

THE CITY

SHAREHOLDER REVIEW YEAR ENDED 30 JUNE 2013



ENTERTAINMENT MAKES CITIES VIBRANT

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Unless otherwise stated, all dollar amounts in this Shareholder Review are expressed in New Zealand dollars.
This Shareholder Review is dated 13 September 2013.

PAGE 3

ENTERTAINER

OPERATOR

CONTRIBUTOR

DEVELOPER

INVESTOR

EMPLOYER

ENTERTAINER

SKYCITY is a leader in this area, providing fun, safe entertainment for the communities we operate in. Our hugely popular and diverse attractions include world-class casinos, award-winning restaurants and bars, hotels and conference facilities and the iconic Sky Tower.

Our Federal Street dining precinct continues to earn top industry awards and draw hundreds of thousands of diners to SKYCITY Auckland. New restaurant offerings from celebrity chefs Nic Watt, Peter Gordon and Al Brown will add to the atmosphere. Our world-class hotels attract international visitors – with 87 percent occupancy at SKYCITY Grand Hotel and 91 percent occupancy at SKYCITY Hotel.

We have a commitment to care – we strive to provide safe and entertaining experiences for all our customers. We have a world-leading approach to customer care and host responsibility across all our venues.

CONTRIBUTOR

We are a major contributor to the cities and communities we operate in. Our diverse entertainment offering also drives local economies, attracts wealthy international visitors to New Zealand and Australia and generates valuable export earnings.

Our developments are instrumental in reviving communities. In Darwin, our beachfront luxury resort is already driving an increase in tourists.

Our recent agreement with the New Zealand government for us to design, build, own and operate the New Zealand International Convention Centre (NZICC) in Auckland. An agreement with the South Australian government to redevelop Adelaide Casino in to a world-class integrated entertainment complex will drive economic growth in those cities. We are also co-investing \$10 million with Auckland Council to transform Federal Street into an impressive pedestrian / alfresco streetscape.

We are involved in a wide range of sponsorships, charity partnerships, and contribute to a number of community organisations. SKYCITY Community Trusts in Auckland, Hamilton and Queenstown have donated \$37.2 million to 3,394 community organisations.

EMPLOYER

Our businesses revolve around people – we are an employer of choice. We strive to ensure our 6,500+ employees feel included, valued and supported in their work. We are proud of our diverse workforce, with more than 60 ethnicities at SKYCITY Auckland alone. Over 140,000 people are currently registered with us as job seekers, and as the NZICC and Adelaide developments go ahead, a significant number of extra jobs will be generated.

INVESTOR

At SKYCITY, we are committed to maximising value for shareholders with investments that provide security for the long-term future of the business and all our stakeholders. We are proud to be a leading entertainment and gaming business, with a market capitalisation of \$2.2 billion* and dividends to our investors of \$115 million in FY13.

*As at 4 September 2013 (NZSX Main Board)

\$2.2B

A MARKET CAPITALISATION
OF APPROX. \$2.2 BILLION



TRACK RECORD

Looking at our track record over recent years, it's clear to see that the company has delivered strongly and consistently across all its key financial metrics.

FY13 Normalised Net Profit After Tax \$136.3 million

FY13 Reported Net Profit After Tax \$127.3 million

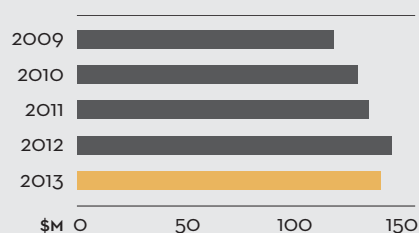
FY13 Normalised Revenue \$948.0 million

FY13 Normalised EBITDA \$302.8 million

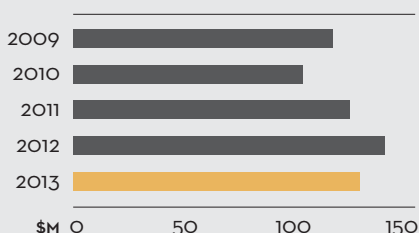
OUR GOALS & OBJECTIVES

SKYCITY continues to be a top performer in terms of Total Shareholder Returns. We remain focused on maximising value for our shareholders while providing fun entertainment in a safe environment for all our customers.

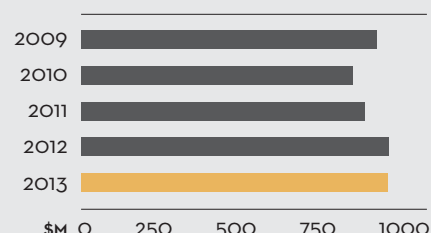
NORMALISED NET PROFIT AFTER TAX



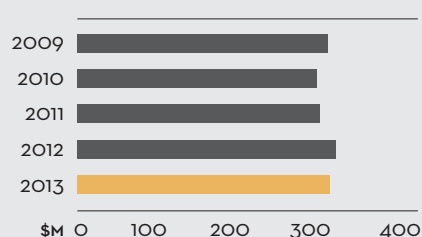
REPORTED NET PROFIT AFTER TAX



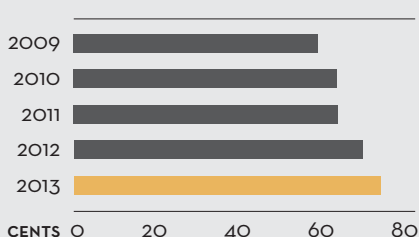
NORMALISED REVENUE (INCL GAMING GST)



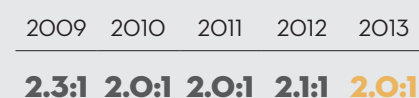
NORMALISED EBITDA



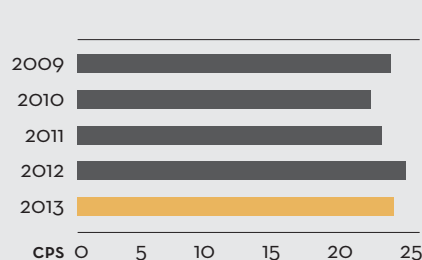
NET TANGIBLE ASSET BACKING PER ORDINARY SHARE



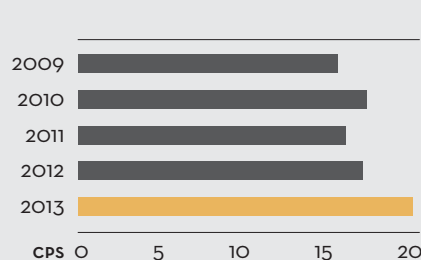
NET DEBT: NORMALISED EBITDA



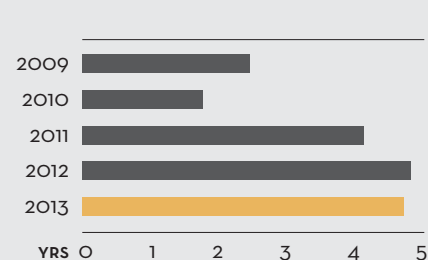
NORMALISED EARNINGS PER SHARE



FY DIVIDENDS



WEIGHTED AVERAGE DEBT MATURITY*



*Including extension of balance facility maturity completed August 2013.

A PROUD

PARTNER

This year we achieved significant milestones that set up SKYCITY for the future. Our strategy to pursue long-term partnerships with governments on both sides of the Tasman has paid off with agreements signed for our major projects in Adelaide and Auckland.

It is my pleasure, on behalf of the Board, to report a sound result for SKYCITY this year. Normalised Net Profit After Tax (NPAT) of \$136.3 million was broadly in-line with analyst consensus.

The year saw strong performances in Darwin and in International Business across our sites in both Australia and New Zealand. At the same time, selling our interests in Christchurch Casino, purchasing the remaining 40 percent share in Queenstown Casino and acquiring Wharf Casino in Queenstown shows that we continue to be flexible and strategic while building our presence in our key markets.



CHRIS MOLLER | CHAIRMAN



Queenstown may be our smallest presence but for me, what is particularly interesting about developments there is that they now enable us to offer distinctly New Zealand gaming experiences.

CHRIS MOLLER



Overall, reported NPAT of \$127.3 million was down \$11.2 million on last year's record result due in part to the disposal of our 50 percent share in Christchurch Casino in December 2012, a one-off deferred tax gain 2012, additional interest costs related to borrowings for acquiring the New Zealand International Convention Centre (NZICC) land bank and a provision for bad debts from a group of high-rollers who failed to pay their debts.

The performance should be seen in the light of a number of key factors: there was no impact from the Rugby World Cup in FY13; selling our interest in Christchurch Casino meant second half results did not include the \$3.1 million NPAT generated from Christchurch Casino in the second half last year; and the Australian dollar lost ground, all but neutralising strong gains made particularly in Darwin when converted back to New Zealand Dollars for our final result.

Our base business remains strong. On a full year basis, adjusting for the 2011 Rugby World Cup, the Christchurch Casino disposal and constant currency, Normalised NPAT for the year would have been \$137.1 million – an increase of 2.6 percent on last year.

ACTIVELY INVOLVED

We are proud of the significant contributions that SKYCITY makes to the cities and the economies that we are part of. In the past year we have made significant progress in transforming Federal Street in Auckland as a popular dining precinct for visitors and locals. We have seen that when we change the facilities and the face of a city, we also change the visitation profiles. Those influxes of diners, players and visitors in turn generate new jobs and new business in parts of the city that might otherwise have remained under-developed.

Queenstown may currently be our smallest presence but what is particularly interesting about developments there is that we are now able to offer distinctly New Zealand gaming experiences. High rollers, for example, who are well used to playing in Macau, Singapore and Australia, can now come to this part of the world for a gaming trip that incorporates the acclaimed experiences of Queenstown, with its wineries, skiing, golf, fishing and adventure sports. That is good for our business, because it differentiates our offering from others, but it is also good for local operators, for Queenstown's own regional economy and for New Zealand.

Certainly, the feedback from our resort in Darwin and the strong growth that we continue to enjoy in our International Business indicate that well-timed, measured investment generates a significant increase in interest and, as a consequence, attractive yields for us and for others.

This year, with the NZICC project agreement signed and the redevelopment plans in Adelaide gathering pace, we are on the cusp of significant development of those cities, which will benefit those communities and generate greater tourism. We have worked closely with local governments, state governments and national governments to achieve these projects.

Following the passing of relevant legislation through Parliament, we will deliver for New Zealand a national convention centre of international quality that will generate returns on a range of fronts. The NZICC will enable us to compete globally for a share of large-scale conferences, exhibitions and events. This will increase international visitation, delivering much needed jobs and stimulating economic growth in Auckland and across New Zealand. This is clearly evidenced by comparing this year's results to last, which included the proven impact of large events like the Rugby World Cup. It is worth remembering that the NZICC agreement is forecast to generate \$90 million a year in economic benefits for New Zealand. That is the equivalent of having a Rugby World Cup every two years. Bringing more large-scale conferences and events to our part of the world, and having those people stay in or close to our facilities, will in turn be good for our Auckland business.

In Adelaide, the prospect is just as exciting. We will play a critical role in the rejuvenation of the inner-city, with billions of dollars being spent around us on developments that are guaranteed to draw huge crowds. Once again, our revamped facilities including a new 6-star boutique hotel, VIP gaming and signature restaurants to create an integrated entertainment complex will be integral to changing the face of Adelaide.

CORPORATE SOCIAL RESPONSIBILITY AND OUR COMMITMENT TO CARE

At the heart of our business strategy is our commitment to being a socially responsible business. As an entertainment provider we have a commitment to care for our customers, employees and communities. This permeates all of our operations and governance practices.

During the debate around the NZICC agreement there was much public and political discussion around our role in society and harm minimisation. We have reflected on this and want to do more to accentuate and communicate the work we do in this area. Our Corporate Social Responsibility (CSR) of committee chaired by Director Peter Cullinane reports directly to the Board on the delivery of SKYCITY's social responsibilities under the Board-agreed charter we established last year. We have also included a detailed CSR section within this Shareholder Review which outlines our overall CSR strategy and key priorities.

Our key CSR priority is host responsibility and providing safe entertainment for everyone. I cannot emphasise strongly enough how seriously this matter is taken by both the Board and SKYCITY management. Our CSR programme and our commitment to care is how we earn our social licence to operate. This sits alongside meeting the legal obligations of the various licences we have in order to operate – for the casinos, for the provision of food, for serving alcohol and for hosting guests in our hotels.

We have a world-leading programme in the various areas of our commitment to care. This is reported on in full within the CSR section of this Shareholder Review. In fact, we believe the success of achieving the milestones of the NZICC agreement and the Adelaide developments this year are in no small part to the recognition by governments and regulators that we excel in our commitment to care and we are worthy of carrying the responsibility for these new community complexes.

INCREASED DIVIDEND

Last year, we revised our dividend policy to deliver an increased return to shareholders. The new policy will ensure a minimum dividend of 20 cents per share per annum and not less than 80 percent of annual Normalised, NPAT, subject to maintaining the company's investment grade credit rating and giving priority to the funding of strategic projects. While we had been holding off on yield in the light of the GFC until our major capital projects came through, the Board's view is that investors had been patient long enough and that we needed to enhance yield.

The final dividend for the 2013 year is up 25 percent on last year's final dividend to 10 cents per share. This dividend will be paid in cash on 4 October 2013 to shareholders

on the register as at 20 September 2013. The final dividend is 100 percent imputed at the company's tax rate of 28 percent in New Zealand and not franked for Australian purposes. Subject to available credits, the interim dividend for next year will be 100 percent franked in Australia. The dividend reinvestment plan (DRP) will be reactivated for the final dividend at nil discount.

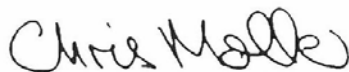
When combined with the interim dividend of 10 cents per share, shareholders have received a total of 20 cents per share in dividends this year, 3 cents per share higher than last year. This 17.6 percent increase is a clear signal that we are committed to delivering competitive returns for shareholders at the same time as we look to secure the long-term future of the business across Australasia. Based on a share price of \$4 this represents an annual gross dividend yield of 6.5 percent.

A BUSY FIRST YEAR

My first year as Chairman has been busy, productive and challenging. It has been rewarding to work alongside my fellow Directors in a year that I am confident will, in retrospect, be regarded as a watershed. I wish to thank all of the Board for their commitment and energy during the year. My thanks too to Nigel Morrison and his bolstered Executive Management team for leading the company through a year where much was resolved. Being able to achieve this year's result whilst negotiating contracts of critical importance speaks volumes for Nigel's guidance and for the focus and commitment of his team. Thanks also to everyone who works at SKYCITY. Whether you are working here as a step in your career or to gain skills that you can use across the world, your efforts have helped us generate results we can all be proud of.

UPCOMING ANNUAL MEETING

At our forthcoming Annual Meeting on 18 October 2013, Bruce Carter, Nigel Morrison and I will be seeking re-election as Directors. I look forward to sharing my thoughts on our first quarter's performance for the 2014 financial year and on the company's outlook.



CHRIS MOLLER | CHAIRMAN
ON BEHALF OF THE SKYCITY BOARD



Our key Corporate Social Responsibility (CSR) priority is host responsibility and providing safe entertainment for everyone. I cannot emphasise strongly enough how seriously this matter is taken by both the Board and SKYCITY management.

CHRIS MOLLER



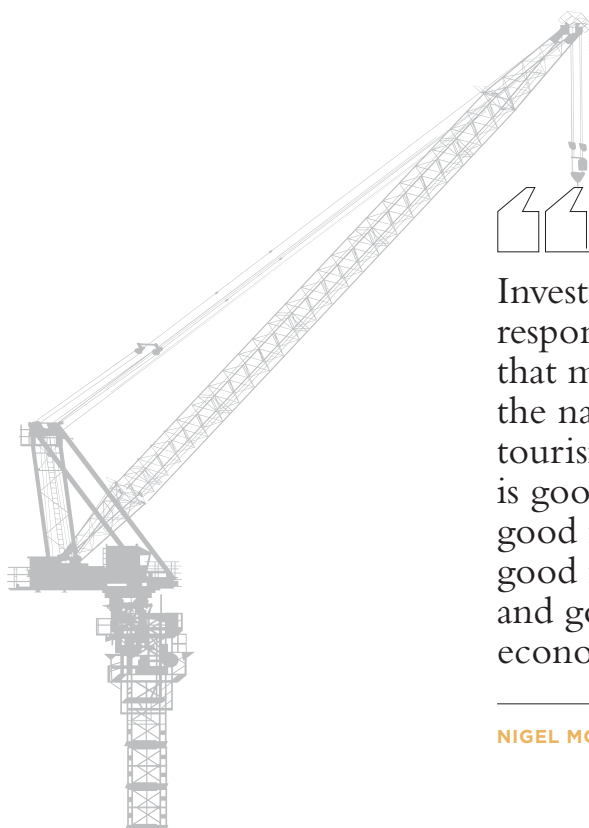
CHANGE



A YEAR OF TRANSFORMATION

2013 was a transformational year for SKYCITY which saw us renegotiate key terms of two of our most significant casino licences, establishing a strong foundation for us to build on for many years to come. Our casino licences and the legislative and regulatory frameworks that define them are at the core of our being. Having successfully renegotiated the terms of both our Adelaide and Auckland licences, we can now look forward to investing for growth over years to come with confidence.

NIGEL MORRISON | MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER



Investing capital responsibly in projects that move the business, the nation and the tourism sectors forward is good for our business, good for our partners, good for our cities and good for the wider economies we are part of.

NIGEL MORRISON

BUILDING A PLATFORM FOR GROWTH

After many years of working with the governments of New Zealand and South Australia it was pleasing to finally reach agreement on the changes to our casino licences in both Auckland and Adelaide, that will see an expansion in gaming capacity, more competitive casino regulation, certainty regarding future tax rates and changes to technology that will bring our properties into the 21st century. Our strong balance sheet and cash flow businesses will enable us to invest in these cities, delivering on the commitments we have made to governments, without turning to shareholders for further funding. Once completed, I believe I will have substantially delivered on my promise to shareholders of “maximising the potential of our existing licences” which I made when I commenced as CEO of SKYCITY in 2008.

These agreements, together with divesting our 50 percent of Christchurch Casino, acquiring the remaining 40 percent of SKYCITY Queenstown and acquiring 100 percent of the Wharf Casino in Queenstown have certainly laid the foundations for growth and capped off a very busy year for our corporate team. The success of our Darwin Lagoon Resort, our Horizon VIP International Business in Auckland, Darwin and now Queenstown, the success for our award winning restaurants in Federal Street, the new executive talent we have attracted (and retained) augers for a dynamic and exciting growth phase over the coming years.

In Auckland, once the required legislation passes into law, we will operate the New Zealand International Convention Centre for 35 years. During that time, we will work in a collaborative and productive arrangement with Government agencies to finalise and run this vitally important national tourism infrastructure asset. We will own the asset itself and be responsible for its profitability, while at the same time working closely with the Ministry of Business, Innovation and Employment (MBIE) and Tourism New Zealand to ensure we get the greatest tourism benefit for the country. The Internationally Focused Growth Package, announced by the New Zealand Government in the 2013 Budget, has allocated \$34 million over four years for attracting international business events including conferences, conventions and exhibitions. This shows how we can indeed work as partners to benefit the nation.

The agreements go to the heart of securing revenue and earnings growth for integrated entertainment centres in the heart of cities that matter to us. They are the culmination of several years of building for growth that has seen us systematically transform SKYCITY from a pure dividend / yield stock to a growth stock with competitive dividend / yield and cash flow.

The investments themselves will be financed by debt and by forward cash flows.

We have of course sought to secure appropriate returns and concessions for the risks we are taking over such sustained periods of time, and I outline how later in my report. The Board and management are pleased to have reached agreement with both the New Zealand and South Australia governments and are satisfied that the arrangements, following passage into law, are fair, clear, practical and responsible.

In the near term, trading conditions remain challenging. As a New Zealand company with operations in Australia, the fall in the Australian dollar and a flatter retail environment on that side of the Tasman made earnings harder and meant we earned less in real terms through the currency. Darwin’s strong gains in normalised revenues and Earnings Before Interest Tax, Depreciation and Amortisation (EBITDA) for example were all but eliminated by the appreciation of the New Zealand dollar (NZD) against the Australian dollar (AUD) over the second half.

Our year end result, recognising the prior year’s result included the effect of the Rugby World Cup 2011 held in New Zealand, was just acceptable, with normalised revenue flat at \$948 million, down 0.3 percent on last year, reported revenue up 0.7 percent on last year and normalised EBITDA down slightly at \$302.8 million, 2.5 percent less than last year.

PUTTING GAMING INTO CONTEXT

Prevalence rate in New Zealand amongst adult population for:

PROBLEM GAMBLING

0.3%

HAZARDOUS DRINKING

18%

SMOKING

20%

Problem gambling presentations to gambling counselling agencies in New Zealand:



- PUB AND CLUB POKIES 56%
- LOTTERIES 12%
- RACING 9%
- CASINO POKIES 8%

Electronic Gaming Machines in New Zealand TOTAL OF 20,360



- LOCATED IN PUBS AND CLUBS 86%
- LOCATED IN CASINOS 14%

CORPORATE SOCIAL RESPONSIBILITY – OUR COMMITMENT TO CARE

At the heart of our business strategy is our commitment to care and to operate responsibly. We remain committed to the priorities established in our Corporate and Social Responsibility (CSR) charter, and report on them in the CSR section of this Shareholder Review.

Our primary focus for the year has continued to be on host responsibility as an integral part of our commitment to care. Providing safe and fun entertainment for our customers is our commitment to care and sits at the heart of everything we do. It ensures our customers can enjoy a safe environment – whether they are eating or drinking in one of our restaurants or bars, staying in one of our hotels, or playing at one of our casinos. This also extends to the care we have for our employees and our engagement with the communities that we serve through our SKYCITY Community Trust grants, various sponsorships and partnerships with several charities.

We are constantly looking to improve the way we operate in all of these areas and, as a result, many of our Host Responsibility initiatives lead the world.

AN ASSET FOR THE NATION

The agreement we have signed for the NZICC is hugely exciting. There has been vigorous community and political debate on the terms of the agreement which at the time of publication is still before Parliament. This debate is healthy and we welcome it. Our belief is that this is a significantly positive arrangement for all stakeholders – the community, international visitors, the Government and New Zealand, as well as for our employees and investors. It will generate real benefits.

If you live in Auckland, take a look at our skyline today. We are one of the few companies investing in a significant way in Auckland. The nation will receive a striking piece of tourism infrastructure that will contribute to everyone's benefit through greater GDP without taxpayers or Auckland ratepayers having to foot the bill. It will create jobs in Auckland, tourism, economic growth and be a catalyst for further development. It will deliver our shareholders the certainty of an extension in our casino venue licence in Auckland that we should all see as very valuable. It will bring SKYCITY in line with other leading Australasian casinos and address the competitive disadvantages we have faced compared to other forms of gaming.

This arrangement will create a building of national significance adjacent to our Auckland site that is expected to attract 450,000 visitors per year and up to 22,500 extra international visitors, adding even more relevance to our location and enabling us to complement world-class conferences and events with access to our other facilities including the hugely popular Sky Tower and New Zealand's best restaurants in a revamped Federal Street. The venue itself will be able to host a full range of events, not just conventions, that will bring new money to the country including business events, trade and civic events, charity events, sporting events, musical and theatrical events, and much more. With its 3,500 delegate capacity, the NZICC will fit perfectly between other entertainment options in Auckland, offering the very size of venue that has been missing.

THE NZICC AGREEMENT

The terms of the agreement have significant long-term benefits for you as shareholders. The \$402 million we are investing in the design, build and operation of the NZICC includes the value of the land, construction, the fit out of the Convention Centre itself, 780 carparks and a link-way bridge across to SKYCITY.

In return for that \$402 million investment, we have negotiated and agreed important regulatory concessions for our Auckland property that will underpin our offering for years to come:

- An extension of our Auckland licence term from the current expiry date of 1 February 2021 to 30 June 2048;
- An additional 230 gaming machines;
- An additional 40 table games;
- An additional 12 gaming tables that can each be substituted for 20 additional automated table game terminals;
- Ticket In Ticket Out (TITO) on the balance of our gaming machines and the introduction of cashless card-based gaming;
- Up to 359 of our gaming machines and automated table game terminals will be able to accept bank notes with a denomination up to \$100, but only in restricted areas;
- An amendment to the venue description in our Auckland Casino Licence to encompass all SKYCITY properties on Federal Street.

We will work collaboratively with the Crown to agree the design for the NZICC in accordance with the Design Brief and within the total agreed project cost. Our regulatory concessions will become fully operative once we enter into a binding construction contract (and all other conditions are satisfied) which we hope will be in the second half of calendar year 2014. To that end, we are working on timing and planning for the capital works relating to the regulatory concessions now, so that we can benefit from them once the construction contract is signed. SKYCITY shareholders are taking all the commercial risk on this investment, and it will take some time to achieve a fair return. Certainty is also needed to complete and finance the development. Recognising this, we have agreed with the Crown that SKYCITY will be compensated if there is an increase in casino duty, up to seven years after we enter into a binding construction contract for the NZICC, or if any of the concessions that we have negotiated are changed or removed during the extended licence period. In effect, this ensures that if the concessions are reversed after SKYCITY has paid out the \$402 million to build and develop the NZICC, SKYCITY is compensated for that outlay and for not having the opportunity to earn the returns from the concessions to pay for it.

The legislation enabling the Agreement passed its first reading in July 2013 and has been referred to Select Committee for parliamentary scrutiny and public consultation. The legislation is expected to return to Parliament for further debate in November 2013, before passing into law by the end of the 2013 calendar year.

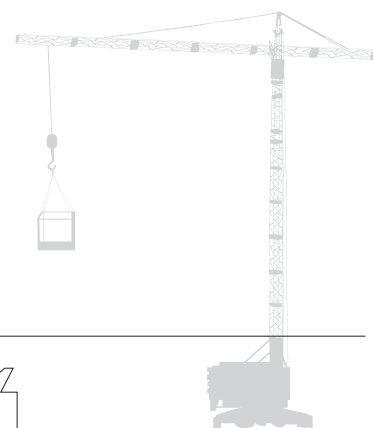
The NZICC will be able to accommodate conferences of up to 3,500 delegates. This is a significant increase on the 1,200 place capacity that we have at our current convention centre, which is the country's largest. The key reason there has been no growth in that market in recent years is because there have been no facilities capable of accommodating larger conferences. Since the NZICC was announced, we have had more than 50 expressions of interest for conventions from 2017 with total delegates of more than 90,000 – on average that is nearly 2,000 delegates per convention.

TRANSFORMING THE ADELAIDE CASINO

This year, we reached agreement with the South Australian Government to transform Adelaide Casino into a world-class integrated entertainment complex. Adelaide's first 6-star boutique hotel, celebrity and signature restaurants, new car park facilities and world-class Horizon gaming experiences will be right in the middle of the new Adelaide Riverbank Precinct with its re-developed Adelaide Oval, the new Festival Plaza, the new Torrens Footbridge and the significantly expanded Adelaide Convention Centre. We will make a A\$350 million investment that will compliment the significant investments made by the State Government in the precinct. In fact, we will be the biggest private sector investor in the precinct. Billions of dollars of investment will be going on all around us over the years to come.

Our development will help South Australia attract a greater share of the lucrative and growing high-end Asian market, particularly Chinese tourists, creating jobs, driving economic growth and helping South Australia compete for interstate and international tourists. Combining outstanding gaming experiences with Adelaide's renowned wineries and world-class golf courses will ensure among the best VIP experiences available in Australia at a time when the country is emerging as an exciting high-end VIP resort destination.

In July 2013, changes to the gaming legislation in South Australia passed through Parliament, paving the way for us to finalise our agreements with the Government. Two key phases of development will follow. The first will be the refurbishment of our existing operations, including new premium gaming spaces for local and interstate premium players. We expect these premium facilities, the only such facilities in South Australia operating under premium gaming regulations, to be completed during the first half of the year in 2014. In the second phase, we will seek development and planning approvals for our new development including the 6-star hotel, extended gaming and signature food and beverage restaurants. All going well, we should start construction of these in early to mid 2014 with a view to completion by mid-to-end 2016 calendar year.



The nation will receive a much needed iconic piece of tourism infrastructure that will contribute to everyone's benefit through greater GDP without taxpayers or Auckland ratepayers having to foot the bill.

NIGEL MORRISON



It will create jobs in Auckland, tourism, economic growth and be a catalyst for further development. It will deliver our shareholders the certainty of an extension in our licence in Auckland that we should

all see as very valuable. It will bring SKYCITY into line with other leading Australasian casinos and address the competitive disadvantages we have faced compared with other forms of gaming.



450,000

POTENTIAL VISITORS PER ANNUM TO THE NZICC

**ADELAIDE**

Our development will help South Australia attract a greater share of the lucrative and growing high-end Asian market, particularly Chinese tourists, creating jobs, driving economic growth and helping South Australia compete for interstate and international tourists.

While it has taken us over three years to reach agreement with the State Government, this now provides a significant and strong platform from growth in one of Australia's leading cities.

Aaron Morrison, our General Manager of Business Development, relocated to Adelaide in January to lead this transformation.

NEW DEVELOPMENTS ON FEDERAL STREET

The ongoing success of our Federal Street dining precinct has again been recognised with a number of prestigious awards this year. Once again, food and beverage returns were healthy and visitor numbers to Federal Street continued to climb. Our insistence on top quality, well-known chefs to front our restaurants has given the street real credibility. That integrity distinguishes the precinct from any other food area in Auckland and has made a real difference to uptake.

Now, with new outlets already open or opening soon, featuring Peter Gordon, Sean Connolly, Nic Watt and Al Brown, and the \$10 million transformation of Federal Street into an impressive pedestrian / alfresco streetscape underway, we are Auckland's entertainment destination. In this one street, Aucklanders can find some of the biggest names in New Zealand cuisine. What is more, these are our own champions – many being Kiwis who have conquered the world – creating the food they love from across the world: Peter Gordon's fusion style, Nic Watt's Japanese fare, Al Brown's clean and unpretentious deli favourites, in a street setting that is highly conducive to lingering and catching up with friends, business colleagues and family.

Imagine the buzz in this area when it is filled not just with local diners but also visitors, players and conference delegates – all enjoying their favourite form of entertainment in an area spanning three blocks of the downtown city.

We are hugely proud of what has been achieved in Federal Street. We see it as proof of what is possible when you think big, involve the best, and truly commit to making customers and guests happy.

AUCKLAND

Last year, our Auckland site made the very most of the Rugby World Cup, with full hotels, packed bars and increased business on our gaming floors. This year, not surprisingly, we did not quite match that benchmark. Normalised EBITDA fell by 1 percent to \$209.8 million, after adjusting for the impact of the Rugby World Cup last year, because of softer consumer spending during the prolonged hot weather in the third quarter. Gaming machine revenues were down 6.1 percent mainly because of a change in revenue accounting for the Bally gaming system. Tables revenue, on the other hand, grew 3.4 percent, thanks to the success of EIGHT and the Baccarat Room, and International Business was up a pleasing 10.9 percent for the year. Non-gaming revenues increased 3.3 percent. Our Hotels and Conventions business continued to perform well with revenue growth of 10.7 percent in the second half. SKYCITY Grand Hotel enjoyed occupancy of 87 percent for the year while SKYCITY Hotel's occupancy was above 90 percent. We continue to invest in these sites. Over the next year, we will be refurbishing five floors of the SKYCITY Grand Hotel, giving them a more contemporary feel, with new décor and colours and a fresh, modern fit-out. We will also be updating our SKYCITY Hotel, with new bathrooms in each room expected to be completed by the end of this calendar year.

In terms of gaming, we intend offering players better and more specific experiences over the next 12 months. The new Black Tier Room will give our VIPs a brand new gaming room. A new Baccarat Room will also lift that experience and allow space for more tables in the years ahead. With the Jade Dragon Restaurant also moving, we will soon have three specialised gaming rooms one above the other to meet the increasing demand for high-end gaming. The Jade Dragon restaurant itself will extend its menu to include private dining and there will be a new casual noodle and dim sum restaurant. All of these changes are scheduled to be in place before the end of calendar year 2013.



Imagine the buzz in this area when it is filled not just with local diners but also tourists, players and conference delegates – all enjoying their favourite form of entertainment in an area spanning three blocks of the downtown city.

NIGEL MORRISON

HORIZON

Our International Business has been going from strength to strength since we upgraded our salons and introduced our Horizon brand two years ago. Turnover increased again this year up \$1.3 billion (29.5 percent) to \$5.7 billion as a greater number of unique players, particularly from China and Malaysia, came to Auckland and Darwin to experience our Horizon offering for themselves. In Auckland, International Business revenues now represent around 15 percent of total gaming revenues compared to 5 percent three years ago.

China is now the second largest tourism market for New Zealand. Our business has continued to increase as we become better known, airlift improves and Horizon enjoys greater brand recognition. This was our first full year of business from Malaysia after we opened an office there last year. Again, we had a solid year.

We will continue growing and developing our sales network in the region, more than doubling our presence in the next year as we head out of the cities to talk to people in more remote areas such as Central and Northern China.

With our Horizon branded offerings now matching the expectations of high-end Asian players and our new capacity meaning more opportunities to invite more players at peak demand times, our Auckland business did very well. In fact, we operated at capacity through all the peak festive periods.

QUEENSTOWN

Our decision this year to sell our stake in Christchurch Casino for \$80 million and to acquire full ownership of the SKYCITY Queenstown property is an opportunity to build stronger tourism connections within our International Business portfolio.

The acquisition allowed us to raise the limits at our Queenstown tables to the same levels as in Auckland, providing International VIP players with another incentive to lengthen their stay and to play in two very different settings while they are visiting New Zealand. This acquisition and divestment are part of a general recognition that joint ventures are not part of our future plans; that we wish to have direct control of our commercial destiny.

Post year-end, we signed a deal with Lasseters to acquire Wharf Casino in Queenstown as well. We will keep the two properties running as two businesses with equal access for locals and international players. We are currently fitting out our new Horizon salon in our SKYCITY Queenstown property and are excited by its early success and future potential in attracting VIP International gaming clientele.

DARWIN, LAGOON RESORT & HORIZON SALON

The new Lagoon Resort, Darwin's only luxury 5-star beachfront resort, opened on 27 July 2012, and was an immediate hit with its two Horizon international gaming villas and salons, later in the year, the upgraded local VIP gaming facilities. This development has enabled our Darwin property to compete meaningfully for International Business, helped by an increase in business class air travel from Asia direct to Darwin.

Normalised revenues of A\$133.5 million were up A\$15.6 million or 13.2 percent on last year, with local gaming revenues up A\$3.5 million last year to A\$94.9 million this year, International Business revenues up substantially from A\$0.3 million last year to A\$7.5 million this year and non-gaming revenues up 18.7 percent to A\$31.1 million thanks to the newly opened hotel rooms and new and refurbished food and beverage amenities. Normalised EBITDA grew well, up A\$3.3 million or 9.5 percent on last year.

On the floor, revenue from gaming machines was up 1 percent despite increases in local living expenses and political changes. Tables games were up 4.2 percent on last year on the back of real growth locally and inter-state as well as internationally after we introduced baccarat. We also saw good growth in food and beverage, with the introduction of The Cove, refurbishments to our other offerings and renovations to Sandbar to make it more of a lounge area.

Our two new Horizon gaming salons and two residential suites in Darwin also had their first full year and also received plenty of positive feedback. With Malaysian Airlines announcing that they will soon fly to the city several times a week, we expect our International Business there to continue to increase. It could very well double in the next 12 months. We will also be trialling foreign currency gaming in Darwin in the months ahead, enabling players to bet in the currency they know.



China is now the second largest tourism market for New Zealand. Our business has continued to increase as we become better known, airlift improves and Horizon enjoys greater brand recognition not only in Auckland but now also in Darwin and Queenstown.

NIGEL MORRISON



\$5.7B

INTERNATIONAL BUSINESS TURNOVER,
AN INCREASE OF 29.5 PERCENT



13.2%

DARWIN - INCREASE IN NORMALISED REVENUE TO A\$133.5 MILLION



23.6%

ADELAIDE - INCREASED NORMALISED EBITDA MARGIN TO 23.6 PERCENT



The new Lagoon Resort, Darwin's only luxury 5-star beachfront resort, opened on 27 July 2012, and was an immediate hit with its two Horizon international gaming villas and, later in the year, the upgraded local VIP gaming facilities. This development has enabled our Darwin property to compete meaningfully for International Business, helped by an increase in business class air travel from Asia direct to Darwin.

NIGEL MORRISON



At year end, the opening of the Beachside Marquee offers increased visitation for conferences and events on the back lawns of the property in all weathers. The Marquee itself has capacity for 700 people, and we expect the conference business to also drive additional revenues across other parts of the property such as the bars, restaurants and gaming.

Our Darwin property is very much on track to be the leading integrated resort in Northern Australia. It has an exciting future, with the large infrastructure projects such as INPEX, along with an increased focus on tourism and more direct flights from Asia, poised to underpin positive growth for SKYCITY.

ADELAIDE

A soft economy continued to beset Adelaide this year, with ongoing uncertainty over mining plans and a consequent softening in overall confidence. Normalised revenue of A\$160.4 million was flat. In January, the railway station that the casino sits above was closed for electrification – meaning no trains coming to our site, another of the major rail-lines still has not re-opened and no carparks. Our people certainly had to work hard to maintain visitation and revenue – and they did a good job in such challenging circumstances focusing on costs and increasing normalised EBITDA margin to 23.6 percent. More recently, earnings have picked up – a sign perhaps that the worst of the downturn is over.

When looking at the gaming revenues, it is important to include the impact of the introduction of our new Bally system. Players in Adelaide now get free plays where once they would have received cash. That means, of course, gaming machine revenues were down, at A\$59.9 million, even though as a business we were significantly better off. Local table game revenues increased A\$2.6 million to A\$75.7 million.

The current situation in Adelaide is in stark contrast to where we see its future. As discussed earlier, we have game changing plans for Adelaide.

HAMILTON

Results in Hamilton were down on the back of the drought in the region which impacted the farming and particularly the dairy community. Normalised revenue of \$52.0 million was flat, which was a satisfactory outcome given the transition to Bally and the impact of no Rugby World Cup. While local table games grew 12.5 percent to \$10.8 million, machine revenues were down \$1.1 million on last year and non-gaming revenues were flat at \$8.5 million.

The planned Hamilton Hotel is currently on hold, pending further work on its feasibility.

FINANCIAL POSITION

SKYCITY has a strong balance sheet, with 2.0x net debt / EBITDA gearing and no debt maturing until March 2015. Our net debt at year end is \$607 million, whilst our average debt maturity is consistent with last year at 4.8 years. Average borrowing cost is 6.97 percent, down on last year's average borrowing cost of 7.15 percent.

Our total cumulative capital expenditure (capex) for the Auckland and Adelaide growth projects amounts to around \$780 million over the next six years. The NZICC capex commitment is contractually agreed, with \$75 million of the agreed \$402 million already invested. The balance, which includes \$50 million capex for the Auckland casino expansion, will be invested over the next six years. Our strong expectation is that earnings uplift from Adelaide and Auckland will occur in advance of capex being invested as reforms take effect.

This year, we concluded an extension of our syndicated bank facility that, together with the Capital Notes held as Treasury Stock, provides us with existing available funding facilities of \$477 million (\$383 million available in committed undrawn bank facility and \$94 million in Capital Notes). These, together with operational cash flows and other potential debt facilities, will enable us to complete our Auckland and Adelaide growth projects whilst maintaining our current dividend policy and without needing to raise further shareholder funds.

We retain a Standard & Poor's investment grade rating of BBB- (Stable Outlook).

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THANKS

The businesses we run continue to depend on the experiences that our customers receive. Once again this year, our people have worked hard to deliver wonderful customer experiences. My thanks to each and every one of you for your contributions and commitment.

I would like to take this opportunity to thank my fellow Directors for their guidance and advice through a year that has delivered much together with its fair share of strategic and governance demands.

Finally, my thanks to the Executive Team who have once again had a very busy year. Recent new appointments have certainly deepened and broadened the experience and resources of this team.

In May, Matt Ballesty joined us in a new Group-wide role – General Manager, Group Gaming Strategy. He will be responsible for identifying, developing and implementing strategies to improve gaming operations performance, and assessing and developing new casino business opportunities. Matt has significant experience in the casino industry having held senior executive positions in Australia, Macau and Canada over the last decade.

John Mortensen joined in mid-June and as General Manager SKYCITY Auckland, he has been responsible for the operations of our largest business. John has extensive experience in gaming operations and casino management, including roles at Federal Group in Tasmania where he held various positions including Group Director of Gaming and Entertainment, and prior to his appointment with us, Chief Operating Officer.

OUTLOOK

This time last year I said I was cautious about the macro-economic climate. While the general sentiment in New Zealand seems to be positive, confidence in Australia is much less obvious, with employment softening and retail activity failing to rally. As I said at the outset of this report, that had an effect on our earnings and I would expect it to continue to do so, particularly with the high NZD / AUD exchange rate.

Medium to longer term, with the agreements for the NZICC and the Adelaide redevelopment, our prospects are strong, our licences secure and our opportunities to compete with others in the region on a level playing field are better than they have ever been. We look forward to satisfying all the conditions of the projects and advancing them as soon as possible. At the same time, we will continue to keep an eye on regional casino developments and opportunities that may benefit shareholders.

The formula for success has not changed – it will depend on us continuing to deliver compelling reasons for people to keep staying, dining and playing at our properties in our safe environments. The new restaurants that are about to open, the expansion of Horizon, the developments in Queenstown all point to concerted efforts on a range of fronts to make that happen.

While our results have been acceptable, it has been a year where the numbers do not correlate with just how much has been achieved. We continue to partner with governments to generate revenue and visitors, and that is good for everyone concerned. We continue to strive to excel in providing safe and fun entertainment for our customers and our communities. I look forward to updating you on our progress through the first quarter at the Annual Meeting.



NIGEL MORRISON | MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER

CORPORATE SOCIAL RESPONSIBILITY AND OUR COMMITMENT TO

CARE

At SKYCITY we have always understood that sustainable growth can only be achieved through responsible behaviour.

We have a commitment to care for our people, our customers and the communities in which we operate. This commitment to operating responsibly sits at the heart of our business strategy – it is our social licence to operate and ensures we remain a trusted part of society.

We want to ensure communities play safely at our venues. In Auckland, each year we welcome more than six million visitors to our hotels, bars, restaurants and Sky Tower. In return we give back to our communities through sponsorships, community grants and partnerships with several charities. We are important contributors to society, employing more than 6,500 people across the Group. In New Zealand, we contribute over \$160 million to the Government in tax, gaming duty, GST, PAYE, ACC levies and other statutory charges.



6,500+

WE EMPLOY MORE THAN 6,500 PEOPLE
ACROSS THE GROUP



\$160M

WE CONTRIBUTE OVER \$160 MILLION TO THE
GOVERNMENT IN TAX, GAMING DUTY, GST, PAYE,
ACC LEVIES AND OTHER STATUTORY CHARGES

OUR APPROACH TO CSR

Last year we reported that we had established a CSR Committee. This established areas of focus: responsible gaming; the environment; human rights; fair operating practices; labour practices (including diversity); and community involvement and development. These priorities were developed with our key stakeholders and in this report are covered in three core sections – our commitment to care for our customers, our people and our communities.

At SKYCITY we have always had operational oversight of our CSR activities as well as the high level, independent oversight of our Directors. Our board level CSR committee chaired by independent director, Peter Cullinane monitors the achievements of management against the objectives of the Charter. This committee oversees all of our CSR and commitment to care activities and is responsible for developing and maintaining our CSR policies. Day-to-day CSR activities are the responsibility of managers of each of our venues but that responsibility also extends to every employee of the SKYCITY Group.

We regularly engage with, listen and respond to the opinions and concerns that are identified by our stakeholders. These include our customers, employees, shareholders, local communities, government and regulators, non-government organisations, and the media. Under the terms of our gaming licences in New Zealand, we report to the DIA and Gambling Commission every 12 months on host responsibility.



OUR COMMITMENT TO CARE FOR OUR CUSTOMERS

At SKYCITY, we pride ourselves on our world-leading Host Responsibility Programmes. Our venues provide a safe and fun place for our customers to play, eat, drink and stay.

Our Host Responsibility Programmes are the most comprehensive in New Zealand and are recognised as one of the best of any casino in the world. International expert Associate Professor Dr Paul Delfabbro at the University of Adelaide has stated “collectively the responsible gambling measures provided in Australia and New Zealand are more rigorous than anything offered in the United States, the United Kingdom and Asia.”

Our casinos are highly supervised gaming venues and provide some of the safest places to gamble in New Zealand. We invest more than \$5 million a year on host responsibility and all staff receive Host Responsibility training. In Auckland we have hundreds of CCTV cameras and over 130 security and surveillance staff. We regularly report to the DIA and Gambling Commission on Host Responsibility, and are proud that we have never appeared before our regulators for any breach of our casino licence. Host responsibility is a key priority area for us and we are committed to continually reviewing and improving our programme to maintain our leadership position. As part of our agreement with the New Zealand Government to operate the NZICC we have agreed to introduce a number of new Host Responsibility measures which further strengthen our programme. These include:

- Introducing predictive modelling technology that analyses player data to help identify customers most at risk from gambling harm;
- Continuing to roll out SKYCITY's Voluntary Pre-commitment Programme allowing customers to set both the time and the amount they wish to spend over a given period; and
- Doubling the number of full-time Host Responsibility staff in Auckland meaning dedicated Host Responsibility staff on-site at all times, 24/7.

We will also be trialling the use of further measures, including facial recognition technology, to identify and prevent barred problem gamblers from gaining entry to the SKYCITY Auckland casino.

Professor Max Abbott, director of AUT University's gambling research centre commented in relation to these initiatives that “no other casino in the world has introduced facial recognition technology, electronic monitoring, pre-commitment to time and/or expenditure limits together. It is ground breaking and could raise the bar across all gambling settings and forms”.



...no other casino in the world has introduced facial recognition technology, electronic monitoring, pre-commitment to time and/or expenditure limits together. It is ground breaking and could raise the bar across all gambling settings and forms.

PROFESSOR MAX ABBOTT



OUR COMMITMENT TO CARE FOR OUR PEOPLE

Our businesses revolve around people. It is vital that the people who work at SKYCITY, especially those who interact directly with our customers, feel included, valued and, above all, supported in their work. This year, all the indications are that our current staff and many of those who seek work see the significant value in being part of SKYCITY.

Attracting, locating and selecting

We continue to do all we can to attract people with a variety of backgrounds to join us. It is a sign of just how strong our employment brand is that, four years in, we still receive between 800 and 1,000 new registrations each month to become part of our talent pool, with an average of 3,000 applications for available positions each month. Today, that pool comprises more than 140,000 people looking for work at any one of our locations. Of those, 75,000 have registered an interest in working at our Auckland property.

Hospitality is driving a lot of the increased work opportunities at SKYCITY. Normally, we would look to recruit between 100 and 120 people a month to work at our Auckland property, but this year, vacancies have regularly topped 250 positions a month.

To help meet that demand, our employment brand and the SKYCITY Careers Website have been revitalised this year to help keep our branding fresh and relevant. New campaigns have included leveraging our corporate sponsorship with the SKYCITY Breakers (by advertising careers at courtside) and the Vodafone Warriors (with the cheer team giving out careers packs).

In order to present realistic views of what it is like to work at SKYCITY, we have introduced more video and photographic content online and through our social media channels showcasing our people doing their day-to-day duties and sharing their stories and successes. We launched our own SKYCITY Careers Facebook page (previously we were leveraging the SKYCITY Auckland property Facebook page) that now lets us reach out to up to 5,000 people in a single week with content posts.

OUR WORKING COMMUNITY IN AUCKLAND
ALONE IS MADE UP OF PEOPLE FROM
MORE THAN 60 ETHNICITIES

60



PLAY SAFE

We formally added a fifth value to our organisational values set that formally recognises our commitment.

“Play Safe” has now been elevated to a critical pillar in our organisational strategy alongside Play Fair, Play Hard, Play a Part and Play Time.

We have 1,700 people following us on LinkedIn and close to 200 Twitter followers for our SKYCITY Careers brand alone. Building these social media relationships has enabled us to keep people who are interested in working at SKYCITY in the loop by sending them regular updates about what is going on at our company.

Developing opportunities and clear pathways for youth remains critical as these are our future talent and therefore a key audience for our talent strategy. We have continued our Chef Apprentice programme, with 10 new apprentices each year enrolling for a three year apprenticeship. We have also continued our involvement with parties such as Ministry of Social Development, the Workchoice Trust, Foundation of Youth Development, Ngati Whatua and a range of tertiary and relevant training providers, educating young people on possible career paths in the hospitality and entertainment sectors.

Another key focus this year alongside growing our external talent pool has been further development of our internal talent as we continue to look for ways to quickly meet talent gaps from within our own ranks in Auckland. We held our first ever internal Employee Careers Fair, where leaders within the business set up ‘exhibitor booths’ that showcased their part of the business to employees from other areas. People had the opportunity over the course of three days to come and see what other career opportunities might exist for them outside their current role as well as speaking to managers or staff who could tell them more about the opportunities. We also ran workshops on CV development, interview skills and social media. The exceptional feedback means we now hope to run this kind of event every six to 12 months.

All up, our recruitment team managed 1,616 roles with 38 percent of our hires coming from our own people, up from 25 percent in 2010. Not only have we seen year-on-year growth in internal placements, but at times these internals have been benchmarked and are successful against external candidates, so we know we are securing the best people we can.

Diversity initiatives

One of SKYCITY’s great strengths has always been that we are an employer of diversity. Partly that stems from being a large often single-site employer in the cities we operate in. But also the customers who come to our sites are from many different backgrounds and cultures. Our working community in Auckland alone is made up of people from more than 60 ethnicities. Diversity adds to our ability to interact easily with people from across the world and from all walks of life.

Our goal is to encourage talented staff from all backgrounds to achieve management and leadership roles within SKYCITY and for their achievements to inspire and encourage others to do the same.

In 2012, we developed and introduced our INSPIRE Leadership Development Programme in the Auckland business. 195 of our leadership population have already attended INSPIRE Leadership training with Phase two commencing in August. To date, 62 women have participated (31 percent of total delegates) and will also be eventually rolled out to other sites.

SKYCITY was an inaugural employer participant in the BEST Pasifika Leadership Programme for high-potential Pasifika employees in leadership roles and we have continued our participation in this highly successful programme with three more team members participating in the programme in 2013. We want everyone who works at SKYCITY to achieve their potential.

In last year’s report, we introduced you to Tavalea Feagaiga. After completing the BEST Pasifika Leadership Programme, Tavalea is now managing our iconic Sky Tower attraction.

NB: This year, we signed on as a supporting organisation and funding partner to Diverse NZ Inc – a new organisation that aims to focus on the development of leadership talent within the New Zealand workforce.

We have also continued our support of the UN Global Women Initiative.



13%

THIS YEAR SAW A FURTHER 13 PERCENT REDUCTION IN LOST TIME INCIDENT FREQUENCY (LTIF) ACROSS THE GROUP, BRINGING LTIF DOWN TO 11.6.

Health, safety and wellbeing are vital measures of responsible employers in our view, and this year we have worked hard to keep the people who work at our sites safe, well and in good health.

Taking care of our people

Health, safety and wellbeing are vital measures of responsible employers in our view, and this year we have worked hard to keep the people who work at our sites safe, well and in good health. Managers are now expected to hold regular meetings to identify and manage hazards, to organise training and to implement a wide range of initiatives designed to keep our environments consistently safe and to reduce the likelihood of incidents. This year saw a further 13 percent reduction in Lost Time Incident Frequency (LTIF) across the Group, with LTIF now at 11.6 per million hours worked. All our New Zealand sites are now accredited at Tertiary Level for ACC Partnership Programme Certification.

SKYCITY's Wellness Programme, Play Well delivered a number of initiatives across all sites this year to help keep our people in fine fettle. In fact, through the Play Well Committee, our Auckland site were awarded the Heartbeat Challenge Award, valid until July 2015, from the Auckland Regional Public Health Service in recognition of our commitment to promoting health and Wellbeing in the workplace. Our Weigh to Go programme, for example, saw people working together in teams to lose weight and become more healthy. It was a real success, especially with the men, with participants losing a total average of 5 kilograms thanks to peer support, access to experts, healthy option meals being available in the staff restaurant and the use of pedometers. A particular highlight of the year was our Chief Executive Officer Nigel Morrison participating in the annual staff "Dare the Stairs challenge". Staff build their fitness levels up over a few weeks for this momentous 1,029 step challenge, choosing to travel either up or down the iconic Sky Tower. Our Chief Information Officer Mike Clarke, led the way, completing the Firefighters Stair Climb Challenge (in full firefighter's regalia) for the fourth straight year.

Heartening engagement

We are proud of our strong reputation as a good employer. Such a culture and atmosphere is critical we believe to delivering excellence and to encouraging customers to come back to our properties.

This year, we have enjoyed the highest levels of employee engagement since we started our surveys six years ago. Staff turnover is at near record lows across the Group with our need for new hires continuing to be below our average benchmark. A range of initiatives have contributed to this achievement, including stronger action planning, better communication programmes via frontline leadership meetings, well communicated opportunities internally via our Careers Centre, Leadership Development initiatives and the ability for people to access a range of personal development courses at reasonable times.

Supporting our people as much as possible, offering them work opportunities that may be more flexible than they would be offered elsewhere, communicating as clearly as we can, and providing them with learning and development and training that encourages them to realise their own potential, are all consistent with our goals to perform well and to perform fairly on every site, every day. ●

WINNER'S CIRCLE

At SKYCITY, we are committed to doing things well. This is just some of the recognition received this year. Our warmest congratulations to all.

JUDGED THE BEST

2012 Westpac Queenstown Chamber of Commerce Large Enterprise Hospitality and Accommodation Business of the Year
– SKYCITY Queenstown

Cuisine NZ Good Food Awards 2013, Two Hats
– The Grill by Sean Connolly

Metro Restaurant of the Year 2013 Top 50
– The Grill by Sean Connolly

Cuisine NZ Good Food Awards 2013, One Hat
– Depot

Cuisine NZ Good Food Awards 2013, Personality of the Year
– Al Brown

Auckland Heart Beat Challenge Award

SA Restaurant & Caterers Awards 2013
– Finalist in the Safety Award

SA Training Awards 2013
– Finalist in the Employer of the Year Category

2013 Australia Hotels Association Best Re-Developed Property
– SKYCITY Darwin

2013 Australia Hotels Association Apprentice of the Year
– SKYCITY Darwin

2013 Australia Hotels Association Ministers Award for Responsible Service of Alcohol
– SKYCITY Darwin

OUR COMMITMENT TO CARE FOR THE

COMMUN

SKYCITY Community Trusts are here to support communities over the longer term. Our aim is for our communities to be made up of people and families who are financially secure, and we support organisations to help that happen. We take this commitment to care seriously. We give out what we can and we want to make sure it is as effective as possible.



SKYCITY
FOR NEW ZEALAND
FOR COMMUNITIES



3^{PEAT}

SKYCITY Breakers
They did it again.
Congratulations
to the three-peat
champions
2012-13 season.



ORGANISATIONS

● AUCKLAND

● HAMILTON

● QUEENSTOWN

TOTAL GRANTS AWARDED

\$2,700,000

AUCKLAND

\$1.96M+

Across 118 organisations

HAMILTON

\$630,725

To 168 organisations

QUEENSTOWN

\$96,250

To 45 organisations



FOCUSING OUR EFFORTS

This year we have prioritised our funding to support programmes that make a difference to family / whanau, social health and wellbeing. This focus encompasses a range of activities from budgeting and financial literacy to counselling and rehabilitation services and health programmes in schools. We particularly focused our support on community groups that provide services for groups, including:

- Children and young people, single parents and/or those living in a low income household;
- Those living in areas of high deprivation across Auckland and the Far North; and
- Those with few or no qualifications, low literacy levels and/or beneficiaries.

Key areas that we have looked to fund have included:

- Improving financial literacy and numeracy (including budgeting advice and building foundational money management skills);
- Improving work related skills and training and access to work;
- Improving social and physical environments in higher risk areas;
- Development of skills, competencies and contexts that can play a positive role in improving social health and wellbeing of families / whanau into the future.

WHAT DIFFERENCE DOES IT MAKE?

Next year, we are involving 40 groups and Impact Research in a project to help us quantify the difference that our grants generate in the community. The results of this study will help us make grant decisions that we hope will lead to more clearly identified social outcomes.

We will be working with the New Zealand Leadership Institute to look for ways to encourage greater collaboration between groups so that we could potentially fund them to work together to achieve greater social impacts. The Institute has been working with a number of leading community organisations in the financial literacy space to evaluate whether collaboration is possible and what it would take to establish and tackle a shared vision. The upcoming year long programme is expected to identify both the challenges and opportunities of such an approach.

GRANTS

A total of \$2.7 million was allocated to 331 community groups this year. This brings the total community contributions that SKYCITY Community Trusts have made to \$37.2 million across 3,394 community groups since the Trusts began.

In Auckland, we shared \$1,962,288.75 across 118 organisations. The full list of grants can be found at www.skycity.co.nz/grants. In Hamilton, 168 recipients shared \$630,725.42. In Queenstown, 45 community groups received a total of \$96,250.82. This year, the total distributions from Queenstown broke through the million dollar mark, \$1,093,912 over the last 10 years.

SOME OF THE GRANTS MADE THIS YEAR

AUCKLAND

The **Middlemore Foundation** received \$140,000 towards providing a Registered Nurse and School Whanau Worker for a pilot programme, to be based in Papakura, that aims to improve the health and educational outcomes of children. The initiative will establish school-based clinics and e-learning programmes at eight identified schools.

COMET Auckland have been approved \$90,200 for costs of the first year of two community-led family financial literacy projects in Tamaki / Glen Innes and Randwick Park in Manurewa. This initiative is designed to respond to the twin issues of financial literacy and financial hardship within the communities of Tamaki and Randwick Park through a process aimed at both tackling growing household and community debt, and building family and community financial well-being. The project will align and collaborate with budgeting services, education providers, community groups and government to consider how to improve local people's awareness and access to financial education.



PHOTOGRAPH: Gino Demeer, Cactus Photography

AUCKLAND

Young Enterprise believes it is important to instil enterprise and financial literacy skills at a young age. Funding of \$20,000 was awarded to assist with the primary programmes which cover both enterprise education and financial literacy education.

Young Enterprise believes it is important to instil enterprise and financial literacy skills at a young age. They have a series of programmes that start in primary school and go right through to senior secondary school. Funding of \$20,000 was awarded to assist with the primary programmes which cover both enterprise education and financial literacy education.

The New Zealand Spinal Trust is dedicated to empowering all New Zealanders with spinal cord impairment to live independent, productive and confident lives. They provide a range of services and programmes at the Auckland Spinal Unit that focus on positive outcomes. One of these is Kaleidoscope – Partnering People into Work. This programme is a vocational rehabilitation project dedicated to getting people who have serious spinal cord impairment back into full or part time employment. Their detailed career-planning method guides people through a full talent and motivation identification process. Funding of \$20,000 was awarded to assist with the annual costs of keeping this initiative in operation.

HAMILTON

Habitat for Humanity Central North Island aims to meet the growing need for affordable housing. They do this through a home-building scheme, an affordable home-repair scheme and education programmes. Habitat received \$10,000 to assist with repairing and relocating a two-bedroom home in Horotiu to a site in Hamilton.

Male Survivors Sexual Abuse Trust

Waikato supports male victims of childhood sexual abuse by providing counselling, group work and resources. Sexual abuse affects 1 in 6 males under 16. An essential part of the Trust's operation is their phone line, which allows clients to contact the Trust – including 0800 crisis calls – and other organisations to refer clients. Funding of \$1,000 was approved to assist with the phone costs.

Rhode Street School is a full primary, decile 3 inner city school situated in Dinsdale, Hamilton. The school's local curriculum and kaupapa are deeply entwined around the environment. The school has been working to create 'The Ecological Island' – an innovative learning environment with waterways, wildlife ponds and solar / wind / hydro power. The school is engaging with universities, architects, engineers and scientists to create an environmental space that maximises student learning. Funding was approved to purchase three shipping containers to create a student-designed recycled classroom / science lab.

Tauranga Coastguard operates two vessels, a radio watch service and a number of VHF radio channels. They also provide educational classes to the public. All of this is managed 24 hours / 365 days by over 70 volunteers, who deal with 180 assistance calls and 30,000 radio calls, logging 14,000 hours of service annually. Funding of \$10,000 was made to contribute to the upgrade of radio equipment and radio room. These room upgrades are underway to create a multipurpose incident centre.

The Order of St John Central Region aims to enhance the health and wellbeing of people through provision of pre-hospital emergency care and ambulance services. Funding of \$20,000 was awarded towards a cardiac defibrillator which enables life-saving cardiac monitoring and treatment en route to hospital.

QUEENSTOWN

Royal New Zealand Plunket Society Southland Area's Car Seat Rental Scheme has a particular focus on the provision of rental child car restraints that is affordable and accessible for the community. Currently, families are struggling to the point that many restraints are hired at no cost which reduces the ability of the organisation to fund the replacement of restraints themselves. Funding of \$2,400 was awarded to purchase 4 infant seat wheels, 6 infant seats and 6 child convertible seats.



QUEENSTOWN

The Adaptive Snowsports Programme that enables people with physical, sensory and cognitive impairments to ski and board at a ski field removing barriers of participation. Volunteers are trained on a 4-day course to complete the Adaptive Snowsports Certification snow buddy role at The Remarkables ski field.

Snow Sports leads and supports the growth and development of all snow sports in New Zealand and ensures all New Zealanders have access to experience the freedom of snow sports. One of the programmes they run is the Adaptive Snowsports Programme that enables people with physical, sensory and cognitive impairments to ski and board at a ski field removing barriers of participation. Volunteers are trained on a 4-day course to complete the Adaptive Snowsports Certification snow buddy role at The Remarkables ski field. Funding of \$2,000 was approved for two instructors to train 25 volunteers for four days.

The Wakatipu Wilding Conifer Control Group aims to control and contain wilding spread within the Wakatipu District, with the aim to promote and protect values including but not limited to biodiversity, landscape, recreation, and historic features. Wilding trees are capable of rapidly and significantly affecting visual appearance of the Queenstown and its surroundings, out-compete and suppress native vegetation and potentially form a monoculture, reducing the biodiversity. Funding of \$2,500 was made to purchase volunteer tools, saws, blades and information signs.

ADELAIDE

Variety, the Children's Charity

The Adelaide Casino participates each year in the Variety Bash, this involves the business raising money for Variety, the Children's Charity. This charity is focused on raising funds for disadvantaged and sick children in South Australia. The Casino has raised a total of \$26,000 in the two years it has been participating.

SPONSORSHIPS

SKYCITY sponsorships make a significant contribution to our communities, and have two key purposes. Our commercial programmes are intended to generate greater yields, visitations, time at venue and new customers and we measure them on an ongoing basis for return on investment. Our brand sponsorships include our corporate charity partners and our Asian partnerships and promote brand engagement, profile and goodwill in the community. They are also a source of great pride to our staff.



HIGHLIGHTS THIS YEAR

- **SKYCITY Breakers**
They did it again. Congratulations to the three-peat champions 2012-13 season.
- **SKYCITY New Zealand Badminton Open**
This inaugural international tournament attracted over 250 international and local players. They have committed to a 2014 event.
- **Vodafone Warriors**
After year end, we renewed our sponsorship of the country's professional league team for another two years. The association between our two organisations is long-standing and there is a strong affiliation between what we offer and Vodafone Warriors' fans.
- **The X Factor New Zealand**
We hosted the globally recognised reality TV show showcasing the country's finest singing talent. This was the highest rated show in TV3's history.
- **Firefighter Sky Tower & Corporate Challenge**
We raised the largest amount in the event's nine-year history: \$481,000 for the Firefighter Challenge and \$110,000 for the Corporate Challenge.
- **Poppy Partnership / Auckland RSA**
This partnership, announced in January 2013, is an opportunity for SKYCITY to work with an iconic brand to rejuvenate and raise the profile of the Auckland RSA.
- **New Zealand International Comedy Festival**
This year, the Festival celebrated 20 years. It has been a significant visitation driver to SKYCITY.

WELCOME TO QUEENSTOWN

OPPORTUNITY REALISED

We have acquired the remaining 40 percent of SKYCITY Queenstown for \$5 million from Skyline Enterprises and sold our 50 percent shareholding in the Christchurch Casino for \$80 million. Now that we fully own SKYCITY Queenstown, we have been able to raise the table limits, enabling players to enjoy the same limits in Queenstown as they do in Auckland. Recently, we also purchased the Wharf Casino, previously owned by Lasseters for \$5 million. This means we now own two licences in the iconic tourist town.

With the renovation of the Summit Room into an Horizon salon in Queenstown, we will have Horizon experiences available in Darwin, Queenstown and Auckland. Delivering consistent standards and experiences across our sites dramatically improves the playing environment for locals and is integral to catering for our VIPs and further developing tourism opportunities.

We will continue to run the two casinos simultaneously and both will be available to locals and visitors alike. We are keen to explore ways to maximise both licences into the future.

100%

THIS YEAR WE ACQUIRED THE REMAINING
40 PERCENT OF SKYCITY QUEENSTOWN





NEW ZEALAND



1 AUCKLAND

RESTAURANTS / BARS / CAFES	27
HOTEL ROOMS	635
GAMING MACHINES	1,647
TABLE GAMES	110
EMPLOYEES	3,541

2 HAMILTON

RESTAURANTS / BARS / CAFES	7
GAMING MACHINES	339
TABLE GAMES	23
EMPLOYEES	372

3 QUEENSTOWN – BOTH SITES

CASINO SITES	2
RESTAURANTS / BARS	2
GAMING MACHINES	160
TABLE GAMES	18
EMPLOYEES	113

AUSTRALIA



4 DARWIN

RESTAURANTS / BARS / CAFES	10
HOTEL ROOMS	120
RESORT ROOMS	32
GAMING MACHINES	700
TABLE GAMES	40
EMPLOYEES	1,047*

* varies seasonally from 506 / 1,047

5 ADELAIDE

RESTAURANTS / BARS / CAFES	9
GAMING MACHINES	990
TABLE GAMES	90
EMPLOYEES	1,054

2015

ACROSS
THE
GROUP

4,422,590

PEOPLE CAME
TO PLAY ON OUR
TABLE GAMES OR
GAMING MACHINES

235,000

PEOPLE CAME
TO STAY
AT ONE OF
OUR HOTELS

600,000

PEOPLE CAME TO
SEE THE SKY TOWER,
MAKING IT THE
SECOND MOST
VISITED LANDMARK
IN THE COUNTRY

2,976,726

PEOPLE CAME TO
US FOR A DRINK
AND/OR A MEAL

6,500+

PEOPLE CAME
TO WORK

NEW DEVELOPMENTS



01. THE SUGAR CLUB BY PETER GORDON

Sophisticated, elegant dining, a 'foodie' destination with spectacular views from Level 53 of the Sky Tower, an elegant Milan-inspired décor designed by highly-regarded New Zealand architecture and interiors firm Jasmax and, of course, Peter Gordon's internationally-revered fusion cuisine. Highlights include a sweeping, stepped feature ceiling, a polished brass cocktail bar, an open pastry kitchen, and bespoke chandeliers and grey stone dining tables.

OPENED AUGUST 2013.



04. MASU BY NIC WATT

A robata-style Japanese restaurant and bar will open in the foyer of the SKYCITY Grand Hotel. Celebrated chef Nic Watt brings together traditional Japanese recipes and techniques with a contemporary twist. Masu will stimulate all the senses: customers can see the theatre, hear the cooking, taste the food and touch all the textures, whilst enjoying sleek, unobtrusive service.

OPENS OCTOBER 2013.



02. THE FEDERAL DELICATESSEN BY AL BROWN

Al Brown's newest venture on Federal Street. Reminiscent of the traditional Jewish delis in New York and Montreal. All the simplicity and flavours of Jewish comfort food, with a local spin. Casual Dining. Sassy service. No reservations. Eat in or take out, morning, noon and night.

OPENED SEPTEMBER 2013.



05. BACCARAT ROOM AT SKYCITY

We are revamping the Baccarat Room to make it more open, welcoming and inviting. It will move to the current Nation's Clubrooms' site, meaning there will be room to add more tables in the future.

OPENS LATE SEPTEMBER 2013.



03. THE BLACK TIER ROOM AT SKYCITY

This premium gaming venue will be located on previous Jade Dragon restaurant site. It will cater to players looking for exciting top-end games in a bright, welcoming setting with great service. Soon, we will have three specialised gaming rooms one above the other to help meet the demand for high-end gaming.

OPENS NOVEMBER 2013.



06. JADE DRAGON RESTAURANT

A larger Jade Dragon restaurant, complete with new kitchen facilities and seating for 180 guests will take up residence where the Baccarat Room is currently located. The menu will be broadened to include a casual dim sum and noodle bar as well as a premium dining experience.

OPENS OCTOBER 2013.

AGREED



07. FEDERAL STREET DEVELOPMENT

This \$10 million revamp is a joint project between Auckland Council and SKYCITY. With construction starting in August 2013 and expected to be completed in May 2014, the development will transform Federal Street and the area under the Sky Tower into a high quality, pedestrian-friendly space featuring outdoor dining areas, street furniture, trees and places where people can relax and spend time. The upgrade is part of a wider programme of upgrades that will create a city centre laneway circuit – a walking route with a sequence of public squares and gathering spaces all the way from Aotea Square to the waterfront.

\$10M

A \$10 MILLION REVAMP – A JOINT PROJECT BETWEEN AUCKLAND COUNCIL AND SKYCITY.



ADELAIDE

The statutory framework is now in place to give effect to the new regulation and taxation framework for Adelaide Casino and once we have finalised our agreements with Government, we plan to invest A\$350 million to transform Adelaide Casino into a world-class integrated entertainment complex. Our agreements will provide for a 20-year extension to our exclusive licence for the Adelaide Casino to 2035, the introduction of cashless gaming, lower taxes on VIP gambling, and an increase in the number of gaming machines and tables.

Our bold and exciting plans for the area include Adelaide's first 6-star boutique hotel, celebrity and signature restaurants, new car park facilities and world-class VIP gaming experiences featuring our Horizon-branded international suites with adjoining private gaming salons.



ADELAIDE'S FIRST 6-STAR BOUTIQUE HOTEL

The revamped Adelaide Casino will be a key element in the new entertainment precinct on the banks of the River Torrens. The new Adelaide Riverbank Precinct will include the re-developed Adelaide Oval, the new and expanded car park facilities, the new Festival Plaza, the new Torrens Footbridge and the significantly expanded Adelaide Convention Centre.

The Casino redevelopment alone is expected to require around 500 jobs during its estimated 3-year construction. Around 1,000 new jobs will then be generated once the Casino is fully operational.



NZICC

In July, we signed the full Project and Licensing Agreement with the New Zealand Government to design, build, own and operate the New Zealand International Convention Centre (NZICC).

Once all conditions are satisfied, in return for SKYCITY's \$402 million investment in the venue, the Government will extend SKYCITY's Auckland Casino Licence and has agreed to a package of regulatory concessions. The Agreement comes at around the same time as the Government commits to the development of the Central Rail Link and a series of other major transport infrastructure projects which will further reinforce Auckland as a leading international city.

1,000

JOBS FOR AUCKLAND DURING CONSTRUCTION PHASE

The NZICC will include at least 8,600m² of exhibition space, a dedicated plenary facility to host up to 3,500 delegates and 3,500m² of dedicated meeting / breakout spaces. Construction will take around three years and is expected to require 1,000 construction jobs. An additional 800 New Zealanders will be employed by SKYCITY when the NZICC is fully operational.

The target date for completion is 30 September 2017.

The enabling legislation is expected to pass into law by the end of the calendar year 2013.



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THE SKY CITY Board draws on the diverse skills of eight highly-respected directors with years of experience in leadership and governance across a range of sectors. They are supported by a versatile and proven Executive Management Team, whose ranks have been further strengthened this year.



5



8

THE BOARD

1 CHRIS MOLLER

Chairman

Member of the Audit and Financial Risk Committee, Member of the Remuneration and Human Resources Committee, Member of the Corporate Social Responsibility Committee and Chairman of the Governance and Nominations Committee. Appointed a Director of SKYCITY in December 2008.

Chris Moller is currently Chairman of Meridian Energy Limited and the New Zealand Transport Agency and a director of Westpac New Zealand Limited. In his previous role as CEO of the New Zealand Rugby Union, Chris jointly led New Zealand's successful bid to host the 2011 Rugby World Cup. Chris' career has included senior posts with the New Zealand Dairy Board, including global Chief Financial Officer and Managing Director of NZMP, the international ingredients business of the New Zealand Dairy Board and subsequently Fonterra, when he also held the position of Deputy Chief Executive of Fonterra. His early career was in the finance and banking sectors.

2 BRUCE CARTER

Deputy Chairman

Chairman of the Audit and Financial Risk Committee and Member of the Governance and Nominations Committee. Appointed a Director of SKYCITY in October 2010.

Based in Adelaide, Australia, Bruce Carter is a Consultant to Ferrier Hodgson in Adelaide and was one of the founding partners of the Adelaide practice in 1992. He was formerly a partner at Ernst & Young and has more than 30 years' experience in corporate restructuring and insolvency. Bruce is currently Chairman of ASC Pty Ltd (Australian Submarine Corporation) and a director / chair of a number of private companies and government bodies. He is a Fellow of the Institute of Chartered Accountants.

3 ROD MCGEOCH

Director

Member of the Audit and Financial Risk Committee and Member of the Governance and Nominations Committee. Appointed a Director of SKYCITY in September 2002.

Based in Sydney, Australia, Rod McGeoch is a director of Ramsay Health Care Limited. He is also Chairman of Vantage Private Equity Growth Limited, BGP Holdings plc (Malta) and BGP Investment s.à.r.l (Luxembourg). He is the Honorary Chairman of the Trans-Tasman Business Circle and the Co-Chairman of the Australia New Zealand Leadership Forum. In 2013, Rod was awarded an Officer of the Order of Australia for distinguished service

to the Community through contributions to a range of organisations and to sport, particularly through leadership in securing the Sydney Olympic Games.

4 BRENT HARMAN

Director

Chairman of the Remuneration and Human Resources Committee and Member of the Governance and Nominations Committee. Appointed a Director of SKYCITY in December 2008.

Brent Harman is an experienced broadcaster and company director with a background in managing publicly listed companies in Australia and the United Kingdom. Brent has held senior positions in the broadcast and new media industries in New Zealand, the United Kingdom and Australia.

5 PETER CULLINANE

Director

Chairman of the Corporate Social Responsibility Committee and Member of the Governance and Nominations Committee. Appointed a Director of SKYCITY in March 2008.

Peter Cullinane has led the development of some of New Zealand's most iconic brands, applying strategic and creative thinking both locally and internationally, which led to his appointment as Chief Operating Officer, Saatchi & Saatchi Worldwide. Since returning to New Zealand and establishing Assignment Group, Peter has specialised in strategic advice to a wide range of New Zealand and international clients. He is a director of STW Communications Group Limited, one of Australasia's largest marketing communications groups, and a co-founder and director of The Antipodes Water Company Limited and Lewis Road Creamery Limited.

6 SUE SUCKLING

Director

Member of the Remuneration and Human Resources Committee and Member of the Governance and Nominations Committee. Appointed a Director of SKYCITY in May 2011. Sue is responsible for leading the board's agenda on health and safety and ensuring that health and safety is monitored and that appropriate issues are addressed as necessary. Sue Suckling is a director and consultant with over 25 years' experience in corporate governance. Sue is currently the Chair of the New Zealand Qualifications Authority, Barker Fruit Processors Limited, the Callaghan Innovation Board, Jacobsen Pacific Limited and ECL Group Limited. She is a director of

Restaurant Brands New Zealand Limited and a member of the New Zealand Takeovers Panel. Previous governance roles include chairing NIWA, AgriQuality Limited, and as a director of Westpac Investments Limited and the New Zealand Dairy Board. In 1996, she was awarded an OBE for her contribution to New Zealand business. Sue is a Fellow of the New Zealand Institute of Directors and a Companion of the Royal Society of New Zealand.

7 RICHARD DIDSBURY

Director

Member of the Corporate Social Responsibility Committee and Member of the Governance and Nominations Committee. Appointed a Director of SKYCITY in July 2012.

Richard Didsbury is a founding shareholder and director of the manager of Kiwi Income Property Trust (KIPT), which is now the largest property vehicle listed on the NZX. Within KIPT, Richard was the Chair of the Sylvia Park Project Control Group which successfully completed New Zealand's biggest retail development. Richard has enjoyed a distinguished career in property development. He is well known for his work on the Property Council of New Zealand and is currently Chairman of Committee for Auckland Limited. He is a director of Auckland International Airport Limited and Hobsonville Land Company Limited, which is developing a major new waterfront community in Auckland's north-west. His previous governance roles include being a director of Infrastructure Auckland.

8 NIGEL MORRISON

Managing Director

Appointed a Director of SKYCITY in December 2008.

Nigel Morrison joined SKYCITY as Managing Director and Chief Executive in 2008 having had over 18 years' experience in the gaming industry throughout Australasia and Asia. Prior to being appointed Chief Executive Officer of SKYCITY, Nigel was the Group Chief Financial Officer of Galaxy Entertainment Group, a leading publicly-listed Hong Kong-based group operating and developing casinos in Macau. He has also held positions as CEO of the Federal Group, Australia's largest private gaming group and Chief Operating Officer of Crown Limited. Before embarking on a career in casinos in 1993, Nigel was a Corporate Finance Partner with Ernst & Young in Melbourne, specialising in the gaming industry. In 2009, Nigel was awarded professional accountancy organisation CPA Australia's highest acknowledgment for career achievement.

THE EXECUTIVE TEAM



1. NIGEL MORRISON

Managing Director

Nigel Morrison joined SKYCITY as Managing Director and Chief Executive having had over 18 years' experience in the gaming industry throughout Australasia and Asia. Prior to being appointed Chief Executive Officer of SKYCITY, Nigel was the Group Chief Financial Officer of Galaxy Entertainment Group, a leading publicly-listed Hong Kong-based group operating and developing casinos in Macau. He has also held positions as CEO of the Federal Group, Australia's largest private gaming group, and Chief Operating Officer of Crown Limited. Before embarking on a career in casinos in 1993, Nigel was a Corporate Finance Partner with Ernst & Young in Melbourne, specialising in the gaming industry. In 2009, Nigel was awarded professional accountancy organisation CPA Australia's highest acknowledgment for career achievement.



2. JAMES BURRELL

Chief Financial Officer

James was appointed Chief Financial Officer in July 2011. As Group CFO, James is responsible for all financial matters including financial reporting, group treasury and internal audit. Prior to joining SKYCITY, James was based in the Hong Kong office of international private equity firm Permira, where he helped establish the company's office for the Greater China region. James has had a successful career in creating shareholder value and identifying, evaluating and financing a range of businesses acquired by Permira, including the US\$840 million investment in Hong Kong listed Macau-based casino group Galaxy Entertainment Group in 2007. James is a chartered accountant originally from the United Kingdom, where he trained with Arthur Andersen in audit and transaction advisory services.

3. PETER TREACY

General Counsel and Company Secretary

Peter Treacy was appointed General Counsel and Company Secretary in May 2008. Peter is responsible for SKYCITY's government relations, legal, regulatory and company secretarial functions. Prior to joining SKYCITY, Peter spent 16 years with international law firm Linklaters in London, Hong Kong and Bangkok.

4. GRÁINNE TROUTE

General Manager Group Services and Human Resources

Gráinne was appointed General Manager Group Services and Human Resources in May 2008. Gráinne was previously Managing Director of HR consultancy Right Management, and prior to that, Managing Director of McDonald's Restaurants (New Zealand) Limited responsible for over 5,000 employees. She joined McDonald's in the early 1990s establishing the Human Resources function, progressing through to Executive Vice-President, and then to Managing Director. Prior to this, she led the HR function for Coopers and Lybrand Auckland (now PwC). In addition to her extensive HR expertise, Gráinne has had wide experience in Board and charitable trust governance roles in New Zealand including having been Chair of Ronald McDonald House Charities New Zealand for five years.

5. MIKE CLARKE

Chief Information Officer

Having commenced with SKYCITY as a Consultant in March 2008, Mike was appointed to the role of Chief Information Officer for SKYCITY in July 2008. Mike has wide experience in IT Management having previously held roles such as Regional Director with Lotus, IBM Asia Pacific based in Singapore, and Managing Director for 3Com in Australia and New Zealand before moving into a consulting career. Mike is responsible for the planning, implementation and management of SKYCITY Information Technology Systems and is focussed on delivering systems to improve business effectiveness and customer experience.

6. JOHN MORTENSEN

General Manager SKYCITY Auckland

John Mortensen started as General Manager of SKYCITY Auckland in June 2013 and is responsible for the operations of SKYCITY's largest business including its two hotels, more than 20 bars and restaurants, a world-class casino, Sky Tower and Convention Centre. John has extensive experience in gaming operations and casino management, including roles at Federal Group in Tasmania where he held various positions including Director of Gaming and Entertainment, and prior to his appointment at SKYCITY, Chief Operating Officer of the group.

7. **BRAD MORGAN**

General Manager Darwin

Brad Morgan joined the company in October 2010 and is directly responsible for the operations and performance of SKYCITY Darwin, as well as development plans for the property. Brad brings significant Australian club industry experience, having managed several of Queensland's largest and most successful clubs, including the Brisbane Broncos Leagues Club. In 2006, he transitioned into the casino industry as the Chief Operating Officer, Casino Division of the Lasseters Group, which is listed on the Singapore Stock Exchange. As Chief Operating Officer, Brad was the most senior executive of Lasseters in Australasia. Prior to joining the hospitality industry, Brad spent a decade in the finance industry with one of Australia's largest financial institutions.

8. **DAVID CHRISTIAN**

General Manager Adelaide Casino

David Christian was appointed SKYCITY Adelaide General Manager in April 2008. He has held several significant positions within the SKYCITY business including time as General Manager of both the SKYCITY Auckland and the SKYCITY Hamilton businesses. David has more than 20 years' experience in hospitality, hotel and casino management including working in several Australian states and in Singapore. David was previously General Manager of the Wrest Point Hotel Casino and General Manager Operations of the Country Club Casino, both in Tasmania.

9. **EJAAZ DEAN**

President International Business

As President International Business, Ejaz is responsible for the overall management of SKYCITY's International Business operations for all SKYCITY casinos. Ejaz has more than 24 years' experience in the casino industry, having previously held key management positions at Burswood Casino in Perth, Star City in Sydney and Crown Casino in Melbourne. His most recent role was as Chief Operating Officer – Gaming at Burswood Casino, where he was responsible for Table Games, Gaming Machines and International Business. Ejaz joined SKYCITY Auckland in May 2008.

10. **AARON MORRISON**

General Manager Business Development and Investor Relations

Aaron Morrison is responsible for overseeing and pursuing corporate business development and strategic growth opportunities, as well as managing investor and corporate stakeholder relations on behalf of the SKYCITY Group.

Aaron has over 17 years' experience in the casino and entertainment industry with various corporate and operational roles, across different international jurisdictions. Since joining SKYCITY in 2010, Aaron's main focus has been on the key strategic growth projects in New Zealand and in Adelaide. Having reached the in-principle agreement with the South Australian Government at the end of 2012, Aaron has relocated to Adelaide from Auckland, where he will provide additional corporate support to the Australian businesses and will be responsible for finalising the necessary agreements with the South Australian regulators and Government to give effect to the revised regulatory and taxation framework and overseeing the redevelopment and expansion of the Adelaide Casino. Aaron is a Director of Committee for Adelaide.

11. **MATT BALLESTY**

General Manager Group Gaming Strategy

Matt joined SKYCITY in May 2013 and is responsible for identifying, developing and implementing gaming focused strategies across all SKYCITY sites. Over the last 20 years, Matt has gained significant international experience in the gaming and hospitality sector in Asia, Canada, Australia, New Zealand and the United Kingdom. In Macau, Matt held roles as General Manager, Casino Operations, General Manager Casino Planning & Development at the Crown Macau property as Project Director (Operations) at City of Dreams. Most recently Matt held the position of Vice President Business Development for Crown Melbourne's corporate office, involved with projects relating to existing and emerging markets.

12. **TESSA GRANT**

General Manager SKYCITY Hamilton

Tessa Grant was appointed to the role of General Manager SKYCITY Hamilton in April 2013. Previously she was Finance Manager with oversight for both the Hamilton and Queenstown business, a role she held since 2006. Prior to joining the SKYCITY group Tessa held management positions with both Amalgamated Holdings Limited and Accor throughout Australia and New Zealand.

13. **MICHELLE BAILLIE**

General Manager SKYCITY Queenstown

Michelle Baillie joined SKYCITY prior to the opening of SKYCITY Auckland in 1996 and moved to Queenstown as General Manager in May 2008. Michelle has over 19 years experience in the casino and hospitality industry in New Zealand and has held various senior

managerial roles within SKYCITY, predominantly in casino operations.

Michelle is General Manager of SKYCITY's two boutique casinos in Queenstown. She is also a Board Member of the Queenstown Chamber of Commerce.

14. **GORDON JON (GJ) THOMPSON**

General Manager Corporate Communications

GJ joined SKYCITY in August 2012 and is responsible for SKYCITY's media and public profile and corporate reputation. He has extensive experience in issues management and media management as a press secretary to several government ministers and to former Prime Minister Helen Clark. He was also Chief Press Secretary and then Chief of Staff to former Labour Leader Phil Goff. He started his career as a journalist, including time with the Waikato Times and The Dominion Post.

15. **SIMON JAMIESON**

Group General Manager – Facilities Development

Simon Jamieson joined SKYCITY in September 2007 and since then he has held a number of roles including Manager SKYCITY Hotels Group Auckland and Acting General Manager – Auckland. He has recently been appointed Group General Manager – Facilities Development to oversee the Group Capital Projects in New Zealand and Australia. With more than 25 years' experience in large-scale hospitality businesses, Simon brings a wealth of commercial and global tourism experience to the SKYCITY business.

16. **CRAIG ASHTON**

Executive Vice President – International Business

Craig Ashton has more than 25 years experience within the Gaming Industry, 21 of those in International Business Development. Craig was with Crown International for nearly 15 years (based in Singapore until 2000), subsequently based in Melbourne as Senior Vice President, International Business, spending his final two years as President - Crown International Business Development.

Craig has broad experience and knowledge in the leadership of International Business, Strategy and IB sales / marketing teams across the Asia Pacific Region.

RECONCILIATION OF RESULTS

Reconciliation of Reported results to Normalised results

	FY13				FY12			
	REVENUE \$M	EBITDA \$M	EBIT \$M	NPAT \$M	REVENUE \$M	EBITDA \$M	EBIT \$M	NPAT \$M
Reported	947.8	293.9	217.1	127.3	941.1	300.5	227.7	138.5
Restructuring costs		1.6	1.6	1.1		2.2	2.2	1.6
One-off costs for launching new business		0.7	0.7	0.6		0.5	0.5	0.3
Interest on purchased NZICC land bank				2.0				0.4
Profit from sale of Christchurch				(0.1)				
One-Off Costs for Capital Projects			0.8	0.6			0.4	0.3
Tax Adjustments								(5.1)
Other Adjustments		0.9	0.9	0.8		1.6	1.6	1.2
Total Adjustments	-	3.2	4.0	5.0	-	4.3	4.7	(1.3)
Adjusted	947.8	297.1	221.1	132.3	941.1	304.8	232.4	137.2
Provision for IB Debtors	-	2.4	2.4	1.7	-	-	-	-
International Business at Theoretical	0.2	3.3	3.3	2.3	9.6	5.8	5.8	4.2
Normalised	948.0	302.8	226.8	136.3	950.7	310.6	238.2	141.4

Key Adjustments are:

- Restructuring costs – costs associated with changing the staffing structures designed to create future efficiencies
- One-off costs for launching new business – costs associated with the opening of the Tropical Resort, Darwin new rooms (SKYROOM – VIP Gaming room and Lotus the new premium bar) and the Adelaide redevelopment
- Interest on purchase of New Zealand International Convention Centre (NZICC) land bank – calculated using the Group's average cost of debt of 6.97% on an average balance of \$40m
- Profit from sale of Christchurch
- One-off costs for Capital Projects primarily relate to demolition costs not able to be capitalised and new venture launch costs

- Tax adjustments – FY12 relates to the release of deferred tax balances in Australia no longer required
- Other Adjustments includes one-off costs associated the introduction of the Bally gaming system, costs associated with the acquisition of The Wharf and other miscellaneous items.

International Business Adjustments:

IB win rate at 1.35% for FY13. As the actual win rate was almost the same as the theoretical rate the adjustment to revenue was minor.

However, there is an adjustment to normalised expenses largely as a result of:

- a provision for doubtful debts in excess of the relevant players' normalised win (EBITDA impact \$2.4m / NPAT impact \$1.7m)

- in 2H13 in Auckland, the IB win rate was 1.90%, well in excess of the theoretical 1.35% and for these players that lost significantly and therefore earned less commissions, we paid a higher level of complementary expenses (impact \$2.0m)
- start up costs incurred on attracting new players and groups to Darwin Horizon suites, \$0.4m
- other minor items totalling \$0.7m.

Normalisation adjustments have been calculated in a consistent manner in FY13 and FY12.

Like-for-like Currency Adjusted Normalised NPAT

	FY13 \$M	FY12 \$M	MOVEMENT	
			\$M	%
1H Normalised NPAT	74.4	77.0	(2.6)	(3.4%)
Rugby World Cup (RWC)	-	(4.7)	4.7	
1H Normalised NPAT excl RWC	74.4	72.3	2.1	2.9%
Constant Currency	(0.1)	-	(0.1)	
1H Normalised NPAT like for like	74.3	72.3	2.0	2.8%
2H Normalised NPAT	61.9	64.4	(2.5)	(3.9%)
Christchurch	-	(3.1)	3.1	
2H Normalised NPAT excl Christchurch	61.9	61.3	0.6	1.0%
Constant Currency	0.9	-	0.9	
2H Normalised NPAT like for like	62.8	61.3	1.5	2.4%
FY Normalised NPAT like for like	137.1	133.6	3.5	2.6%

- In FY12, the Rugby World Cup 2011 (RWC) was held in New Zealand and as previously assessed, positively impacted normalised NPAT in 1H12 by \$4.7m
- In December 2012, the Group sold its 50% interest in the Christchurch Casino for \$80m. 2H12 results included actual and normalised NPAT of \$3.1m from Christchurch Casino which is not repeated in 2H13

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