

13 February 2013

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Dear Sir/Madam

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

We supply herewith the financial information as required by Listing Rule 10.4 together with a copy of the company's FY13 Interim Result presentation and the SKYCITY Entertainment Group Limited financial statements for the six month period ended 31 December 2012.

Please find attached:

1. Appendix 1 (Rule 10.4.2) detailing the Preliminary Announcement for the six month period ended 31 December 2012.
2. FY13 Interim Result for the six month period ended 31 December 2012.
3. Appendix 7 (NZX Listing Rule 7.12.2) detailing the interim distribution of NZ\$0.10 cents per ordinary share to be paid on 5 April 2013 to those shareholders on the company's share register as at 5.00pm on 27 March 2013.
4. Financial statements and notes for the six month period ended 31 December 2012.
5. ASX Listing Rule 4.2A.2 declaration by directors in respect of the half year financial statements and notes.
6. Media release.

Yours faithfully



James Burrell
Chief Financial Officer

SKYCITY Entertainment Group Limited	
Results for announcement to the market	
Reporting Period	1 July 2012 to 31 December 2012
Previous Reporting Period	1 July 2011 to 31 December 2011

Reported	Amount (000s)	Percentage change
Reported revenue including gaming GST from ordinary activities	NZ\$487,337	-1.3%
Reported revenue from ordinary activities	NZ\$444,485	-1.5%
Reported profit (loss) from ordinary activities after tax attributable to security holder	NZ\$66,314	-15.9%
Reported net profit (loss) attributable to security holders	NZ\$66,314	-15.9%

Normalised	Amount (000s)	Percentage change
Normalised revenue including gaming GST from ordinary activities	NZ\$495,739	1.4%
Normalised revenue from ordinary activities	NZ\$451,757	1.1%
Normalised profit (loss) from ordinary activities after tax attributable to security holder	NZ\$74,361	-3.5%
Normalised net profit (loss) attributable to security holders	NZ\$74,361	-3.5%

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

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

Interim Dividend	Amount per security	Imputed amount per security
	NZ\$ 0.10	\$0.019444

Record Date	27 March 2013
Payment Date	5 April 2013

Comments:	<p>SKYCITY's FY13 interim performance is set out in the Company's Result Presentation which is attached to this announcement. It provides detail and explanatory comment on operating and financial performance for each business unit and the Group as a whole and various other relevant aspects of the financial performance for the six months ended 31 December 2012.</p> <p>The Result Presentation will be available on the Company's website from 13 February 2013.</p>
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NTA Backing

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

Auditors

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

Earnings per share

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

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

Dividends

50% of the April 2013 dividend will be imputed and 50% franked for Australian purposes.

Reconciliation between reported and normalised financial information

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

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

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

Non-gaming revenues are net of GST

Total revenues are gaming win plus non-gaming revenues

Key Adjustments are:

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

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

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

SKYCITY
Entertainment
Group Limited

Half Year Result Presentation

Six month period ended 31 December 2012

13 February 2013



SKYCITY Interim Result 1H13

1H13 Result Presentation

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1H13 Result Presentation



1H13 Result Highlights

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

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

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



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

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

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

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

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

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

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1H13 Revenue Summary by Business (incl Gaming GST)

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

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

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

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1H13 EBITDA Summary by Business Unit

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

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

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



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1H13 Result Highlights

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



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1H13 Result Highlights

■ **SKYCITY's International Business volumes continue to grow**

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

■ **Hamilton**

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

■ **Queenstown**

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

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1H13 Result Highlights

■ **Christchurch**

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

■ **Strong balance sheet**

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

■ **Additional funding costs and committed debt facilities**

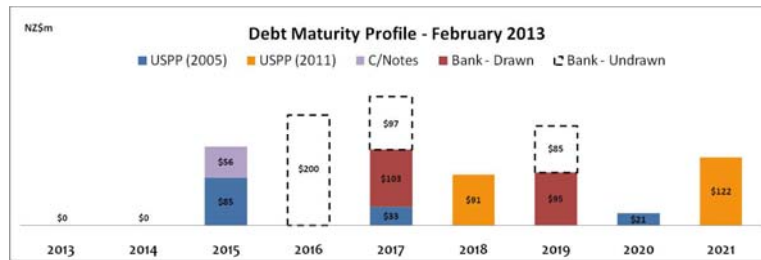
- We have adjusted interest costs by \$1.4m in Normalised 1H13 (NPAT adj \$1.0m) relating to interest on borrowings for acquiring the NZICC land bank
- Additionally, SKYCITY is currently holding \$380m committed debt facilities. These facilities are held for the Adelaide redevelopment and in anticipation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

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Debt Maturity Profile

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



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Interim Dividend and Updated Policy



Interim Dividend of 10 cents per share

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

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

Interim Dividend of 10.0 cents per share

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

Future Dividends – imputation and franking

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



Major Projects Update



A new world class entertainment complex for Adelaide



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A new world class entertainment complex for Adelaide



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A new world class entertainment complex for Adelaide

Overview

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

Key features of the Agreement

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

■ The above rates exclude GST

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A new world class entertainment complex for Adelaide

Key features of the Agreement (continued)

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

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A new world class entertainment complex for Adelaide

Key features of the Agreement (continued)

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

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A new world class entertainment complex for Adelaide

Development Concept

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

Other Riverbank Developments

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

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Adelaide Riverbank Precinct Developments



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



Torrens Foot Bridge
Open Dec 2013



Adelaide Convention Centre
Phase 1, open mid-2014



Adelaide Convention Centre
Full completion 2016

Artists impressions



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A new world class entertainment complex for Adelaide

Timetable and Rollout

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



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NZICC Update

New Zealand International Convention Centre (“NZICC”)

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

Federal Street - Auckland

Continuing Federal Street Redevelopment

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

Federal Street Initiatives



Streetscape



Nick Watt's "Masu"



Al Brown's "Federal Kitchen"



Peter Gordon's "Sugar Club"

Artists impressions/illustrative images



Other Strategic Initiatives

Queenstown

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

International Opportunities

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



Outlook



Outlook for FY13

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



Appendices and Financial Summaries

Half Year Period Ended
31 December 2012



1H13 Group Result Normalised Revenues and Earnings

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

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

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

* Normalised NPAT adjusts for certain Items and International Business (IB) at theoretical win rate of 1.35% versus actual 1.06% in 1H13 (1H12: 1.64%)



1H13 Group Result Reported Revenues and Earnings

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

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

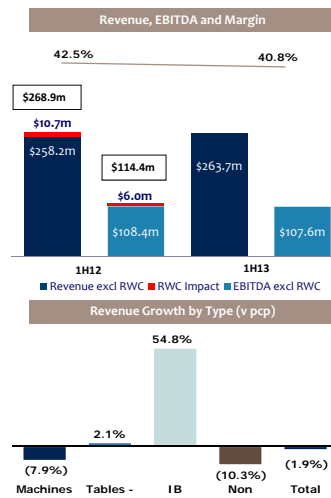
* Revenue (including Gaming GST) is shown above to facilitate Australasian comparisons

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SKYCITY Auckland 1H13

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



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

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SKYCITY Auckland 1H13

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

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

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



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Auckland – International Business

Table Games – International Business (IB) in Auckland

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

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

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



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International Business – Consolidated Group Result

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

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

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Adelaide Casino 1H13

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

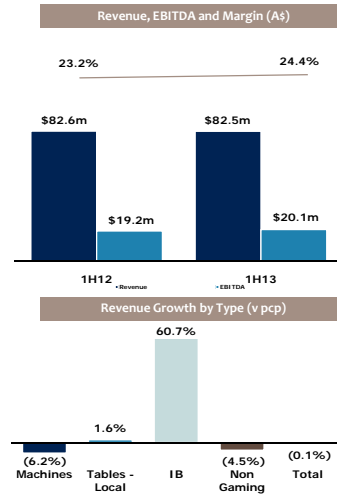
• EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST-exclusive non-gaming revenues to facilitate Australasian comparisons

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Adelaide Casino 1H13

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



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



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SKYCITY Darwin 1H13

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

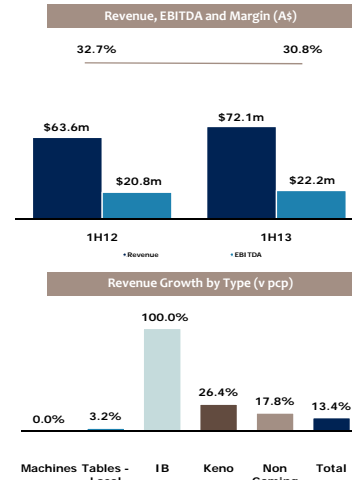
- EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST-exclusive non-gaming revenues to facilitate Australasian comparisons



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SKYCITY Darwin 1H13

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



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



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SKYCITY Hamilton 1H13

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

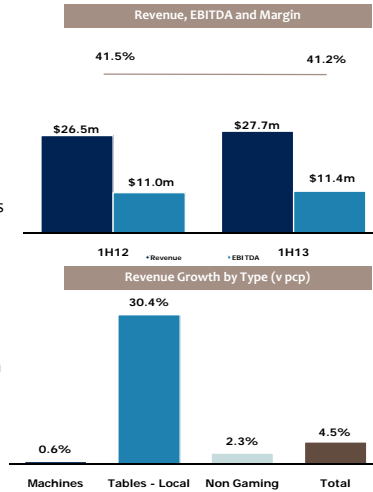
- EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST-exclusive non-gaming revenues to facilitate Australasian comparisons



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SKYCITY Hamilton 1H13

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



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



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SKYCITY Queenstown 1H13

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

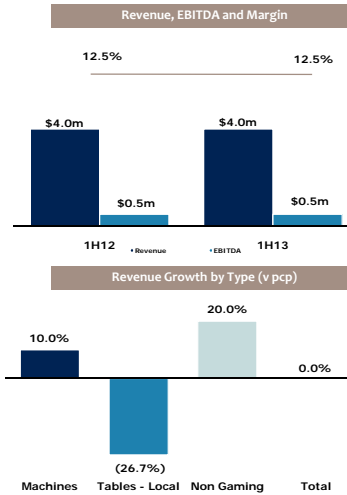
- EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST-exclusive non-gaming revenues to facilitate Australasian comparisons



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SKYCITY Queenstown 1H13

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



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



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Depreciation, Interest, Tax

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

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

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

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

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

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

• Normalised



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Capex

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

Capex

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

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Normalised P&L Summary by Business Unit

Normalised P&L Summary by Business Unit

	1H13										1H12									
	Auckland NZ\$m	Adelaide A\$m	Darwin A\$m	Total Australasia NZ\$m	Hamilton NZ\$m	Christchurch NZ\$m	Other NZ Operations NZ\$m	Corporate NZ\$m	SKYCITY Group NZ\$m	Auckland NZ\$m	Adelaide A\$m	Darwin A\$m	Total Australasia NZ\$m	Hamilton NZ\$m	Christchurch NZ\$m	Other NZ Operations NZ\$m	Corporate NZ\$m	SKYCITY Group NZ\$m		
New Zealand operations expressed in NZ\$m. Australian operations expressed in A\$m (normalised)																				
Gross Gaming revenue	199.2	74.0	55.0	129.0	164.8	23.2	-	3.4	-	390.6	197.0	73.7	49.0	122.7	157.0	22.1	-	3.5	-	379.6
Non-Gaming Revenue	64.5	8.5	17.1	25.6	32.7	4.5	2.3	1.1	-	105.1	71.9	8.9	14.6	23.5	30.0	4.4	2.5	0.6	-	109.4
Total Revenue (incl Gaming GST)	263.7	82.5	72.1	154.6	197.5	27.7	2.3	4.5	-	495.7	268.9	82.6	63.6	146.2	187.0	26.5	2.5	4.1	-	489.0
Gaming GST	(25.6)	(6.7)	(4.9)	(11.6)	(14.8)	(3.0)	-	(0.5)	-	(43.9)	(24.6)	(6.7)	(4.5)	(11.2)	(14.1)	(2.9)	-	(0.5)	-	(42.1)
Total Revenue (excl Gaming GST)	238.1	75.8	67.2	143.0	182.7	24.7	2.3	4.0	-	451.8	244.3	75.9	59.1	135.0	172.9	23.6	2.5	3.6	-	446.9
Expenses	130.5	55.7	45.0	100.7	128.6	13.3	-	3.2	13.5	289.1	129.9	56.7	38.3	95.0	121.9	12.6	-	3.1	13.9	281.4
EBITDA	107.6	20.1	22.2	42.3	54.1	11.4	2.3	0.8	(13.5)	162.7	114.4	19.2	20.8	40.0	51.0	11.0	2.5	0.5	(13.9)	165.5
	40.8%	24.4%	30.8%	27.4%	27.4%	41.2%	100.0%	17.8%		32.8%	43.5%	23.2%	32.7%	27.4%	27.3%	41.5%	100.0%	12.2%		33.8%
Depreciation	20.7	3.2	5.1	8.3	10.6	1.9	-	0.4	1.3	34.9	19.5	3.1	4.4	7.5	9.6	2.4	-	0.5	1.3	33.3
Amortisation	0.4	1.1	0.2	1.3	1.5	0.1	-	-	1.5	3.5	-	1.0	0.1	1.1	1.4	-	-	-	1.4	2.8
EBIT	86.5	15.8	16.9	32.7	42.0	9.4	2.3	0.4	(16.3)	124.3	94.9	15.1	16.3	31.4	40.0	8.6	2.5	-	(16.6)	129.4
	32.8%	19.2%	23.4%	21.2%	21.2%	31.9%	100.0%	8.0%		25.1%	35.2%	18.2%	25.6%	23.9%	21.4%	32.5%	100.0%	0.0%		36.5%
Funding										24.9										25.5
Net Profit before tax										99.4										103.9
										20.1%										21.2%
Tax										24.9										26.8
Minority Interest (Queenstown)										0.1										0.1
Normalised Net Profit										74.4										77.0

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

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Reported and Normalised Earnings

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

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



Reported and Normalised Earnings

- SKYCITY's objective of producing normalised financial information is to provide data that is useful to the investment community in understanding the underlying operations of the Group
- Gaming Revenue figures reflect gaming win (inclusive of gaming GST). This facilitates Australasian comparisons and is consistent with the treatment adopted by major Australian casinos
- Non-gaming Revenues are net of GST
- Total Revenues are gaming win plus Non-gaming Revenues
- EBITDA margin is calculated as a % of gaming win (GST inclusive) plus non-gaming revenue – to facilitate Australasian and period on period comparisons



Reported and Normalised Earnings

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

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Cash Flows

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

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

¹ Dollar amounts represent cash expenditure in 1H13

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Consolidated Balance Sheet SKYCITY Entertainment Group Limited

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

Equity

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

Reserves

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

Current Assets

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



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Consolidated Balance Sheet (continued) SKYCITY Entertainment Group Limited

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

Non-Current Assets

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

Current and Non-Current Liabilities

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



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Australian Dollar Earnings Adelaide and Darwin

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

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Disclaimer

- *All information included in this presentation is provided as at 13 February 2013.*
- *The presentation includes a number of forward-looking statements. Forward looking statements, by their nature, involve inherent risks and uncertainties. Many of those risks and uncertainties are matters which are beyond SKYCITY's control and could cause actual results to differ from those predicted. Variations could either be materially positive or materially negative.*
- *This presentation has not taken into account any particular investor's investment objectives or other circumstances. Investors are encouraged to make an independent assessment of SKYCITY.*

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Notice of event affecting securities

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

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

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

Name of officer authorised to
make this notice

Peter Treacy

Authority for event,
e.g. Directors' resolution

Directors' resolution

Contact phone
number

(09) 363 6141

Contact fax
number

(09)363 6140

Date

13 / 2 / 2013

Nature of event
Tick as appropriate

Bonus
Issue

If ticked,
state whether:

Taxable

/ Non Taxable

Conversion

Interest

Rights Issue
Renounceable

Rights Issue
non-renounceable

Capital
change

Call

Dividend
whether:

If ticked, state
whether: Interim

Full
Year

Special

DRP Applies

EXISTING securities affected by this

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

Description of the
class of securities

Ordinary Shares

ISIN

NZSKCE0001S2

If unknown, contact NZX

Details of securities issued pursuant to this event

If more than one class of security is to be issued, use a separate form for each class.

Description of the
class of securities

ISIN

If unknown, contact NZX

Number of Securities to
be issued following event

Minimum
Entitlement

Ratio, e.g
① for ②

for

Conversion, Maturity, Call
Payable or Exercise Date

Enter N/A if not
applicable

Treatment of Fractions

Tick if
pari passu

OR
provide an
explanation
of the
ranking

Strike price per security for any issue in lieu or date
Strike Price available.

Monies Associated with Event

Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

In dollars and cents

Amount per security
(does not include any excluded income)

\$0.1000

Source of
Payment

Profit

Excluded income per security
(only applicable to listed PIEs)

Currency

NZ Dollars

Supplementary
dividend
details -
NZSX Listing Rule 7.12.7

Amount per security
in dollars and cents

\$0.008824

Total monies

\$57,695,834

Date Payable

5 April, 2013**Taxation**

Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus
issue state strike price

\$

Resident
Withholding Tax

\$0.019972

Imputation Credits
(Give details)

\$0.019444

Foreign
Withholding Tax

\$

FWP Credits
(Give details)

Timing

(Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm

For calculation of entitlements -

27 March, 2013**Application Date**

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

5 April, 2013**Notice Date**

Entitlement letters, call notices,
conversion notices mailed

Allotment Date

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

OFFICE USE ONLY

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

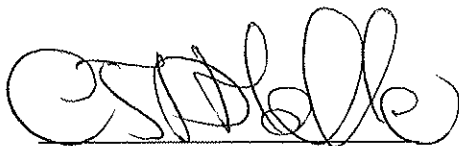
Security Code:

Security Code:



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

For and on behalf of the Board:



Chris Moller
Chairman



Bruce Carter
Chairman of the Audit and Financial Risk Committee

13 February 2013



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

Report on the Interim Financial Statements

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

Directors' Responsibility for the Interim Financial Statements

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

Accountants' Responsibility

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

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

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

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

Opinion

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

Restriction on Distribution or Use

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

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', is written over a thin, curved line that extends from the signature towards the right side of the page.

Chartered Accountants
13 February 2013

Auckland

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

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

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

SKYCITY Entertainment Group Limited
Statement of comprehensive income
31 December 2012

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

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

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

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

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

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

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

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

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

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

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

1. General information

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

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

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

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

2. Summary of significant accounting policies

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

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

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

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

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

(a) Changes in accounting policies

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

3. Revenue

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

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

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

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

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

4. Other income

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

5. Expenses

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

Profit before income tax includes the following specific expenses:

Depreciation

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

Amortisation

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

Total depreciation and amortisation	<u>38,473</u>	<u>36,236</u>	<u>72,770</u>
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5. Expenses (continued)

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

6. Finance costs - net

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

7. Significant Associates

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

8. Current liabilities - Interest bearing liabilities

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

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

9. Non-current liabilities - Interest bearing liabilities

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

(a) United States Private Placement (USPP)

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

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

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

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

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

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

(b) Syndicated bank facility

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

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

10. Share capital

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

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

11. Reserves and retained profits

	6 months 31 December 2012 \$'000	6 months 31 December 2011 \$'000	12 months 30 June 2012 \$'000
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(a) Reserves

Hedging reserve - cash flow hedges	(12,638)	(13,208)	(13,355)
Foreign currency translation reserve	8,245	22,920	11,505
	(4,393)	9,712	(1,850)

Hedging reserve - cash flow hedges

Balance at the beginning of the period	(13,355)	(12,340)	(12,340)
Revaluation	(17,753)	27,728	16,635
Transfer to net profit	18,786	(28,839)	(18,010)
Deferred tax	(316)	243	360
Balance at the end of the period	(12,638)	(13,208)	(13,355)

Foreign currency translation reserve

Balance at the beginning of the period	11,505	16,022	16,022
Exchange differences on translation of overseas subsidiaries	(3,260)	6,898	(4,517)
Balance at the end of the period	8,245	22,920	11,505

(i) Hedging reserve - cash flow hedges

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

11. Reserves and retained profits (continued)

(ii) Foreign currency translation reserve

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

(b) Retained profit

Movements in retained profit were as follows:

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

12. Non controlling interest

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

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

13. Dividends

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

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

Cents per share

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

14. Contingencies

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

15. Commitments

(a) Capital commitments

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

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

(b) Operating lease commitments

	31 December 2012 \$'000	31 December 2011 \$'000	30 June 2012 \$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	7,726	7,500	6,974
Later than one year but not later than five years	19,142	20,062	18,074
Later than five years	321,466	326,983	322,136
Commitments not recognised in the financial statements	348,334	354,545	347,184

16. Segment information

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

The Group is organised into the following main operating segments:

SKYCITY Auckland

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

Rest of New Zealand

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

SKYCITY Adelaide

SKYCITY Adelaide includes casino operations and food and beverage.

SKYCITY Darwin

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

International Business

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

Corporate / Group

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

16. Segment information (continued)

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

17. Events occurring after the balance date

(a) Dividend

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

(b) Bank facility

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

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

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

13 February 2013

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Dear Sir/Madam

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

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

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

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

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

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

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

Yours faithfully



P A Treacy
General Counsel & Company Secretary

SKYCITY ENTERTAINMENT GROUP LIMITED
("Company")

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

Introduction

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

Declaration

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

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

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

Signed



C J D Moller
Chairman

13 February 2013

MEDIA RELEASE

13 February 2013

SKYCITY positioned for growth With exciting developments in New Zealand and Australia

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

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

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

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

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

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

New Dividend Policy

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

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

New Zealand Trading

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

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

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

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

New Zealand International Convention Centre

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

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

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

Federal Street Update

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

Dining developments planned for 2H13 include:

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

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

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

Australia Trading

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

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

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

Transformation of Adelaide Casino into a world class entertainment complex

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

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

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

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

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

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

Outlook for 2H13

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

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

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

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

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

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

For more information please contact:

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Appendix

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

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

Key adjustments for normalised/reported earnings are:

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

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

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

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

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

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