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# Star turn for SkyCity

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SkyCity Entertainment Group's Hamilton casino has returned its best result on record, the trans-Tasman gaming company reporting a 12 per cent lift in adjusted net profit across the company.

SkyCity reported a profit of \$129.1 million for the year to June, up from \$114.3m last year, the company buoyed by paying down debt and reining in costs in a subdued economy but hit hard by a fall in domestic gambling.

Hamilton achieved revenue growth of 2.3 per cent, earnings before interest, tax, depreciation and amortisation up 7.3 per cent to \$19.2m from \$17.9m in the last reporting period.

The biggest area in growth for Hamilton was in non-gaming, up 9.3 per cent while takings from the tables were down by 2 per cent.

Revenue from gaming machines at the Hamilton casino were up 1.5 per

cent.

This was in contrast to Auckland where the company's annual report said there was a marked drop-off in the number of gamblers prepared to bet more than \$300 a hand. The average bet was now less than \$300 a hand.

Gaming revenue fell by \$600,000 in Hamilton from \$32.6 million in 2009 to \$32 million.

In Auckland it fell by \$13.8m from \$299.6m to \$285.8m. Overall Hamilton was the only casino to increase its total revenue up \$900,000 to \$39.8m.

SkyCity Hamilton general manager Arthur Pitcher said Waikato's dairy-based economy was faring better than other major New Zealand cities and it showed in the result.

"It's a really pleasing result for Hamilton, in fact it's the best result we have ever had for Hamilton," he said.

SkyCity almost doubled the function centre's capacity in March this year. It can now cater for up to 650 people.

Mr Pitcher said the function centre

had been provided free of charge to some community groups and not-for-profits.

"We have been widening our audience in those sorts of ways. Softening the image of the casino in all sectors," he said.

SkyCity has been tipped to build a three-storey 126-room hotel on top of the Hamilton casino to lift the city's accommodation offering ahead of the Rugby World Cup.

The development is believed to be worth between \$20m and \$30m. SkyCity group aimed to be among companies offering the best returns to shareholders, and its final dividend represented an annualised yield of about 9 per cent. The final dividend of 9.25c per share, or 70 per cent of net profit, takes the full-year dividend to 17.25c compared with 15.5c the previous year. Despite that, shares in SkyCity closed down 10c at \$2.89.