

SKYCITY ENTERTAINMENT GROUP LIMITED

**Annual Result
Year Ended 30 June 2004**

SKYCITY Entertainment Group Limited

FY04 Result: Summary



- \$121.1m NSAT before non-recurring item (up 13% on FY03)
- \$100.2m NSAT after Canbet investment write-off to nil value
- SKYCITY Auckland strong in 1H04 but constrained in 2H04 by note acceptor restriction from mid March (2004). Corrective measures in place to restore gaming machine revenue patterns
- Significant uplift in SKYCITY Adelaide performance in 2H04 after a somewhat disappointing first half. Adelaide redevelopment project will enhance revenue prospects from 4Q05
- Strong performance by SKYCITY Hamilton continued
- Continued growth in cinema revenues for SKYCITY Leisure. Full takeover will allow growth opportunities to be realised. Valuations of SKYCITY Leisure show FY02 write-off has been recovered (refer page 30)

SKYCITY Entertainment Group Limited

FY04 Result: Summary (continued)



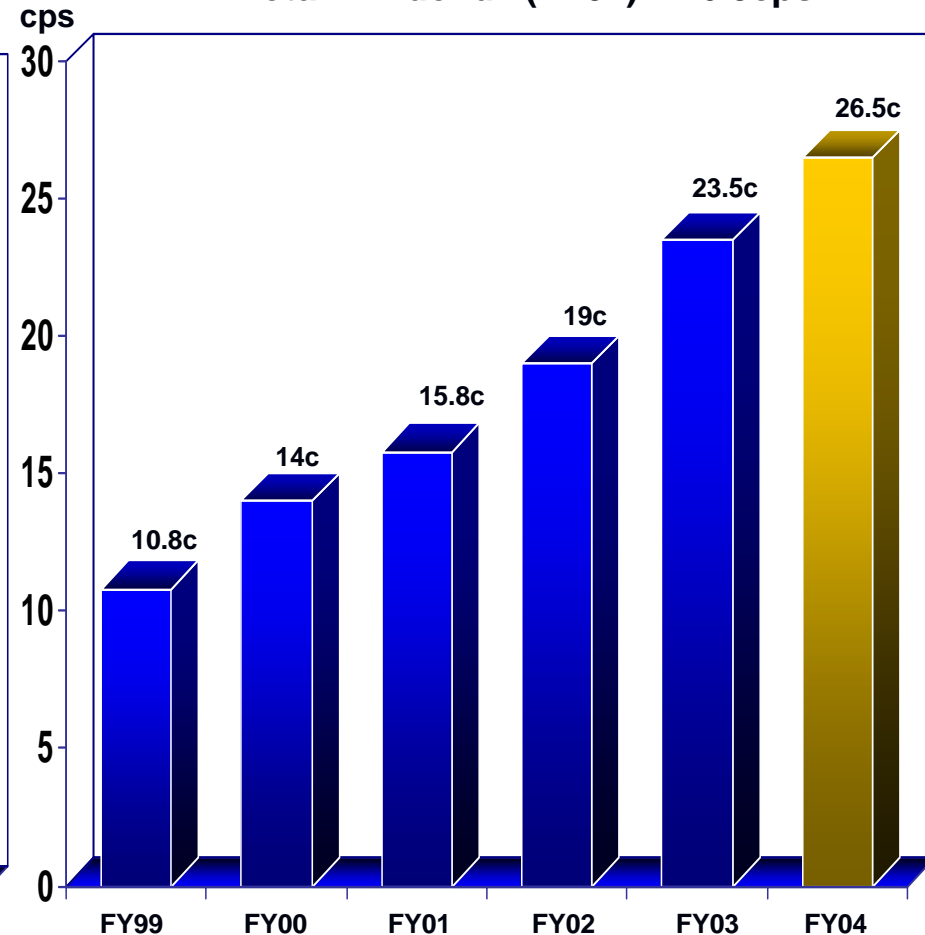
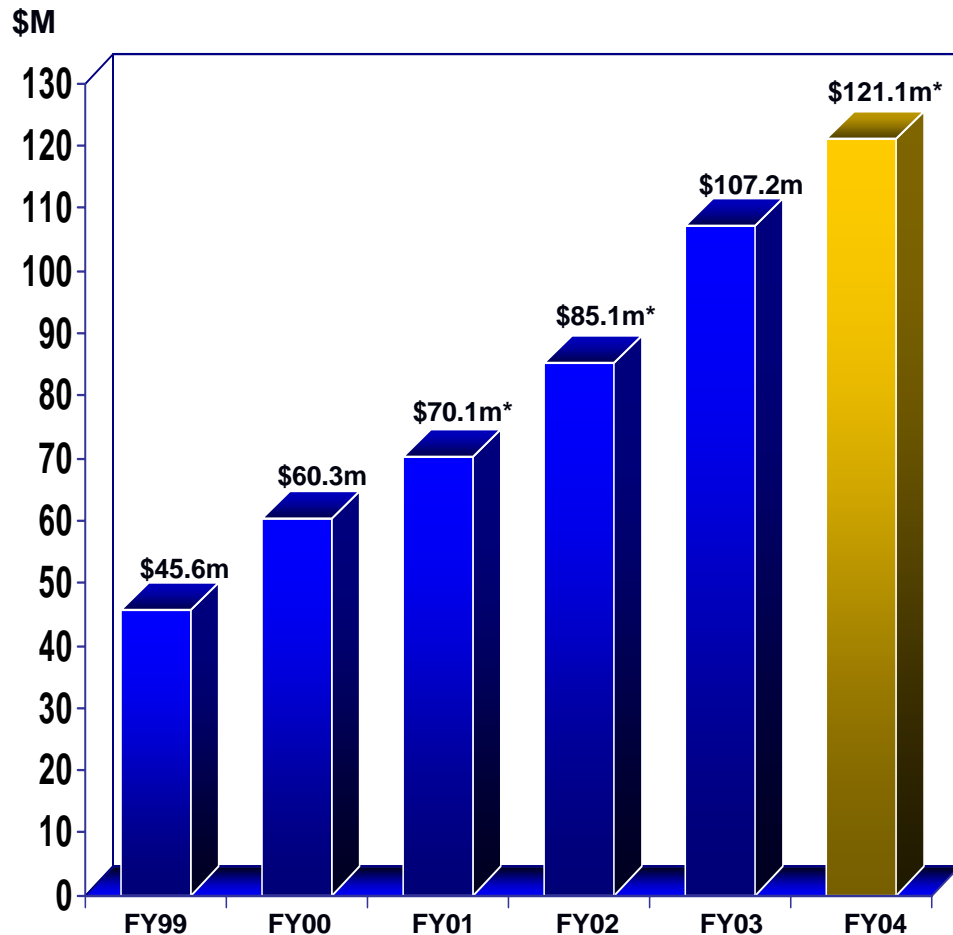
- Outperformance YTD by SKYCITY Darwin lowers acquisition multiple
- Tax charge lower in FY04 due to Leisure tax losses crystallised by SKYCITY takeover
- Canbet has incurred substantial trading losses for FY04 and SKYCITY has written off its investment in Canbet. The Canbet shareholding is no longer a strategic positioning for SKYCITY and regulatory issues are becoming more difficult for sports wagering operations (refer also page 32 of this presentation)
- FY05 prospects look strong, subject to impact of non-smoking legislation in New Zealand
- SKYCITY is comfortable with median analyst NSAT expectation of \$116m - \$119m for its FY05 result

Profits and Dividends 1999 - 2004



Net Profit (NSAT) \$121.1 million*

Interim Dividend (4/04) 11.0cps
 Final Dividend (10/04) 15.5cps
 Total Dividend (FY04) 26.5cps



* Before non-recurring items

Special dividend of 10cps paid in November 2003, in addition to 23.5cps for the FY03 year

Dividend FY04






	FY04	FY03*
• Interim Dividend	11.0 cps	10.5 cps
Final Dividend	<u>15.5 cps</u>	<u>13.0 cps</u>
	26.5 cps	23.5 cps
• Entitlement date	24 September	
• Payment date	8 October	
• Fully imputed		
• Calculated at 90% x NSAT after adding back Adelaide licence amortisation and Canbet write-off		
• Dividends paid to shareholders since SKYCITY commenced operations in 1996		
: \$1.39 per share		
: \$570 million		

* Restated for 1:2 share split November 2003

Note: additional/special dividend of 10cps also paid in FY03 (November 2003)

SKYCITY Entertainment Group

Financial Summary: FY04 v FY03

Revenues		6%	(+\$34m)
EBITDA		4%	(+\$11m)
EBIT		4%	(+\$8m)
NSBT		3%	(+\$5m)
NSAT ⁽¹⁾		13%	(+\$14m)

⁽¹⁾ Before non-recurring item: Canbet investment write-off

SKYCITY Entertainment Group Limited

Year Ended 30 June 2004



	FY04 \$m	FY03 \$m
▪ Revenue	\$590.5	\$556.5
▪ EBITDA	\$262.6	\$251.9
▪ EBIT	\$208.4	\$200.6
▪ NSAT (after minorities, before non-recurring)	\$121.1	\$107.2
▪ Non-recurring item - Canbet write-off (refer page 32)	<u>(\$20.9)</u>	
▪ NSAT (after non-recurring item)	\$100.2	<u>\$107.2</u>

Key Features of the Group Financial Result

\$34m of additional revenue converted into \$8m of additional EBIT
(Earnings before interest and tax):

Revenues	▲	\$34m
Direct Expenses	▲	\$17m
Indirect Expenses (incl. depreciation and amortisation)	▲	\$9m
EBIT	▲	\$8m
NSBT	Steady at 28%	

Canbet investment carrying value fully written off (\$20.9m), although 6.8% shareholding retained in International All Sports Limited. May represent some value recovery in a future period.

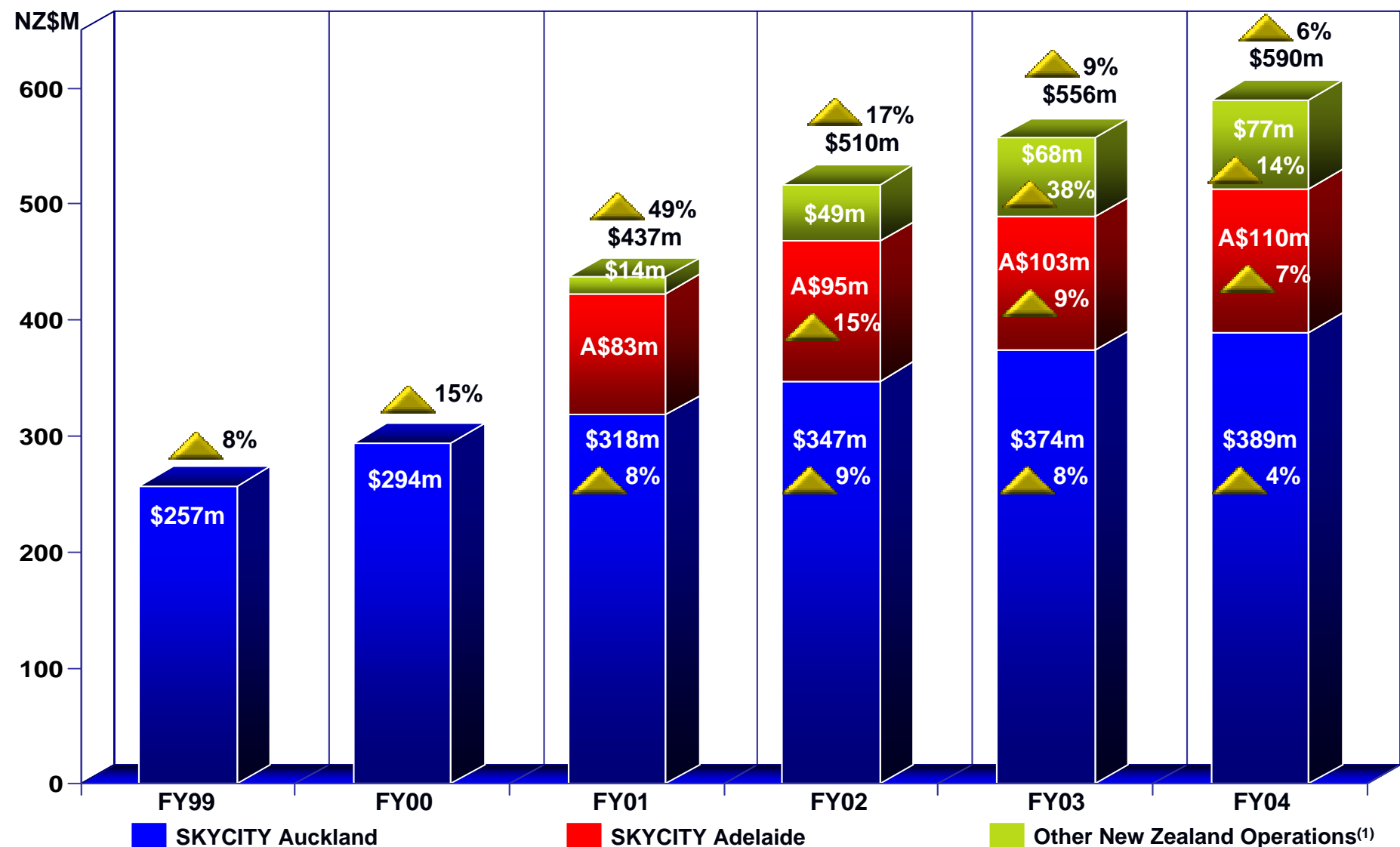
Key Features of the FY04 Year

- Acquisitions of
 - MGM Grand Darwin Casino and Hotel
 - 40.5% shareholding in Christchurch Casino
 - Tainui 15% shareholding in SKYCITY Hamilton. SKYCITY shareholding in Hamilton increased from 55% to 70%
- Full takeover of SKYCITY Leisure. SKYCITY from 74% to 100% ownership
- Gaming expansion (PLAY casino) and new bar (Bar3) opened at SKYCITY Auckland (December 2003)
- SKYCITY Auckland Convention Centre completed on schedule and to budget. Gala opening July 2004
- SKYCITY Adelaide redevelopment project commenced. Stage 1 to open in March/April 2005
- First full year of SKYCITY Hamilton operations: strong financial performance, in excess of expectations
- Preparations for non-smoking legislation (New Zealand) initiated

The three acquisitions referred to in bullet point 1 and the Leisure takeover in bullet point 2 were all finalised/transacted in June/July 2004. The Darwin acquisition was announced in February 2004, and the Christchurch Casino 40.5% acquisition, the acquisition of Tainui's 15% shareholding in Riverside Casino Limited and the Leisure takeover offer were all announced in April 2004

FY04: Operating Revenue

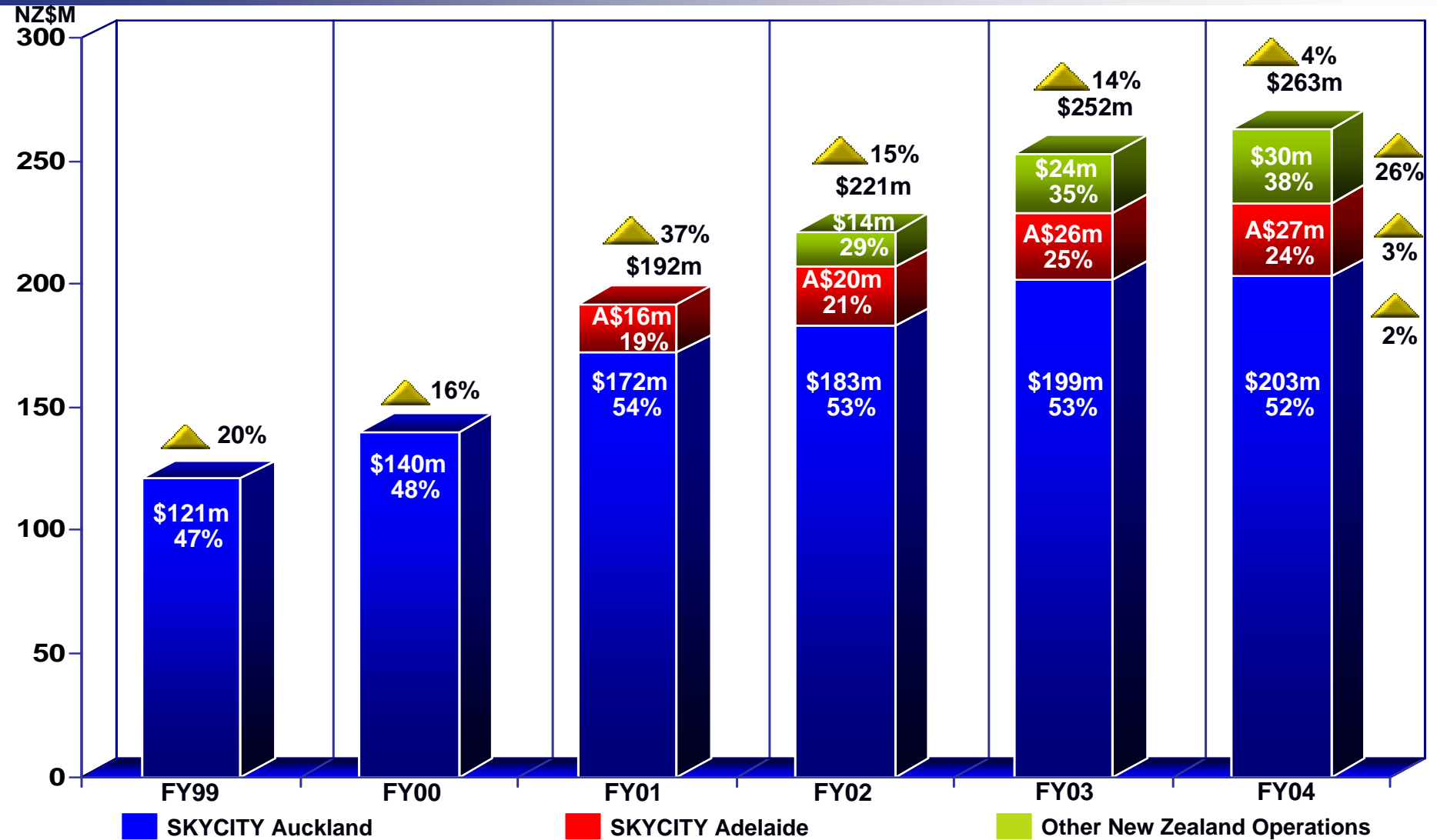
Revenues are stated net of complimentarys. All figures are stated in NZ\$ unless otherwise indicated



(1) Other New Zealand Operations include SKYCITY Hamilton, SKYCITY Queenstown, and SKYCITY Leisure. SKYCITY Hamilton opened in September 2002

FY04 EBITDA*

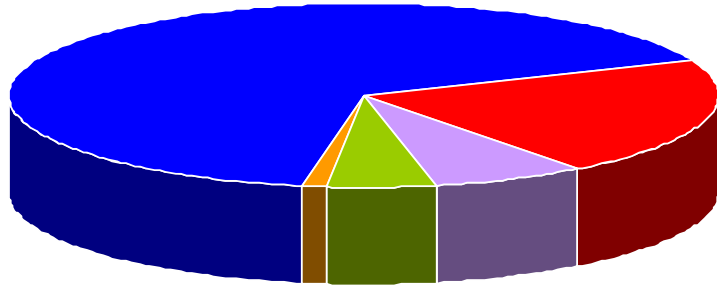
%s within the bar graphs identify the ratio of EBITDA to Revenue



■ FY02: Leisure \$14.2m, Queenstown \$0.3m
■ FY03: Leisure \$15.2m, Hamilton \$7.2m, Queenstown \$1.2m
■ FY04: Leisure \$14.5m, Hamilton \$13.8m, Queenstown \$1.1m
 * before premises rental

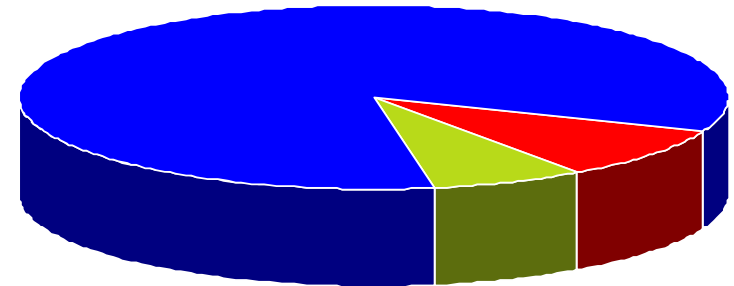
FY04 Group Revenues and EBIT

Group Revenues \$590m (+6%)



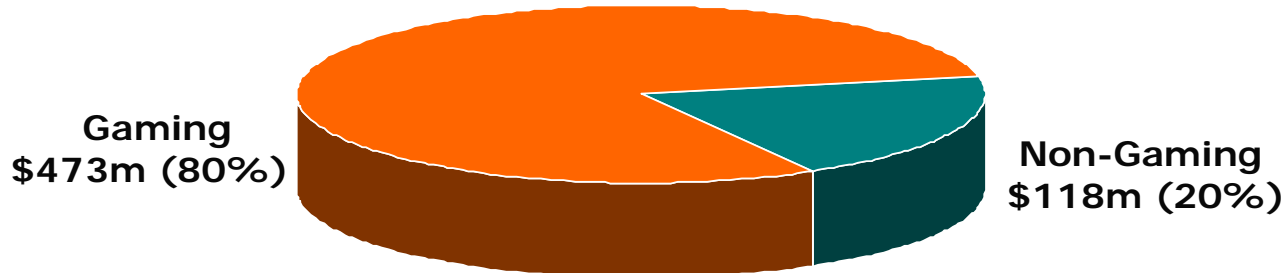
■ Auckland	\$389m	66%
■ Adelaide	A\$110m	21%
■ Leisure	\$39m	7%
■ Hamilton	\$31m	5%
■ Queenstown	\$6m	1%

EBIT \$208m (+4%)



■ Auckland	\$175m	84%
■ Adelaide	A\$16m	9%
■ Other NZ Operations	\$16m	7%

Gaming/Non-Gaming Revenues














Gaming
\$473m (80%)

Non-Gaming
\$118m (20%)

SKYCITY Auckland

FY04 Result

• Revenues		4%	(+\$15m)
- Gaming		5%	(+\$14.5m)
- Machines		4%	(+\$7.7m)
- Tables		6%	(+\$6.8m)
- F&B		4%	(+\$1.2m)
- Hotel/Conference		6%	(-\$1.2m)
- Sky Tower		9%	(+\$0.8m)
- Parking		8%	(+\$0.8m)
- Other		7%	(+\$0.2m)
- Complimentaries		Steady at 2.5% of revenues	
• EBITDA		1.1% at 52%	
• EBIT		1.2% at 45%	

SKYCITY Auckland

FY04: Key Revenue Influences

FY04 revenues were influenced by the following factors:

Gaming

- PLAY casino (opened 10 December 2003) has increased revenues by an estimated 5-6% (annualised) during the subsequent period
- Machine revenues up 4% despite constraint on growth imposed by \$20 note acceptor limitation from mid March 2004. Note acceptor impact on EBITDA (pretax operating earnings) from higher end player sector estimated at -\$7m in 2H04. Estimate of FY04 revenue without note acceptor limitation would indicate a 7% growth over FY03 compared to 4% actual
- \$20 tokens (from late May 2004), ticket technology (from late August 2004), development of new premium play spaces, launch of new VIP machines programme, card-based cashless technology and Action, all combined, will help restore player convenience, operational efficiency, and a return to normal machine revenue trends in FY05
- Machine revenues in 2H04, despite the adverse impact of the note acceptor limitation, still up 2.2% over 2H03

SKYCITY Auckland

FY04: Key Revenue Influences (continued)



Hotel and Conference


- Conference facilities not available during first 9 months of the financial year and new Convention and Exhibition Centre has operated on a restricted basis until July 2004
- Hotel occupancy at 86% was up on FY03 of 84% but lack of conference facilities resulted in overall revenue decrease in FY04 of 6%

Sky Tower

- New retail facility has helped increase Sky Tower revenues by 9%

SKYCITY Auckland

FY04: Gaming Machines

- Gaming Machine Revenues  4% (+\$7.7m)
- There were four distinct phases during the 12 month period
 - (i) Pre PLAY casino opening (July-November 2003)




Revenue growth +3.8%. Growth partially impacted by construction activity/customer inconvenience
 - (ii) Post PLAY opening (December 2003-mid March 2004)

Revenue growth +9.6%. Incremental growth from PLAY casino estimated at 6.0%
 - (iii) Post \$20 note acceptor limitation (mid March 2004-June 2004)

Implementation of the note acceptor limitation resulted in negative growth of -2.5% for the 3 month period
 - (iv) Revenue recovery plans implemented in June-August 2004 period (\$20 tokens on 120 machines, ticket technology approved for 300 machines) have arrested the negative growth trend post the \$20 note limitation and expected, along with other initiatives, to lead to a return to normal growth patterns in FY05, subject to the expected impact of non-smoking requirements from December 2004 (EBITDA impact in FY05 estimated at -\$10m)

SKYCITY Auckland

FY04: Gaming Tables

- Gaming Table Revenues  6% (+6.8m)
- Pre PLAY casino opening, table revenues  3%
- Post PLAY casino opening, table revenues  7%
- Electronic TouchBet roulette introduced and has outperformed expectations
- Further expansion of e-table gaming planned

SKYCITY Auckland FY04

Key Facts of Interest

- New PLAY casino (15% expansion) and Bar3 opened in December 2003
- New Convention and Exhibition Centre available on a restricted basis since April 2004, fully-operational July 2004. Strong forward bookings for the new facilities
- New Sky Tower retail shop plus “Dare to Ride” glass floor in Sky Tower lift #2
- SKYCITY Hotel refurbishment programme completed (full refurbishment over 3 years)
- SKYCITY Grand Hotel (320 rooms, 5 star category) on schedule to open in April 2005
- Construction of new Members’ Club facilities commenced May 2004. Due for completion December 2004. Some main floor construction disruption and inconvenience to customers in the meantime
- Construction of balconies for smoking patrons commenced. Will be ready in good time for non-smoking regime from 10 December 2004
- “Action” (loyalty programme) kiosks very well received. Action programme continues to drive revenue performance
- More than 100,000 theatre patrons enjoyed 370 theatrical, music, and film events

- Movie premieres screened at SKYCITY Theatre included Spiderman 2, In the Cut, Scooby Doo 2, Perfect Strangers, The Last Samurai and TROY. The first public screening of Lord of the Rings, Return of the King was held at SKYCITY Theatre in December
- SKYCITY Starlight Symphony again attracted a crowd in excess of 200,000 people to the Auckland Domain in February
- Sky Tower awarded the Visitor Attraction category in the 2003 New Zealand Tourism Awards
- Tourism Auckland relocated its Visitor Information Centre to SKYCITY Auckland in July 2003
- Sky Jump celebrated its second birthday in December
- Continuation of New Zealand Special Olympics, Kidz First, Starship Foundation, Breast Cancer Foundation and Auckland rugby, Auckland racing, and other sponsorships during FY04
- SKYCITY Auckland Community Trust distributed \$3.2m in grants for a wide range of community projects

SKYCITY Auckland

FY05 Focus



- Note acceptor inconvenience expected to abate. Tokens and ticket technology expected to counter note acceptor constraints
- PLAY casino and Bar3 expected to continue to build revenues plus additional revenue flow from Convention Centre customers
- Members' Room extension/upgrade will provide enhanced facilities for local and international VIP players from December 2004. Some construction disruption to main gaming floor in 1H05
- Smoke-free restrictions from 10 December 2004. Impact on FY05 EBITDA estimated at -\$10m. However, overall revenue growth for the Auckland property in FY05, despite smoking restrictions, expected to be in the order of 6-8%
- Balconies adjacent to the gaming areas for use by smoking customers will be completed and in use prior to December 2004




SKYCITY Adelaide

FY04 Result

- Strong second half revenues and earnings (2H04) after a relatively flat first half (1H04)
- Revenues
 - ▲ 7% over FY03, at A\$110m
 - ▲ 8% in 2H04 over 1H04
- EBITDA
 - ▲ 3% over FY03, at A\$27m
 - ▲ 13% in 2H04 over 1H04
- EBIT
 - ▲ 3% over FY03, at A\$16m
 - ▲ 18% in 2H04 over 1H04

SKYCITY Adelaide

FY04 Result

- Gaming Revenue  8% at A\$99m. 2H04 up 10% over 1H04
 - Gaming Tables  17% 2H04 up 18% over 1H04
 - Gaming Machines  2% 2H04 up 7% over 1H04
- F&B Other Revenue Steady at \$11m
- Main floor tables performance driven by measures such as
 - productivity enhancements
 - additional products (TouchBet, Perfect Pairs)
 - successful promotions such as free valet offers
- Higher Grange Room revenues on back of enhanced commission programme offerings
- Disappointing gaming machine result with revenue down on prior year and not in line with growth in pub and club market
- Growth in pub and club machine revenues provides confidence for property redevelopment

SKYCITY Adelaide

Facility Redevelopment

- Major facility upgrade and expansion (A\$70m over 4 years) announced in December 2003
- Stage 1 (A\$20m) due for completion March 2005
Development of North Terrace-fronting section of the building
 - new bistro style restaurant (300 seats) with indoor and outdoor seating
 - new bar featuring live entertainment
 - new North Terrace street level pub/bar
 - new gaming area to incorporate 10 tables and 100 gaming machines
 - private function room
- Stage 2 and 3 (A\$50m)
 - dedicated entertainment facility for concerts and special events
 - underground carparking (450 spaces)
 - redevelopment/refurbishment of existing gaming areas
 - renovation of existing F&B offerings
 - redevelopment and landscaping of Station Road
 - progressive implementation over three years FY05-FY07



SKYCITY Adelaide

FY05 Focus

- Growing gaming machine market share by focusing on
 - customer experience
 - product and loyalty programme enhancements
 - improved VIP offering
- Continued focus on maintaining strong tables performance with introduction of new product (pontoon, baccarat perfect pairs) and ongoing productivity improvements
- Generating revenue and cost synergies across the Darwin and Adelaide properties
- Successful launch of Southside redevelopment project and achievement of Southside financial targets
- Improve quality and profile of F&B offering via new Southside facilities and improvements to existing F&B outlets
- Successful interaction with regulatory agencies on Codes of Practice and management of harm minimisation and smoking restrictions

SKYCITY Hamilton

FY04 Result

- Strong performance in both 1H04 and 2H04
- Revenues and earnings ahead of expectations
 - Revenues \$31m
 - EBITDA \$14m (44%)
 - EBIT \$ 9m (30%)
- Gaming Machines  30%
Gaming Tables  11% } over FY03 on a revenue per day basis
- SKYCITY Hamilton well-established as a gaming and entertainment venue and community participant in the Hamilton/Waikato region



SKYCITY Hamilton

FY04 Result

- Operating hours extended June 2003
- VIP gaming room opened June 2003 and 39 machines and 3 tables added to gaming floor
- Key Waikato sponsorships
 - Waikato and Cambridge Racing Clubs
 - Waikato and Chiefs rugby
- Conference Centre opened April 2004, catering for 400 theatre/cocktail layout or 250 banquet-style layout
- No. 8 Bar renovated/expanded and exterior balcony extended to cater for smoking patrons
- SKYCITY Hamilton Community Trust distributed \$480,000 in grants to a range of Waikato/Bay of Plenty community organisations

SKYCITY Queenstown FY04 Result

- Revenues  5.5% at \$6.4m
 - Gaming  6%
 - Machines  31% new product installed
 - Tables  18% fewer VIP group players
- EBITDA \$1.1m, EBIT loss of \$0.3m
- 42 (of 86) new gaming machines installed (November 2003 - February 2004) had significant impact on revenues. New machine programme to be continued in FY05
- Lower than anticipated/prior year VIP table games revenue
- Smoking balconies in place
- SKYCITY Queenstown Casino Community Trust distributed \$202,000 to a range of Otago/Southland community organisations

- Financial performance for 6 month period to 30 June 2004, compared to corresponding period last year (6 months to 30/6/03), as below:
 - Revenues  14% from A\$33.4m to A\$38.1m
 - EBITDA  19% from A\$11.7m to A\$14.0m
- Acquisition announced February 2004, completed July 2004. Acquisition price A\$195m represented (based on results to 31/12/03) an historical EBITDA multiple of 7.4, or 8.8 if the community gaming machines rebate (July 2005) was eliminated
- The EBITDA acquisition multiple, based on actual performance during the 12 month period ended 30 June 2004, is reduced to 6.7 times (or 7.8 times if community machine rebate excluded)
- The EBITDA acquisition multiple, based on annualising the actual performance during the 6 month period ended 30 June 2004, is reduced to 6.1 times (or 7.2 times if community machine rebate excluded)

A number of factors point to a significant contribution to future SKYCITY results from the new Darwin property.

- the existing business is performing ahead of expectations and well ahead of last year
- strong outlook for the regional economy
- positive view of the SKYCITY acquisition by the Northern Territory government
- good relationships established with the Northern Territory regulators
- VIP/commission player new revenue stream
- opportunities for some marketing/operational/management synergies between SKYCITY Adelaide and SKYCITY Darwin

SKYCITY Leisure

100% Ownership by SKYCITY



- Takeover offer by SKYCITY Entertainment valued SKYCITY Leisure at \$56m. Current carrying value of the Leisure investment in the SKYCITY balance sheet as at 30 June 2004 (post the takeover) is \$43m






Grant Samuel and Associates confirmed that the SKYCITY bid for the 26% of Leisure that it did not already hold was a fair offer

The Lonergan Edwards report (August 2004) valued SKYCITY Leisure at between \$61m and \$74m (mid-point \$67.5m)

Full takeover of SKYCITY Leisure addresses the capital restrictions that would otherwise have restricted future expansion opportunities for the New Zealand cinema operations

- Future tax benefits of \$7.9m (not recognised in SKYCITY Leisure accounts prior to takeover) but included in SKYCITY's 2004 financial result as a consequence of 100% ownership

SKYCITY Leisure FY04 Result

- New Zealand cinema revenues  10% from \$29.0m to \$31.9m
- SKYCITY Metro revenues  18% from \$5.6m to \$4.6m
Due to lower rental agreed re Borders' lease and closure of Planet Hollywood
- EBITDA  4% from \$10.9m to \$11.3m
- EBIT  6% from \$7.1m to \$7.5m
- NSBT  25% from \$2.0m to \$2.5m
- Cost savings from 100% ownership will enhance FY05 result

Canbet Shareholding

- Investment rationale (2000) to participate in the internet gaming sector
- Internet gaming has not developed as a competitive threat for land-based casino/entertainment operations
- Relocation to UK has created a higher cost base in an increasingly competitive environment
- Difficult trading period for Canbet. Significant losses incurred in FY04
- Increasing regulatory difficulties for internet-based sports wagering operations. Potential impact for SKYCITY on its land-based casino operations if a significant shareholding in Canbet retained
- Proposed merger of Canbet with IAS. SKYCITY will hold 6.8% in IAS
- Canbet investment fully written-off in FY04 accounts - carrying value \$nil

Capital Management

An Ongoing Focus

Share Buyback/Special Dividend

- 2003 share buyback programme completed November 2003. Total buyback expenditure \$41 million plus special dividend of \$42 million (paid November 2002) completed the capital management programme announced October 2002

Extended Senior Debt Facility: \$1.0 bn

- Extended debt facility with existing bank syndicate completed April 2004
- Darwin, Christchurch, Leisure and Tainui/Hamilton acquisitions fully funded by senior debt
- Gearing level considered appropriate/efficient for the company given the quality of SKYCITY's cash-based earnings

Dividends

- Consistent 90% dividend payout ratio maintained
- FY04 dividend calculation adds back Adelaide licence amortisation and Canbet write-off
- High level of dividend distribution projected to continue. Able to be sustained given the quality of SKYCITY's cash-based earnings

New Zealand

- Change-over from CCA/Casino Control Act to DIA/Gambling Act will create transition issues. Liaison and management will be required in order to ensure a satisfactory continuity of regulatory processes
- Smoke Free Environments Act (no smoking) applies in New Zealand from 10 December 2004. Expected to have an adverse impact on revenues in 2H05

Not possible to predict impact but expected to be in the order of -3% to -4% on overall FY05 revenues, with greatest impact during the 3-4 months following introduction (December 2004, January-March 2005). Impact on FY05 EBITDA estimated at approximately -\$10m

Whilst these assumptions are based on observations of smoking restrictions in other jurisdictions and consideration of the likely reaction in New Zealand, and on SKYCITY's efforts to mitigate the implications for customers to the extent possible (eg balcony facilities), there remains considerable uncertainty around these assumptions

Non-smoking impact not expected to reduce revenues or operating earnings per se but rather to reduce the growth in revenues and earnings that will otherwise be achieved

Impact of the no smoking legislation expected to be abated in terms of revenue and earnings prospects by the beginning of FY06

- Gambling Act focuses on harm minimisation. SKYCITY already has extensive problem gambling and host responsibility programmes in place
- Problem gambling donations, historically contributed by the SKYCITY Auckland Community Trust, will be a government-imposed levy on the company from October 2005. FY05 impact from this regulatory change is yet to be confirmed but is expected to be in the order of \$2.7m (Auckland \$2.4m, Hamilton \$0.2m, and Queenstown \$46k)
- Problem gambling focus expected to be primarily directed to non-casino gaming machines, given the casino sector's pro-active commitment to harm minimisation initiatives and the identification of non-casino machines as the primary origin of problem gambling issues for some participants

Australia

- In Adelaide the company continues to work with the Independent Gambling Authority to finalise "Codes of Practice" that are satisfactory to the company and to the community
- In Darwin, SKYCITY will look to work closely with the Northern Territory government and regulators to establish a sound working relationship during the initial ownership period

Compliance

- The company's performance in terms of regulatory compliance continues at a high level in all jurisdictions

SKYCITY as at August/September 2004

- SKYCITY an expanded gaming and entertainment company in both Australia and New Zealand
- New and expanded facilities in Auckland
 - December 2003: new casino and bar
 - April 2004: new convention and exhibition centre
 - April 2005: new 5 star, 320 room SKYCITY Grand hotel
- New and expanded facilities for Adelaide. Redevelopment project: A\$70m over 3 years
 - Stage 1 scheduled for completion March 2005: A\$20m
 - Stages 2 and 3 subject to confirmation: A\$50m
- New Darwin operation trading above expectations

SKYCITY as at August/September 2004 (continued)



- Increased ownership (70%) in strongly-performing SKYCITY Hamilton
- Significant shareholding in Christchurch Casino (40.5%)
- Opportunities for SKYCITY Leisure no longer impeded by lack of capital for new cinema projects
- Active capital management: continuing focus on gearing, share buyback, dividends, overall capital efficiency
- Growth and yield: historical and prospective

- The financial result for FY05 is expected to be dominated by a number of influencing factors, including:
 - note acceptor constraint expected to be largely abated by October 2004 (customer acceptance, ticket technology)
 - smoking restrictions in New Zealand (December) are expected to have an initial adverse impact on revenues, mitigated by balconies for smoking, but a recovery to normal growth patterns is expected over the subsequent 6-9 months
 - SKYCITY Adelaide Stage 1 project will help lift revenues in 4Q05
 - SKYCITY Darwin has traded ahead of expectations and is expected to continue into FY05
 - SKYCITY Hamilton growth rate may slow (plus smoking impact) but still expected to produce a strong FY05 performance
 - New members' facilities in Auckland will enhance the experience for the expanding and increasingly important VIP group of players

Shareholder Returns and Reporting

- Annual pre-tax return to SKYCITY shareholders over the last three years (1 July 2001 - 30 June 2004) has been 33.2% per annum, compared to the NZSX50 average over the same period of 11.6% per annum
- Annual pre-tax return to SKYCITY shareholders over the last two years (1 July 2002 - 30 June 2004) has been 38% per annum, compared to the NZSX50 average over the same period of 16.0% per annum
- SKYCITY Entertainment Group Limited has advised that it will early adopt the new International Financial Reporting Standards (IFRS). IFRS will be implemented for SKYCITY's financial year commencing on 1 July 2005. SKYCITY's first set of IFRS-compliant financial statements will be its accounts for the half-year ending 31 December 2005

At the FY03 result we identified the following objectives for FY04

- Auckland
 - Continue revenue growth in all sectors ✓
 - Open gaming expansion and convention centre developments on time and to budget ✓
 - Progress hotel project towards scheduled opening in April 2005 ✓
 - Grow VIP and commission play ✓
- Adelaide
 - Enhance gaming and entertainment attraction of the Adelaide property **In progress**
 - Improve profitability ✓
- Queenstown
 - Achieve surplus EBIT result ✗
 - Further develop VIP and commission play ✗
- Hamilton
 - Consolidate/grow on first year's successful operating period ✓
- Canbet
 - Increase turnover and profitability ✗
- Leisure
 - Grow cinema earnings and enhance cinema offerings ✓
- Continue community participation in all regions ✓

FY05 Objectives

- Auckland
 - Continue revenue growth in all sectors
 - Capitalise on new Convention Centre opportunities
 - Manage introduction of non-smoking regime
 - Manage regulatory transition issues: Gambling Act, DIA
 - Progress members' and new hotel projects towards scheduled openings in December 2004 and April 2005 respectively
 - Continue to grow VIP and commission play

- Adelaide
 - Capitalise on new Southside facilities when available (scheduled for March 2005)
 - Enhance gaming and entertainment attraction of the property
 - Further grow revenues and earnings

- Darwin
 - Ensure smooth transition to SKYCITY ownership/management
 - Introduce VIP/commission play
 - Continue revenue and earnings growth evidenced during the 12 months to 30 June 2004

FY05 Objectives

- Hamilton
 - Consolidate earnings performance
 - Continue to establish property as entertainment destination in Hamilton
- Leisure
 - Grow cinema earnings
 - Enhance and expand cinema offerings
- Queenstown
 - Continue new machine programme
 - Achieve surplus EBIT result
- Christchurch
 - Provide input to Christchurch Casino revenue and earnings initiatives
- Maintain capital management focus
- Continue to evaluate new gaming/entertainment opportunities
- Continue community participation in all regions

SKYCITY Entertainment Group Limited

Year ended 30 June 2004

- Revenues \$590m (+6%)
- NSAT* \$121.1m (+13%)
- Dividend 26.5cps
- Profit Growth
- Growth prospects in FY05 partially impacted by regulatory issues
- Strong Balance Sheet
- Enhanced Shareholder Value
 - financial performance
 - dividends
 - share price increases
- Acknowledged as the leading entertainment brand in New Zealand and South Australia



* before non-recurring item (Canbet write-off)