costs and committed debt facilities

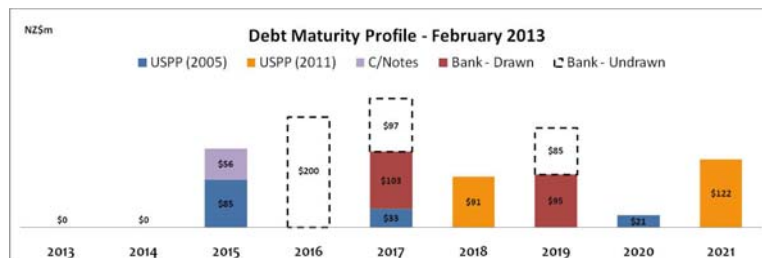
- We have adjusted interest costs by \$1.4m in Normalised 1H13 (NPAT adj \$1.0m) relating to interest on borrowings for acquiring the NZICC land bank
- Additionally, SKYCITY is currently holding \$380m committed debt facilities. These facilities are held for the Adelaide redevelopment and in anticipation of the NZICC approval. The annual cost of holding these facilities is approximately \$3.3m. This has not been adjusted for in Normalised NPAT

9



Debt Maturity Profile

- Following the disposal of Christchurch in December 2012, net debt at 31 December 2012 is \$594m
- Since then, the Syndicated Bank Facility has been extended with the \$200m tranche maturing January 2015 extended by two years out to February 2017
- Consequently, the first debt maturity is now March 2015 when a \$85m tranche of the USPP debt matures, followed by \$56m Capital Notes in May 2015
- The average borrowing cost in 1H13 is 6.9%, which compares favourably to 1H12 (7.3%)
- Standard & Poor's Investment grade rating of BBB- (Stable Outlook) is retained with Standard & Poor's expressing confidence in our ability to fund future development projects



Interim Dividend and Updated Policy



Interim Dividend of 10 cents per share

| | 1H13 | 1H12 | Movement | |
|-----------------|-----------------|----------------|----------------|--------------|
| Dividend | 10.0 cps | 9.0 cps | 1.0 cps | 11.1% |

- Following a review of the Group's dividend policy, a new policy has been adopted for the foreseeable future, as follows:
 - an annual dividend of not less than 20 cents per share, and
 - not less than 80% of Annual Normalised NPAT
- This is subject to maintaining our investment grade credit rating and giving priority to funding major strategic projects

Interim Dividend of 10.0 cents per share

- Calculated in accordance with the new dividend policy
- 50% imputed (New Zealand) and 50% franked (Australia)
- The dividend will be paid on 5 April 2013 to all shareholders on the company's register at the close of business 27 March 2013

Future Dividends – imputation and franking

- In order to maximise the benefit of imputation and franking credits to shareholders, a new approach will be adopted from the FY13 Final Dividend whereby alternate dividends will be franked or imputed to the maximum extent possible (subject to the availability of credits). This practice will commence with the FY13 Final Dividend which will be 100% imputed in New Zealand
- In the absence of mutual recognition of tax credits between New Zealand and Australia, this approach will minimise the wastage of tax credits for shareholders





Major Projects Update





A new world class entertainment complex for Adelaide



14



A new world class entertainment complex for Adelaide



15





A new world class entertainment complex for Adelaide

Overview

- On 19 December 2012, SKYCITY announced that the S.A. Government and SKYCITY had reached agreement regarding the future operating, regulatory and taxation regime to apply to the Adelaide Casino and that SKYCITY would invest up to \$350m to transform the Adelaide Casino into a world class integrated entertainment complex
- The Government Agreement remains subject to certain important approvals - including the enabling legislation and regulation to give effect to concessions, which we expect no later than September 2013

Key features of the Agreement

- New Taxation Regime
 - new Premium Electric Gaming Machines ("EGMs") tax rate of 10.9%
 - new Automated Table Games ("ATGs") tax rate of 10.9%
 - Premium Table Games tax rate remains at 0.9% - but added ability to deduct program costs
 - Main Gaming Floor ("MGF") EGM rate increases to average rate payable by SA Hotels - capped at 41%
 - MGF Table Games tax rate increases from 0.9% to 3.4%
 - to be enshrined in a new Casino Duty Agreement ("CDA") - term linked to new 20-year exclusivity period to 2035 and containing compensation mechanism provisions

■ The above rates exclude GST

16



A new world class entertainment complex for Adelaide

Key features of the Agreement (continued)

- Additional Gaming Product
 - Increase in number of EGMs from 995 current, up to 1,500
 - SKC has the right to purchase 505 EGM entitlements (GMEs) through Approved Trading System ("ATS"). If unable to fulfil this then Government will grant up to 300 GMEs restricted to premium areas only
 - Table Games increase from 90 current, up to 200 in total
 - including new allowance for 300 ATGs with ratio of 20 terminals : 1 Table Game
 - therefore circa 300 ATGs and 185 traditional Table Games
- Cashless Gaming
 - Cashless gaming will be allowed on all EGMs, ATGs and Table Games across the property
 - Will be transaction limits in MGF areas - but unrestricted in Premium VIP areas
 - Overcomes substantial historical competitive disadvantage due to EGMs being operated only by coin-in (only casino in Australia with this constraint)
 - Additionally, TITO will be permitted in VIP Premium gaming areas

17





A new world class entertainment complex for Adelaide

Key features of the Agreement (continued)

- **VIP Premium Gaming**
 - VIP Premium play includes:
 - local VIP SA residents
 - interstate visitors (tourists and gaming programme players); and
 - international visitors (tourists and gaming programme players)
 - Ability to offer differentiated premium gaming within VIP Rooms; including maximum bets, jackpots, cashless gaming with no transaction limits and TITO
- **Extension of Exclusivity**
 - SKYCITY's exclusivity in the State of South Australia will be extended for an additional 20 years from 2015 to 2035 for Casino EGMs, Table Games, ATGs and Premium Gaming
- **Other terms**
 - Ability to purchase gaming product that has been compliance tested and approved by regulators for use in other Australian states - eg. NSW
 - access to larger range of gaming product
 - SKYCITY will introduce voluntary pre-commitment on all EGMs and ATGs



A new world class entertainment complex for Adelaide

Development Concept

- The final development concept is still to be finalised, but planned to include:
 - A 6 star boutique hotel
 - New signature restaurants, bars, entertainment and retail concepts
 - Expanded gaming floor featuring contemporary new gaming areas
 - focus on dedicated VIP Premium areas
 - including SKYCITY's International 'Horizon' branded Suites and Salons
 - Access to secure underground parking for SKYCITY customers; a minimum of 1,000 spaces

Other Riverbank Developments

- Additionally, we anticipate a significant increase in visitation to the Riverbank precinct supported by the significant investments the SA Government is making in the area
 - Adelaide Oval - \$535m
 - 30,000 seat capacity by Ashes Test Dec 2013, increasing to 50,000 by March 2014 for AFL
 - Torrens Pedestrian Footbridge - \$40m
 - complete by Dec 2013. Expect between 15,000 – 25,000 people on game days
 - Expansion of Adelaide Convention Centre - \$350m
 - Phase 1 complete 2014, Phase 2 in 2016. 1,000 seat ballroom, 3,500 seat plenary hall
 - New Festival Plaza civic square (like Federation Square in Melbourne) from end 2016

Adelaide Riverbank Precinct Developments



Adelaide Oval
Phase 1, Dec 2013
Phase 2, Mar 2014



Torrens Foot Bridge
Open Dec 2013



Adelaide Convention Centre
Phase 1, open mid-2014



Adelaide Convention Centre
Full completion 2016

Artists impressions



A new world class entertainment complex for Adelaide

Timetable and Rollout

- During 2H13, SKYCITY will further develop its plans for the new entertainment complex and will finalise the necessary agreements with the S.A. Government regarding the future regulatory and taxation framework
- Upside from regulatory and taxation reforms is expected from FY14, when we plan to commence the:
 - Roll out of cashless gaming throughout the whole property
 - migrating EGMs away from coin only
 - Creation of new premium VIP rooms in our existing complex so as to take advantage of the Premium VIP gaming regulatory and taxation changes to accommodate between 300 - 400 VIP Premium EGMs
 - Roll out of additional 50-80 Automated Table Games
 - Development of new restaurants and bars
- The full benefits of the Agreement will not be realised until the full development is completed – expected by end of FY16
 - New significantly expanded VIP rooms to accommodate all EGMs, ATGs and Table Games
 - Secure car parking, minimally 1,000 spaces
 - International VIP Horizon branded Suites and Salons
 - VIP hotel room accommodation
 - Additional signature restaurants, bars, entertainment and retail





NZICC Update

New Zealand International Convention Centre (“NZICC”)

- We remain willing to invest up to \$350 million to develop, own and operate New Zealand's International Convention Centre, provided an acceptable return on capital can be delivered from the total project
- The Auditor-General's report regarding the Government's original expressions of interest process has not yet been published. Following the release of this report, we would hope to re-engage with the Government with a view to concluding these negotiations
- In return for this investment, SKYCITY is seeking:
 - an early renewal of the Auckland casino licence beyond 2021
 - an increase in gaming product to provide for future growth, and
 - changes to gaming regulations which would increase the efficiency and attractiveness of our gaming product and make us competitive with our regional peers
- There is no doubt New Zealand needs to invest more in tourism infrastructure, such as the NZICC facility. In addition to creating a major construction project for Auckland, it will allow NZ to compete globally for a fair share of large-scale conferences, exhibitions and events, which will increase international visitation, deliver much needed jobs and stimulate economic growth in Auckland and across NZ



Federal Street - Auckland

Continuing Federal Street Redevelopment

- We are continuing to invest in Federal Street's redevelopment, following the success of the award-winning “Depot” and “The Grill”
- Dining developments in 2H13 include:
 - Al Brown's “Federal Kitchen”, an all-day deli-style dining experience
 - Nic Watt, previously with Zuma and Roka, will open “Masu”, a signature Japanese restaurant and bar in the Grand Hotel lobby
 - Peter Gordon, one of New Zealand's most renowned chefs, will open an exciting new restaurant and bar concept on Level 51 of the SKYTOWER, called “Sugar Club”
- We are also working with Auckland City Council on the \$10m redevelopment of Federal Street, to make it a more attractive and pedestrian friendly environment
- As part of the Council's due process of public consultation, 97% of respondents were in favour of this transformation of Federal Street
- We would hope to commence construction work on this exciting project in July this year
- All of the above will continue to position Federal Street as the pre-eminent dining and entertainment destination in Auckland

Federal Street Initiatives



Streetscape



Nick Watt's "Masu"



Al Brown's "Federal Kitchen"



Peter Gordon's "Sugar Club"

Artists impressions/illustrative images



Other Strategic Initiatives

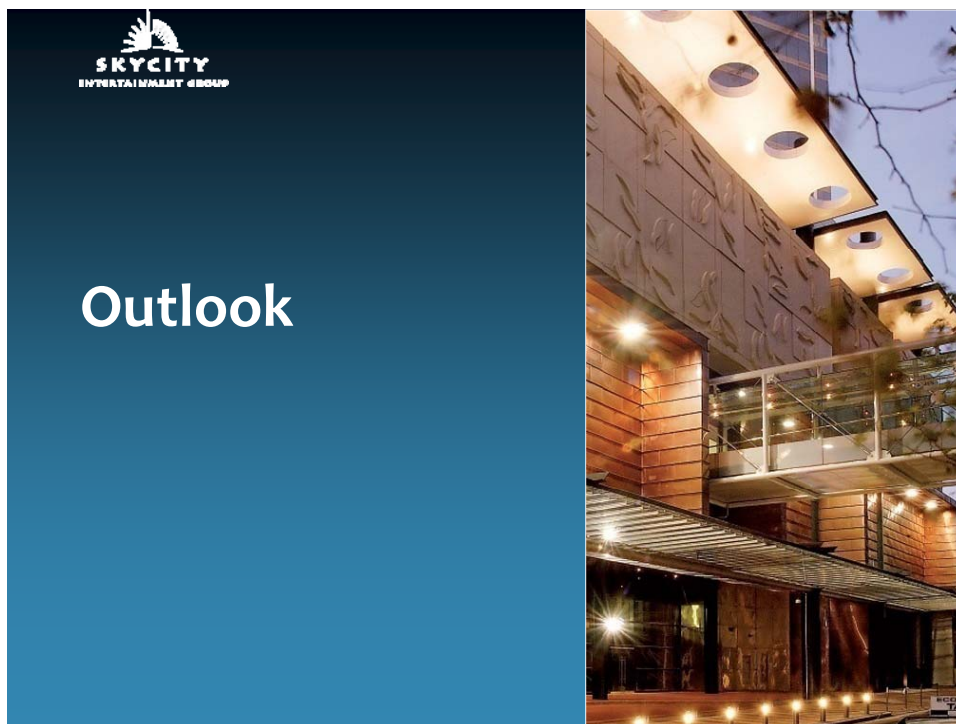
Queenstown

- Queenstown has significant potential for growth, due to its popularity with international tourists, in particular high value VIP customers
- SKYCITY Queenstown will develop a Horizon gaming offering for IB customers, who couldn't play at meaningful bet limits under the previous joint ownership
- Various expansion options are being considered and we expect will be announced during 2H13

International Opportunities

- We are always looking at ways to grow the business beyond our existing markets and proactively review new opportunities to create shareholder value
- This includes the Philippines, recognised as one of the most exciting new emerging gaming markets in Asia. We are monitoring the competitive landscape and building relationships with key stakeholders in this developing market



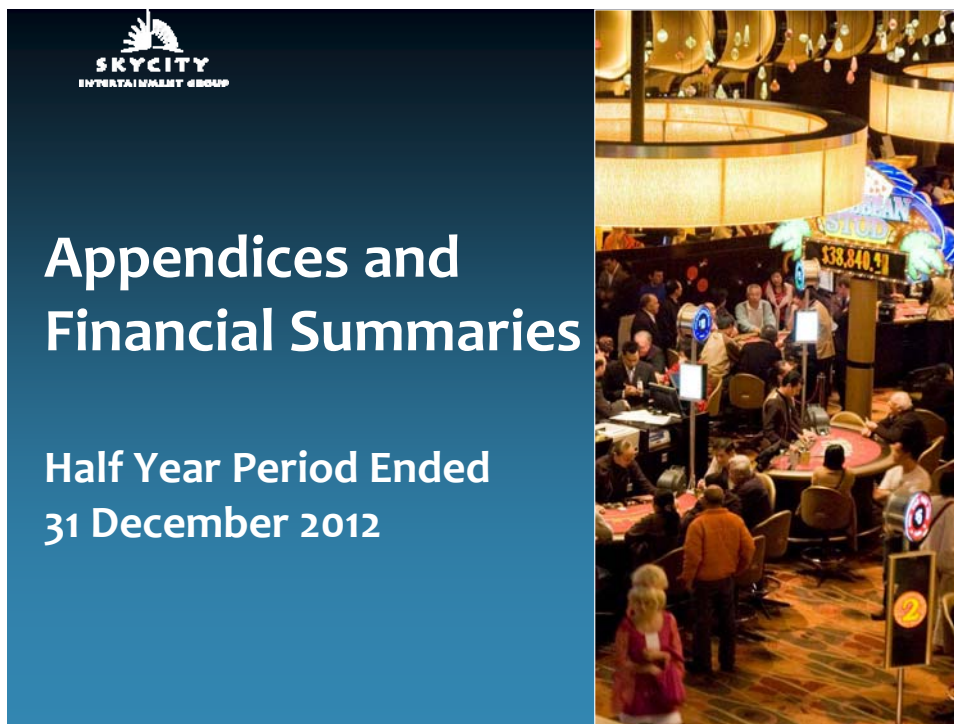


Outlook

Outlook for FY13

- In the October 2012 Annual Meeting we indicated that the New Zealand and South Australian economies were somewhat flat, with an uncertain outlook. Whilst there are indications of growth returning to New Zealand, South Australia still remains subdued
- We expect Auckland's result to improve in 2H13 compared to PCP, based on the signs of some growth in consumer spending. However, we anticipate Adelaide to be broadly flat in 2H13
- While there is caution around discretionary spending in Northern Territory, Darwin should continue to show growth over PCP, as we continue to see the benefits from investment in the property
- In prior year 2H12, the NPAT contribution from Christchurch was \$3.1m. As Christchurch has now been sold, this will not be repeated in 2H13 or beyond
- In October 2012, we said based on market conditions and current trading, we would be disappointed if we did not deliver Normalised Group NPAT for FY13 "in the \$140 millions"
- Notwithstanding the sale of Christchurch, we would still expect Normalised Group NPAT for FY13 to be around \$140 million





Appendices and Financial Summaries

Half Year Period Ended
31 December 2012

1H13 Group Result Normalised Revenues and Earnings

| Normalised | 1H13 \$m | 1H12 \$m | 1H12 excl RWC* \$m | Movement * | |
|--------------------------------|--------------|--------------|--------------------------|-------------|-------------|
| | | | | \$m | % |
| Revenue (including Gaming GST) | 495.7 | 489.0 | 477.5 | 18.2 | 3.8% |
| Gaming GST | 43.9 | 42.1 | 40.6 | (3.3) | (8.1%) |
| Revenue | 451.8 | 446.9 | 436.9 | 14.9 | 3.4% |
| Expenses | 289.1 | 281.4 | 277.9 | (11.2) | (4.0%) |
| EBITDA | 162.7 | 165.5 | 159.0 | 3.7 | 2.3% |
| Depreciation and Amortisation | 38.4 | 36.1 | 36.1 | (2.3) | (6.4%) |
| EBIT | 124.3 | 129.4 | 122.9 | 1.4 | 1.1% |
| Interest Cost | 24.9 | 25.5 | 25.5 | 0.6 | 2.4% |
| Net Profit Before Tax | 99.4 | 103.9 | 97.4 | 2.0 | 2.1% |
| Tax and Minority Interest | 25.0 | 26.9 | 25.1 | 0.1 | 0.4% |
| Normalised NPAT | 74.4 | 77.0 | 72.3 | 2.1 | 2.9% |

* RWC 2011 ran from 9th of September to 23rd of October 2011 and impacted 1H12 results in Auckland and Hamilton. RWC impact is excluded from these movement columns

* Revenue (including Gaming GST) is shown above to facilitate Australasian comparisons
 * Normalised NPAT adjusts for certain Items and International Business (IB) at theoretical win rate of 1.35% versus actual 1.06% in 1H13 (1H12: 1.64%)



1H13 Group Result Reported Revenues and Earnings

| Reported | 1H13 \$m | 1H12 \$m | 1H12 excl RWC* \$m | Movement * \$m % | |
|--------------------------------------|--------------|--------------|--------------------------|---------------------|----------------|
| Revenue (including Gaming GST) | 487.3 | 494.0 | 482.5 | 4.8 | 1.0% |
| Gaming GST | 42.8 | 42.7 | 41.2 | (1.6) | (3.9%) |
| Revenue | 444.5 | 451.3 | 441.3 | 3.2 | 0.7% |
| Expenses | 291.7 | 283.1 | 279.6 | (12.1) | (4.3%) |
| EBITDA | 152.8 | 168.2 | 161.7 | (8.9) | (5.5%) |
| Depreciation and Amortisation | 38.4 | 36.2 | 36.2 | (2.2) | (6.1%) |
| EBIT | 114.4 | 132.0 | 125.5 | (11.1) | (8.8%) |
| Interest Cost | 26.3 | 25.5 | 25.5 | (0.8) | (3.1%) |
| Profit from disposal of Christchurch | 0.1 | - | - | 0.1 | |
| Net Profit Before Tax | 88.2 | 106.5 | 100.0 | (11.8) | (11.8%) |
| Tax and Minority Interest | 21.9 | 27.7 | 25.9 | 4.0 | 15.4% |
| Reported NPAT | 66.3 | 78.8 | 74.1 | (7.8) | (10.5%) |

* RWC 2011 ran from 9th of September to 23rd of October 2011 and impacted 1H12 results in Auckland and Hamilton. RWC impact is excluded from these movement columns

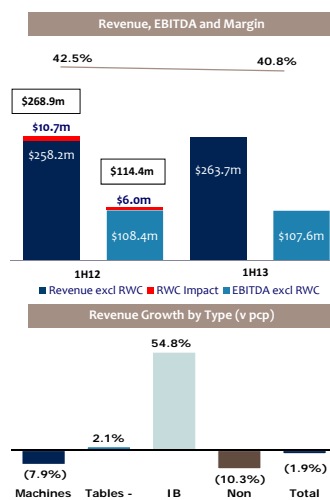
* Revenue (including Gaming GST) is shown above to facilitate Australasian comparisons

30



SKYCITY Auckland 1H13

- Revenues (inclusive of GST) down \$5.2m or 1.9% on PCP
- Excluding RWC (\$10.7m), Revenues (inclusive of GST) up \$5.5m or 2.1% on PCP
- After taking into account the change in Revenue recognition treatment due to the new 'Bally' gaming system (a change which reduced 1H13 points Revenue by circa \$9.7m with an equal and opposite reduction in the associated points cost), Gaming Machines has maintained its 1H12 Revenue gains of 17%, which is acceptable
- Local Table Games Revenue showed growth of 2.1%
 - "Eight" continued to show growth with drop increasing on PCP
- Excluding the RWC, Non-gaming Revenue grew \$1.5m or 2.4% on PCP
- IB had a very strong 1H13, growing Normalised Revenue by 55% to \$28.8m, as Horizon continues to show its popularity
- Lower EBITDA margin at 40.8% is due largely to a change in business mix (more IB and F&B revenues at lower margin than the average). 1H12 margin excl RWC was 42.0%



* Gaming revenue figures as shown in the charts on this page are gaming win (inclusive GST). This facilitates Australasian comparisons
 * Non gaming revenues are net of GST
 * Total revenues as shown are gaming win plus non-gaming revenues
 * EBITDA margin is calculated as a % of gaming win (GST inclusive) plus non-gaming revenue - to facilitate Australasian comparisons

31



SKYCITY Auckland 1H13

| | 1H13 \$m | 1H12 \$m | 1H12 Excl. RWC* \$m | Movement * | |
|--|--------------|--------------|---------------------------|--------------|---------------|
| | | | | \$m | % |
| Revenues | | | | | |
| Machines | 108.6 | 117.9 | 117.9 | (9.3) | (7.9%) |
| Tables – Local | 61.8 | 60.5 | 59.8 | 2.0 | 3.3% |
| Tables – International (Normalised) | 28.8 | 18.6 | 17.5 | 11.3 | 64.6% |
| Gross Gaming Revenue (incl GST) | 199.2 | 197.0 | 195.2 | 4.0 | 2.0% |
| Food and Beverage | 24.1 | 23.1 | 22.4 | 1.7 | 7.6% |
| Hotels and Conventions | 30.0 | 36.9 | 29.0 | 1.0 | 3.4% |
| Sky Tower, Parking, Other | 10.4 | 11.9 | 11.6 | (1.2) | (10.3%) |
| Non-Gaming Revenue | 64.5 | 71.9 | 63.0 | 1.5 | 2.4% |
| Total Revenue (incl gaming GST) | 263.7 | 268.9 | 258.2 | 5.5 | 2.1% |
| Gaming GST | 25.6 | 24.6 | 21.8 | (3.8) | (17.4%) |
| Total Revenue (excl gaming GST) | 238.1 | 244.3 | 236.4 | 1.7 | 0.7% |
| Expenses | 130.5 | 129.9 | 128.0 | (2.5) | (2.0%) |
| Normalised EBITDA including IB | 107.6 | 114.4 | 108.4 | (0.8) | (0.7%) |
| <i>EBITDA Margin</i> | <i>40.8%</i> | <i>42.5%</i> | <i>42.0%</i> | | |
| Auckland IB to Actual win rate | (7.9) | 1.1 | 1.1 | (9.0) | |
| Reported EBITDA including IB | 99.7 | 115.5 | 109.5 | (9.8) | (8.9%) |

* RWC 2011 ran from 9th of September to 23rd of October 2011 and impacted 1H12 results in Auckland. RWC impact is excluded from these movement columns

• EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST-exclusive non-gaming revenues to facilitate Australasian comparisons



Auckland – International Business

Table Games – International Business (IB) in Auckland

- Horizon, our private gaming salons and hotel suites for International VIP players continued to prove popular with our overseas clients
- Strong and continued visitation from China, Malaysia and across Asia drove the growth in turnover
- 1H13 Turnover in Auckland was \$2.1bn, +55% on pcp

| | 1H13 | 1H12 | Movement 1H13 vs 1H12 | |
|-----------------------------|--------------|--------------|-----------------------|------------|
| | | | \$ | % |
| Turnover (\$bn) | 2.1 | 1.4 | 0.8 | 55% |
| <i>Normalised Win%</i> | <i>1.35%</i> | <i>1.35%</i> | | |
| Normalised Win (\$m) | 28.8 | 18.6 | 10.2 | 55% |

- Lower actual win rate of 0.91% in Auckland reduced actual win by \$9.4m (-33%) compared to theoretical
- Actual win rate over the last 3.5 yrs in Auckland is 1.22%, which is below theoretical of 1.35% due to recent lower hold percentages



International Business – Consolidated Group Result

| | 1H13 NZ\$m | 1H12 NZ\$m | Movement | |
|---|---------------|---------------|-------------|------------|
| | | | NZ\$m | % |
| Turnover (NZ\$b) | | | | |
| Auckland | 2.1 | 1.4 | 0.8 | 55% |
| Darwin | 0.3 | 0.0 | 0.3 | 1,978% |
| Other | 0.4 | 0.3 | 0.1 | 45% |
| Total Turnover | 2.9 | 1.7 | 1.2 | 72% |
| Normalised Revenue (incl Gaming GST) | | | | |
| Auckland | 28.8 | 18.6 | 10.2 | 55% |
| Darwin | 4.7 | 0.2 | 4.5 | 1,978% |
| Other | 5.9 | 4.0 | 1.9 | 45% |
| Total Normalised Revenue | 39.4 | 22.8 | 16.6 | 72% |

- Players have reacted extremely positively to the enhanced facilities in Darwin. We have hosted players from Malaysia, Singapore, China and Australia. The enlarged facilities allow us to leverage peak periods, such as Chinese New Year, China Golden Week and public holidays in Australia
- 1H13 Total Turnover was \$2.9bn, +72% on pcp

34



Adelaide Casino 1H13

| | 1H13 A\$m | 1H12 A\$m | Movement | |
|--|--------------|--------------|--------------|----------------|
| | | | A\$m | % |
| Revenues | | | | |
| Machines | 30.5 | 32.5 | (2.0) | (6.2%) |
| Tables – Local | 39.0 | 38.4 | 0.6 | 1.6% |
| Tables – International (Normalised) | 4.5 | 2.8 | 1.7 | 60.7% |
| Gross Gaming Revenue (incl GST) | 74.0 | 73.7 | 0.3 | 0.4% |
| Food and Beverage, Other | 8.5 | 8.9 | (0.4) | (4.5%) |
| Total Revenue (incl gaming GST) | 82.5 | 82.6 | (0.1) | (0.1%) |
| Gaming GST | 6.7 | 6.7 | - | - |
| Total Revenue (excl gaming GST) | 75.8 | 75.9 | (0.1) | (0.1%) |
| Expenses | 55.7 | 56.7 | 1.0 | 1.8% |
| Normalised EBITDA | 20.1 | 19.2 | 0.9 | 4.7% |
| EBITDA Margin | 24.4% | 23.2% | | |
| Adjust IB to Actual win rate | (3.0) | 1.3 | (4.3) | |
| Reported EBITDA | 17.1 | 20.5 | (3.4) | (16.6%) |

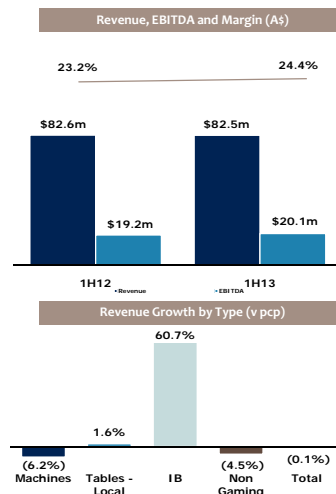
• EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST-exclusive non-gaming revenues to facilitate Australasian comparisons

35



Adelaide Casino 1H13

- Local Table Gaming
 - Improved performance obtained in VIP segment through increased volume and stronger hold
 - MGF Tables marginally down on PCP due to reduced visitation and average spend
- EGMs
 - Solid VIP performance through increased visitation and average spend
 - Softer MGF result mirrors Table Gaming, with slight visitation and average spend reduction
 - EGM Revenue impacted by rewards points converted to free play instead of cash (3 months)
- IB turnover improved up 60.7%
- F&B Revenue impacted (along with MGF) through slightly decreased visitation
- Expenses, although reduced are impacted by increases in utilities, rates and insurance
- SA economic environment continues to be challenging impacting the business through decreased visitation and average spend of infrequent and lower spend customers



* Gaming revenue figures as shown in the charts on this page are gaming win (inclusive GST). This facilitates Australasian comparisons
 * Non gaming revenues are net of GST
 * Total revenues as shown are gaming win plus non-gaming revenues
 * EBITDA margin is calculated as a % of gaming win (GST inclusive) plus non-gaming revenue - to facilitate Australasian comparisons



SKYCITY Darwin 1H13

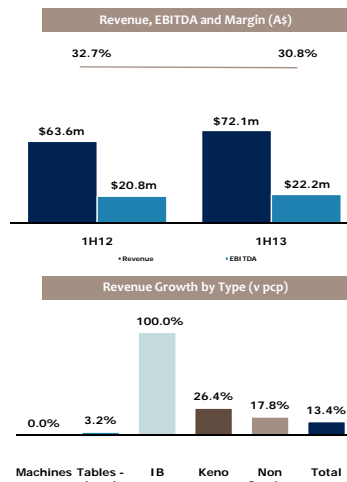
| | 1H13 A\$m | 1H12 A\$m | Movement | |
|--|--------------|--------------|------------|--------------|
| | | | A\$m | % |
| Revenues | | | | |
| Machines | 32.4 | 32.4 | - | - |
| Tables – Local | 9.7 | 9.4 | 0.3 | 3.2% |
| Tables – International (Normalised) | 3.7 | - | 3.7 | 100% |
| Keno | 9.1 | 7.2 | 1.9 | 26.4% |
| Gross Gaming Revenue (incl GST) | 54.9 | 49.0 | 5.9 | 12.0% |
| Food and Beverage, Hotel, Other | 17.2 | 14.6 | 2.6 | 17.8% |
| Total Revenue (incl gaming GST) | 72.1 | 63.6 | 8.5 | 13.4% |
| Gaming GST | 4.9 | 4.5 | (0.4) | (8.9%) |
| Total Revenue (excl gaming GST) | 67.2 | 59.1 | 8.1 | 13.7% |
| Expenses | 45.0 | 38.3 | (6.7) | (17.5%) |
| Normalised EBITDA | 22.2 | 20.8 | 1.4 | 6.7% |
| EBITDA Margin | 30.8% | 32.7% | | |
| Adjust IB to Actual win rate | 3.0 | 0.3 | 2.7 | |
| Reported EBITDA | 25.2 | 21.1 | 4.1 | 19.4% |

EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST-exclusive non-gaming revenues to facilitate Australasian comparisons



SKYCITY Darwin 1H13

- Total Revenue up 13.4% with normalised EBITDA up 6.7%
 - New Horizon gaming suites providing IB with significant Revenue and EBITDA growth
 - Strong Keno growth on the back of a record \$3.2m jackpot that was won in December
 - Non-gaming Revenue up as a result of new Lagoon rooms and additional F&B outlets (Cove restaurant and Lagoon bar)
 - EGM Revenue flat amidst a depressed market caused by recent increases in living expenses
 - Local Tables Revenue marginal growth of \$0.3m influenced by the closure of local VIP Monte Carlo room and a poor hold % during December
- Expenses up \$6.7m (IB \$2.7m, Local \$4.0m)
 - High overheads and operating costs have impacted margin with utility expenses up 30% and marketing costs up 20% (promotion of the new facilities)
- EBITDA margin down from 32.7% to 30.8% as Revenue growth in lower margin IB, Hotel and F&B



* Gaming revenue figures as shown in the charts on this page are gaming win (inclusive GST). This facilitates Australasian comparisons
 * Non gaming revenues are net of GST
 * Total revenues as shown are gaming win plus non-gaming revenues
 * EBITDA margin is calculated as a % of gaming win (GST inclusive) plus non-gaming revenue - to facilitate Australasian comparisons



SKYCITY Hamilton 1H13

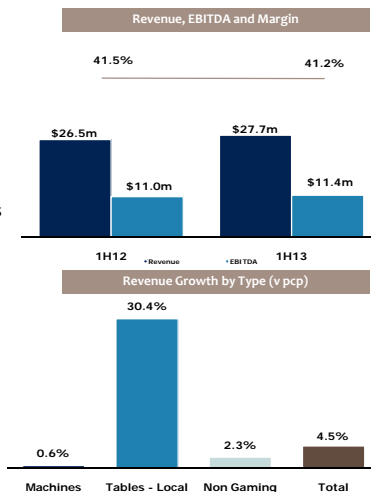
| Revenues | 1H13 | 1H12 | Movement | |
|--|--------------|--------------|--------------|---------------|
| | \$m | \$m | \$m | % |
| Machines | 17.2 | 17.1 | 0.1 | 0.6% |
| Tables – Local | 6.0 | 4.6 | 1.4 | 30.4% |
| Tables – International (Normalised) | - | 0.4 | (0.4) | (100.0%) |
| Gross Gaming Revenue (incl GST) | 23.2 | 22.1 | 1.1 | 5.0% |
| Food and Beverage, Other | 4.5 | 4.4 | 0.1 | 2.3% |
| Total Revenue (incl gaming GST) | 27.7 | 26.5 | 1.2 | 4.5% |
| Gaming GST | 3.0 | 2.9 | 0.1 | 3.4% |
| Total Revenue (excl gaming GST) | 24.7 | 23.6 | 1.1 | 4.7% |
| Expenses | 13.3 | 12.6 | (0.7) | (5.6%) |
| Normalised EBITDA | 11.4 | 11.0 | 0.4 | 3.6% |
| EBITDA Margin | 41.2% | 41.5% | | |
| Adjust IB to Actual win rate | - | 0.5 | (0.5) | |
| Reported EBITDA | 11.4 | 11.5 | (0.1) | (0.9%) |

EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST-exclusive non-gaming revenues to facilitate Australasian comparisons



SKYCITY Hamilton 1H13

- Hamilton's 1H13 continued growth is a result of successful main gaming floor layout changes, with particular focus on local table play
- The increase of 30.4% in local table play was due to improved performance following a refurbishment of the VIP room – the “Macau Room”
- With the recent new gaming machine product offerings that have been introduced to the business in December, Gaming Machine Revenue is expected to show stronger growth in 2H13
- Hamilton's expansion plans for the Hotel development are progressing well and according to schedule with construction starting by the end of 2H13 and opening in mid-FY15



• Gaming revenue figures as shown in the charts on this page are gaming win (inclusive GST). This facilitates Australasian comparisons.
 • Non gaming revenues are net of GST
 • Total revenues as shown are gaming win plus non-gaming revenues
 • EBITDA margin is calculated as a % of gaming win (GST inclusive) plus non-gaming revenue - to facilitate Australasian comparisons



40

SKYCITY Queenstown 1H13

| Revenues | 1H13 | 1H12 | Movement | |
|--|--------------|--------------|------------|--------------|
| | \$m | \$m | \$m | % |
| Machines | 2.2 | 2.0 | 0.2 | 10.0% |
| Tables – Local | 1.1 | 1.5 | (0.4) | (26.7%) |
| Tables – International (Normalised) | 0.1 | - | 0.1 | 100.0% |
| Gross Gaming Revenue (incl GST) | 3.4 | 3.5 | (0.1) | (2.9%) |
| Food and Beverage, Other | 0.6 | 0.5 | 0.1 | 20.0% |
| Total Revenue (incl gaming GST) | 4.0 | 4.0 | - | - |
| Gaming GST | 0.5 | 0.5 | - | - |
| Total Revenue (excl gaming GST) | 3.5 | 3.5 | - | - |
| Expenses | 3.0 | 3.0 | - | - |
| Normalised EBITDA | 0.5 | 0.5 | - | - |
| EBITDA Margin | 12.5% | 12.5% | - | - |
| Adjust IB to Actual win rate | 0.1 | - | 0.1 | |
| Reported EBITDA | 0.6 | 0.5 | 0.1 | 20.0% |

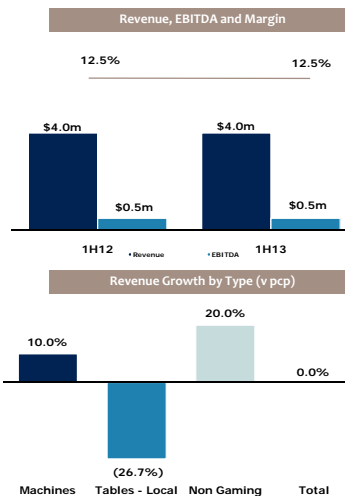
• EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST-exclusive non-gaming revenues to facilitate Australasian comparisons



41

SKYCITY Queenstown 1H13

- A steady performance in 1H13 with Revenue and EBITDA in line with prior year
- Gaming volumes have continued to grow, with a higher spend per customer in Table Games and Gaming Machines
 - Gaming Machines Revenue was up due to increased turnover linked to new products and promotions
 - Table Games Revenue was down, despite increased drop, due to a lower hold percentage than 1H12
- Food and Beverage Revenue increased due to higher restaurant covers and beverage sales from events and functions
- Costs were effectively managed across the business and were held flat
- Visitation from Asian tourists continued to grow reflecting the increased connectivity into New Zealand and the popularity of Queenstown as a tourist destination
- IB turnover and visitation were up on prior year and are expected to increase further in both value and volume due to SKYCITY now having 100% ownership of Queenstown



• Gaming revenue figures as shown in the charts on this page are gaming win (inclusive GST). This facilitates Australasian comparisons.
 • Non gaming revenues are net of GST
 • Total revenues as shown are gaming win plus non-gaming revenues
 • EBITDA margin is calculated as a % of gaming win (GST inclusive) plus non-gaming revenue - to facilitate Australasian comparisons



Depreciation, Interest, Tax

Depreciation & Amortisation: \$38.4m, up \$2.3m (-6.4%)

- 1H13 D&A increase of \$2.3m reflects recent capex spend, largely for the Bally system, the Tropical Resort in Darwin and a full half year depreciating Auckland's capital improvements
- Depreciation and amortisation for full year FY13 is projected to be circa \$80m

Debt and Interest: \$24.9m, down \$0.6m (2.4%)

- Average debt balance during 1H13 at \$710m with average yield of 6.92%
- We have shown a \$1.4m adjustment to interest costs in 1H13 relating to interest on borrowings for acquiring the NZICC land. This represents the amount that could have been capitalised had the project been in the active development phase
- Additionally, SKYCITY is currently holding \$380m committed debt facilities. These facilities are held for the Adelaide redevelopment and in anticipation of the NZICC approval. The annual cost of holding these facilities is approximately \$3.3m. This has not been adjusted for in Normalised NPAT
- Full year funding cost expected to be circa \$50m

Tax: \$24.9m, down \$1.9m (7.5%)

- Effective tax rate for 1H13 at 25.1%
- FY13 tax rate projected to slightly increase but remain around 26%

• Normalised



Capex

| Capex Spend | 1H13 | 1H12 |
|---------------------------------------|----------------|----------------|
| Darwin Resort | \$10.7m | \$13.0m |
| Land acquisition in Auckland | \$8.8m | \$6.4m |
| Bally | \$8.1m | \$4.0m |
| Darwin Premium Gaming Development | \$2.3m | |
| Hamilton Hotel/Land | \$1.8m | |
| Adelaide Development | \$0.6m | |
| Other Development Capex | \$12.7m | \$1.6m |
| Completion of Auckland \$50m Projects | | \$32.0m |
| Total Project Capex | \$45.0m | \$57.0m |
| Maintenance Capex | \$30.5m | \$31.0m |
| Total | \$75.5m | \$88.0m |

Capex

- 1H13 capex was \$75.5m, comprising Project Capex \$45.0m and Maintenance Capex \$30.5m
- 2H13 project capex is expected to be c.\$40m comprising final payments on Bally and the Darwin Resort and Premium Gaming, Hamilton Hotel, further developments on Federal Street in Auckland and early capex in Adelaide
- 2H13 Maintenance Capex is expected to be c.\$30 million

Normalised P&L Summary by Business Unit

Normalised P&L Summary by Business Unit

| | 1H13 | | | | | | | | | | 1H12 | | | | | | | | | | |
|---|----------------|---------------|-------------|-------------------------|-----------------------|----------------|--------------------|---------------------------|-----------------|---------------------|----------------|---------------|-------------|-------------------------|-----------------------|----------------|--------------------|---------------------------|-----------------|---------------------|--|
| | Auckland NZ\$m | Adelaide A\$m | Darwin A\$m | Total Australasia NZ\$m | Total Australia NZ\$m | Hamilton NZ\$m | Christchurch NZ\$m | Other NZ Operations NZ\$m | Corporate NZ\$m | SKYCITY Group NZ\$m | Auckland NZ\$m | Adelaide A\$m | Darwin A\$m | Total Australasia NZ\$m | Total Australia NZ\$m | Hamilton NZ\$m | Christchurch NZ\$m | Other NZ Operations NZ\$m | Corporate NZ\$m | SKYCITY Group NZ\$m | |
| New Zealand operations expressed in NZ\$m. Australian operations expressed in A\$m (normalised) | | | | | | | | | | | | | | | | | | | | | |
| Gross Gaming revenue | 199.2 | 74.0 | 55.0 | 129.0 | 164.8 | 23.2 | - | 3.4 | - | 390.6 | 197.0 | 73.7 | 49.0 | 122.7 | 157.0 | 22.1 | - | 3.5 | - | 379.6 | |
| Non-Gaming Revenue | 64.5 | 8.5 | 17.1 | 25.6 | 32.7 | 4.5 | 2.3 | 1.1 | - | 105.1 | 71.9 | 8.9 | 14.6 | 23.5 | 30.0 | 4.4 | 2.5 | 0.6 | - | 109.4 | |
| Total Revenue (incl Gaming GST) | 263.7 | 82.5 | 72.1 | 154.6 | 197.5 | 27.7 | 2.3 | 4.5 | - | 495.7 | 268.9 | 82.6 | 63.6 | 146.2 | 187.0 | 26.5 | 2.5 | 4.1 | - | 489.0 | |
| Gaming GST | (25.6) | (6.7) | (4.9) | (11.6) | (14.8) | (3.0) | - | (0.5) | - | (43.9) | (24.6) | (6.7) | (4.5) | (11.2) | (14.1) | (2.9) | - | (0.5) | - | (42.1) | |
| Total Revenue (excl Gaming GST) | 238.1 | 75.8 | 67.2 | 143.0 | 182.7 | 24.7 | 2.3 | 4.0 | - | 451.8 | 244.3 | 75.9 | 59.1 | 135.0 | 172.9 | 23.6 | 2.5 | 3.6 | - | 446.9 | |
| Expenses | 130.5 | 55.7 | 45.0 | 100.7 | 128.6 | 13.3 | - | 3.2 | 13.5 | 289.1 | 129.9 | 56.7 | 38.3 | 95.0 | 121.9 | 12.6 | - | 3.1 | 13.9 | 281.4 | |
| EBITDA | 107.6 | 20.1 | 22.2 | 42.3 | 54.1 | 11.4 | 2.3 | 0.8 | (13.5) | 162.7 | 114.4 | 19.2 | 20.8 | 40.0 | 51.0 | 11.0 | 2.5 | 0.5 | (13.9) | 165.5 | |
| | 40.8% | 24.4% | 30.8% | 27.4% | 27.4% | 41.2% | 100.0% | 17.8% | | 32.8% | 43.5% | 23.2% | 32.7% | 27.4% | 27.3% | 41.5% | 100.0% | 12.2% | | 33.8% | |
| Depreciation | 20.7 | 3.2 | 5.1 | 8.3 | 10.6 | 1.9 | - | 0.4 | 1.3 | 34.9 | 19.5 | 3.1 | 4.4 | 7.5 | 9.6 | 2.4 | - | 0.5 | 1.3 | 33.3 | |
| Amortisation | 0.4 | 1.1 | 0.2 | 1.3 | 1.5 | 0.1 | - | - | 1.5 | 3.5 | - | 1.0 | 0.1 | 1.1 | 1.4 | - | - | - | 1.4 | 2.8 | |
| EBIT | 86.5 | 15.8 | 16.9 | 32.7 | 42.0 | 9.4 | 2.3 | 0.4 | (16.3) | 124.3 | 94.9 | 15.1 | 16.3 | 31.4 | 40.0 | 8.6 | 2.5 | - | (16.6) | 129.4 | |
| | 32.8% | 19.2% | 23.4% | 21.2% | 21.2% | 31.9% | 100.0% | 8.0% | | 25.1% | 35.2% | 18.2% | 25.8% | 23.9% | 21.4% | 32.5% | 100.0% | 0.0% | | 36.5% | |
| Funding | | | | | | | | | | | | | | | | | | | | | |
| Net Profit before tax | | | | | | | | | | | | | | | | | | | | | |
| Tax | | | | | | | | | | | | | | | | | | | | | |
| Minority Interest (Queenstown) | | | | | | | | | | | | | | | | | | | | | |
| Normalised Net Profit | | | | | | | | | | | | | | | | | | | | | |

• Other NZ Operations includes Queenstown and other minor operations. Minority interests relate to SKYCITY Queenstown
 • EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST-exclusive non-gaming revenues to facilitate Australasian comparisons

Reported and Normalised Earnings

| | 1H13 | | | | 1H12 | | | |
|---------------------------------------|----------------|---------------|--------------|-------------|----------------|---------------|--------------|-------------|
| | Revenue \$m | EBITDA \$m | EBIT \$m | NPAT \$m | Revenue \$m | EBITDA \$m | EBIT \$m | NPAT \$m |
| Reported | 487.3 | 152.8 | 114.4 | 66.3 | 494.0 | 168.2 | 132.0 | 78.8 |
| Restructuring costs | | 1.1 | 1.1 | 0.7 | | 0.3 | 0.3 | 0.2 |
| Interest on purchased NZICC land bank | | | | 1.0 | | | | |
| Profit from sale of Christchurch | | | | (0.1) | | | | |
| Other Adjustments | | 0.8 | 0.8 | 0.6 | | 0.5 | 0.6 | 0.5 |
| Total Adjustments | | 1.9 | 1.9 | 2.2 | | 0.8 | 0.9 | 0.7 |
| Adjusted | 487.3 | 154.7 | 116.3 | 68.5 | 494.0 | 169.0 | 132.9 | 79.5 |
| International Business at Theoretical | 8.4 | 8.0 | 8.0 | 5.9 | (5.0) | (3.5) | (3.5) | (2.5) |
| Normalised | 495.7 | 162.7 | 124.3 | 74.4 | 489.0 | 165.5 | 129.4 | 77.0 |

• Revenue includes GST inclusive gaming revenues and GST exclusive non-gaming revenues
 • 'Normalised' (underlying) earnings eliminates certain items and adjusts international VIP commission business win rate to theoretical



Reported and Normalised Earnings

- SKYCITY's objective of producing normalised financial information is to provide data that is useful to the investment community in understanding the underlying operations of the Group
- 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
- EBITDA margin is calculated as a % of gaming win (GST inclusive) plus non-gaming revenue – to facilitate Australasian and period on period comparisons



Reported and Normalised Earnings

- Key Adjustments are:
 - Restructuring costs – costs associated with changing the staffing structures designed to create future efficiencies
 - Interest on purchase of New Zealand International Convention Centre (NZICC) land bank – calculated using the Group's average cost of debt
 - Profit from sale of Christchurch
 - Other Adjustments includes one-off costs associated with opening of the Darwin Tropical Resort, the introduction of the Bally gaming system and other miscellaneous items
- IB win rate at 1.06% for 1H13. Adjustment to theoretical win rate of 1.35% based on actual turnover increases EBITDA by \$8.0m; during 1H12 the same adjustment reduced EBITDA by \$3.5m
- Normalisation adjustments have been calculated in a consistent manner in 1H13 and 1H12

48



Cash Flows

- Consistent and reliable cash flows
 - SKYCITY continues to generate strong cash flows
 - cash flows from operating activities were \$136.3 and \$163.5m in 1H13 and 1H12 respectively
- Capex spend \$75.5m
 - capex includes Darwin resort (\$11m), Auckland land acquisitions (\$9m), Bally (\$8m)
 - the balance broadly consists of development and maintenance capex across all sites¹
- Working Capital/Other
 - these adjustments relate primarily to movements in the underlying working capital of the Group

| Cashflow summary | 1H13 | 1H12 | FY12 |
|------------------------------------|--------------|--------------|---------------|
| Reported EBITDA | 152.8 | 168.2 | 300.5 |
| Tax paid | (15.9) | (11.8) | (49.3) |
| Working capital/other | (0.6) | 7.1 | 10.5 |
| Operating cash flow | 136.3 | 163.5 | 261.7 |
| Capex - net | (75.5) | (87.5) | (164.7) |
| Free cash flow | 60.8 | 76.0 | 97.0 |
| Dividends | (46.2) | (41.3) | (93.3) |
| Interest paid | (25.7) | (27.9) | (49.0) |
| Share purchases | 0.1 | (7.5) | (7.2) |
| Divestment of Christchurch Casino: | 80.0 | - | - |
| Payments for Queenstown Casinos | (5.0) | - | - |
| Repayment of debt | (16.0) | - | (264.5) |
| New debt | - | - | 241.3 |
| Derivatives/other | (0.9) | 0.1 | 12.5 |
| Change in cash balance | 47.1 | (0.6) | (63.2) |
| Opening cash balance | 41.4 | 104.6 | 104.6 |
| Closing cash balance | 88.5 | 104.0 | 41.4 |

¹ Dollar amounts represent cash expenditure in 1H13

49



Consolidated Balance Sheet SKYCITY Entertainment Group Limited

| | As at 31/12/12 NZ\$m | As at 30/06/12 NZ\$m | Movement NZ\$m |
|----------------------------------|-------------------------|-------------------------|-------------------|
| Equity | | | |
| Share Capital | 728.4 | 727.6 | 0.8 |
| Retained profits | 98.5 | 81.7 | 16.8 |
| Reserves | (4.4) | (1.9) | (2.5) |
| Minority interests | - | 1.7 | (1.7) |
| Total Equity | 822.5 | 809.1 | 13.4 |
| Current Assets | | | |
| Cash and bank | 88.5 | 41.4 | 47.1 |
| Receivables and prepayments | 29.9 | 27.0 | 2.9 |
| Inventories | 7.9 | 6.8 | 1.1 |
| Tax prepayment | 37.1 | 35.5 | 1.6 |
| Derivative financial instruments | - | 0.5 | (0.5) |
| Total Current Assets | 163.4 | 111.2 | 52.2 |
| Non-Current Assets | | | |
| Property, plant and equipment | 1,098.9 | 1,064.4 | 34.5 |
| Intangible assets | 407.5 | 410.7 | (3.2) |
| Investments in associates | - | 75.2 | (75.2) |
| Tax prepayment | 20.2 | 31.6 | (11.4) |
| Derivative financial instruments | 14.4 | 23.1 | (8.7) |
| Total Non-Current Assets | 1,541.0 | 1,605.0 | (64.0) |
| Total Assets | 1,704.4 | 1,716.2 | (11.8) |

Equity

- Movements in share capital relate to the employee long-term incentive plan
- Movement in retained profits records the current period's net profit after tax less the FY12 final dividend and the impact of purchasing the remaining 40% of Queenstown Casino

Reserves

- The movement in foreign currency translation reserve reflects changes in the New Zealand dollar value of the company's net Australian assets due to movements in the NZD/AUD exchange rate
- The movement in the cash flow hedge reserve represents fair value movements in SKYCITY's interest rate and cross currency interest rate swaps that are part of cash flow hedging relationships
- Minority interest of 40% in Queenstown Casino was acquired December 2012

Current Assets

- Cash and bank balances: \$38.1m interest-bearing deposits and \$50.4m cash held in-house/on-property

50



Consolidated Balance Sheet (continued) SKYCITY Entertainment Group Limited

| | As at 31/12/12 NZ\$m | As at 30/06/12 NZ\$m | Movement NZ\$m |
|---|-------------------------|-------------------------|-------------------|
| Total Assets (carried forward) | 1,704.4 | 1,716.2 | (11.8) |
| Current Liabilities | | | |
| Payables | 113.3 | 107.2 | (6.1) |
| Current tax liabilities | 4.9 | 8.0 | 3.1 |
| Derivative financial instruments | 0.7 | 0.6 | (0.1) |
| Total Current Liabilities | 118.9 | 115.8 | (3.1) |
| Non-Current Liabilities | | | |
| Interest bearing liabilities - Term | 575.2 | 604.9 | 29.7 |
| Subordinated debt - capital notes | 56.4 | 56.4 | - |
| Deferred tax liabilities | 84.1 | 84.6 | 0.5 |
| Derivative financial instruments | 47.3 | 45.4 | (1.9) |
| Total Non-Current Liabilities | 763.0 | 791.3 | 28.3 |
| Total Liabilities | 881.9 | 907.1 | 25.2 |
| Net Assets | 822.5 | 809.1 | 13.4 |
| Net Debt (excluding cash in house) | 593.6 | 658.8 | 65.2 |
| Net Debt:EBITDA | 1.9x | 2.1x | |
| Net Position of Derivative Financial Instruments Included in Balance Sheet Assets/(Liabilities) | (33.6) | (22.4) | (11.2) |

Non-Current Assets

- \$34.5m increase in Property, Plant and Equipment relates primarily to additions partially offset by depreciation and the impact of movement in the NZD/AUD exchange rate (-\$2.4m impact)
- The decrease in intangible assets is largely the result of movements in the NZD/AUD exchange rate and amortisation partially offset by additional software purchases
- Investments in Associates comprised SKYCITY's 50% investment in Christchurch Casinos Limited which was disposed of in December 2012

Current and Non-Current Liabilities

- Derivative financial instruments represent the market value of interest rate swaps, cross currency interest rate swaps and forward foreign exchange contracts
- At 31 December 2012 all interest bearing liabilities (US Private Placement debt and bank facility) are non-current

51



Australian Dollar Earnings Adelaide and Darwin

- NPAT result comparison to prior periods can potentially be impacted by NZD/AUD exchange rates
- Restating 1H12 prior period at 0.7836 to remove the FX differential would have no significant impact
 - Average NZD/AUD cross-rate during 1H13 0.7836
 - Average NZD/AUD cross-rate during 1H12 0.7835

Disclaimer

- *All information included in this presentation is provided as at 13 February 2013.*
- *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.*

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10. For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one
(Please provide any other relevant details on additional pages)

Full name of Issuer **SKYCITY Entertainment Group Limited**

Name of officer authorised to make this notice **Peter Treacy** Authority for event, e.g. Directors' resolution **Directors' resolution**

Contact phone number **(09) 363 6141** Contact fax number **(09)363 6140** Date **13 / 2 / 2013**

Nature of event
Tick as appropriate

Bonus Issue If ticked, state whether: Taxable / Non Taxable Conversion Interest Rights Issue Renounceable

Rights Issue non-renounceable Capital change Call Dividend If ticked, state whether: Interim Full Year Special DRP Applies

EXISTING securities affected by this *If more than one security is affected by the event, use a separate form.*

Description of the class of securities **Ordinary Shares** ISIN **NZSKCE0001S2**
If unknown, contact NZX

Details of securities issued pursuant to this event *If more than one class of security is to be issued, use a separate form for each class.*

Description of the class of securities _____ ISIN _____
If unknown, contact NZX

Number of Securities to be issued following event _____ Minimum Entitlement _____ Ratio, e.g. ① for ② _____ for _____

Conversion, Maturity, Call Payable or Exercise Date _____ Treatment of Fractions _____

Strike price per security for any issue in lieu or date Strike Price available. _____ Tick if *pari passu* OR provide an explanation of the ranking _____

Monies Associated with Event *Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.*

In dollars and cents

| | | | |
|---|---------------------|---|--|
| Amount per security (does not include any excluded income) | \$0.1000 | Source of Payment | Profit |
| Excluded income per security (only applicable to listed PIEs) | _____ | Supplementary dividend details - NZSX Listing Rule 7.12.7 | Amount per security in dollars and cents \$0.008824 |
| Currency | NZ Dollars | Date Payable | 5 April, 2013 |
| Total monies | \$57,695,834 | | |

Taxation *Amount per Security in Dollars and cents to six decimal places*

| | | | | | |
|---|----------|--------------------------|-------------------|-----------------------------------|-------------------|
| In the case of a taxable bonus issue state strike price | \$ _____ | Resident Withholding Tax | \$0.019972 | Imputation Credits (Give details) | \$0.019444 |
| | | Foreign Withholding Tax | \$ _____ | FWP Credits (Give details) | _____ |

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm *For calculation of entitlements -* **27 March, 2013**

Application Date *Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.* **5 April, 2013**

Notice Date *Entitlement letters, call notices, conversion notices mailed* _____

Allotment Date *For the issue of new securities. Must be within 5 business days of application closing date.* _____

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

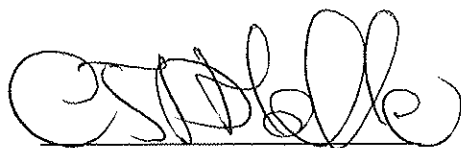
Security Code:
Security Code:



For personal use only

**SKYCITY Entertainment Group Limited
Interim Financial Report
for the six month period ended 31
December 2012**

For and on behalf of the Board:



Chris Moller
Chairman



Bruce Carter
Chairman of the Audit and Financial Risk Committee

13 February 2013



Independent Accountants' Report to the shareholders of SKYCITY Entertainment Group Limited

Report on the Interim Financial Statements

We have reviewed the interim condensed financial statements ("financial statements") of SKYCITY Entertainment Group Limited on pages 1 to 14, which comprise the balance sheet as at 31 December 2012, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Interim Financial Statements

The Company's Directors are responsible for the preparation and presentation of the financial statements that present fairly the financial position of the Group as at 31 December 2012, and its financial performance and cash flows for the period ended on that date.

Accountants' Responsibility

We are responsible for reviewing the financial statements presented by the Directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the financial statements do not present fairly the matters to which they relate.

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the financial statements of the Group for the period ended 31 December 2012 in accordance with the Review Engagement Standards issued in New Zealand.

We have no relationship with, or interests in, SKYCITY Entertainment Group Limited other than in our capacities as accountants conducting this review, auditors and providers of accounting, tax, other assurance and advisory services. These services have not impaired our independence as accountants of the Group.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements which have been prepared in accordance with International Accounting Standard 34 and New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting do not present fairly the financial position of the Group as at 31 December 2012 and its financial performance and cash flows for the period ended on that date.

Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an accountants' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our review procedures, for this report or for the opinions we have formed.

Chartered Accountants
13 February 2013

Auckland

SKYCITY Entertainment Group Limited
Consolidated income statement
For the six month period ended 31 December 2012

| | Notes | Unaudited 6 months 31 December 2012 \$'000 | Unaudited 6 months 31 December 2011 \$'000 | Audited 12 months 30 June 2012 \$'000 |
|---|-------|---|--|---|
| Total receipts including GST | 3 | 498,395 | 505,223 | 960,203 |
| Less non-gaming GST | 3 | <u>(13,704)</u> | <u>(14,512)</u> | <u>(26,398)</u> |
| Gaming win plus non-gaming revenue | 3 | 484,691 | 490,711 | 933,805 |
| Less gaming GST | 3 | <u>(42,852)</u> | <u>(42,721)</u> | <u>(82,275)</u> |
| Revenue | 3 | 441,839 | 447,990 | 851,530 |
| <hr/> | | | | |
| Revenue | 3 | 441,839 | 447,990 | 851,530 |
| Other income | 4 | 401 | 873 | 1,928 |
| Share of net profit of associate | 7 | 2,245 | 2,419 | 5,447 |
| Employee benefits expense | | (143,163) | (139,316) | (276,642) |
| Other expenses | 5 | (61,010) | (53,099) | (100,354) |
| Direct consumables | | (35,318) | (31,377) | (62,190) |
| Gaming taxes and levies | | (31,473) | (32,337) | (64,039) |
| Marketing and communications | | (18,288) | (25,587) | (49,909) |
| Directors' fees | | (558) | (535) | (1,034) |
| Depreciation and amortisation expense | 5 | (38,473) | (36,236) | (72,770) |
| Restructuring costs | 5 | (1,849) | (800) | (4,274) |
| Gain on disposal of associate | 7 | 59 | - | - |
| Finance costs - net | 6 | (26,204) | (25,498) | (48,861) |
| Profit before income tax | | 88,208 | 106,497 | 178,832 |
| Income tax expense | | (21,801) | (27,582) | (39,962) |
| Profit for the period | | 66,407 | 78,915 | 138,870 |
| <hr/> | | | | |
| Attributable to: | | | | |
| Shareholders of the company | | 66,314 | 78,826 | 138,534 |
| Non controlling interest | | 93 | 89 | 336 |
| | | 66,407 | 78,915 | 138,870 |
| <hr/> | | | | |
| | | Cents | Cents | Cents |
| Earnings per share for profit attributable to the shareholders of the company: | | | | |
| Basic earnings per share (cents) | | 11.5 | 13.7 | 24.0 |
| Diluted earnings per share (cents) | | 11.5 | 13.5 | 23.8 |

The above consolidated income statement should be read in conjunction with the accompanying notes.

SKYCITY Entertainment Group Limited
Statement of comprehensive income
31 December 2012

| | | Unaudited 6 months 31 December 2012 \$'000 | Unaudited 6 months 31 December 2011 \$'000 | Audited 12 months 30 June 2012 \$'000 |
|---|----|---|--|---|
| Profit for the period | | 66,407 | 78,915 | 138,870 |
| Other comprehensive income | | | | |
| Exchange differences on translation of overseas subsidiaries | 11 | (3,260) | 6,898 | (4,517) |
| Movement in cash flow hedges | 11 | 1,033 | (1,111) | (1,375) |
| Income tax relating to components of other comprehensive income | | <u>(316)</u> | <u>243</u> | <u>360</u> |
| Other comprehensive (expenses)/income for the period | | <u>(2,543)</u> | <u>6,030</u> | <u>(5,532)</u> |
| Total comprehensive income for the period, net of tax | | <u>63,864</u> | <u>84,945</u> | <u>133,338</u> |
| Total comprehensive income for the period is attributable to: | | | | |
| Shareholders of the company | | 63,771 | 84,856 | 133,002 |
| Non-controlling interest | | <u>93</u> | <u>89</u> | <u>336</u> |
| | | <u>63,864</u> | <u>84,945</u> | <u>133,338</u> |

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

SKYCITY Entertainment Group Limited
Consolidated balance sheet
As at 31 December 2012

| | Notes | Unaudited 31 December 2012 \$'000 | Unaudited 31 December 2011 \$'000 | Audited 30 June 2012 \$'000 |
|--------------------------------------|-------|--|--|--------------------------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and bank balances | | 88,556 | 104,010 | 41,400 |
| Receivables and prepayments | | 29,889 | 23,221 | 26,974 |
| Inventories | | 7,952 | 7,975 | 6,876 |
| Tax prepayment | | 37,066 | 36,428 | 35,503 |
| Derivative financial instruments | | - | 2,626 | 480 |
| Total current assets | | 163,463 | 174,260 | 111,233 |
| Non-current assets | | | | |
| Tax prepayment | | 20,179 | 14,580 | 31,550 |
| Property, plant and equipment | | 1,098,869 | 1,031,554 | 1,064,418 |
| Intangible assets | | 407,459 | 419,125 | 410,645 |
| Investment in associate | | - | 75,210 | 75,266 |
| Derivative financial instruments | | 14,457 | 21,700 | 23,154 |
| Total non-current assets | | 1,540,964 | 1,562,169 | 1,605,033 |
| Total assets | | 1,704,427 | 1,736,429 | 1,716,266 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Payables | | 113,318 | 98,714 | 107,186 |
| Current tax liabilities | | 4,884 | 9,430 | 7,972 |
| Derivative financial instruments | | 698 | 1,013 | 664 |
| Interest bearing liabilities | 8 | - | 256,073 | - |
| Total current liabilities | | 118,900 | 365,230 | 115,822 |
| Non-current liabilities | | | | |
| Interest bearing liabilities | 8,9 | 575,214 | 370,817 | 604,902 |
| Subordinated debt - capital notes | | 56,420 | 56,405 | 56,414 |
| Deferred tax liabilities | | 84,076 | 92,378 | 84,571 |
| Derivative financial instruments | | 47,339 | 39,968 | 45,415 |
| Total non-current liabilities | | 763,049 | 559,568 | 791,302 |
| Total liabilities | | 881,949 | 924,798 | 907,124 |
| Net assets | | 822,478 | 811,631 | 809,142 |
| EQUITY | | | | |
| Share capital | 10 | 728,362 | 726,565 | 727,598 |
| Reserves | 11(a) | (4,393) | 9,712 | (1,850) |
| Retained profits | 11(b) | 98,509 | 73,897 | 81,690 |
| Parent entity interest | | 822,478 | 810,174 | 807,438 |
| Non controlling interest | 12 | - | 1,457 | 1,704 |
| Total equity | | 822,478 | 811,631 | 809,142 |

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

SKYCITY Entertainment Group Limited
Consolidated statement of changes in equity
For the six month period ended 31 December 2012

| Notes | Share capital \$'000 | Hedging Reserves \$'000 | Foreign Currency Translation Reserve \$'000 | Retained profits \$'000 | Non controlling interest \$'000 | Total equity \$'000 |
|---|----------------------------|-------------------------------|---|-------------------------------|--|---------------------------|
| Balance as at 1 July 2012 | 727,598 | (13,355) | 11,505 | 81,690 | 1,704 | 809,142 |
| Total comprehensive income/(expense) | - | 717 | (3,260) | 66,314 | 93 | 63,864 |
| Dividends | - | - | - | (46,171) | - | (46,171) |
| Share rights issued for employee services | 637 | - | - | - | - | 637 |
| Net purchases of treasury shares | 127 | - | - | - | - | 127 |
| Acquisition of non controlling interest | - | - | - | (3,324) | (1,676) | (5,000) |
| Repayment of non controlling interest | - | - | - | - | (121) | (121) |
| Balance as at 31 December 2012 | 728,362 | (12,638) | 8,245 | 98,509 | - | 822,478 |
| Balance as at 1 July 2011 | 728,616 | (12,340) | 16,022 | 41,150 | 1,368 | 774,816 |
| Total comprehensive income/(expense) | - | (868) | 6,898 | 78,826 | 89 | 84,945 |
| Dividends | - | - | - | (46,079) | - | (46,079) |
| Shares issued under dividend reinvestment plan | 4,736 | - | - | - | - | 4,736 |
| Share rights issued for employee services | 705 | - | - | - | - | 705 |
| Net purchase of treasury shares | (7,492) | - | - | - | - | (7,492) |
| Balance as at 31 December 2011 | 726,565 | (13,208) | 22,920 | 73,897 | 1,457 | 811,631 |
| Balance as at 1 July 2011 | 728,616 | (12,340) | 16,022 | 41,150 | 1,368 | 774,816 |
| Total comprehensive income/(expense) | - | (1,015) | (4,517) | 138,534 | 336 | 133,338 |
| Dividends | - | - | - | (97,994) | - | (97,994) |
| Shares issued under dividend reinvestment plan | 4,736 | - | - | - | - | 4,736 |
| Share rights issued for employee services | 1,426 | - | - | - | - | 1,426 |
| Net purchase of treasury shares | (7,180) | - | - | - | - | (7,180) |
| Balance as at 30 June 2012 | 727,598 | (13,355) | 11,505 | 81,690 | 1,704 | 809,142 |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

SKYCITY Entertainment Group Limited
Statement of cash flows
For the half year ended 31 December 2012

| | Unaudited 6 months 31 December 2012 \$'000 | Unaudited 6 months 31 December 2011 \$'000 | Audited 12 months 30 June 2012 \$'000 |
|---|---|--|---|
| Notes | | | |
| Cash flows from operating activities | | | |
| Receipts from customers | 434,357 | 455,510 | 854,348 |
| Payments to suppliers and employees | (256,136) | (252,693) | (490,574) |
| | 178,221 | 202,817 | 363,774 |
| Dividends received | 1,615 | 996 | 3,968 |
| Interest received | 69 | 90 | 167 |
| Gaming taxes paid | (27,715) | (28,699) | (56,841) |
| Income taxes paid | (15,892) | (11,752) | (49,325) |
| Net cash inflow from operating activities | 136,298 | 163,452 | 261,743 |
| 18 | | | |
| Cash flows from investing activities | | | |
| Purchase of/proceeds from property, plant and equipment | (72,088) | (82,254) | (153,689) |
| Payments for intangible assets | (3,393) | (5,205) | (11,008) |
| Non controlling interest share repurchase | (121) | - | - |
| Purchase of non controlling interest in Queenstown Casinos Limited | (5,000) | - | - |
| Loan repayment from Christchurch Hotels Limited during the period | 527 | 160 | 1,110 |
| Loan repayment from Christchurch Hotels Limited as part of the disposal | 4,598 | - | - |
| Proceeds from sale of Christchurch Casinos Limited | 75,402 | - | - |
| Net cash (outflow) from investing activities | (75) | (87,299) | (163,587) |
| Cash flows from financing activities | | | |
| Cash flows associated with derivatives | (1,358) | - | 11,283 |
| Repayment of borrowings | (16,000) | - | (264,450) |
| New borrowings | - | - | 241,314 |
| Net issue/(purchase) of treasury shares | 127 | (7,492) | (7,180) |
| Dividends paid to company shareholders | (46,171) | (41,343) | (93,258) |
| Interest paid | (25,665) | (27,885) | (49,042) |
| Net cash (outflows) from financing activities | (89,067) | (76,720) | (161,333) |
| Net (decrease)/increase in cash and bank balances | 47,156 | (567) | (63,177) |
| Cash and bank balances at the beginning of the period | 41,400 | 104,577 | 104,577 |
| Cash and cash equivalents at end of the period | 88,556 | 104,010 | 41,400 |

The above cash flow statement should be read in conjunction with the accompanying notes.

1. General information

SKYCITY Entertainment Group Limited (SKYCITY or the company and its subsidiaries or the Group) operates in the gaming/entertainment, hotel and convention, hospitality, recreation, and tourism sectors. The Group has operations in New Zealand and Australia.

SKYCITY is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is Federal House, 86 Federal Street, Auckland. The company is dual listed on the New Zealand and Australian stock exchanges.

SKYCITY is a company registered under the Companies Act 1993 and is an issuer in terms of the Securities Act 1978. These consolidated interim financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993.

These consolidated financial statements have been approved for issue by the board of directors on 13 February 2013.

2. Summary of significant accounting policies

These general purpose financial statements for the interim half year reporting period ended 31 December 2012 have been prepared in accordance with generally accepted accounting practice in New Zealand, International Accounting Standard 34 and NZ IAS 34 Interim Financial Reporting.

The preparation of interim financial statements in accordance with NZ IAS 34 Interim Financial Reporting requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain financial instruments (including derivative instruments). The Group is designated as a profit-oriented entity for financial reporting purposes.

The accounting policies that materially affect the measurement of the Income Statement, Balance Sheet and the Statement of Cash Flows have been applied on a basis consistent with those used in the audited financial statements for the year ended 30 June 2012 and the unaudited financial statements for the six months ended 31 December 2011.

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012.

(a) Changes in accounting policies

There have been no significant changes in accounting policies during the current period. Accounting policies have been applied on a basis consistent with prior half year and annual financial statements.

3. Revenue

| | 6 months 31 December 2012 \$'000 | 6 months 31 December 2011 \$'000 | 12 months 30 June 2012 \$'000 |
|------------------------------------|---|---|--|
| Total receipts including GST | 498,395 | 505,223 | 960,203 |
| Less non-gaming GST | <u>(13,704)</u> | <u>(14,512)</u> | <u>(26,398)</u> |
| Gaming win plus non-gaming revenue | 484,691 | 490,711 | 933,805 |
| Less gaming GST | <u>(42,852)</u> | <u>(42,721)</u> | <u>(82,275)</u> |
| Total revenue | 441,839 | 447,990 | 851,530 |
| | | | |
| Gaming | 339,367 | 341,738 | 658,713 |
| Non-gaming | <u>102,472</u> | <u>106,252</u> | <u>192,817</u> |
| Total revenue | 441,839 | 447,990 | 851,530 |

Non gaming revenue includes revenues from hotels, food and beverage, convention centre, car parking, property rentals, Sky Tower, and other non gaming activities.

Included within gaming revenue is revenue relating to loyalty action points of \$1,615,000 (31 December 2011: \$6,188,000, 30 June 2012: \$11,621,000).

Included within non-gaming revenue is revenue relating to loyalty action points of \$55,000 (31 December 2011: \$155,000, 30 June 2012: \$266,000).

Gaming win represents the gross cash inflows associated with gaming activities. "Total receipts including GST" and "Gaming win plus non gaming revenue" do not represent revenue as defined by NZ IAS 18 "Revenue". The Group has decided to disclose these amounts as they give shareholders and interested parties a better appreciation for the scope of the Group's gaming activities and is consistent with industry practice adopted by casino operations in Australia.

4. Other income

| | 6 months 31 December 2012 \$'000 | 6 months 31 December 2011 \$'000 | 12 months 30 June 2012 \$'000 |
|---|---|---|--|
| Net gain on disposal of property, plant and equipment | 327 | 778 | 1,756 |
| Interest income - Christchurch Hotels Limited | 69 | 90 | 167 |
| Dividend income | <u>5</u> | <u>5</u> | <u>5</u> |
| | 401 | 873 | 1,928 |

5. Expenses

| | 6 months 31 December 2012 \$'000 | 6 months 31 December 2011 \$'000 | 12 months 30 June 2012 \$'000 |
|--|---|---|--|
|--|---|---|--|

Profit before income tax includes the following specific expenses:

| | | | |
|------------------------|---------------|---------------|---------------|
| <i>Depreciation</i> | | | |
| Buildings | 13,727 | 12,648 | 24,777 |
| Plant and equipment | 17,065 | 17,187 | 34,215 |
| Furniture and fittings | 3,920 | 3,357 | 7,366 |
| Motor vehicles | <u>200</u> | <u>195</u> | <u>400</u> |
| Total depreciation | 34,912 | 33,387 | 66,758 |

| | | | |
|---------------------------|--------------|--------------|--------------|
| <i>Amortisation</i> | | | |
| Casino licence (Adelaide) | 1,336 | 1,338 | 2,682 |
| Software | <u>2,225</u> | <u>1,511</u> | <u>3,330</u> |
| Total amortisation | 3,561 | 2,849 | 6,012 |

| | | | |
|-------------------------------------|---------------|---------------|---------------|
| Total depreciation and amortisation | 38,473 | 36,236 | 72,770 |
|-------------------------------------|---------------|---------------|---------------|

5. Expenses (continued)

| | 31 December 2012 \$'000 | 31 December 2011 \$'000 | 30 June 2012 \$'000 |
|---|-------------------------------|-------------------------------|---------------------------|
| <i>Other expenses includes:</i> | | | |
| Utilities, insurance and rates | 11,914 | 10,581 | 21,683 |
| Community Trust donations | 1,212 | 1,622 | 3,143 |
| Minimum lease payments relating to operating leases | 2,288 | 2,211 | 4,535 |
| Other property expenses | 8,184 | 8,032 | 16,045 |
| Other items (including International commissions) | 36,806 | 30,635 | 54,905 |
| Provision for bad and doubtful debts | 606 | 18 | 43 |
| | 61,010 | 53,099 | 100,354 |
| <i>Restructuring costs:</i> | | | |
| Redundancy and other staff payments | 1,040 | 293 | 2,581 |
| Other restructuring costs | 809 | 507 | 1,693 |
| | 1,849 | 800 | 4,274 |

6. Finance costs - net

| | 6 months 31 December 2012 \$'000 | 6 months 31 December 2011 \$'000 | 12 months 30 June 2012 \$'000 |
|------------------------------|---|---|--|
| <i>Finance costs</i> | | | |
| Interest and finance charges | 26,857 | 27,718 | 53,167 |
| Exchange gains | 288 | (640) | (582) |
| Interest Income | (941) | (1,580) | (3,724) |
| Total finance costs | 26,204 | 25,498 | 48,861 |

7. Significant Associates

The Group previously held a 50% interest in Christchurch Casinos Limited. This interest was sold effective 20 December 2012 for \$80,000,000 cash (including repayment of the loan to Christchurch Hotels Limited). As a result of this disposal a gain of \$59,000 has been recognised in the current results.

8. Current liabilities - Interest bearing liabilities

| | 31 December 2012 \$'000 | 31 December 2011 \$'000 | 30 June 2012 \$'000 |
|---|-------------------------------|-------------------------------|---------------------------|
| Unsecured | | | |
| United States Private Placement (USPP) | - | 256,073 | - |
| Total current interest bearing borrowings | - | 256,073 | - |

Refer note 9 (Non-current liabilities) for details of the USPP.

9. Non-current liabilities - Interest bearing liabilities

| | 31 December 2012 \$'000 | 31 December 2011 \$'000 | 30 June 2012 \$'000 |
|---|-------------------------------|-------------------------------|---------------------------|
| Unsecured | | | |
| US Private Placement | 352,843 | 372,129 | 365,848 |
| Syndicated bank facility | 223,817 | - | 240,627 |
| Deferred funding expenses | (1,446) | (1,312) | (1,573) |
| Total unsecured non-current interest bearing borrowings | <u>575,214</u> | <u>370,817</u> | <u>604,902</u> |

(a) United States Private Placement (USPP)

On 15 March 2005 SKYCITY borrowed NZ\$96,571,000, A\$74,900,000 and US\$274,500,000 with maturities between 2012 and 2020 from private investors (primarily US based) on an unsecured basis.

The USPP fixed rate US dollar borrowing have been converted to New Zealand dollar floating rate borrowings by use of cross currency interest rate swaps to eliminate foreign exchange exposure within the Income Statement.

In March 2011, additional US\$175,000,000 of USPP debt was raised, US\$100,000,000 with 10 year maturity and US\$75,000,000 with 7 years.

The USPP fixed rate US dollar borrowings have been converted to New Zealand and Australian dollar floating rate borrowings by use of cross-currency interest rate swaps to eliminate foreign exchange exposure to the US dollar within the Income Statement. Concurrent with the debt repurchase in 2009, all cross-currency interest rate swaps and interest rate swaps hedging the relevant debt were closed out.

March 2012 maturities of USPP (US\$85,000,000, A\$74,900,000, NZ\$47,275,000) were recognised as current liabilities in December 2011 (refer note 8) and repaid in March 2012.

The movement in the USPP from 30 June 2012 relates to foreign exchange movements.

(b) Syndicated bank facility

As at 31 December 2012, SKYCITY had in place a NZ\$485,000,000 revolving credit (31 December 2011: \$485,000,000; 30 June 2012: \$485,000,000) and A\$75,000,000 term facility (31 December 2011: A\$75,000,000; 30 June 2012: A\$75,000,000) on an unsecured, negative pledge basis in two tranches of \$200,000,000 each maturing January 2015 and June 2016, and two tranches maturing March 2019 of \$85,000,000 and A\$75,000,000.

The funding syndicate is comprised of ANZ National Bank Limited, Bank of New Zealand Limited, Commonwealth Bank of Australia, New Zealand Branch and Westpac New Zealand Limited. As at 31 December 2012 the revolving credit bank facilities were drawn to \$129,000,000 (31 December 2011: nil; 30 June 2012: \$145,000,000).

10. Share capital

| | 31 December 2012 Shares | 31 December 2011 Shares | 30 June 2012 Shares | 31 December 2012 \$'000 | 31 December 2011 \$'000 | 30 June 2012 \$'000 |
|--|----------------------------------|----------------------------------|------------------------------|----------------------------------|----------------------------------|------------------------------|
| Opening balance of ordinary shares issued | 576,958,340 | 576,958,340 | 576,958,340 | 727,598 | 728,616 | 728,616 |
| Share rights issued for employee services | - | - | - | 637 | 705 | 1,426 |
| Employee share entitlements issued | 437,021 | 610,404 | 674,251 | - | - | - |
| Treasury shares issued | (437,021) | (2,028,915) | (2,092,762) | - | - | - |
| Net issue/(purchase) of treasury shares | - | - | - | 127 | (7,492) | (7,180) |
| Shares issued under dividend reinvestment plan | - | 1,418,511 | 1,418,511 | - | 4,736 | 4,736 |
| | 576,958,340 | 576,958,340 | 576,958,340 | 728,362 | 726,565 | 727,598 |

Included within the number of shares are treasury shares of 4,080,292 (31 December 2011: 4,581,160 and 30 June 2012: 4,517,313) held by the company. The movement in treasury shares during the period related to the purchase of shares by an external trustee as part of the executive long term incentive plan. Treasury shares may be used to issue shares under the company's employee incentive plan or upon the exercise of share rights/options.

11. Reserves and retained profits

| | 6 months 31 December 2012 \$'000 | 6 months 31 December 2011 \$'000 | 12 months 30 June 2012 \$'000 |
|--|---|---|--|
| (a) Reserves | | | |
| Hedging reserve - cash flow hedges | (12,638) | (13,208) | (13,355) |
| Foreign currency translation reserve | 8,245 | 22,920 | 11,505 |
| | (4,393) | 9,712 | (1,850) |
| Hedging reserve - cash flow hedges | | | |
| Balance at the beginning of the period | (13,355) | (12,340) | (12,340) |
| Revaluation | (17,753) | 27,728 | 16,635 |
| Transfer to net profit | 18,786 | (28,839) | (18,010) |
| Deferred tax | (316) | 243 | 360 |
| Balance at the end of the period | (12,638) | (13,208) | (13,355) |
| Foreign currency translation reserve | | | |
| Balance at the beginning of the period | 11,505 | 16,022 | 16,022 |
| Exchange differences on translation of overseas subsidiaries | (3,260) | 6,898 | (4,517) |
| Balance at the end of the period | 8,245 | 22,920 | 11,505 |

(i) Hedging reserve - cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity. Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

11. Reserves and retained profits (continued)

(ii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed of.

(b) Retained profit

Movements in retained profit were as follows:

| | 31 December 2012 \$'000 | 31 December 2011 \$'000 | 30 June 2012 \$'000 |
|---|-------------------------------|-------------------------------|---------------------------|
| Balance at the beginning of the period | 81,690 | 41,150 | 41,150 |
| Profit attributable to shareholders of the company | 66,314 | 78,826 | 138,534 |
| Dividends | (46,171) | (46,079) | (97,994) |
| Acquisition of non controlling interest - refer note 12 | (3,324) | - | - |
| Balance at the end of the period | <u>98,509</u> | <u>73,897</u> | <u>81,690</u> |

12. Non controlling interest

| | 31 December 2012 \$'000 | 31 December 2011 \$'000 | 30 June 2012 \$'000 |
|---|-------------------------------|-------------------------------|---------------------------|
| Balance at the beginning of the period | 1,704 | 1,368 | 1,368 |
| Share of surplus of subsidiaries | 93 | 89 | 336 |
| Repayment of non controlling interest | (121) | - | - |
| Acquisition of non controlling interest | (1,676) | - | - |
| Balance at the end of the period | <u>-</u> | <u>1,457</u> | <u>1,704</u> |

The non controlling interest related to the 40% of Queenstown Casinos Limited which was not previously owned by SKYCITY. Effective 20 December 2012 this interest was purchased by the group for \$5,000,000. The purchase consideration in excess of the carrying value of the non controlling interest being \$3,324,000 is recognised in retained profits.

13. Dividends

| | 31 December 2012 \$'000 | 31 December 2011 \$'000 | 30 June 2012 \$'000 |
|--------------------------------------|-------------------------------|-------------------------------|---------------------------|
| Prior year's final dividend | 46,171 | 46,079 | 46,079 |
| Interim dividend | - | - | 51,915 |
| Total dividends provided for or paid | <u>46,171</u> | <u>46,079</u> | <u>97,994</u> |

Subsequent to balance date the Board of Directors has resolved to pay a 50% imputed, 50% franked interim dividend of 10 cents per share.

Cents per share

| | | | |
|--|-------|-------|-------|
| Prior year's final distribution/dividend | 8.00¢ | 8.00¢ | 8.00¢ |
| Interim distribution/dividend | | | 9.00¢ |

14. Contingencies

There are no significant contingent liabilities or assets (31 December 2011 and 30 June 2012: none).

15. Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

| | 31 December 2012 \$'000 | 31 December 2011 \$'000 | 30 June 2012 \$'000 |
|-------------------------------|--|-------------------------------|---------------------------|
| Property, plant and equipment | 16,548 | 61,296 | 27,268 |

(b) Operating lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

| | 31 December 2012 \$'000 | 31 December 2011 \$'000 | 30 June 2012 \$'000 |
|--|--|-------------------------------|---------------------------|
| Within one year | 7,726 | 7,500 | 6,974 |
| Later than one year but not later than five years | 19,142 | 20,062 | 18,074 |
| Later than five years | 321,466 | 326,983 | 322,136 |
| Commitments not recognised in the financial statements | 348,334 | 354,545 | 347,184 |

16. Segment information

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer/Managing Director that are used to make strategic decisions.

The Group is organised into the following main operating segments:

SKYCITY Auckland

SKYCITY Auckland includes casino operations, hotels and convention, food and beverage, carparking, Sky Tower, and a number of other related activities.

Rest of New Zealand

Rest of New Zealand includes the Group's interest in SKYCITY Hamilton, SKYCITY Queenstown Casino and Christchurch Casino (sold December 2012).

SKYCITY Adelaide

SKYCITY Adelaide includes casino operations and food and beverage.

SKYCITY Darwin

SKYCITY Darwin includes casino operations, food and beverage and hotel.

International Business

International Business includes commission and complimentary play. The international business segment is made up of customers sourced mainly from Asia, and the rest of the world. The revenue is generated at all of SKYCITY's locations.

Corporate / Group

Head office functions including legal and regulatory, group finance, human resources and information technology, the Chief Executive's office and directors.

16. Segment information (continued)

| Half year ended 31 December 2012 | SKYCITY Auckland \$'000 | Rest of New Zealand \$'000 | SKYCITY Adelaide \$'000 | SKYCITY Darwin \$'000 | International Business \$'000 | Corporate / Group \$'000 | Total \$'000 |
|--|-------------------------------|----------------------------------|-------------------------------|-----------------------------|-------------------------------------|--------------------------------|-----------------|
| Revenue from external customers and other revenue | 213,077 | 28,691 | 91,601 | 81,464 | 27,407 | - | 442,240 |
| Share of net profits of associate and gain on disposal | - | 2,304 | - | - | - | - | 2,304 |
| Less | | | | | | | |
| Expenses | (111,885) | (16,449) | (67,578) | (53,802) | (26,566) | (15,379) | (291,659) |
| Depreciation and amortisation | (21,125) | (2,488) | (5,450) | (6,746) | - | (2,664) | (38,473) |
| Segment profit/(loss) (Earnings before Interest and Tax) | <u>80,067</u> | <u>12,058</u> | <u>18,573</u> | <u>20,916</u> | <u>841</u> | <u>(18,043)</u> | <u>114,412</u> |
| Finance costs - net | | | | | | | <u>(26,204)</u> |
| Profit before income tax | | | | | | | <u>88,208</u> |
| Half year ended 31 December 2011 | SKYCITY Auckland \$'000 | Rest of New Zealand \$'000 | SKYCITY Adelaide \$'000 | SKYCITY Darwin \$'000 | International Business \$'000 | Corporate / Group \$'000 | Total \$'000 |
| Revenue from external customers and other revenue | 228,121 | 27,001 | 93,683 | 75,658 | 24,400 | - | 448,863 |
| Share of net profits of associate | - | 2,419 | - | - | - | - | 2,419 |
| Less | | | | | | | |
| Expenses | (118,288) | (15,317) | (69,951) | (48,849) | (15,818) | (14,828) | (283,051) |
| Depreciation and amortisation | (19,495) | (2,874) | (5,301) | (5,754) | - | (2,812) | (36,236) |
| Segment profit/(loss) (Earnings before Interest and Tax) | <u>90,338</u> | <u>11,229</u> | <u>18,431</u> | <u>21,055</u> | <u>8,582</u> | <u>(17,640)</u> | <u>131,995</u> |
| Finance costs - net | | | | | | | <u>(25,498)</u> |
| Profit before income tax | | | | | | | <u>106,497</u> |
| Year end ended 30 June 2012 | SKYCITY Auckland \$'000 | Rest of New Zealand \$'000 | SKYCITY Adelaide \$'000 | SKYCITY Darwin \$'000 | International Business \$'000 | Corporate / Group \$'000 | Total \$'000 |
| Revenue from external customers and other revenue | 433,648 | 53,929 | 182,043 | 140,021 | 43,817 | - | 853,458 |
| Share of net profits of associate | - | 5,447 | - | - | - | - | 5,447 |
| Less | | | | | | | |
| Expenses | (228,335) | (30,609) | (137,182) | (95,275) | (35,294) | (31,747) | (558,442) |
| Depreciation and amortisation | (39,868) | (5,284) | (10,678) | (11,358) | - | (5,582) | (72,770) |
| Segment profit/(loss) (Earnings before Interest and Tax) | <u>165,445</u> | <u>23,483</u> | <u>34,183</u> | <u>33,388</u> | <u>8,523</u> | <u>(37,329)</u> | <u>227,693</u> |
| Finance costs | | | | | | | <u>(48,861)</u> |
| Profit before income tax | | | | | | | <u>178,832</u> |

17. Events occurring after the balance date

(a) Dividend

On 13 February 2013, the directors resolved to provide for an interim dividend to be paid in respect of the six months ended 31 December 2012. The partially (50%) imputed, partially (50%) franked dividend of 10 cents per share will be paid on 5 April 2013 to all shareholders on the company's register at the close of business on 27 March 2013.

(b) Bank facility

During February 2013, the \$200 million bank facility previously maturing January 2015 was extended to February 2017.

18. Reconciliation of profit after income tax to net cash inflow from operating activities

| | 6 months 31 December 2012 \$'000 | 6 months 31 December 2011 \$'000 | 12 months 30 June 2012 \$'000 |
|--|---|---|--|
| Profit for the period | 66,314 | 78,826 | 138,534 |
| Non controlling interest | 93 | 89 | 336 |
| Depreciation and amortisation | 38,473 | 36,236 | 72,770 |
| Finance costs net | 26,204 | 25,498 | 48,861 |
| Current period employee share expense | 637 | 705 | 1,426 |
| Net (gain) on sale of associates | (59) | - | - |
| Gain on sale of property, plant and equipment | (327) | (778) | (1,756) |
| Share of profit of associate not received as dividends | (635) | (1,428) | (1,484) |
| Change in operating assets and liabilities | | | |
| Decrease/(increase) in receivables and prepayments | (2,357) | 7,680 | 3,928 |
| (Increase)/decrease in inventories | (1,076) | (1,005) | 94 |
| (Decrease)/increase in payables and accruals | 6,132 | (12,138) | (3,666) |
| (Decrease)/increase in deferred tax liability | (495) | (1,912) | (9,719) |
| Decrease/(increase) in net tax receivable | 6,720 | 17,499 | (4) |
| Capital items included in working capital movements | (3,326) | 14,180 | 12,423 |
| Net cash inflow from operating activities | <u>136,298</u> | <u>163,452</u> | <u>261,743</u> |

13 February 2013

Company Announcements Office
Australian Stock Exchange
Exchange Centre
Level 6
20 Bridge Street
Sydney NSW 2000
AUSTRALIA

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

Dear Sir/Madam

**Re: SKYCITY Entertainment Group Limited (SKC)
Listing Rule 4.2A.2 - Details of Directors and Directors' Declaration in
Respect of the Half Year Financial Statements and Notes**

This announcement is made pursuant to ASX Listing Rule 4.2A.2 and relates to, and should be read in conjunction with, the company's announcement of its result for the six months to 31 December 2012 dated 13 February 2013.

The directors of SKYCITY Entertainment Group Limited, at any time during or since the end of the half year ended 31 December 2012, were:

| | |
|---------------------|---|
| Mr Chris Moller | Chairman (from 19 October 2012, Director prior) |
| Mr Bruce Carter | Deputy Chairman |
| Mr Nigel Morrison | Managing Director |
| Mr Peter Cullinane | Director |
| Mr Richard Didsbury | Director |
| Mr Brent Harman | Director |
| Mr Rod McGeoch | Director (Chairman until 19 October 2012) |
| Ms Sue Suckling | Director |

Each of Mr McGeoch and Mr Cullinane retired from the board by rotation at the company's 2012 Annual Meeting on 19 October 2012, but were both re-elected by shareholders at that Annual Meeting.

Mr Didsbury was appointed to the board on 20 July 2012 and, in accordance with the company's constitution, retired at the company's 2012 Annual Meeting on 19 October 2012, but was elected by shareholders at that Annual Meeting.

Attached is a declaration on behalf of the directors of the company in respect of the company's half year financial statements and notes for the six months to 31 December 2012.

Yours faithfully



P A Treacy
General Counsel & Company Secretary

For personal use only

SKYCITY ENTERTAINMENT GROUP LIMITED
("Company")

Directors' Declaration in respect of the Group Financial Statements
for the half year ended 31 December 2012

Introduction

It is a requirement of the Australian Stock Exchange Listing Rules that a declaration be given by the directors of the Company in respect of the financial statements for the Company and its subsidiaries and associates ("**SKYCITY**") for the half year ended 31 December 2012. This declaration must be filed with the Australian Stock Exchange.

Declaration

The directors of the Company hereby declare that, in the directors' opinion:

- the SKYCITY financial statements for the half year ended 31 December 2012 and the notes to those financial statements comply with the accounting standards issued by the Institute of Chartered Accountants of New Zealand;
- the SKYCITY financial statements for the half year ended 31 December 2012 and the notes to those financial statements give a true and fair view of the financial position and performance of the Company; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors dated 13 February 2013 and is signed for and on behalf of the board of directors by the board chairman.

Signed



C J D Moller
Chairman

13 February 2013

For personal use only

MEDIA RELEASE

13 February 2013

SKYCITY positioned for growth

With exciting developments in New Zealand and Australia

SKYCITY Entertainment Group today announced a normalised Net Profit after Tax (NPAT) of \$74.4 million for the six months ended 31 December 2012 – down \$2.6m from \$77.0m in the same period last year, which was positively impacted by an estimated \$4.7m from the Rugby World Cup (RWC) in New Zealand. Normalised revenues increased to \$495.7m up from \$489.0m last year which included \$11.5 from the RWC. Excluding the RWC impact normalised revenues were up from \$477.5m – up 3.8%.

Reported NPAT was \$66.3m – down \$12.5m from \$78.8m in the same period last year. This was primarily attributable to the RWC impact and also below theoretical win rate in our growing international business, compared to an above theoretical win rate in that business, in the same period last year.

SKYCITY Chief Executive Nigel Morrison says the result was satisfactory given the tough comparative last year which included the benefit of the RWC in New Zealand.

“While the trading results for the half year are mixed across our various businesses, overall they were satisfactory. It was always going to be a challenge to outperform the results in NZ last year which benefited from the RWC 2011. Nevertheless, we are pleased to see that the core gains we made in NZ last year were retained.

“In Australia, the revenue and EBITDA growth of 13.4% and 6.7% respectively, from our Darwin property following the opening of our Lagoon Resort in July 2012, was pleasing. While revenues were flat in Adelaide, through improved cost management we increased EBITDA by 4.7%.

“Our international business turnover across the Group, increased by 72% to \$2.9billion. The growth was achieved in our “Horizon” salons in Auckland and also our new “Horizon” Villas and Salons, part of our Lagoon Resort in Darwin. Disappointingly, the win percentage was softer than theoretical over this period at 1.06%, in contrast to the above theoretical win percentage in the same period last year of 1.64%.”

New Dividend Policy

SKYCITY today announced a new dividend policy which sees an increase in the dividend to a minimum of 20 cps per annum and not less than 80% of annual Normalised NPAT, subject to maintaining the company's investment grade credit rating and giving priority to the funding of strategic projects. This increases the payout ratio which under our previous policy was set between 60-70% of annual Normalised NPAT.

SKYCITY today declared an interim dividend of 10 cents per share in accordance with the new policy – up 11.1% from nine cents in 1H12.

For personal use only

New Zealand Trading

Auckland's Normalised Revenue of \$263.7m was down \$5.2m (1.9%) on the pcp (which included RWC) mainly due to a change in the accounting for electronic gaming machine (EGM) revenues under the new Bally gaming system from 1H13. Excluding the accounting impact of Bally, Auckland EGM Revenues were flat – an acceptable performance.

The success of Auckland's Horizon gaming facilities for high spending international visitors continues with a \$10.2m increase in Auckland's International Business Normalised Revenues to \$28.8m. Strong and continued visitation from China, Malaysia and other Asian countries drove the growth.

SKYCITY Hamilton saw normalised EBITDA growth of 3.6% on 1H12 due to improved table games performance following the refurbishment of the VIP room. Plans for the 4.5 star Hamilton Casino Hotel are progressing, with designs currently being finalised and construction expected to start by the end of 2H13.

Trading at Queenstown Casino is broadly in line with the prior period. Visitation from high spending Asian tourists to Queenstown continued to grow, reflecting the increased number of flights into New Zealand and the popularity of Queenstown as a tourist destination.

New Zealand International Convention Centre

SKYCITY remains willing to invest up to \$350m to develop, own and operate the New Zealand International Convention Centre provided an acceptable return on capital can be delivered from the total project.

The Auditor-General's report regarding the Government's original expressions of interest process has not yet been published. Following the release of this report, SKYCITY would hope to re-engage with the Government with a view to concluding these negotiations

"There is no doubt New Zealand needs to invest more in tourism infrastructure, such as the NZICC facility. In addition to creating a major construction project for Auckland, it will allow New Zealand to compete globally for a fair share of large-scale conferences, exhibitions and events, which will increase international visitation, deliver much needed jobs and stimulate economic growth in Auckland and across New Zealand," Mr Morrison says.

Federal Street Update

SKYCITY is continuing to invest in the redevelopment of Federal Street, following the success of the award-winning *Depot* and *The Grill*.

Dining developments planned for 2H13 include:

- Al Brown's *Federal Kitchen*, an all-day deli-style dining experience
- Nic Watt, previously in London with acclaimed Japanese restaurants Zuma and Roka, will open *Masu*, a Japanese Robata signature restaurant and bar
- Peter Gordon, one of New Zealand's most renowned chefs, will open an exciting new restaurant and bar concept on Level 51 of the SKYTOWER, called *Sugar Club*

"We are also working with Auckland City Council on the \$10m redevelopment of Federal Street, to make it a more attractive and pedestrian friendly environment. We hope to commence construction work on this exciting project in July this year."

"These developments will continue to position Federal Street as the pre-eminent dining and entertainment destination in Auckland," Mr Morrison says.

Australia Trading

Normalised revenue across our two Australian businesses in Adelaide and Darwin was up a pleasing 5.7% to A\$154.6m.

Despite a slow local economy, Darwin's result was pleasing, with 13.4% growth in Normalised Revenue to A\$72.1m. "We continue to capitalise on the returns from our recent investment in the Darwin Lagoon Resort and the Horizon gaming salons for our high spending international visitors," Mr Morrison says.

While Adelaide revenue was flat, through good cost management SKYCITY delivered EBITDA growth of 4.7%.

Transformation of Adelaide Casino into a world class entertainment complex

Following confirmation of the agreement with the South Australian Government regarding the future regulatory and taxation framework for Adelaide Casino, SKYCITY has confirmed that it will invest up to A\$350m to transform Adelaide Casino into a world class integrated entertainment complex.

"This agreement provides for a significant restructuring of the regulatory framework and casino gaming taxation rates that will allow SKYCITY in Adelaide, to compete on a level playing field with other Australian casinos. For the first time we will be able to focus on attracting our fair share of interstate and international premium players to Adelaide. We are very excited about the opportunity to transform the Adelaide Casino into a truly world class integrated entertainment complex." Mr Morrison says.

During 2H13, SKYCITY will further develop its plans for the new entertainment complex and will finalise the necessary agreements with the SA Government regarding the future regulatory and taxation framework.

Upside from the regulatory and taxation reforms is expected from FY14, with the full benefits being realised once the full expansion is complete at the end of FY16.

The final development concept is still to be finalised, but is planned to include:

- A 6 star boutique hotel
- Exciting new signature restaurants, bars, entertainment and retail concepts
- An expanded gaming floor featuring contemporary new gaming areas focused on VIP Premium customers including SKYCITY's International 'Horizon' branded Suites and Salons; and
- Access to much needed secure underground parking for SKYCITY customers with a minimum of 1,000 spaces

Outlook for 2H13

In the October 2012 Annual Meeting SKYCITY indicated that the New Zealand and South Australian economies were somewhat flat, with an uncertain outlook. Whilst there are some indications of growth returning to New Zealand, South Australia still remains subdued.

SKYCITY expects Auckland's result to improve in 2H13 compared to PCP, based on the signs of some modest growth in consumer spending. However, we anticipate Adelaide to be broadly flat in 2H13.

While there is caution around discretionary spending in the Northern Territory, Darwin should continue to grow versus PCP, as we continue to see the benefits from ongoing investment in that property.

In prior year 2H12, the NPAT contribution from Christchurch was \$3.1m. As Christchurch has now been sold, this will not be repeated in 2H13 or beyond.

In October 2012, SKYCITY said that based on market conditions and current trading, we would be disappointed if it did not deliver Normalised Group NPAT for FY13 "in the \$140 millions".

Notwithstanding the sale of Christchurch, SKYCITY still expects Normalised Group NPAT for FY13 to be around \$140 million.

For more information please contact:

| Media | Investors |
|--|--|
| Kelly Armitage Senior Communications Advisor DDI: +64 9 363 6084 Mobile: +64 27 213 5625 E-mail: kelly.armitage@skycity.co.nz | Aaron Morrison GM Investor Relations Mobile +61 411 409 284 E-mail: aaron.morrison@skycity.com.au |

For personal use only

Appendix

Note to editors: All numbers in this media release are unaudited

| | 1H13 | | | | 1H12 | | | |
|---------------------------------------|----------------|---------------|--------------|-------------|----------------|---------------|--------------|-------------|
| | Revenue \$m | EBITDA \$m | EBIT \$m | NPAT \$m | Revenue \$m | EBITDA \$m | EBIT \$m | NPAT \$m |
| Reported | 487.3 | 152.8 | 114.4 | 66.3 | 494.0 | 168.2 | 132.0 | 78.8 |
| Restructuring costs | | 1.1 | 1.1 | 0.7 | | 0.3 | 0.3 | 0.2 |
| Interest on purchased NZICC land bank | | | | 1.0 | | | | |
| Profit from sale of Christchurch | | | | (0.1) | | | | |
| Other Adjustments | | 0.8 | 0.8 | 0.6 | | 0.5 | 0.6 | 0.5 |
| Total Adjustments | | 1.9 | 1.9 | 2.2 | | 0.8 | 0.9 | 0.7 |
| Adjusted | 487.3 | 154.7 | 116.3 | 68.5 | 494.0 | 169.0 | 132.9 | 79.5 |
| International Business at Theoretical | 8.4 | 8.0 | 8.0 | 5.9 | (5.0) | (3.5) | (3.5) | (2.5) |
| Normalised | 495.7 | 162.7 | 124.3 | 74.4 | 489.0 | 165.5 | 129.4 | 77.0 |

Key adjustments for normalised/reported earnings are:

- Restructuring costs – costs associated with changing the staffing structures designed to create future efficiencies
- Interest on purchase of New Zealand International Convention Centre (NZICC) land bank – calculated using the Group's average cost of debt
- Profit from sale of Christchurch Casino
- Other Adjustments includes one-off costs associated with opening of the Darwin Tropical Resort, the introduction of the Bally gaming system and other miscellaneous items
- IB win rate at 1.06% for 1H13. Adjustment to theoretical win rate of 1.35% based on actual turnover increases EBITDA by \$8.0m; during 1H12 the same adjustment reduced EBITDA by \$3.5m

Normalisation adjustments have been calculated in a consistent manner in 1H13 and 1H12.

As disclosed previously, the 1H12 results benefited from the Rugby World Cup which give an improved prior year performance

- Revenue \$11.5m (Auckland \$10.7m, Hamilton \$0.8m)
- EBITDA \$6.5m (Auckland \$6.0m, Hamilton \$0.5m)
- NPAT \$4.7m

Further information on adjustments between reported and normalised information is available in SKYCITY's investor pack at

<http://ir.skycityentertainmentgroup.com/phoenix.zhtml?c=162796&p=irol-irhome>