

A nighttime photograph of the Adelaide Casino building, a grand classical structure with columns, illuminated by warm lights. In the foreground, a modern cable-stayed bridge with two tall, white, angled pylons spans across the scene. The sky is dark blue, and the overall atmosphere is one of modern architecture meeting historical grandeur.

Adelaide Casino Investor Presentation 12 November 2009

Adelaide Casino Overview



Strategic Priorities for FY09

- ❑ The core objective of the management to and continues to be to maximise the potential from the existing asset and the casino licence
- ❑ Restructure the management and introduce new experienced talent
- ❑ The new management team was focused on driving revenue, operational efficiencies and maximising EBITDA, while tightly controlling capex
- ❑ Delivering an improved customer experience focusing on customer service, effective marketing and enhanced entertainment experiences and to improve employee engagement and employee advocacy
- ❑ To improve relations with key stakeholders especially the South Australian Government
- ❑ Firmly position the casino as a traditional Casino Entertainment venue and move away from the 'Nightclub' and 'Biggest Pub in Town' positioning.
- ❑ Re-brand the business back to Adelaide Casino

Key Financials FY09

	FY09 A\$m	FY08 A\$m	Movement A\$m	%
Revenues				
Machines	59.9	57.3	2.6	4.5%
Tables	69.0	56.5	12.5	22.1%
Gross Gaming Revenue	128.9	113.8	15.1	13.3%
Less GST on Gaming revenue	11.7	10.3	(1.4)	(13.6%)
Gaming Revenue net of GST	117.2	103.5	13.7	13.2%
Food & Beverage	13.4	14.7	(1.3)	(8.8%)
Total Revenue	130.6	118.2	12.4	10.5%
Expenses	101.2	97.5	(3.7)	(3.8%)
EBITDA	29.4	20.7	8.7	42.0%
EBITDA Margin	20.7%	16.1%		

Strategic Priorities FY10

- ❑ Maximise the value of the Adelaide Casino licence
- ❑ Continue to provide more reasons for our customers and tourists alike to visit us
- ❑ Continuous improvement in operational efficiencies across the site
- ❑ Continue to build as an 'Employer of Choice'
- ❑ Continue to work with the SA Government to enhance the value of the Adelaide Casino licence
- ❑ Maximise the momentum from the re-brand back to Adelaide Casino
- ❑ Continue to improve our marketing programmes particularly to grow our gaming revenue through acquisition
- ❑ Develop Marble Hall with gaming providing one continuous main gaming floor on ground level
- ❑ Continue to drive table gaming revenue through yielding, acquisition and new games – especially electronic tables e.g. Vegas Star and Rapid products

FY10 Q1 – Revenue Update



	Growth on pcp
Machines	9%
Tables	5%
Food and Beverage	15%
Other	8%
Total Revenue	7.7%

Adelaide Casino Facilities



Adelaide Casino Facilities

- ❑ South Australia's leading gaming and entertainment destination
- ❑ Exclusive license to operate within South Australia (until at least 2015)
- ❑ Casino licence to 2085
- ❑ Situated in the heritage-listed Adelaide Railway Station
- ❑ Gaming is conducted 24 hours a day, 7 days a week excluding Christmas Day and Good Friday
- ❑ During FY09 we increased gaming product to ensure the maximum number on the floor at all times

- ❑ 90 Table Games
 - ❑ 26 Main Gaming Floor (MGF)
 - ❑ 7 Baccarat Room (on MGF)
 - ❑ 15 Grange VIP Room – Local and interstate players
 - ❑ 4 Barossa VIP Room – Dedicated to overseas players
 - ❑ 26 Level 1 Gaming Area
 - ❑ 12 Poker Zone (Level 1)

- ❑ 995 Gaming Machines
 - ❑ 389 MGF
 - ❑ 69 VIP Room
 - ❑ 537 Level 1

Adelaide Casino Facilities



- ❑ 4 Bars

- ❑ Grandstand Sports Bar
- ❑ Express Casino Bar
- ❑ Balcony Entertainment Bar
- ❑ Loco Bar

- ❑ 4 Restaurants

- ❑ Café Junction gaming snacks
- ❑ Casino Buffet
- ❑ Signals Bistro
- ❑ North Restaurant

- ❑ Marble Hall Development

- ❑ Restore some of the glamour and 'Adelaide' feel to the casino
- ❑ Delivers one continuous ground level gaming floor
- ❑ 20 gaming tables and a new bar – The Chandelier Bar
- ❑ Extra 15 gaming tables on the MGF
- ❑ Extra 50 gaming machines on the MGF
- ❑ Better layout of product on Level 1
- ❑ Changing Loco Bar to a gaming machine area and bar
- ❑ Increase the size of the Baccarat Room to accommodate 10 tables

South Australia Gaming Market

- ❑ The total South Australian gaming market is \$1.2b annually
- ❑ Gaming machines account for \$810m

- ❑ South Australian Gaming Machine Market
 - ❑ Total South Australian gaming machine market for FY08 was \$815.5m
 - ❑ Adelaide Casino share was 7.0% at \$57.3m

 - ❑ Total South Australian gaming machine market for FY09 was \$810.5m, a contraction of \$5.0m (-0.6%)
 - ❑ Adelaide Casino share was 7.4% at \$59.9m

 - ❑ FY09 pubs/clubs revenue declined on pcp by -\$7.7m, (-1%)
 - ❑ FY09 Adelaide Casino revenue increased on pcp by +\$2.6m, (+4.5%)
 - ❑ Adelaide city pubs/ clubs revenue declined by -\$1.7m, (-4.9%)

- ❑ FY10 Q1 – Gaming Machines
 - ❑ Pubs/ clubs growth +0.8%
 - ❑ Adelaide Casino growth +9%

South Australia Gaming Market

- ❑ There are 564 live gaming machine licences in South Australia with an average of 23 machines per site
- ❑ Good performing venues often have 32 machines
- ❑ There are 13,735 gaming machines in South Australia, of which the Casino has 995 (7.2%). There are 12,740 in pubs/ clubs
- ❑ The maximum number of machines in pubs/ clubs is 32



Adelaide and SA Update



Adelaide Key Statistics

City Population	1.1 Million
SA Population	1.6 Million
Gaming Market	AUD \$1.2b

Economic Features

SA Mining Boom gathering pace: Uranium and precious metals	Employment growing from base of 12,200 June (2008) to 17,200(2014) Average Annual Growth of 6%
Defence Contracts: Air Warfare ships Orion Upgrade	To be Australia Defence hub. Value of \$6b with benefits over 50years. Value of \$1b with benefits over 10 years.
Relocations of 7 RAR from Darwin by 2011	To add 1200 troops and family. Value to economy estimated at \$1b to 2011 and \$100m each year.
Annual Inbound Tourism	5.7m
GSP as at June 30 2009	76,119m
GSP Growth PCP at 30/09/09	3.9% highest in Australia for this survey

SA Political Update and Regulatory Environment



Political Environment in SA

- ❑ The next state election is in March 2010
- ❑ The current ALP Government is in its second four year term and has a 10 seat majority
- ❑ SKYCITY has positive relationships with both the Government and the Opposition
- ❑ All parties view gaming at the Adelaide Casino as different from gaming in pubs and clubs. E.g. destination vs convenience and the Adelaide Casino 24 hour Host Responsibility programme



Regulatory Environment in SA

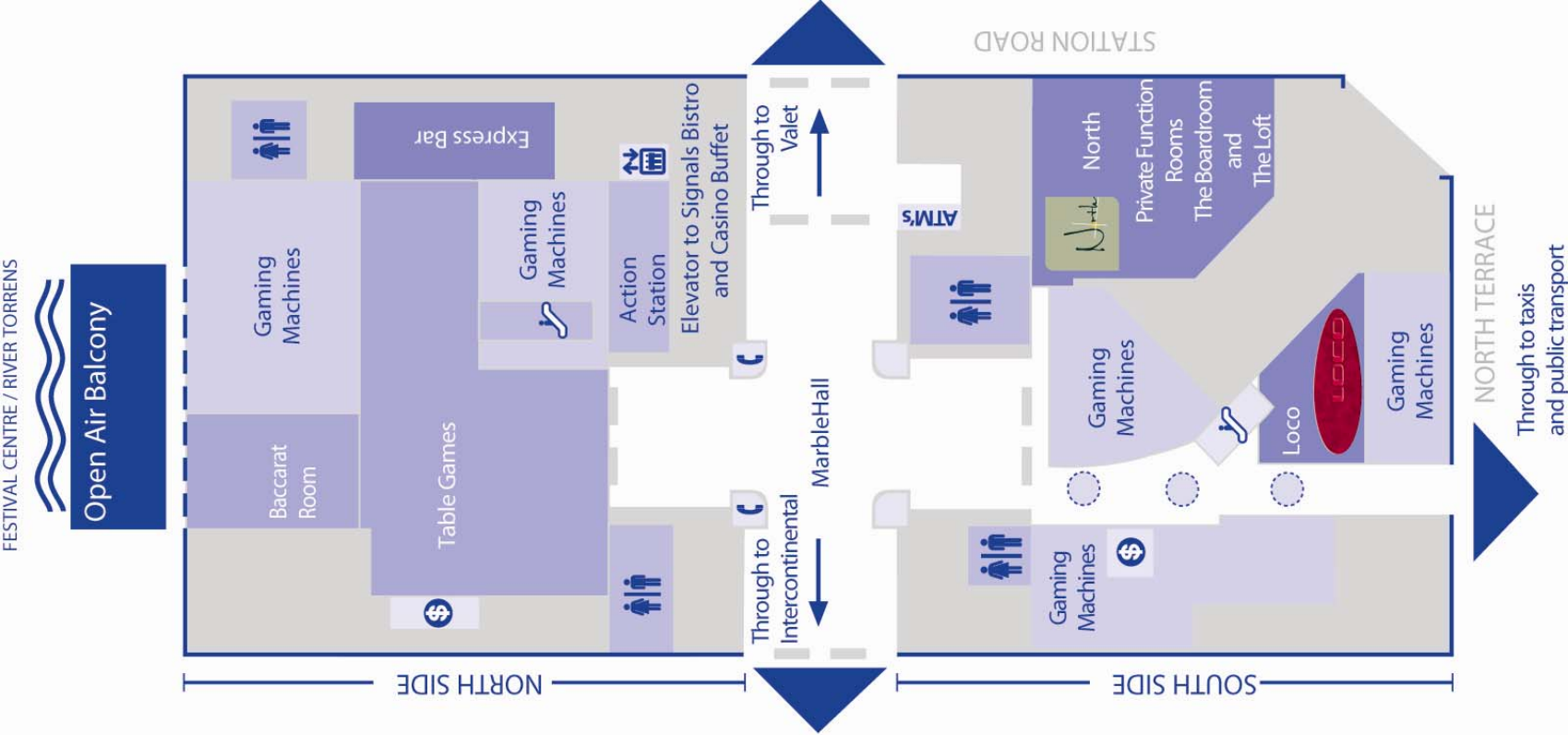
- ❑ Adelaide Casino is regulated by four SA Government agencies
 - ❑ Office of Liquor and Gambling Commissioner
 - ❑ Independent Gambling Authority
 - ❑ Treasury's Gambling Policy Unit
 - ❑ Office of Problem Gambling
- ❑ SKYCITY has good relationships with these regulators
- ❑ Adelaide Casino's harm minimisation program is recognised by regulators and concerned sector as industry-leading and this is having an effect on policy outcomes.

- ❑ Productivity Commission draft report into gambling
 - ❑ Makes important distinction between 'convenience' gaming (machines in pubs/ clubs) and destinalional gaming (machines in casinos)
 - ❑ Stresses the importance of 'evidence' as the basis of policy making by regulators
 - ❑ Focuses on 'pre-commitment'. The Adelaide Casino is currently working with the South Australian Government on a pre-commitment system

Adelaide Casino Gaming Layout



Ground Floor - Current

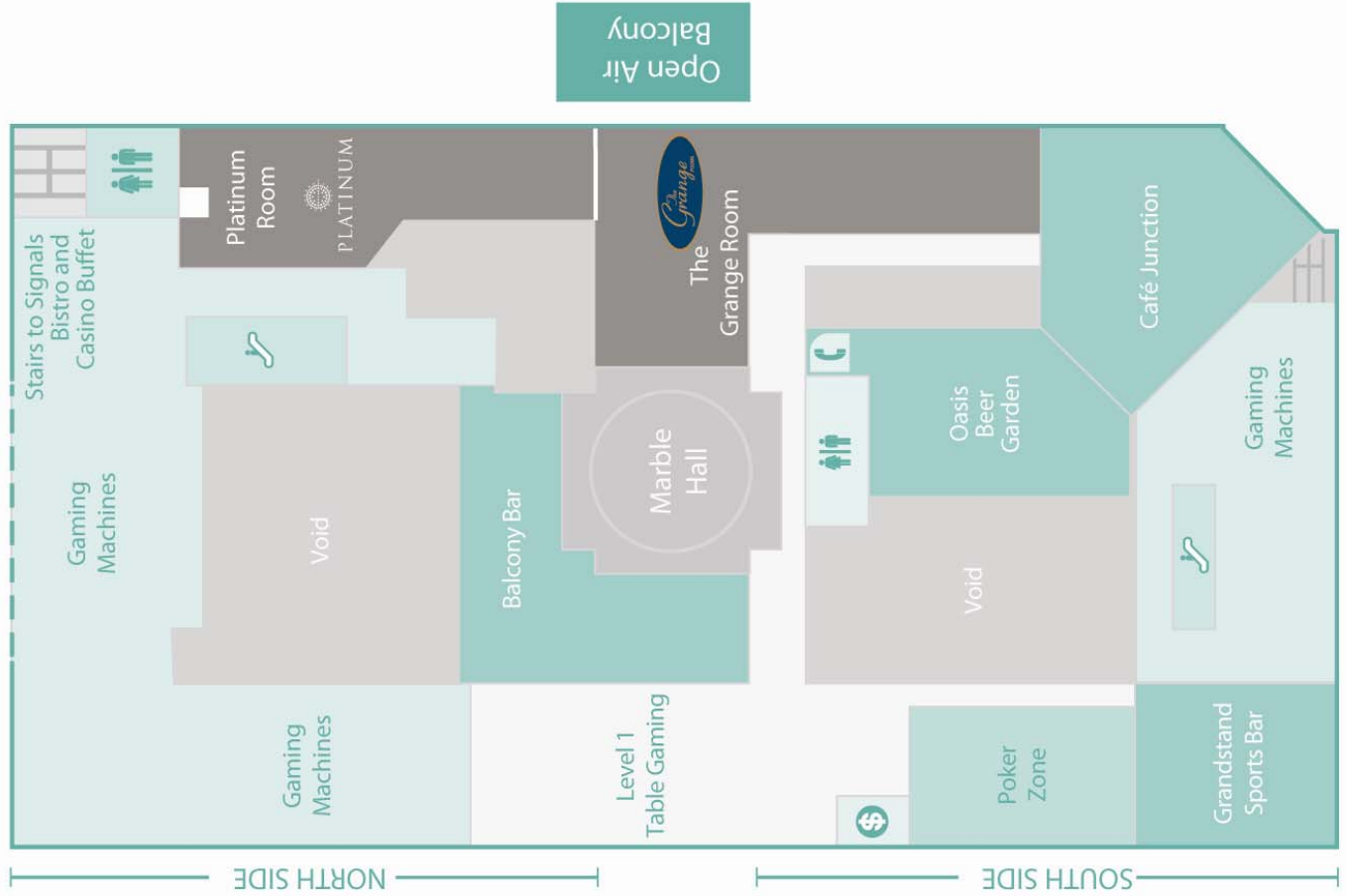


First Floor - Current

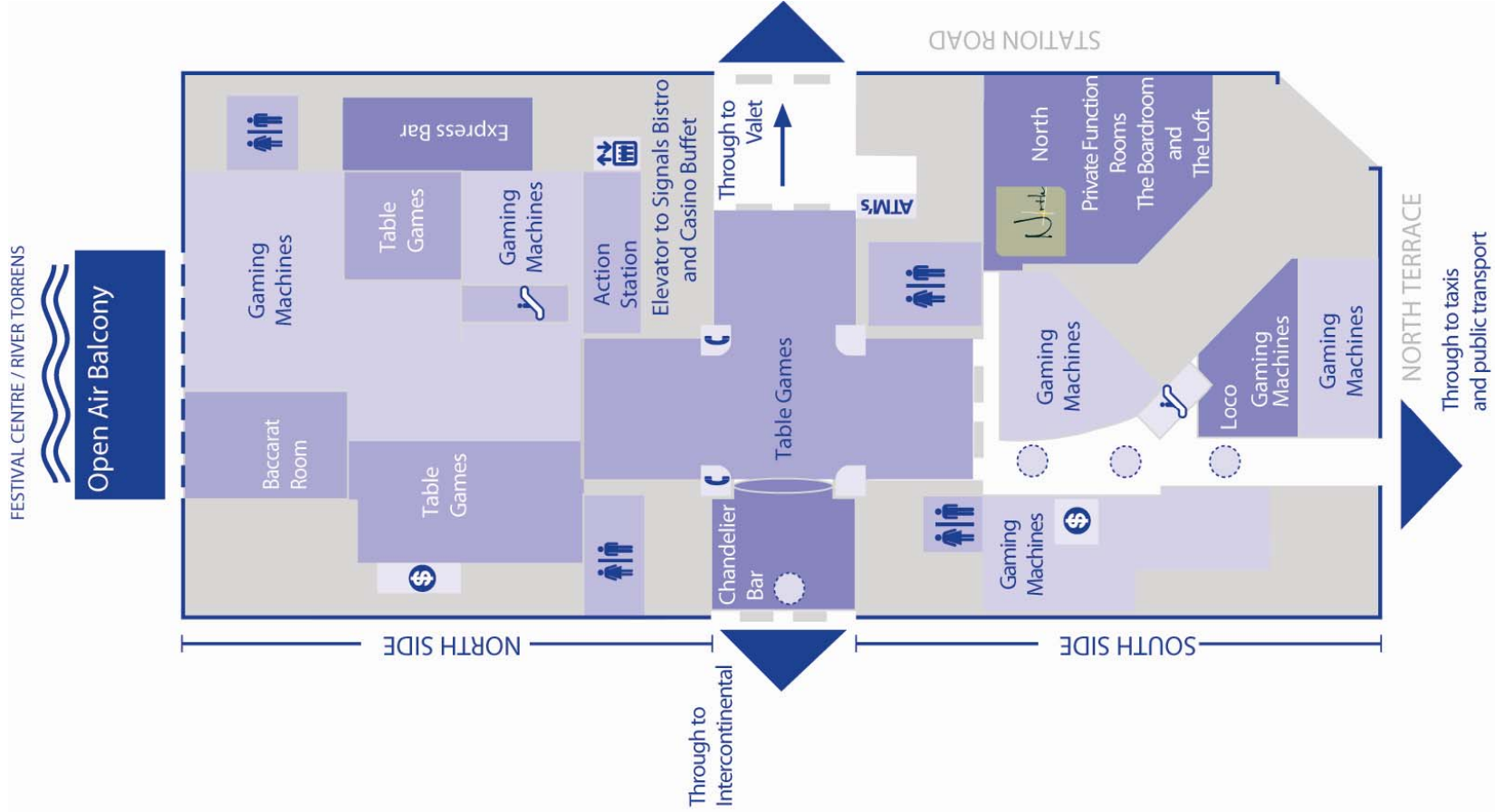


FESTIVAL CENTRE / RIVER TORRENS

Open Air Balcony



Ground Floor - Future



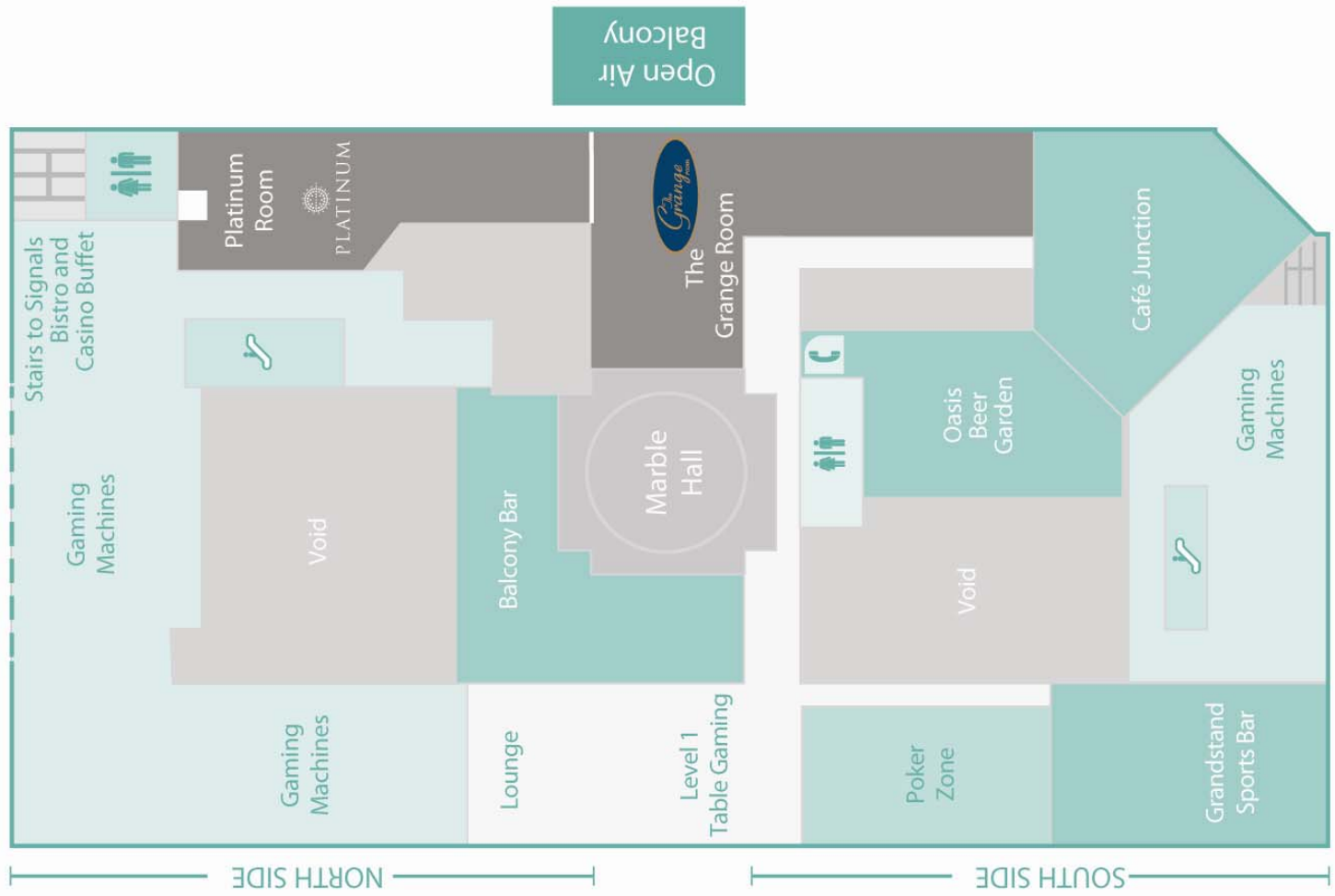
First Floor - Future



FESTIVAL CENTRE / RIVER TORRENS



Open Air Balcony



Site Tour



Table Gaming



Table Gaming FY09



- ❑ General

- ❑ New management team and operating structure
- ❑ Opening more tables more often
- ❑ Re-laid the casino floor, grouping tables and traffic flow
- ❑ Express Bar opened up and tables moved adjacent
- ❑ Increased signage, screens and activity
- ❑ Active engagement with regulators
- ❑ Introduced yielding by day and time and increased Poker rake

- ❑ New Product

- ❑ Introduced a Baccarat Room – 7 tables
- ❑ Baccarat squeeze games
- ❑ Rapid Roulette
- ❑ Casino War

- ❑ Productivity

- ❑ Focus on hand and spin rates
- ❑ BJ and Poker shufflers
- ❑ Chipper machines
- ❑ Low limit tables increased to 7 boxes

Table Gaming FY09



- ❑ Staffing and Engagement

- ❑ Strong management presence on the gaming floor
- ❑ New management
- ❑ Significant uplift in Table Gaming staff engagement scores

- ❑ Marketing

- ❑ Dedicated Marketing Specialist
- ❑ Game specific marketing e.g. Blackjack promotion and advertising
- ❑ Match play for trial and internal movement
- ❑ ANZPT Poker Tournament (220 players)
- ❑ Table only promotions and loyalty activity

- ❑ VIP

- ❑ New VIP Management
- ❑ Grange Room Manager position created
- ❑ VIP Account Management (Executive Hosts) introduced

Table Gaming FY10

- ❑ Continue to optimise the productivity improvements
- ❑ Expansion of electronic table products – Vegas Star & Rapid Roulette, looking at Rapid Money Wheel and Poker Pro
- ❑ Loyalty programme changes to align better to Table Gaming customers wants
- ❑ Further enhance the VIP experience
- ❑ Continue to enhance the overall customer experience through service training and culture
- ❑ Regional high value player acquisition
- ❑ Table numbers optimisation (ability to have more than 90 on the floor)
- ❑ Optimising revenue from Marble Hall development and other floor area changes
- ❑ Chandelier Bar targeted at Table Gaming players – key lapsed segment
- ❑ Increase the size of the Baccarat Room to accommodate 10 tables
- ❑ Increase the Poker Zone to 14 tables and the floor space of the adjoining Sports Bar

Gaming Machines



Gaming Machines FY09



- ❑ General

- ❑ New management and operating structure
- ❑ Increased number of machines on the MGF with the Northside refurbishment
- ❑ Focus on utilisation and micro analysis

- ❑ New Product

- ❑ Leveraged group strength for exclusive casino deals
- ❑ Tailored linked jackpots
- ❑ New casino exclusive games, e.g. Spin City, Shogun Returns (30% of the floor casino exclusive games)
- ❑ New jackpots, Grand Central, Pink Panther, VIP Room mystery
- ❑ Revamp of denomination mix and hold percentage strategy
- ❑ 462 machines now provide jackpots, (284 stand alone and 178 linked)

- ❑ Customer Experience

- ❑ Introduced service of free soft drinks/ coffee to players
- ❑ Staff training in customer recognition

- ❑ Marketing

- ❑ Product specific advertising
- ❑ Customer Insights and Loyalty management structure increased
- ❑ Introduced earn for reward into Loyalty programme
- ❑ Extensive tactical advertising of product and promotions

Gaming Machines FY10

- ❑ Negotiated with Azure gaming for introduction into South Australia – Casino exclusive (Dec)
- ❑ AGT Trial of new product – successful (Sep)
- ❑ Fort Knox jackpot \$100k start up (Dec)
- ❑ Marble Hall development allows for increased gaming machines on the MGF (Dec) and a re-lay of product on Level 1
- ❑ Acquisition programmes
- ❑ Improved Loyalty/ Rewards programme
- ❑ Continued customer experience improvement
- ❑ Some regulatory changes allows increased product availability

Conclusion



As at November 2009

- ❑ Revenues and earnings growth momentum achieved in FY09 continued into Q1 FY10
- ❑ Developing Marble Hall restoring some of the traditional 'Adelaide' glamour, building a new bar that will appeal to a key lapsed target market and increasing ground floor gaming space and product
- ❑ Economic outlook for South Australia remains reasonably positive
- ❑ Continuing to improve visitation through better marketing and improved customer experience initiatives
- ❑ Further expense reduction through close management of costs



Key Features

- ❑ Monopoly casino license in South Australia
- ❑ Growth opportunities from gaming machine market share and table gaming growth with new product
- ❑ New management team with clear EBITDA growth focus and strong gaming expertise
- ❑ The leading participant in the established South Australian gaming market
- ❑ No significant capital expenditure required for the existing site
- ❑ Potential repositioning of the business if a relocation can be negotiated



Questions and Discussion

