



SkyCity releases solid result as it runs with NZ Warriors

RUGBY league legend Steve Price was on hand to beef up SkyCity's annual results yesterday, but he was scarcely needed as the casino group ran in a solid profit.

The Warriors hero turned up at the company's Auckland stronghold with Warriors coach Ivan Cleary to mark SkyCity's three-year deal as a big sponsor that will see its logo on the back of the players' shirts.

SkyCity chief executive Nigel Morrison said the venue would become the "home of the Warriors", and there were plans for a "great sports bar some time next year".

However, Auckland, cornerstone of SkyCity's casino businesses, was off the pace for the June year, while Hamilton and Adelaide came through with strong figures, Mr Morrison said yesterday.

The group reported an annual

net profit of \$102 million, down 11.5 per cent on the 2009 year. But the latest result included an adjustment for changes to depreciation and company tax in the May Budget and SkyCity said its profit would have been \$129.1m on a normalised basis. Revenue fell 1 per cent to \$837.8m.

Forsyth Barr analyst Jeremy Simpson said the result met expectations. "It was pretty close to what we were going for . . . \$128m [normalised net profit after tax] and it came in at \$129.1m.

"I guess the disappointing factor was that Auckland was a little bit softer than what we were hoping for. International business though was stronger and offset that. Two-thirds of international business went through Auckland.

"They're well-positioned when the economy recovers. There's no doubt about that. They have certainly got a lot of initiatives

under way and plans to boost the overall business," Mr Simpson said.

Among those is the Federal St redevelopment with further restaurants, bars and entertainment. Phase one is targeted for completion in time for the 2011 Rugby World Cup. It has also submitted a proposal to the Government for a national convention centre at its Hobson St site, linked by air bridge to the main complex and gambling floor.

In South Australia, the group is in talks with the state government about redeveloping its Adelaide casino, complementing the government's plans to redevelop the Adelaide waterfront taking in the oval and events plaza (A\$535m) and the convention centre (A\$395m) next to the casino.

A final dividend of 9.25c a share will be paid on September 17.



Game on: Warriors hero Steve Price in action against the Broncos in an NRL clash. The team will sport SkyCity's logo in a three-year sponsorship deal. Photo: FAIRFAX