



SKYCITY
Entertainment
Group Limited

FY11 Interim Result

Six month period ended 31 December 2010

16 February 2011

SKYCITY Interim Result 1H11

1H11 Result Summary

3

Performance Highlights

11

Outlook and Guidance

31

Appendices and Financial Summaries

33

1H11 Result Summary



1H11 Result Highlights

- Normalised net profit after tax, \$67.4m, up 2.1%
 - revenues (pre gaming GST) \$447.1m, up 3.4%
 - expenses (excluding International Business) held to 3.1%
 - earnings per share 11.7cps, up from 11.5cps
 - includes additional cost of \$2.7m as a result of the GST increase in New Zealand from 1 October 2010

- Reported NPAT of \$67.1m down 2.2% (excluding Cinemas)

- Dividend of 8.0cps, in line with interim FY10

- Strong balance sheet with Net Debt:EBITDA of 2.1 times

- Debt profile enhanced following negotiation of new and extended flexible funding facilities on attractive terms
 - \$175m USPP funding split into 7/10 year tenor
 - \$400m-\$450m syndicated bank facility split into 3/5 year tenor



1H11 Group Performance

- Normalised NPAT for 1H11 up 2.1% on corresponding prior period and up 12% over preceding half year (2H10) after adjusting for discontinued operation (Cinemas divested February 2010)
- Revenue growth in Adelaide and Hamilton, steady in Auckland, but softer in Darwin as a consequence of the introduction of smoking bans from January 2010
- Strong revenue growth in International Business with turnover almost double at \$1.48bn, the majority of this growth being at the Auckland property. This growth underpins SKYCITY's decision to invest in increased capacity and 'world class' facilities for our Auckland international customers
- Expenses were held well across the Group with increased marketing spend in Auckland towards the end of the half delivering improving revenue trends and creating momentum into 2H11, particularly in gaming machines, hotels and food and beverage operations
- While IB expenses were higher, this is reflective of the variable costs of commissions and taxes associated with the significant increase in turnover volume
- Normalised EBITDA was down marginally (-0.2%) after absorbing the additional cost of \$2.7m arising from the increase in GST in New Zealand from 1 October. Backing out this GST increase would have resulted in an increase in normalised EBITDA of 1.6%

1H11 Group Performance

continued

- Result largely in line with expectations in the context of continuing challenging economic conditions in New Zealand and a softening retail environment in Australia
- Positive signs of momentum heading into second half of FY11 and leading towards Rugby World Cup in September/October
- Second half revenues continue to trend well, up over 9% for the first six weeks of second half compared to same period last year
- Over the last six months, we have strengthened our financial position and enhanced our funding profile by repaying the ACES facility in December and securing new and replacement funding facilities on attractive terms. This provides SKYCITY with flexibility and capacity for our new and exciting project opportunities as they arise, a number of which are already well-advanced



1H11 Group Result

Normalised Revenues and Earnings

Normalised	1H11	1H10	Movement	
	\$m	\$m	\$m	%
Revenue (including Gaming GST)	447.1	432.5	14.6	3.4%
Gaming GST	37.1	34.7	(2.4)	(6.9%)
Revenue	410.0	397.8	12.2	3.1%
Expenses (excluding IB)	246.5	239.1	(7.4)	(3.1%)
Expenses (IB)	12.1	7.0	(5.1)	(72.9%)
EBITDA	151.4	151.7	(0.3)	(0.2%)
Depreciation and Amortisation	34.6	33.7	(0.9)	(2.7%)
EBIT	116.8	118.0	(1.2)	(1.0%)
Interest Cost	23.2	26.8	3.6	13.4%
Net Profit Before Tax	93.6	91.2	2.4	2.6%
Tax	26.2	25.2	(1.0)	(4.0%)
Normalised NPAT	67.4	66.0	1.4	2.1%

- Revenue (including Gaming GST) is shown above to facilitate Australasian comparisons by removing the GST differential between New Zealand and Australia and also to facilitate period on period comparisons given the GST rate change in New Zealand on 1 October 2010
- Normalised NPAT adjusts for non-recurring items and International Business at theoretical win rate
- Normalised NPAT for 1H10 excludes Cinemas (discontinued business)

1H11 Group Result

Reported NPAT

	1H11	1H10	Movement	
	\$m	\$m	\$m	%
Normalised NPAT	67.4	66.0	1.4	2.1%
Non-recurring items	(0.6)	0.2	(0.8)	
Adjust International Business to actual win rate	0.3	2.4	(2.1)	
Reported NPAT (before Cinemas)	67.1	68.6	(1.5)	(2.2%)
Cinemas NPAT	-	2.4	(2.4)	
Reported NPAT	67.1	71.0	(3.9)	(5.4%)

- Revenue (including Gaming GST) is shown above to facilitate Australasian comparisons by removing the GST differential between New Zealand and Australia and also to facilitate period on period comparisons given the GST rate change in New Zealand on 1 October 2010
- Normalised NPAT adjusts for non-recurring items and International Business at theoretical win rate
- Normalised NPAT for 1H10 excludes Cinemas (discontinued business)

1H11 Revenue Summary by Business Unit (incl Gaming GST)

		1H11 \$m	1H10 \$m	Movement	
				\$m	%
Australian Casinos					
▪ Adelaide	(A\$)	74.4	73.9	0.5	0.7%
▪ Darwin	(A\$)	62.5	65.9	(3.4)	(5.2%)
Total Australia	(A\$)	136.9	139.8	(2.9)	(2.1%)
	(NZ\$)	176.2	172.3	3.9	2.3%
New Zealand Casinos					
▪ Auckland		220.3	220.8	(0.5)	(0.2%)
▪ Hamilton		23.2	22.1	1.1	5.0%
▪ Christchurch, Queenstown, Other		7.4	7.2	0.2	2.8%
Total New Zealand		250.9	250.1	0.8	0.3%
Casino Revenues before International (incl Gaming GST)		427.1	422.4	4.7	1.1%
International Business at theoretical win rate		20.0	10.1	9.9	96.0%
Normalised Revenue (incl Gaming GST)		447.1	432.5	14.6	3.4%
Adjust International Business to actual win rate		0.6	4.0	(3.4)	(85.0%)
Reported Revenue (incl Gaming GST)		447.7	436.5	11.2	2.6%

- Revenue (including Gaming GST) is shown above to facilitate Australasian comparisons by removing the GST differential between New Zealand and Australia and also to facilitate period on period comparisons given the GST rate change in New Zealand on 1 October 2010
- Darwin comparison period (1H10) revenue pre introduction of smoking bans
- Normalised Revenue is adjusted for International Business at theoretical win rate
- Average NZD/AUD cross-rate during 1H11 0.7795 and 1H10 0.8107

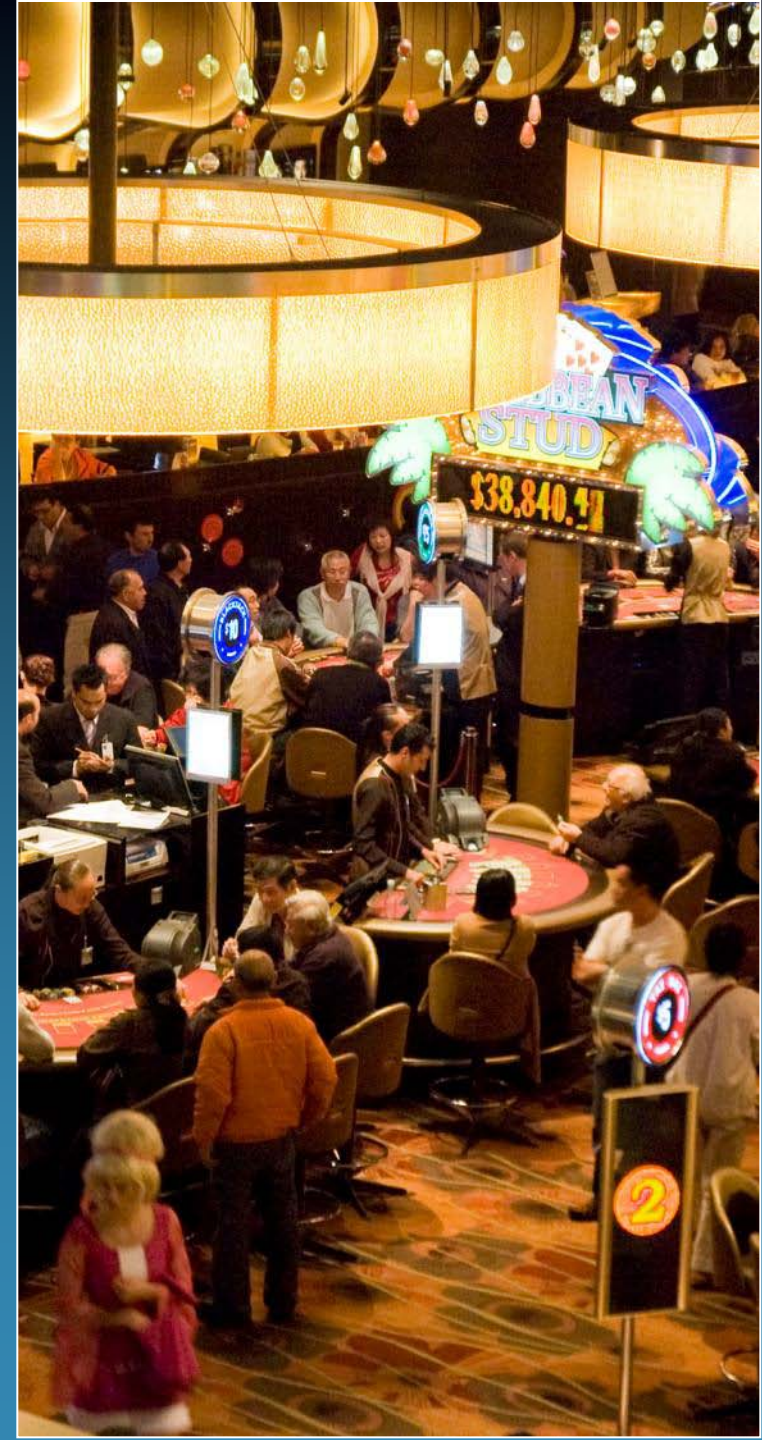
1H11 EBITDA Summary by Business Unit

		1H11	1H10	Movement	
		\$m	\$m	\$m	%
Australian Casinos					
▪ Adelaide	(A\$)	16.1	15.2	0.9	5.9%
▪ Darwin	(A\$)	20.6	23.8	(3.2)	(13.4%)
Total Australia	(A\$)	36.7	39.0	(2.3)	(5.9%)
	(NZ\$)	47.2	48.2	(1.0)	(2.1%)
New Zealand Casinos					
▪ Auckland		96.9	100.5	(3.6)	(3.6%)
▪ Hamilton		10.0	9.7	0.3	3.1%
▪ Christchurch, Queenstown, Other		3.7	3.7	-	-
Total New Zealand		110.6	113.9	(3.3)	(2.9%)
Corporate Costs		(12.9)	(13.9)	1.0	7.2%
Casino EBITDA before International		144.9	148.2	(3.3)	(2.2%)
Exclude non-recurring items		0.9	1.6	(0.7)	
Include International Business at theoretical win rate		5.6	1.9	3.7	194.7%
Normalised EBITDA		151.4	151.7	(0.3)	(0.2%)
Non-recurring items		(0.9)	(1.6)	0.7	
International Business to actual win rate		0.4	3.4	(3.0)	
Reported EBITDA		150.9	153.5	(2.6)	(1.7%)

- Normalised EBITDA is adjusted for non-recurring items and International Business at theoretical
- Average NZD/AUD cross-rate during 1H11 0.7795 and 1H10 0.8107
- 1H10 Brand Ad development (\$0.9m) included in Auckland EBITDA

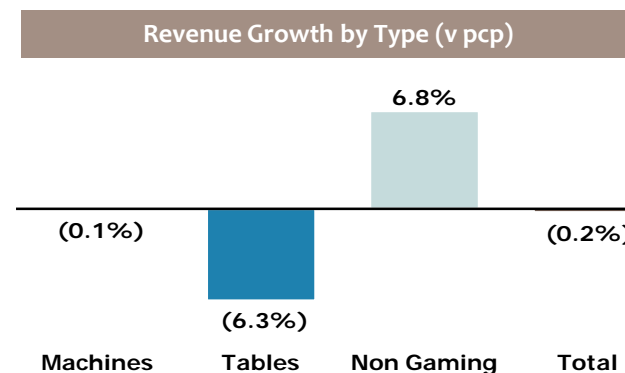
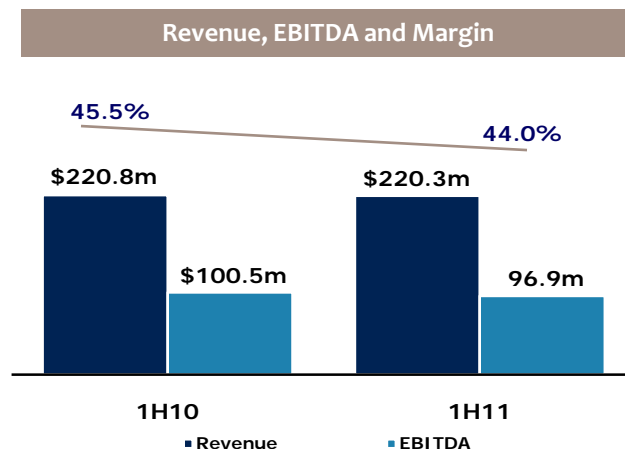
Performance Highlights

Half Year Period Ended
31 December 2010



SKYCITY Auckland

- Revenues (inclusive of GST) down slightly by 0.2% v pcp
 - net revenues (excl GST) down 0.7%
- Expense increase held to 2.2%
 - inflation impact on utility costs
 - increased marketing expenditure during 2Q11
- EBITDA down 3.6% but by 1.2% after adjusting for the impact of increased GST costs
- Including Auckland IB and adjusting for the GST increase would result in Auckland EBITDA increasing by 1.8%



- Gaming revenue figures as shown in the charts on this page are gaming win (inclusive GST). This facilitates Australasian comparisons by removing the GST differential between New Zealand and Australia and also to facilitate period on period comparisons given the GST rate change in New Zealand on 1 October 2010
- 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 and period on period comparisons
- 1H10 Brand Ad development (\$0.9m) included in Auckland EBITDA

SKYCITY Auckland

continued

Gaming Machines

- Gaming machine revenues in line with 1H10 but up 6.1% compared to preceding half year (2H10)
- Within the 1H11 half year, second quarter revenues (2Q11) up 5.0% over first quarter. This trend has continued into January and February month to date
- Market share continues to grow, up from 43.6% to 45.1%
- Refurbishment of Platinum Room for VIP machine players is partially completed
 - stage 1 opened early January 2011 and further stages will be opened progressively during 3Q11
 - being well received by our top end players
- New Diamond Room will open in August 2011

Table Games

- Table win remained soft by comparison to 1H10 (down 6.3%)
- Signs of growth from 2H10 lows, with 1H11 revenues up nearly 3% over 2H10
- Main floor table win broadly steady (-1.1%)

SKYCITY Auckland

continued

- Local premium tables continue to be impacted by the challenging economic environment in Auckland
 - however, some signs of recovery evident from 2H10 lows: 1H11 v 2H10 up 3.8%
 - new VIP facilities opening August/September before the Rugby World Cup should drive further growth in higher end table games revenues
 - this customer group is expected to resume their higher playing levels once economic conditions improve

Non-Gaming: Hotels, Conventions, Restaurants and Bars

- Our hospitality businesses have performed strongly with non-gaming revenues up nearly 7% compared to 1H10
- Hotel revenues up 10.5%, with growth achieved across both hotels
 - Grand Hotel: revenue up 10.4%. Occupancy at 81% at increased ADR
 - SKYCITY Hotel: revenue up 10.7% . Occupancy at 91% at increased ADR reflecting the impact of recent refurbishment. However there will be some revenue impact due to construction disruption during 2H11 as a consequence of the new VIP facilities on levels 5/6 of the SKYCITY Hotel



SKYCITY Auckland

continued

- Conventions up 20% on the back of large convention and feature events
- Food and beverage revenues up 2.2%

International Business (at Auckland)

- International Business continues to grow strongly with most of the growth at our Auckland property with turnover more than doubled from \$0.5bn to \$1.1bn
- International Business (normalised) added to the Auckland result would increase EBITDA by \$4.1m
- Including International Business and adjusting for the GST increase would reverse the EBITDA variance from -3.6% to +1.8%

Marketing Expenses

- Marketing and promotional activity increased in 2Q11, with a noticeable customer response across the Auckland property, particularly in gaming machines
- Momentum from this increased activity is carrying into 2H11



SKYCITY Auckland

continued

Government and Regulatory

- Significant regulatory approvals during 1H11
 - Gambling Commission approval for creation of new gaming areas at the Auckland property
 - hotel level 5/6 VIP gaming salons and new VIP Pacific Room
 - extended and refurbished Platinum Room for top VIP EGM players
 - new dedicated gaming room for Diamond tier EGM players
 - will help to decongest main gaming floor
 - Bally Gaming System
 - approval to operate the Bally system in New Zealand
 - offers enhanced functionality and features for both customers and operators

Grand Hotel

- New club lounge and presidential suites



SKYCITY Auckland

continued

Federal Street Precinct

- Exciting new food and beverage concepts have been finalised and will feature renowned New Zealand and Australian ‘signature’ food and beverage operators/personalities
 - Al Brown ‘Depot’
 - Luke Dallow ‘Red Hummingbird’
 - Sean Connelly ‘The Grill’
- Construction of these new outlets will commence in March with completion by August and ready for the Rugby World Cup in September/October

Level 5 and 6 Villas and Salons and new Pacific Room

- Construction commenced 5 January
- Fixed price construction contract in place for completion prior to Rugby World Cup
 - 3 new VIP salons and 4 premium 100m² VIP villas will be ready by end of June
 - new Pacific Room, rooftop bar and deck and an additional VIP salon for groups will be completed by end of August
- An NZ\$30m development which significantly increases our international gaming capacity in Auckland



SKYCITY Auckland

continued

New Diamond Room

- Gambling Commission approval received December 2010 for creation of a dedicated gaming room for Diamond tier loyalty customers
- Will feature up to 250 machines with a dedicated bar, snack bar and lounge, and dedicated staff, jackpots and promotions
- Construction will commence in April and anticipated to be ready before Rugby World Cup
- Follows the recent expansion and in-progress refurbishment of the Platinum and Platinum VIP EGM rooms (commenced December 2010, fully completed by May 2011)

National Convention Centre

- SKYCITY continues to have positive discussions with Government and we believe we have presented the strongest commercial development proposal
- Development of the NCC adjacent to our Auckland property would reinforce the location as the pre-eminent tourism, hospitality and entertainment precinct in Auckland



SKYCITY Auckland

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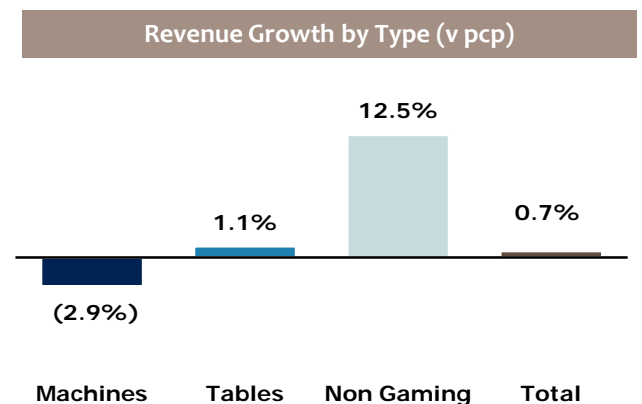
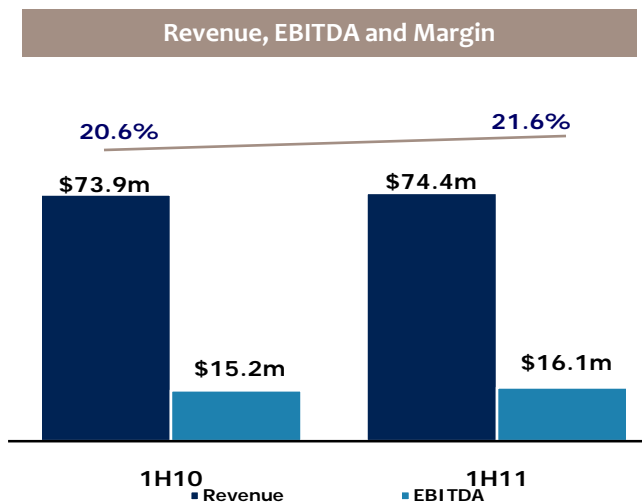
Positive Developments for Inbound Travel

- Southern China Airlines (the world's fifth largest airline) will commence operating three direct flights from Guangzhou, China into Auckland from April 2011 and is exploring the establishment of other China/New Zealand routes
 - Guangzhou is a key transportation hub in Southern China (population 12 million) and is the capital city of Guangdong province, China's second largest province by population (est. ~95 million)
- Air New Zealand and Virgin Blue will be combining for trans-Tasman and Australian services, which will extend the network of feeder markets into New Zealand from Australia
- New Zealand has removed visa requirements for travel from Taiwan which improves accessibility for international VIP players coming to Auckland



Adelaide Casino

- Solid performance with costs well held against flat revenues
- EBITDA up 5.9%
- Total revenues up marginally by 0.7%
 - softer gaming revenues offset by strong growth in non-gaming
 - although visitation up, gaming revenues down 0.8% due to a decline in average spend per visitor
 - restaurant and bar revenues up 12.5% reflecting increased patronage and effective re-presentation and pricing strategies
- Softer retail environment expected to continue through 2H11
- Revenue growth will remain challenging in South Australia for 2011



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Adelaide Casino

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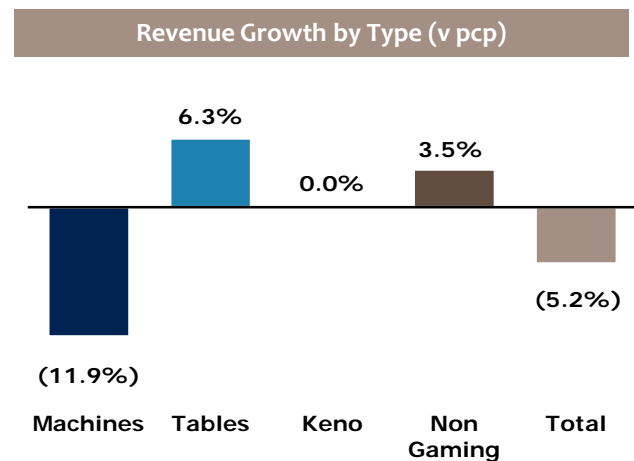
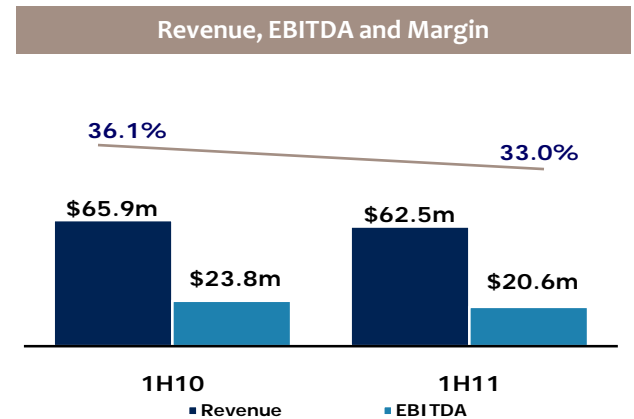
Adelaide Casino Redevelopment

- Discussions continuing with the South Australian government on the proposed redevelopment of the Adelaide Casino and casino regulatory reform
 - focused on disparities between South Australia and other Australian states
 - emphasising the need for a level playing field for Adelaide Casino
- SA government has formed an inter-agency Casino Task Force and a Riverfront Precinct Development Committee through which it is liaising with SKYCITY



SKYCITY Darwin

- 1H11 comparison is to 1H10 which was prior to introduction of smoking bans on 2 January 2010
- Overall revenues down 5.2%
 - gaming machine revenues down 11.9% (consistent with magnitude of non-smoking impact seen in other Australasian jurisdictions)
 - other revenues helped to mitigate this impact with table gaming revenues up 6.3% and non-gaming revenues (restaurants, bars, hotel) up 3.5%
- Comparing 1H11 v 2H10 (sequential comparison of smoking ban periods) indicates machine revenue growth of 6% on a seasonally-adjusted basis
- First six weeks of 2H11 show machine revenues up 4% compared to same period last year
- As a consequence of revenues down 5.2% and despite expenses being held flat, EBITDA was down 13.4% for the period



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SKYCITY Darwin

continued

- Darwin half year comparisons from now on will be comparable on a like with like basis (post smoking bans) and we expect to report a return to positive growth
- New General Manager, Brad Morgan, commenced October 2010
- New car parking and outdoor function facilities (Little Mindil site) became operational during the period

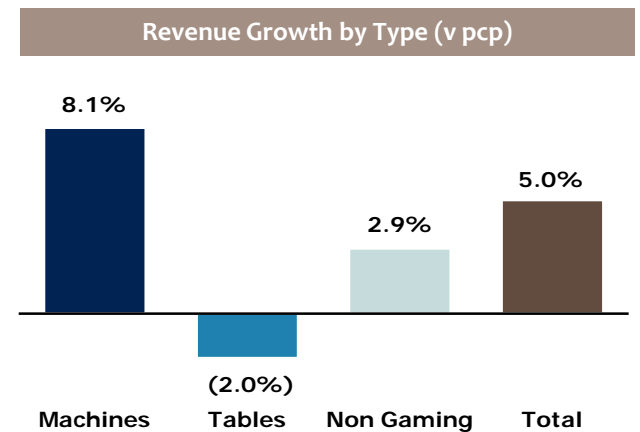
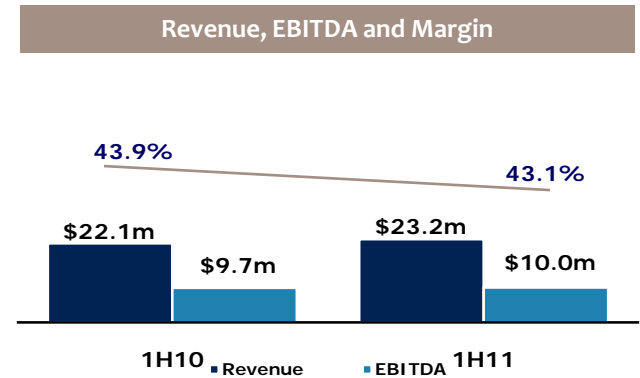
Lagoon Resort Development

- Construction underway with completion of all works anticipated mid 2012
- Projected capex of A\$40m remains on track
- Expected to be a key driver of additional visitation to the property and with four premium villas will better position the Darwin property to attract international premium players



SKYCITY Hamilton

- Hamilton continues to perform well with EBITDA up 3.1%
- Hamilton’s continuing growth in revenues and earnings reflects the impact of various business initiatives being undertaken, together with the stronger rural-based economy of the Waikato region
- Machine and non-gaming revenues were both up in 1H11, offset by table games down marginally, delivering an overall revenue growth of 5.0%
- Gaming machine revenue growth a particular highlight
 - up 8.1% v pcp
 - fourth consecutive quarter of sequential revenue growth
- Growth has continued into 2H11



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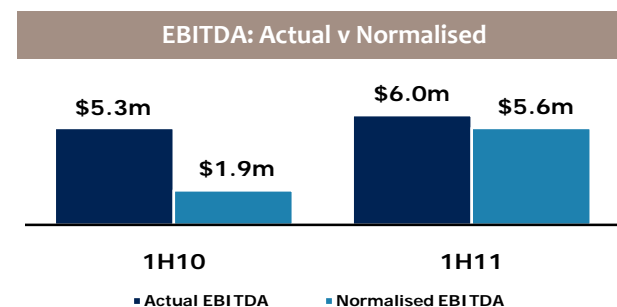
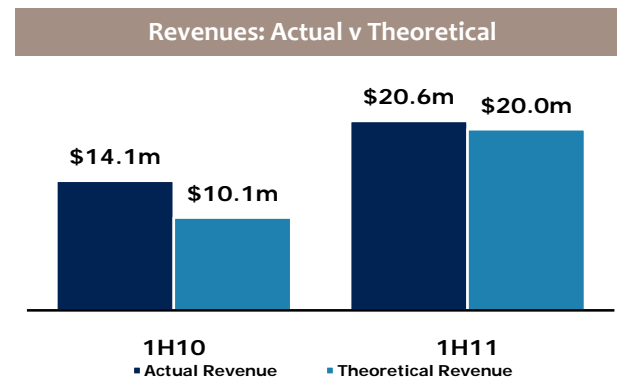
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International Business

- Strong growth in IB turnover and revenue has continued
 - turnover almost double pcp, up 96% to \$1.5bn
 - majority of growth was into Auckland (where turnover increased by 135%), mainly ex China and Thailand
 - strong turnover growth has continued into 2H11
- Normalised EBITDA (adjusted to theoretical win rate of 1.35%) up 195%, at \$5.6m compared to \$1.9m in 1H10
- Sound risk management practices around table limits and tight credit control
- Ejaaz Dean (previously GM Gaming Auckland) appointed President International Business to focus on the growth opportunities for this sector of our business
- Endorses decision to invest capital to expand and enhance our VIP facilities (fourfold increase in capacity in Auckland)



	Turnover NZ\$bn	Win Rate %
1H11	1.482	1.39%
1H10	0.758	1.86%

■ Revenue is inclusive GST and before commissions and taxes
 ■ IB theoretical win rate at 1.35%

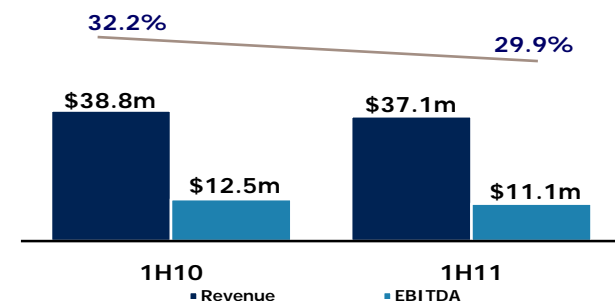
Christchurch Casino

- SKYCITY’s shareholding increased from 47% to 50% in October 2010 following the buyout of the minority third shareholder.

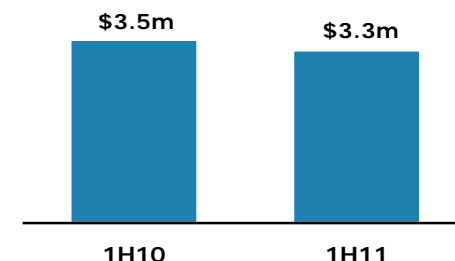
Transaction funded from Christchurch Casino cash reserves held over from the sale of the Crowne Plaza Hotel in July 2008

- 1H11 result impacted general economic conditions and the negative impact on consumer behaviour following the 4 September earthquake and ongoing aftershocks
- The casino closed for 5½ days following the initial earthquake and for 7 hours on December 26th following a significant aftershock on that day. 1H11 revenue includes \$600k from business interruption insurance
- The Skyline board has rejected our revised fully-priced cash offer to acquire their share of this asset

Revenue, EBITDA and Margin



CCL Contribution to SKYCITY



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Depreciation, Capex, Interest and Tax

Depreciation: \$34.6m, up \$0.9m (2.7%)

- Depreciation reflects recent capex spend, including new systems across the Group
- Depreciation for full year FY11 projected at \$71m

Capital Expenditure

- Maintenance capex projected at no greater than \$60m for FY11
- Project capex projected for FY11 at \$65m for Auckland gaming facilities, Federal Street development, Darwin resort project, and new gaming system in Auckland

Interest: \$23.2m, down \$3.6m (13.4%)

- Lower interest cost in 1H11 reflects interest rate management and debt restructuring
- Average debt balance during 1H11 at \$650m at average debt cost of 6.9%

Tax

- Effective tax rate for 1H11 at 27.9%, in line with 1H10 at 27.6%
- Full year FY11 tax rate projected at 28%



Financing and Funding

ACES

- The ACES notes repaid in December (\$184m) from cash reserves and drawdown on the syndicated bank facility
- Franking credits previously applied to the ACES coupon will be applied to dividends paid, for the benefit of Australian shareholders

USPP

- An additional USPP funding line of US\$175m (7 year term US\$75m, 10 year term US\$100m) has been secured on competitive terms

Bank Facility

- The existing \$500m three year bank facility matures 1 April 2011 and will be replaced with a \$400m-\$450m facility of 3 year and 5 year term. Competitive pricing has been negotiated and committed lines made available by four banks (ANZ, CBA/ASB, BNZ and Westpac)

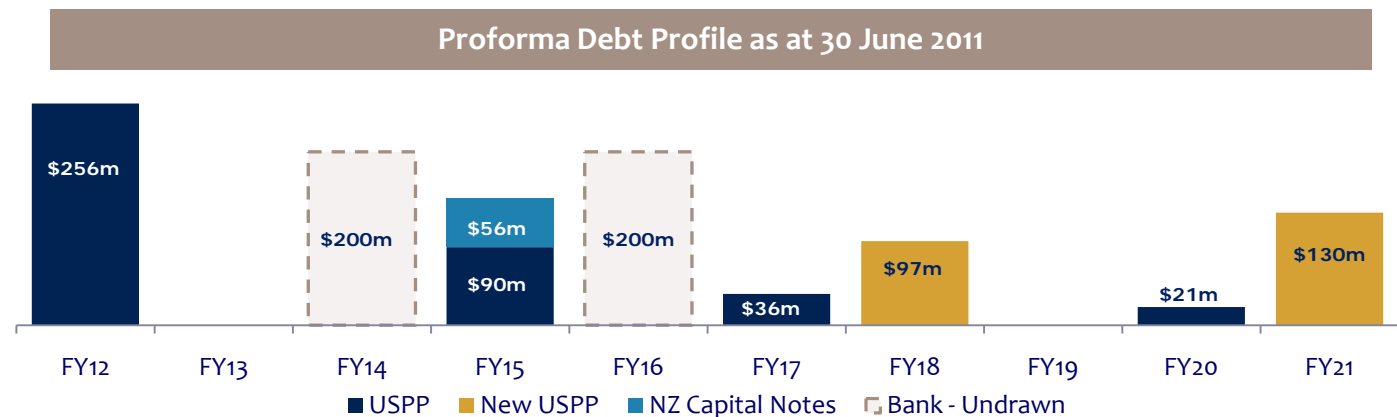
Gearing

- Net Debt to EBITDA of 2.1 times supports S&P investment grade credit rating



Projected Debt Profile

- We have extended our debt maturity profile and further strengthened our long term funding position
 - next maturity is the USPP tranche of NZ\$256m due March 2012, followed by the 3 year tranche of the bank facility in April 2014
 - assumes \$400m bank facility and 50:50 split between 3 year and 5 year
- Depending on the status of key potential projects (NCC, Adelaide) the USPP tranche maturing March 2012 could either be extended or repaid
- The \$400m-\$450m syndicated bank facility provides flexibility for the company going forward. The bank facility can be retained or discontinued without penalty at SKYCITY's option



1H11 Interim Dividend

- Interim dividend 8.0cps (8.0cps 1H10)
- Dividend policy payout range 60%-70%. 8.0cps at upper end of range (69%)
- Payment date 1 April (entitlement/record date 18 March)
- 1H11 interim dividend will be paid in cash, fully imputed at the company's 30% tax rate
- Partial imputation will apply to future dividends, expected to be around, but not less than, 60% of full imputation
- Franking credits at 60% will be attached to the FY11 interim dividend
- Dividend Reinvestment Plan (DRP) being introduced as an option for shareholders
- 8.0cps represents an annualised gross dividend yield of 7% on current share price

■ The DRP will apply to the FY11 interim dividend with no discount. The closing date for electing to participate in the DRP for the FY11 interim dividend is 18 March 2011. The DRP share price will be determined from the trading period between 16 March and 22 March 2011

Outlook and Guidance



Outlook and Guidance

- Solid YTD result in the context of challenging economic conditions in New Zealand and softening retail environment in Australia
- Significant regulatory approvals granted in Auckland
- Exciting capital projects in Auckland to be completed for the Rugby World Cup
- Positive signs of momentum from key business segments heading into 2H11 and leading towards Rugby World Cup in 1H12
- Group normalised revenues for first 6 weeks of 2H11 up 9%
- The economic environment in New Zealand remains challenging, particularly in discretionary retail and with unemployment increasing during Q4 of calendar 2010
- The Australian discretionary retail sector is now also reporting more challenging times, especially in South Australia
- The increase in GST and effect of personal tax cuts in New Zealand is difficult to judge as consumers continue to deleverage
- Consistent with the guidance provided at the company's annual meeting in October 2010, we reconfirm that we would be disappointed if we did not achieve normalized NPAT of \$127.4m for the 2011 financial year

Appendices

Financial Summaries

Half year ended 31 December 2010



Normalised P&L Summary by Business Unit

New Zealand operations expressed in NZ\$m Australian operations expressed in A\$m (Normalised)

	1H11								1H10							
	Auckland NZ\$m	Adelaide A\$m	Darwin A\$m	International Business NZ\$m	Hamilton NZ\$m	Other NZ Operations NZ\$m	Corporate NZ\$m	SKYCITY Group NZ\$m	Auckland NZ\$m	Adelaide A\$m	Darwin A\$m	International Business NZ\$m	Hamilton NZ\$m	Other NZ Operations NZ\$m	Corporate NZ\$m	SKYCITY Group NZ\$m
Gross Gaming revenue	161.8	65.4	47.6	20.0	19.6	3.1	-	350.0	166.0	65.9	51.5	10.1	18.6	3.0	-	342.6
Non-Gaming Revenue	58.5	9.0	14.9	-	3.6	4.3	-	97.1	54.8	8.0	14.4	-	3.5	4.2	-	89.9
Total Revenue (incl Gaming GST)	220.3	74.4	62.5	20.0	23.2	7.4	-	447.1	220.8	73.9	65.9	10.1	22.1	7.2	-	432.5
Gaming GST	(18.9)	(6.0)	(4.3)	(2.3)	(2.3)	(0.4)	-	(37.1)	(18.0)	(6.0)	(4.7)	(1.2)	(2.0)	(0.3)	-	(34.7)
Total Revenue (excl Gaming GST)	201.4	68.4	58.2	17.7	20.9	7.0	-	410.0	202.8	67.9	61.2	8.9	20.1	6.9	-	397.8
Expenses	104.5	52.3	37.6	12.1	10.9	3.3	12.0	258.6	101.4	52.7	37.4	7.0	10.4	3.2	13.2	246.1
EBITDA	96.9 44.0%	16.1 21.6%	20.6 33.0%	5.6 28.0%	10.0 43.1%	3.7 50.0%	(12.0)	151.4 33.9%	101.4 45.9%	15.2 20.6%	23.8 36.1%	1.9 18.8%	9.7 43.9%	3.7 51.4%	(13.2)	151.7 35.1%
Depreciation	17.4	3.1	4.5	-	1.9	0.5	1.1	30.6	18.0	2.8	4.6	-	2.0	0.4	0.8	30.4
Amortisation	-	1.0	0.1	-	-	-	2.5	4.0	-	1.1	-	-	-	-	1.9	3.3
EBIT	79.5 36.1%	12.0 16.1%	16.0 25.6%	5.6 28.0%	8.1 34.9%	3.2 43.2%	(15.6)	116.8 26.1%	83.4 37.8%	11.3 15.3%	19.2 29.1%	1.9 18.8%	7.7 34.8%	3.3 45.8%	(15.9)	118.0 27.3%
Funding								23.2								26.8
Net Profit before tax								93.6 20.9%								91.2 21.1%
Tax								26.2								25.2
Minority Interest (Queenstown)								-								-
Normalised Net Profit								67.4								66.0

- Other NZ Operations includes Queenstown and Christchurch Casinos (associate). 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

1H11 Reported and Normalised Earnings

	1H11				1H10			
	Revenue \$m	EBITDA \$m	EBIT \$m	NPAT \$m	Revenue \$m	EBITDA \$m	EBIT \$m	NPAT \$m
Reported	447.7	150.9	116.3	67.1	436.5	153.5	119.8	71.0
Cinemas	-	-	-	-	-	-	-	(2.4)
Reported excl Cinemas	447.7	150.9	116.3	67.1	436.5	153.5	119.8	68.6
Restructuring Costs	-	0.6	0.6	0.4	-	0.7	0.7	0.5
Canterbury Earthquake Charity	-	0.3	0.3	0.2	-	-	-	-
Gain on Debt Buyback	-	-	-	-	-	-	-	(1.3)
Brand Ad Production Cost	-	-	-	-	-	0.9	0.9	0.6
Adjusted for NRI	447.7	151.8	117.2	67.7	436.5	155.1	121.4	68.4
International Business at theoretical	(0.6)	(0.4)	(0.4)	(0.3)	(4.0)	(3.4)	(3.4)	(2.4)
Normalised	447.1	151.4	116.8	67.4	432.5	151.7	118.0	66.0

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

1H11 Notes re Reported and Normalised Earnings

- International Business win rate at 1.39% for 1H11. Adjustment to theoretical win rate of 1.35% reduces International Business (normalised) EBITDA by \$0.4m from \$6.0m to \$5.6m
- Non-recurring items referred to earlier in this presentation at \$0.9m cover restructuring costs \$0.6m and costs/donation associated with the Canterbury Earthquake Charity Dinner held at the SKYCITY Convention Centre in October of \$0.3m
- 1H10 gain on debt buyback of \$1.9m relates to the USPP debt bought back in July-August 2009 following the equity raising, at an average discount to face value of 0.92%
- 1H10 Brand Ad development costs of \$0.9m relate to costs incurred in 1H10 on a new television commercial for the Auckland property



1H11 Notes re Reported and Normalised Earnings

- Gaming revenue figures reflect gaming win (inclusive of gaming GST). This facilitates Australasian comparisons by removing the GST differential between New Zealand and Australia and also facilitates period on period comparisons given the GST rate change in New Zealand on 1 October 2010
- 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



1H11 Result - SKYCITY Auckland

	1H11	1H10	Movement	
	\$m	\$m	\$m	%
Revenues				
Machines	101.0	101.1	(0.1)	(0.1%)
Tables	60.8	64.9	(4.1)	(6.3%)
Gross gaming revenue (incl GST)	161.8	166.0	(4.2)	(2.5%)
Food and Beverage	18.8	18.4	0.4	2.2%
Hotels and Conventions	28.8	25.2	3.6	14.3%
Sky Tower, Parking, Other	10.9	11.2	(0.3)	(2.7%)
Non-Gaming Revenue	58.5	54.8	3.7	6.8%
Total Revenue (incl gaming GST)	220.3	220.8	(0.5)	(0.2%)
Gaming GST	18.9	18.0	(0.9)	(5.0%)
Total Revenue (excl gaming GST)	201.4	202.8	(1.4)	(0.7%)
Expenses	104.5	102.3	(2.2)	(2.2%)
EBITDA	96.9	100.5	(3.6)	(3.6%)
<i>EBITDA margin</i>	<i>44.0%</i>	<i>45.5%</i>		
Auckland IB Normalised EBITDA	4.1	1.1	3.0	272.7%
Brand Ad Development	-	0.9	(0.9)	
Auckland EBITDA incl Normalised IB	101.0	102.5	(1.5)	(1.5%)

- EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST-exclusive non-gaming revenues to facilitate Australasian comparisons
- 1H10 Brand Ad development (\$0.9m) included in Auckland EBITDA

1H11 Result - SKYCITY Adelaide

	1H11	1H10	Movement	
	A\$m	A\$m	A\$m	%
Revenues				
Machines	29.9	30.8	(0.9)	(2.9%)
Tables	35.5	35.1	0.4	1.1%
Gross gaming revenue (incl GST)	65.4	65.9	(0.5)	(0.8%)
Food and beverage, other	9.0	8.0	1.0	12.5%
Total Revenue (incl gaming GST)	74.4	73.9	0.5	0.7%
Gaming GST	6.0	6.0	-	-
Total Revenue (excl gaming GST)	68.4	67.9	0.5	0.7%
Expenses	52.3	52.7	0.4	0.8%
EBITDA	16.1	15.2	0.9	5.9%
<i>EBITDA margin</i>	<i>21.6%</i>	<i>20.6%</i>		

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

1H11 Result - SKYCITY Darwin

	1H11	1H10	Movement	
	A\$m	A\$m	A\$m	%
Revenues				
Machines	32.7	37.1	(4.4)	(11.9%)
Tables	8.4	7.9	0.5	6.3%
Keno	6.5	6.5	-	-
Gross gaming revenue (incl GST)	47.6	51.5	(3.9)	(7.6%)
Food and beverage, hotel, other	14.9	14.4	0.5	3.5%
Total Revenue (incl gaming GST)	62.5	65.9	(3.4)	(5.2%)
Gaming GST	4.3	4.7	0.4	8.5%
Total Revenue (excl gaming GST)	58.2	61.2	(3.0)	(4.9%)
Expenses	37.6	37.4	(0.2)	(0.5%)
EBITDA	20.6	23.8	(3.2)	(13.4%)
<i>EBITDA margin</i>	<i>33.0%</i>	<i>36.1%</i>		

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

1H11 Result - SKYCITY Hamilton

	1H11	1H10	Movement	
	\$m	\$m	\$m	%
Revenues				
Machines	14.6	13.5	1.1	8.1%
Tables	5.0	5.1	(0.1)	(2.0%)
Gross gaming revenue (incl GST)	19.6	18.6	1.0	5.4%
Food and beverage, other	3.6	3.5	0.1	2.9%
Total Revenue (incl gaming GST)	23.2	22.1	1.1	5.0%
Gaming GST	2.3	2.0	(0.3)	(15.0%)
Total Revenue (excl gaming GST)	20.9	20.1	0.8	4.0%
Expenses	10.9	10.4	(0.5)	(4.8%)
EBITDA	10.0	9.7	0.3	3.1%
<i>EBITDA margin</i>	<i>43.1%</i>	<i>43.9%</i>		

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

1H11 Result - Queenstown

- Steady performance continued
- Revenues and expenses both in line with 1H10 resulting in flat EBITDA in line with 1H10 at \$330k

	1H11	1H10
Revenue	\$3.6m	\$3.5m
EBITDA	\$0.3m	\$0.3m

- Gaming revenue figures as shown in the charts on this page are gaming win (inclusive GST). This facilitates Australasian comparisons by removing the GST differential between New Zealand and Australia and also to facilitate period on period comparisons given the GST rate change in New Zealand on 1 October 2010
- 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 and period on period comparisons

Consolidated Balance Sheet

SKYCITY Entertainment Group Limited

	As at 31/12/10 NZ\$m	As at 30/06/10 NZ\$m
Share Capital	729.6	732.9
Retained profits	31.3	17.4
Reserves	24.2	7.9
Minority interests	1.3	1.3
Total Equity	786.4	759.5
Current Assets		
Cash and bank	76.4	102.5
Receivables and prepayments	27.1	23.2
Inventories	8.6	7.2
Tax receivables	9.9	18.2
Derivative financial instruments	0.3	-
Total Current Assets	122.3	151.1
Non-Current Assets		
Property, plant and equipment	971.3	953.2
Intangible assets	423.0	397.2
Investments in associates	86.0	83.6
Tax receivables	30.5	25.1
Derivative financial instruments	2.7	26.0
Total Non-Current Assets	1,513.5	1,485.1
Total Assets	1,635.8	1,636.2

Consolidated Balance Sheet (continued)

SKYCITY Entertainment Group Limited

	As at 31/12/10 NZ\$m	As at 30/06/10 NZ\$m
Total Assets (carried forward)	1,635.8	1,636.2
Current Liabilities		
Payables	99.2	101.8
Current tax liabilities	9.8	7.1
Bank Facility	163.0	-
Subordinated debt - ACES	-	183.8
Derivative financial instruments	-	0.5
Total Current Liabilities	272.0	293.2
Non-Current Liabilities		
Term borrowings	401.5	417.1
Subordinated debt - capital notes	56.4	47.0
Deferred tax liabilities	95.4	95.4
Derivative financial instruments	24.1	24.0
Total Non-Current Liabilities	577.4	583.5
Total Liabilities	849.4	876.7
Net Assets	786.4	759.5
Net Debt (excluding cash in house)	595.7	583.6
Net Debt:EBITDA	2.1	2.0
Net Position of Derivative Financial Instruments included in Balance Sheet Assets/(Liabilities)	(21.1)	1.5
Net Tax Receivables/(Liabilities)	30.6	36.2

Balance Sheet Notes

■ 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 FY10 final dividend
- The movement in the 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 \$1.4m is Skyline Enterprises' 40% shareholding in Queenstown Casino

■ Current Assets

- Cash and bank balances: \$25.2m interest-bearing deposits and \$51.2m cash held in-house/on-property
- Tax receivables (\$9.9m) also appear on the balance sheet under Non-Current Assets (\$30.5m). The tax receivable balances relate to the timings of tax payments



Balance Sheet Notes

continued

■ Non-Current Assets

- \$18.1m increase in Property, Plant and Equipment relates primarily to additions (gaming machines, Darwin Little Mindil land acquisition and development, hotel refurbishment, strategic developments) and the impact of movement in the NZD/AUD exchange rate (+\$17.2m impact), partially offset by depreciation
- The increase in intangible assets is largely the result of movements in the NZD/AUD exchange rate
- Investments in Associates comprise SKYCITY's investment in Christchurch Casinos Limited (CCL) (effective ownership 50%). The balance of the investment in CCL is held via shareholder advances

■ 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 31/12/10 SKYCITY had drawn \$163m of the \$500m syndicated bank facility to redeem the SKYCITY ACES which were fully redeemed on 15/12/10. A further \$9m of NZ capital notes were issued during October
- The company has a working capital deficit as at 31 December 2010 due to the 1 April 2011 maturity of the syndicated bank facility. Firm offers have been received from four banks (ANZ, BNZ, ASB/CBA and Westpac) and the facility will be extended for further 3 year (April 2014) and 5 year (April 2016) terms



Interest and Debt

- Weighted average cost of debt at 6.90% for 1H11, relatively flat with 1H10 at 6.82%
- Redemption of ACES (A\$150m) in December funded from cash and bank facility
- US\$175m additional funding will be drawdown in March and used to repay bank facility utilisation. All exposure to the USD arising from the new USPP is fully hedged
- \$9m of capital notes sold from treasury stock at 7.25% coupon, increasing the amount in market to \$56m with continuing treasury stock at \$94m

Debt Balance at 30/06/10		\$648m
Repayment - ACES	(\$199m)	
Bank Facility utilisation	\$163m	
Capital Notes sold	\$9m	(\$27m)
Debt Revaluations/Amortisation		-
Debt Balance at 31/12/10		\$621m

Australian Dollar Earnings Adelaide and Darwin

- 1H11 NPAT result comparison to 1H10 is not materially impacted by NZD/AUD exchange rate
- Average NZD/AUD cross-rate during 1H11 0.7795
- Average NZD/AUD cross-rate during 1H10 0.8107
- Restating 1H10 prior period at 0.7795 to remove the FX differential would have the following impact
 - 1H10 Reported EBITDA +\$2.1m
 - 1H10 Normalised NPAT +\$0.9m



Disclaimer

- *All information included in this presentation is provided as at 16 February 2011.*
- *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.*

