SKYCITY ENTERTAINMENT GROUP

SKYCITY Entertainment Group Limited
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23 February 2009

Listed Company Relations
New Zealand Exchange Limited
Level 9, ASB Bank Tower
2 Hunter Street
WELLINGTON

Dear Sir/Madam

RE : SKYCITY ENTERTAINMENT GROUP LIMITED
INTERIM RESULT (2009)

We supply herewith the financial information as required by Listing Rule 10.4 plus a copy of the FY09 Interim Result and the SKYCITY Entertainment Group Limited financial statements for the six month period ended 31 December 2008.

Please find attached:

1. Appendix 1 (Rule 10.4) detailing the Preliminary Announcement of the SKYCITY interim result for the six month period ended 31 December 2008.

2. FY09 Interim Result for the six month period ended 31 December 2008.

3. Appendix 7 detailing the interim distribution of 9.0 cents per ordinary share to be paid on 27 March 2009 to those shareholders on the company's share register as at 5.00pm on 4 March 2009.

4. Financial statements and notes for SKYCITY Entertainment Group Limited for the six month period ended 31 December 2008.

5. ASX Listing Rule 4.2A.2 declaration by directors in respect of the half year financial statements and notes.

6. The SKYCITY media release re the result.

Please confirm clearance of release to the market.

Yours faithfully

Alistair Ryan

Alistair Ryan
Chief Financial Officer

SKYCITY Entertainment Group Limited	
Results for announcement to the market	
Reporting Period	1 July 2008 to 31 December 2008
Previous Reporting Period	1 July 2007 to 31 December 2007

	Amount (000s)	Percentage change
Revenue from ordinary activities	NZ$422,101	0.1%
Profit (loss) from ordinary activities after tax attributable to security holder.	NZ$54,780	4,156%
Net profit (loss) attributable to security holders.	NZ$54,780	4,156%

Interim Distribution	Amount per security	Imputed amount per security
	NZ$ 0.09	$0.038571

Record Date	4 March 2009
Payment Date	27 March 2009

Comments:	Refer attached FY09 Interim Result: six month period ended 31 December 2008.

NTA Backing

	2008	2007
Net tangible asset backing per ordinary share	13.0¢	6.4¢

The movement in the NTA Backing relates to growth in the tangible assets of the Group partially offset by an increase in the number of ordinary shares on issue.

The low net tangible asset backing results from excluding significant intangible assets (SKYCITY Darwin and SKYCITY Adelaide casino licences and goodwill).

Audit Review

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

Earnings per share

The earnings per share for the six months to 31 December 2008 year were 11.6 cents per share (31 December 2007: 0.3 cents per share)

The earnings per share before the impairment for cinemas for the six months to 31 December 2007 year were 13.4 cents per share.

FY09 Interim Result

Six month period ended 31 December 2008

SKYCITY
Entertainment
Group Limited

23 February 2009

SKYCITY Interim Result 1H09
Agenda

SKYCITY ENTERTAINMENT GROUP

1H09 Highlights and Results

1H09 Result Highlights
Reported and Normalised Net Profit (NPAT)

	1H09	1H08	Movement
NPAT Reported	$54.8m	$1.3m	$53.5m
Non Recurring Items (NRI)	$0.8m	$62.9m	($62.1m)
NPAT Adjusted for NRI	$55.6m	$64.2m	($8.6m)
NPAT Normalised for IB	$55.6m	$55.9m	($0.3m)
EPS Normalised	11.7cps	12.2cps	(0.5cps)

- Normalised represents underlying earnings with international VIP commission business win rate adjusted to theoretical

• 1H08 NRI includes $58.4m Cinemas write-down and other adjustments. 1H09 NRI includes $1.2m restructuring costs

SKYCITY ENTERTAINMENT GROUP

1H09 Result Highlights
Reported Earnings

	1H09 $m		1H08 $m		Movement $m	
Revenue		**422.1**		421.5		0.6
EBITDA						
■ Australian Casinos	**(A$36.5)**	**44.0**	(A$35.5)	40.9	(A$1.0)	3.1
■ New Zealand Casinos		**114.7**		120.5		(5.8)
■ International Business		**0.8**		12.6		(11.8)
■ Cinemas		**2.5**		2.0		0.5
■ Corporate		**(13.5)**		(17.3)		3.8
Total EBITDA		**148.5**		**158.7**		**(10.2)**
EBITDA Margin		***32.5%***		*34.8%*		
EBIT		**111.7**		122.9		(11.2)
NPAT		**54.8**		1.3		53.5

- 1H08 NPAT impacted by $58.4m write down of Cinemas carrying value
- This page shows reported earnings. Earnings adjusted (for NRI) and normalised (International Business at theoretical win rate) earnings are set out on the following page

- Note: 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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1H09 Result Highlights
Underlying / Normalised Earnings

- Revenue up 3.0%
- EBITDA down 1.5%
- NPAT down 0.5%

	Normalised (for IB)		
	1H09 $m	1H08 $m	Movement $m
Revenue	422.1	410.0	12.1
EBITDA	149.7	152.0	(2.3)
EBITDA Margin	*35.5%*	*37.1%*	
EBIT	112.9	116.2	(3.3)
NPAT	55.6	55.9	(0.3)

- 'Normalised' (underlying) eliminates non-recurring items and adjusts international VIP commission business win rate to theoretical
- On this page, EBITDA margin is calculated on revenues net of GST. Elsewhere in this presentation, to facilitate comparison with Australian peers, EBITDA margin is calculated on gaming revenues inclusive GST

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Key Features of 1H09 Result

- Working hard across all properties to achieve revenue growth
- Normalised earnings in line with corresponding prior period for both EBITDA and NPAT
- Solid performance from Australian casinos
  - Adelaide revenue and earnings growth despite smoking ban introduction (November 07)
  - Darwin revenue growth continues despite expansion disruption
- New Zealand operations relatively resilient despite challenging economic environment
- Lower international business win rate impacts the comparison to corresponding prior period (for both revenues and EBITDA)
- Cinemas business increased revenues and earnings
- Tight management of capex
- Neither earnings nor balance sheet impacted to any significant extent by currency fluctuations
  - Debt position hedged from FX exposure
- Sound balance sheet and debt position

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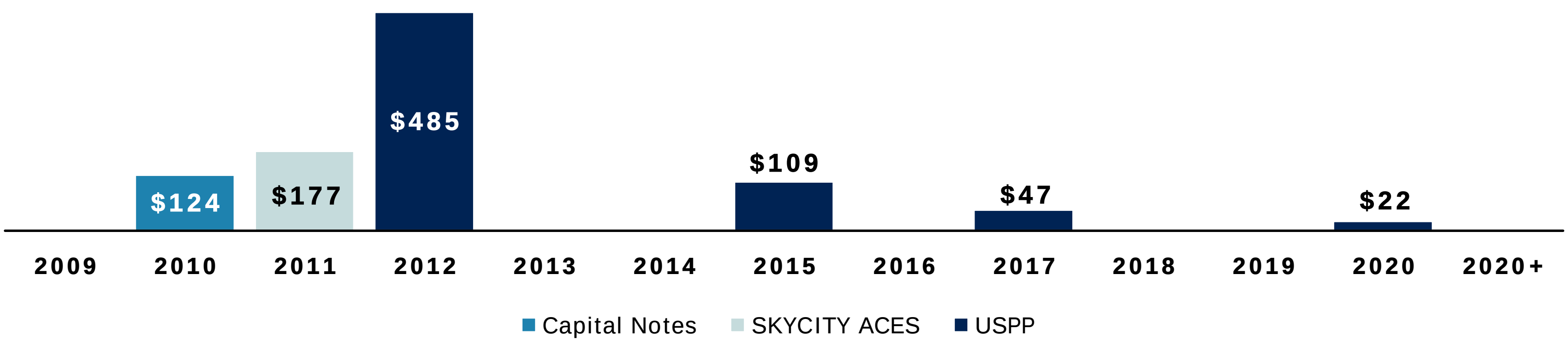
Secure Balance Sheet: Sound Debt Position

- Debt well diversified with strong maturity profile
- No maturity events until May 2010. New Zealand capital notes and Australian convertible notes (ACES) mature in May 2010 and December 2010 respectively, but these facilities offer rollover flexibility
- No significant refinancing until 2012
- Significant headroom within existing covenants with no issues anticipated
  - Net Debt: EBITDA stable at 3.2x
  - Interest Cover (EBITDA/Net Interest) stable at 3.8x
- Undrawn committed facilities of $500m as at 23/02/09
- The USD/USPP exchange rate movement is fully hedged by a cross currency interest rate swap (CCIRS)

Drawn Debt Maturities by Financial Year (as at 31/12/08: NZ$964m)



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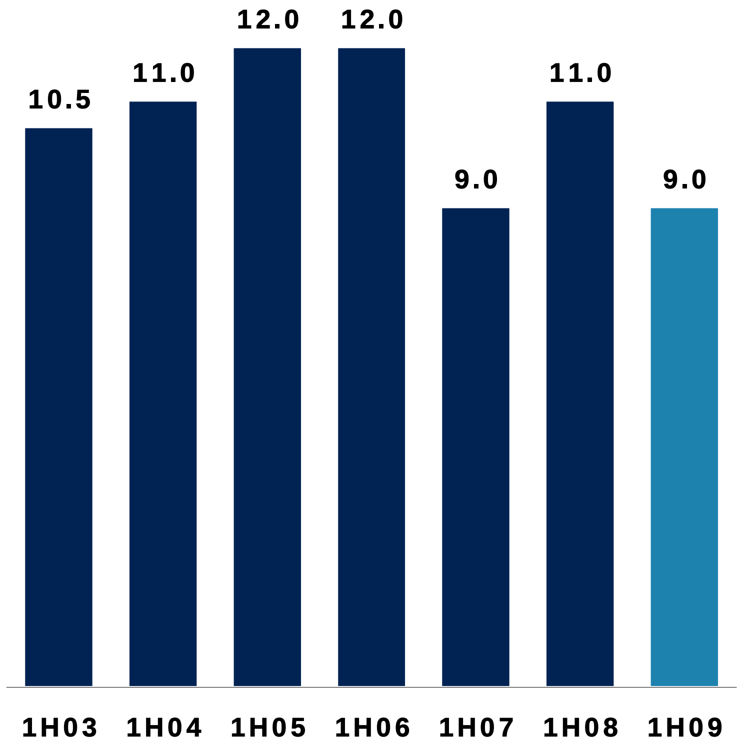
1H09 Interim Distribution
Strong yield at 9.0cps

- Interim distribution 9.0cps (11.0cps 1H08) represents:
  - An effective annualised pre-tax yield of 9.5% at current share price levels
  - Record date 4 March 2009
  - Payment date 27 March 2009
- Continuation of the distribution structure by way of non-taxable bonus shares with fully-imputed cash buyback alternative (PDP)
- Bonus share discount of 2.5%
- IRD private ruling re PDP expires 31/3/09. Extension applied for but no decision as yet
- More conservative distribution policy going forward – refer page 12

Interim Dividends/Distributions (cents per share)



Strategy and Outlook

Strategy and Outlook: Priorities

- Operational priorities for FY09 were set out in the FY08 result presentation (August 2008)

  - The core objective for 2009 is to maximise the potential of our existing assets
  - SKYCITY's new management team is focused on driving revenue and operational efficiencies and maximising EBITDA, while tightly controlling capex
  - To deliver an improved customer experience across all our properties, focusing on customer service, effective marketing and enhanced entertainment experiences
  - To significantly enhance our IT and systems capabilities and reinvest in new gaming technology and core operating systems, positioning our business for growth
  - To grow and diversify our International VIP commission-based play business
  - To improve our employee engagement and employee advocacy across our business operations

- SKYCITY is cautious about the balance of the 2009 financial year. The company's results will inevitably depend on how the Australian and New Zealand economies unfold during this period. Accordingly SKYCITY will increasingly focus on a more conservative capital management positioning

Distribution Policy Going Forward

- Consistent with SKYCITY's increasing focus on a more conservative capital management positioning, the company plans to tighten its future shareholding distributions as below
  - Moving to a 60% - 70% distribution policy going forward
  - Priorities have changed in the current environment from a high payout ratio to an increased focus on using funds available to reduce debt
  - Second half distribution will be set within the 60% - 70% (of NPAT) range

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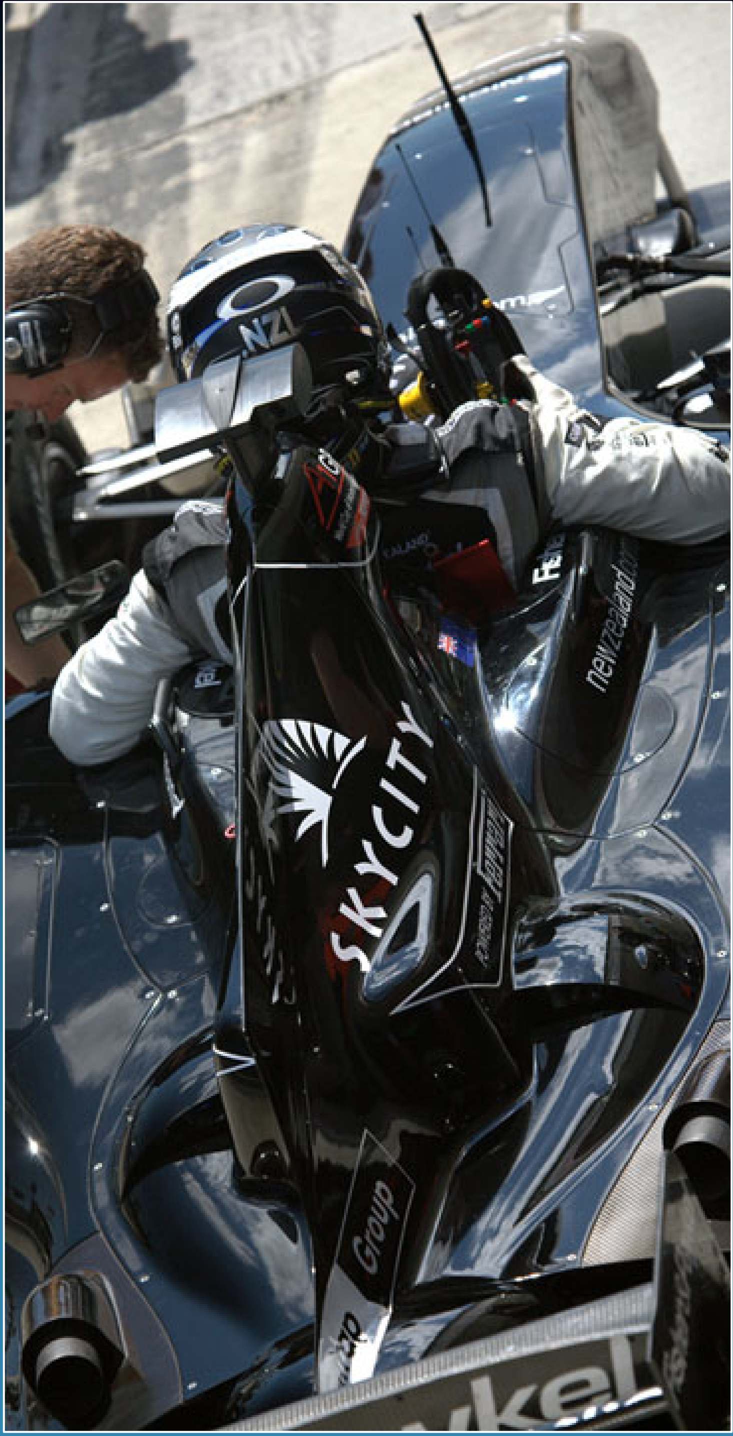
Business Unit Results



1H09: Revenue Summary by Business Unit

		1H09 $m	1H08 $m	Movement $m	Movement %
Australian Casinos					
▪ Adelaide	(A$)	**64.5**	62.5	2.0	3.2%
▪ Darwin	(A$)	**57.5**	54.9	2.6	4.7%
Total Australia	(A$)	**122.0**	**117.4**	**4.6**	**3.9%**
	(NZ$)	**147.2**	**135.3**	**11.9**	**8.8%**
New Zealand Casinos					
▪ Auckland		**202.9**	205.3	(2.4)	(1.2%)
▪ Hamilton		**19.9**	20.0	(0.1)	(0.5%)
▪ Christchurch, Queenstown		**7.1**	6.5	0.6	9.2%
Total New Zealand		**229.9**	**231.8**	**(1.9)**	**(0.8%)**
Casino Revenues		**377.1**	**367.1**	**10.0**	**2.7%**
International Business		**7.6**	21.9	(14.3)	(65.3%)
Cinemas		**37.4**	32.5	4.9	15.1%
Group Revenues		**422.1**	**421.5**	**0.6**	**0.1%**
Revenues (grossed up for Gaming GST)		456.3	456.6	(0.3)	(0.1%)

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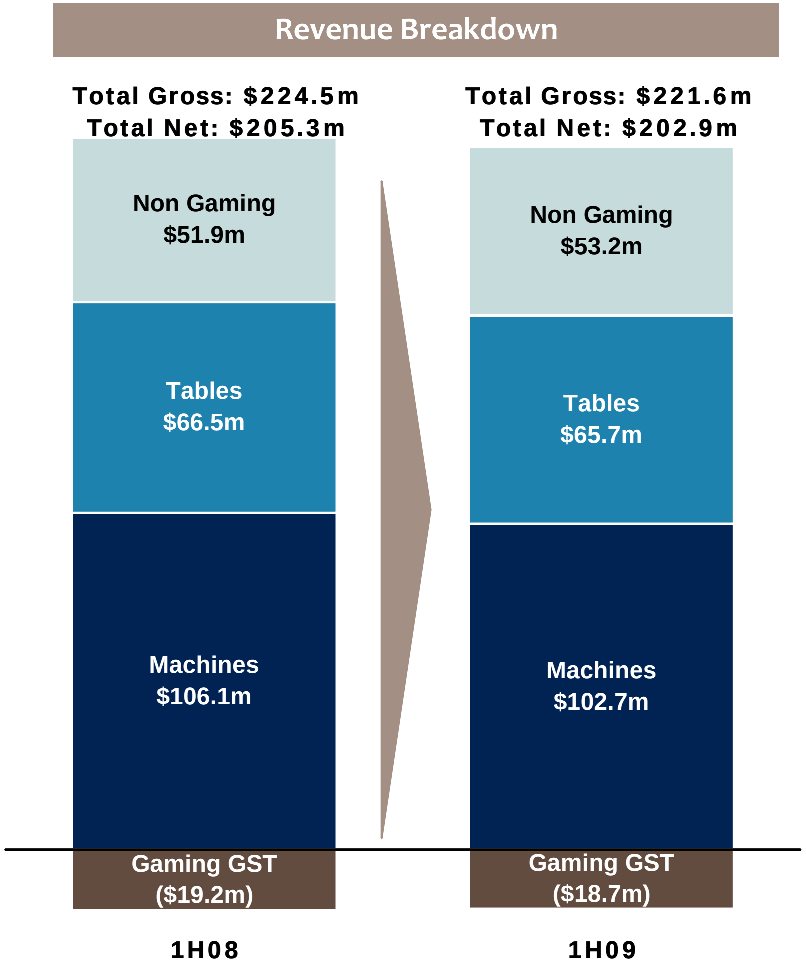
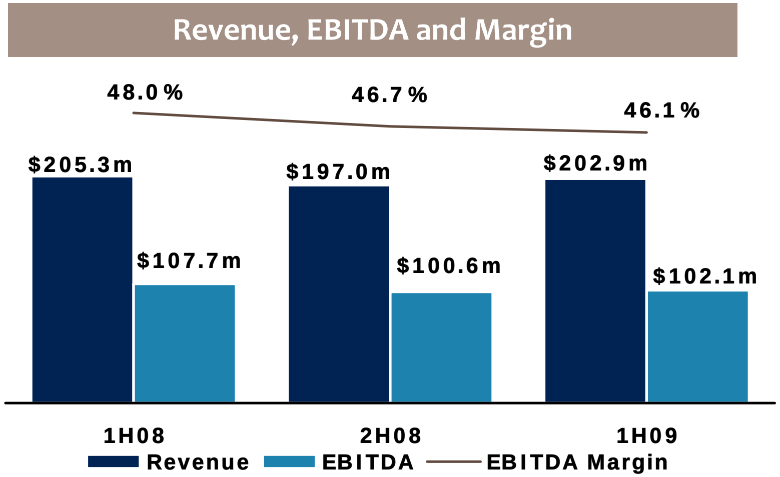
1H09: EBITDA Summary by Business Unit

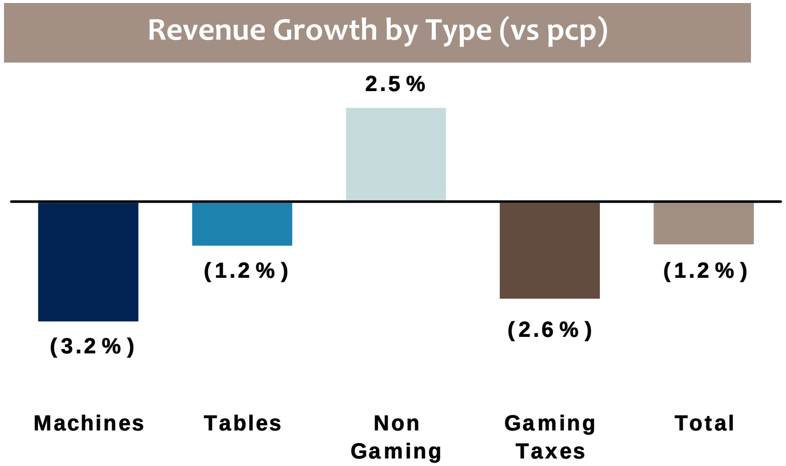
		1H09 $m	1H08 $m	Movement $m	Movement %
Australian Casinos					
▪ Adelaide	(A$)	**14.2**	12.0	2.2	18.3%
▪ Darwin	(A$)	**22.3**	23.5	(1.2)	(5.1%)
Total Australia	(A$)	**36.5**	**35.5**	**1.0**	**2.8%**
	(NZ$)	**44.0**	**40.9**	**3.1**	**7.6%**
New Zealand Casinos					
▪ Auckland		**102.1**	107.7	(5.6)	(5.2%)
▪ Hamilton		**8.8**	10.0	(1.2)	(12.0%)
▪ Christchurch, Queenstown		**3.8**	2.8	1.0	35.7%
Total New Zealand		**114.7**	**120.4**	**(5.7)**	**(4.7%)**
Group Overheads		**(13.5)**	(17.3)	3.8	
Casino EBITDA before International		**145.2**	**144.1**	**1.1**	**0.8%**
International Business		**0.8**	12.6	(11.8)	(93.7%)
Cinemas		**2.5**	2.0	0.5	25.0%
Reported EBITDA		**148.5**	**158.7**	**(10.2)**	**(6.4%)**
Add-Back: Non Recurring Items		**1.2**	4.8	(3.6)	
EBITDA Adjusted for NRI		**149.7**	**163.5**	**(13.8)**	**(8.4%)**
Adjust IB to Theoretical		**-**	**(11.5)**	**11.5**	**-**
Normalised EBITDA		**149.7**	**152.0**	**(2.3)**	**(1.5%)**

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

1H09 Business Unit Results
SKYCITY Auckland







Notes
- EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST exclusive non-gaming revenues, to facilitate Australasian comparisons
- Total Gross Revenue includes gaming revenue inclusive GST
- Total Net Revenue is GST exclusive

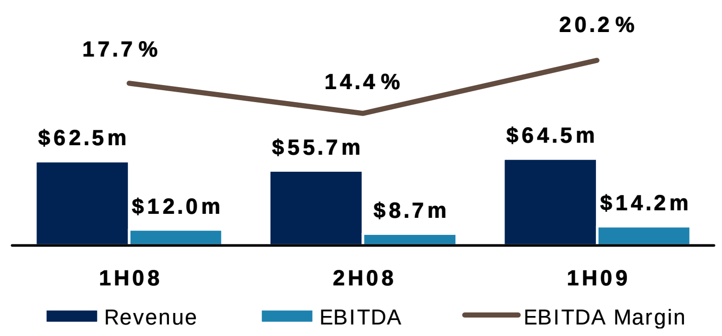
1H09 Business Unit Results
Key Features SKYCITY Auckland

- Auckland revenues year to date have been relatively resilient
- Modest growth during the six month period, with second quarter revenues up 5.8% over first quarter
- Some increases in costs necessary to sustain revenues - as a consequence, margin has softened slightly
- Gaming machine revenues down 3.2 % on corresponding prior period (1H08) but 3.3% ahead of preceding half (2H08). Second quarter performance from gaming machines improved following significant re-layout and re-design of product
- Gaming tables down marginally (-1.2%) on corresponding prior period (1H08) but up (+0.9%) on preceding half (2H08)
- Strong performance from non-gaming with revenues ahead of both corresponding prior period (1H08) and preceding half (2H08). SKYCITY Hotel (344 rooms) 80% occupancy and SKYCITY Grand (320 rooms) occupancy up strongly from 50% to 67%
- Conventions and events strategies have delivered sustained revenue flows. Major events at SKYCITY Auckland have included:
  - International Festival of Poker
  - Bob Geldof charity dinner
  - Rugby charity dinner (Richie McCaw and Dan Carter)
  - Cricket charity dinner (Stephen Fleming and Shane Warne)
  - Louis Vuitton Pacific Series
  - A1 GP Motor Show

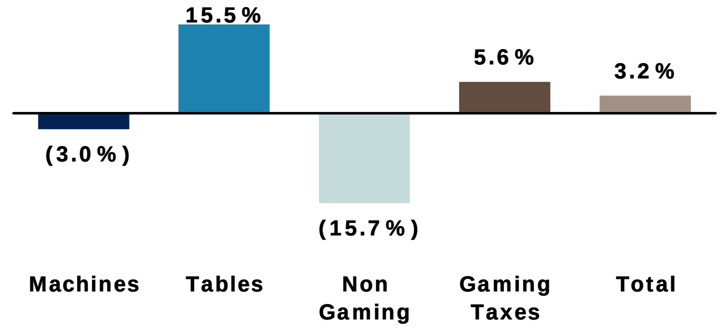
1H09 Business Unit Results
SKYCITY Adelaide

- A pleasing result in Adelaide with EBITDA up 18.3% over corresponding prior period
- EBITDA gain due to both revenue growth and effective cost management
- First half revenues up 3.2% over corresponding prior period despite full impact of smoking bans in 1H09 (v 4 months pre smoking bans in 1H08)
- Introduction of new gaming product, including Rapid Roulette
- Revenues grew steadily through the first half period culminating in record revenues on New Year's Eve
- Second quarter revenues up 10.5% over first quarter and 8.7% over corresponding prior period (2Q08)

Revenue, EBITDA and Margin (A$)



Revenue Growth by Type (vs pcp)



Note: 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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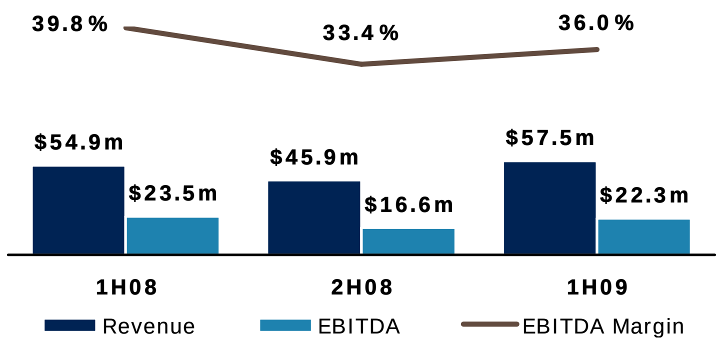
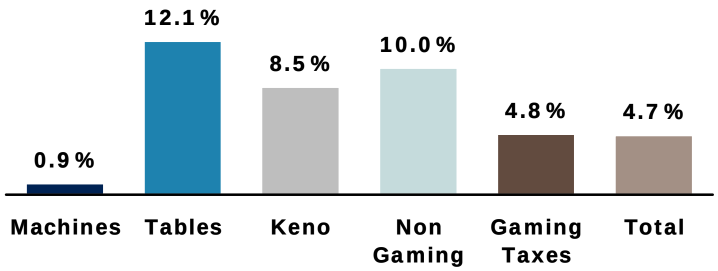
1H09 Business Unit Results
SKYCITY Darwin

- Revenue growth sustained
  - Tables, keno and food and beverage all up on 1H08 despite construction disruption
  - Gaming machine revenues flat (reduced number of machines due to the construction project)
  - Growth in tables and food and beverage at lower average margins
- New Italian restaurant (opened December 08) performing well
- New Platinum Room and 'Sandbar' destination bar opened February 09
- Hotel occupancy (120 rooms) maintained at 86%

Revenue, EBITDA and Margin (A$)



Revenue Growth by Type (vs pcp)

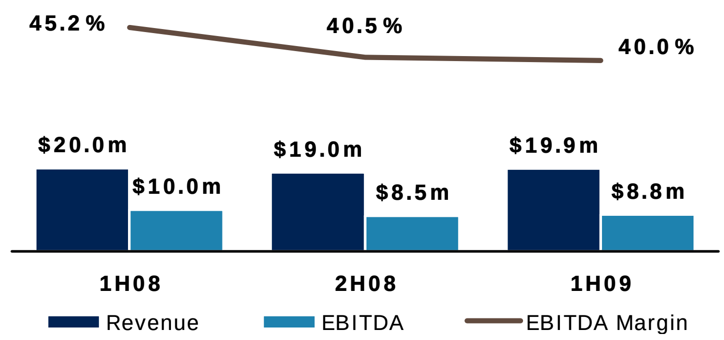


Note: EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST exclusive non-gaming revenues to facilitate Australasian comparisons

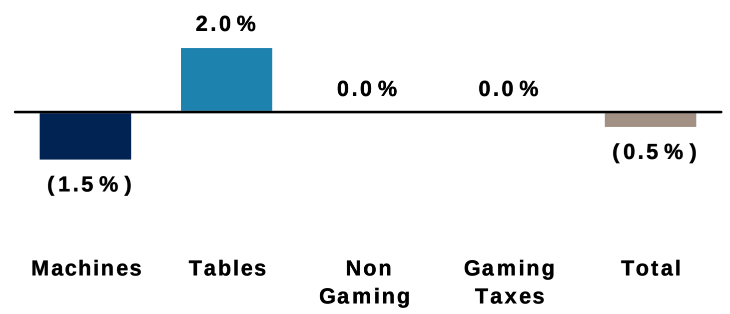
1H09 Business Unit Results
SKYCITY Hamilton

- Revenues in line with prior period but cost increases impacted the EBITDA outcome for the half
- Focus on costs in second half targeted to restore EBITDA margin going forward
- Strong focus on re-engaging the Hamilton casino with the local community and to build customer support

Revenue, EBITDA and Margin



Revenue Growth by Type (vs pcp)



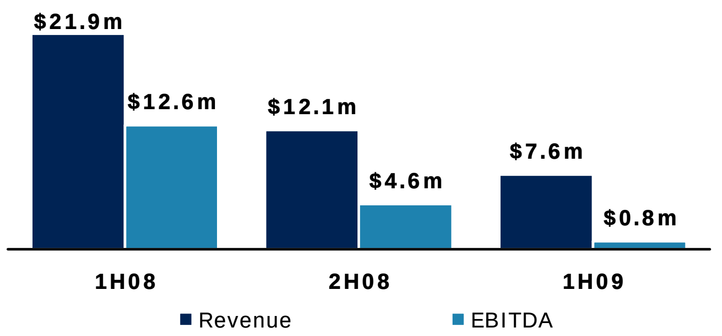
Note: EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST exclusive non-gaming revenues to facilitate Australasian comparisons

1H09 Business Unit Results
International Business

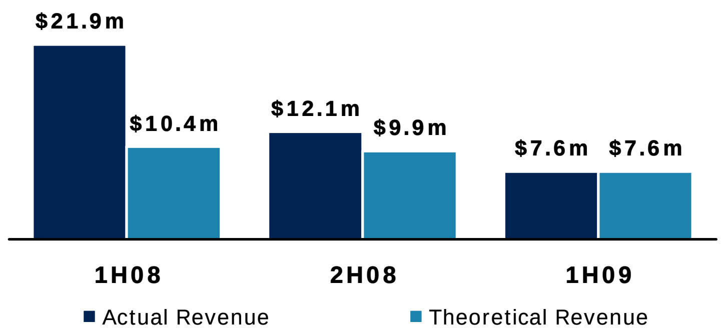
- 1H09 comparison to 1H08 impacted by very high turnover and win rate in 1H08
- International VIP Commission Business turnover down 16% over 1H08
- 1.32% win rate (theoretical 1.33%) compared to 3.19% in 1H08
- EBITDA at $0.8m well down on exceptionally strong $12.6m result in 1H08

	Turnover $m	Win Rate %
1H08	762	3.19%
2H08	675	1.92%
1H09	640	1.32%

Revenue and EBITDA



Revenues: Actual v Theoretical



Notes: Revenue is before commissions and taxes

1H09 Business Unit Results
Christchurch and Queenstown

Christchurch

- Following the sale of the Christchurch Crowne Plaza Hotel in July and acquisition of the Intercontinental Hotels Group shareholding, SKYCITY's effective shareholding interest in Christchurch Casino has increased from 40.5% to 45.7%
- Christchurch Casino revenues and earnings steady through the last 18 month period
- Renovation of level 2 of the casino area improves presentation and will refresh the customer experience.

Christchurch Earnings

	1H08	2H08	1H09
Revenue	$34.3m	$34.7m	$33.7m
EBITDA	$11.2m	$12.2m	$11.3m
EBITDA %	*32.7%*	*35.2%*	*33.5%*
Contribution to SKYCITY	**$2.7m**	**$3.0m**	**$3.4m**

Queenstown

- Steady revenues through the last 18 months with active cost management leading to improved EBITDA.

Queenstown Revenue and EBITDA

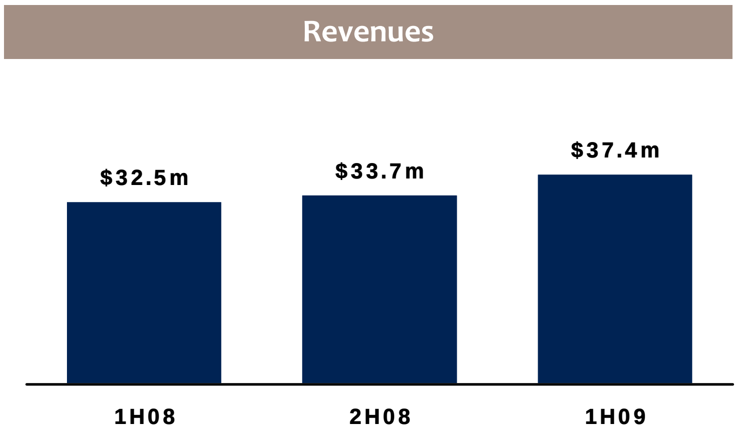
	1H08	2H08	1H09
Revenue	$3.5m	$3.5m	$3.4m
EBITDA	$0.2m	$0.3m	$0.4m
EBITDA %	*5.1%*	*7.7%*	*10.5%*

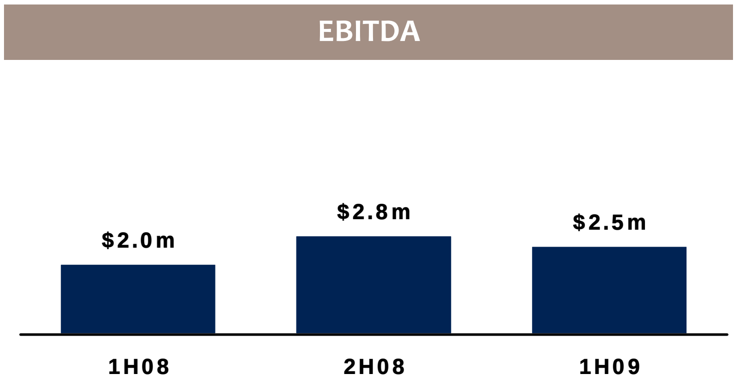
Note: Queenstown EBITDA margin is calculated as a % of GST-inclusive gaming revenues and GST exclusive non-gaming revenues to facilitate Australasian comparisons

SKYCITY ENTERTAINMENT GROUP

1H09 Business Unit Results
SKYCITY Cinemas

- New management appointed during 1H09
- Revenues up 15% over 1H08 with openings of new cinemas (Albany and Manukau in Auckland)
- 1H09 EBITDA includes $0.4m of costs related to the closure of Rialto Hamilton and the opening of Manukau
- Going forward, EBITDA expected to build through revenue growth and cost effectiveness
- New Auckland cinemas (10 screen complexes at Albany and Manukau) consolidate SKYCITY's dominant position in the prime Auckland market
- Auckland market share up from 55% to 65% following the openings of Albany and Manukau





Summary

- Relatively resilient revenues and earnings to date
- Strong balance sheet with sound debt profile
- Tight control on capital expenditure
- Distribution policy reduced in favour of capital management / debt reduction
- Cautious outlook which will depend on how the Australian and New Zealand economies unfold

Disclaimer

- All information included in this presentation is provided as at 23 February 2009.
- 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.

FY09 Interim Result

Six month period ended 31 December 2008

Appendices

Further Financial Details and Explanatory Notes

Index to Appendix Items

SKYCITY ENTERTAINMENT GROUP

I Adjusted and Normalised Earnings and NPAT

	1H09			1H08		
	EBITDA $m	EBIT $m	NPAT $m	EBITDA $m	EBIT $m	NPAT $m
Reported	**148.5**	**111.7**	**54.8**	**158.7**	**122.9**	**1.3**
Restructuring Costs	1.2	1.2	1.2	1.7	1.7	1.7
Transaction Costs	-	-	-	3.1	3.1	3.1
Cinema write-down	-	-	-	-	-	60.0
Tax relating to the above adjustments	-	-	(0.4)	-	-	(2.4)
One-off tax adjustment	-	-	-	-	-	0.5
Adjusted for NRI	**149.7**	**112.9**	**55.6**	**163.5**	**127.7**	**64.2**
International Business at theoretical	-	-	-	(11.5)	(11.5)	(11.5)
Tax effect on above	-	-	-	-	-	3.2
Normalised	**149.7**	**112.9**	**55.6**	**152.0**	**116.2**	**55.9**

II P&L Summary by Business Unit

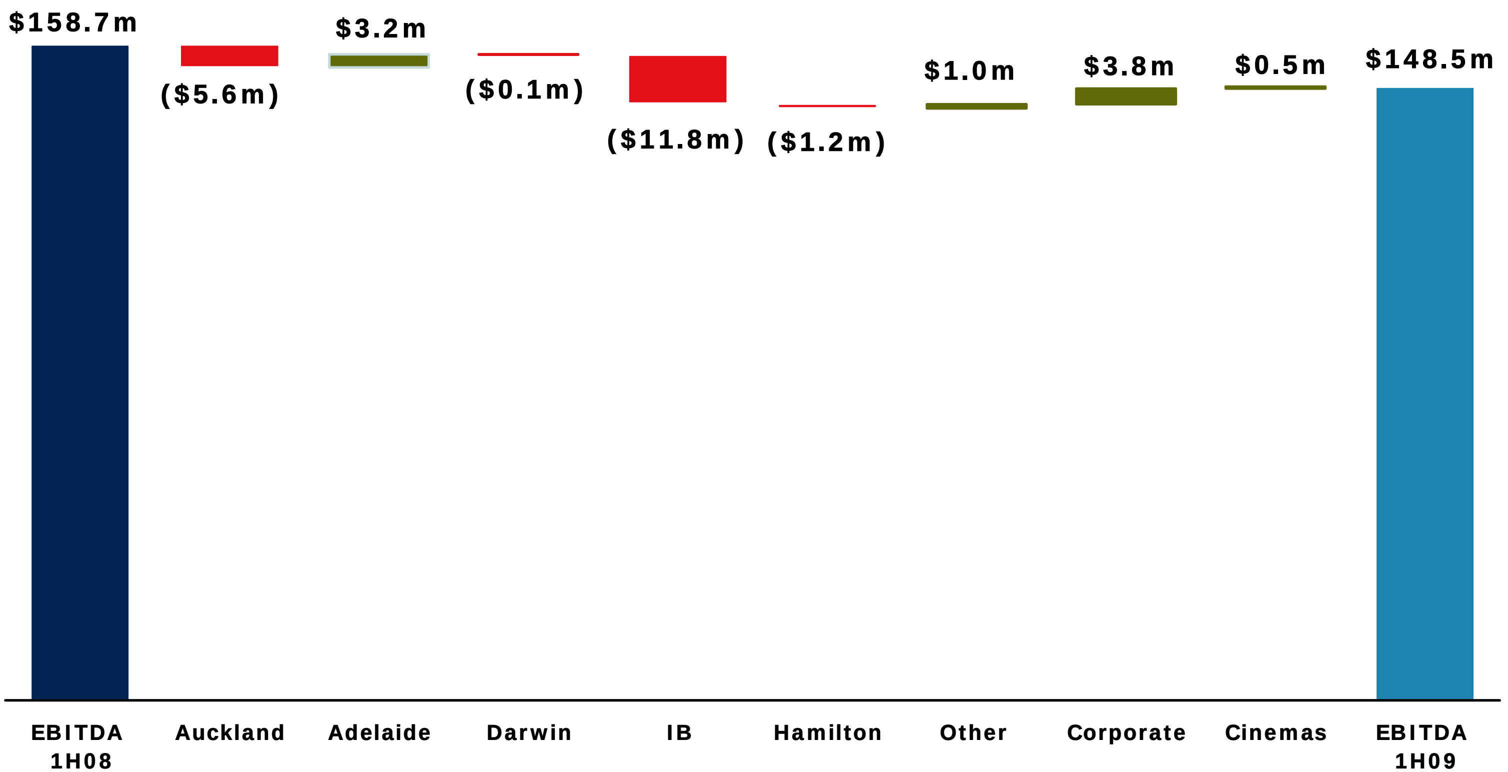
New Zealand operations expressed in NZ$m Australian operations expressed in A$m	1H09										1H08									
	Auckland NZ$m	Adelaide A$m	Darwin A$m	International Business NZ$m	Hamilton NZ$m	Other NZ Operations NZ$m	Corporate / Group NZ$m	Sub-Total NZ$m	Cinemas NZ$m	SKYCITY Group NZ$m	Auckland NZ$m	Adelaide A$m	Darwin A$m	International Business NZ$m	Hamilton NZ$m	Other NZ Operations NZ$m	Corporate / Group NZ$m	Sub-Total NZ$m	Cinemas NZ$m	SKYCITY Group NZ$m
Gaming																				
Gross Revenue	168.4	63.2	48.7	8.4	18.6	3.3	-	333.7	-	333.7	172.6	59.6	47.1	24.3	18.7	3.4	-	342.0	-	342.0
Gaming GST	(18.7)	(5.7)	(4.4)	(0.8)	(2.1)	(0.4)	-	(34.2)	-	(34.2)	(19.2)	(5.4)	(4.2)	(2.4)	(2.1)	(0.4)	-	(35.1)		(35.1)
Revenue	149.7	57.5	44.3	7.6	16.5	2.9	-	299.5	-	299.5	153.4	54.2	42.9	21.9	16.6	3.0	-	306.9	-	306.9
Non-Gaming Revenue	53.2	7.0	13.2	-	3.4	4.2	-	85.2	37.4	122.6	51.9	8.3	12.0	-	3.4	3.5	-	82.1	32.5	114.6
Total Revenue	**202.9**	**64.5**	**57.5**	**7.6**	**19.9**	**7.1**	**-**	**384.7**	**37.4**	**422.1**	**205.3**	**62.5**	**54.9**	**21.9**	**20.0**	**6.5**	**-**	**389.0**	**32.5**	**421.5**
Expenses	100.8	50.3	35.2	6.8	11.1	3.3	13.5	238.7	34.9	273.6	97.6	50.5	31.4	9.3	10.0	3.7	17.3	232.3	30.5	262.8
EBITDA	**102.1**	**14.2**	**22.3**	**0.8**	**8.8**	**3.8**	**(13.5)**	**146.0**	**2.5**	**148.5**	**107.7**	**12.0**	**23.5**	**12.6**	**10.0**	**2.8**	**(17.3)**	**156.7**	**2.0**	**158.7**
	46.1%	20.2%	36.0%	9.5%	40.0%	50.7%		34.9%	6.7%	32.5%	48.0%	17.7%	39.8%	51.9%	45.2%	40.6%		36.9%	6.2%	34.8%
Depreciation	17.3	3.2	3.8	-	2.1	0.4	0.7	28.9	3.7	32.6	16.5	3.5	3.4	-	2.3	0.4	1.2	28.4	3.3	31.7
Amortisation	-	1.1	0.1	-	-	-	2.7	4.2	-	4.2	-	1.1	0.1	-	-	-	2.7	4.1	-	4.1
EBIT	**84.8**	**9.9**	**18.4**	**0.8**	**6.7**	**3.4**	**(16.9)**	**112.9**	**(1.2)**	**111.7**	**91.2**	**7.4**	**20.0**	**12.6**	**7.7**	**2.4**	**(21.2)**	**124.2**	**(1.3)**	**122.9**
	38.3%	14.1%	29.7%	9.5%	30.5%	45.3%		27.0%	-3.2%	24.5%	40.6%	10.9%	33.8%	51.9%	34.8%	34.8%		29.3%	-4.0%	26.9%
Funding										38.1										40.3
Net Profit before tax										**73.6** 16.1%										**82.6** 18.1%
Tax										18.8										23.6
Minority Interests										-										0.7
Net Profit after tax (before Cinemas write-down)										**$54.8m**										**$59.7m**
Cinemas write-down										-										$58.4m
Net Profit after tax & Cinemas write-down										**$54.8m**										**$1.3m**

Other NZ Operations includes Queenstown and Christchurch Casinos (associate). Minority Interests relate to SKYCITY Queenstown

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

III 1H08 to 1H09 Reported EBITDA Bridge

Reported EBITDA Bridge from 1H08 to 1H09



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IV 1H09 Result - SKYCITY Auckland

	1H09 $m	1H08 $m	Movement $m	Movement %
Revenues				
Machines	**102.7**	106.1	(3.4)	(3.2%)
Tables	**65.7**	66.5	(0.8)	(1.2%)
Gross gaming revenue	**168.4**	172.6	(4.2)	(2.4%)
Less GST on gaming revenue	**18.7**	19.2	(0.5)	(2.6%)
Gaming Revenue (net of GST)	**149.7**	**153.4**	**(3.7)**	**(2.4%)**
Food and beverage	**17.4**	17.8	(0.4)	(2.2%)
Hotels and conventions	**24.9**	23.3	1.6	6.9%
Sky Tower, parking, other	**10.9**	10.8	0.1	0.9%
Non-Gaming Revenue	**53.2**	**51.9**	**1.3**	**2.5%**
Total Revenue	**202.9**	**205.3**	**(2.4)**	**(1.2%)**
Expenses	**100.8**	97.6	3.2	3.3%
EBITDA	**102.1**	**107.7**	**(5.6)**	**(5.2%)**
EBITDA margin	***46.1%***	***48.0%***		
Depreciation	**17.3**	16.5	0.8	4.8%
EBIT	**84.8**	**91.2**	**(6.4)**	**(7.0%)**

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

V 1H09 Result - SKYCITY Adelaide

	1H09 A$m	1H08 A$m	Movement A$m	Movement %
Revenues				
Machines	**29.6**	30.5	(0.9)	(3.0%)
Tables	**33.6**	29.1	4.5	15.5%
Gross gaming revenue	**63.2**	59.6	3.6	6.0%
Less GST on gaming revenue	**5.7**	5.4	0.3	5.6%
Gaming Revenue (net of GST)	**57.5**	54.2	3.3	6.1%
Food and beverage, other	**7.0**	8.3	(1.3)	(15.7%)
Total Revenue	**64.5**	**62.5**	**2.0**	**3.2%**
Expenses	**50.3**	50.5	(0.2)	(0.4%)
EBITDA	**14.2**	**12.0**	**2.2**	**18.3%**
EBITDA margin	***20.2%***	***17.7%***		
Depreciation	**3.2**	3.5	(0.3)	(8.6%)
Amortisation (casino licence)	**1.1**	1.1	-	-
EBIT	**9.9**	**7.4**	**2.5**	**33.8%**

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

VI 1H09 Result - SKYCITY Darwin

	1H09 A$m	1H08 A$m	Movement A$m	Movement %
Revenues				
Machines	**34.9**	34.6	0.3	0.9%
Tables	**7.4**	6.6	0.8	12.1%
Keno	**6.4**	5.9	0.5	8.5%
Gross gaming revenue	**48.7**	47.1	1.6	3.4%
Less GST on gaming revenue	**4.4**	4.2	0.2	4.8%
Gaming Revenue (net of GST)	**44.3**	42.9	1.4	3.3%
Food and beverage, hotel, other	**13.2**	12.0	1.2	10.0%
Total Revenue	**57.5**	**54.9**	**2.6**	**4.7%**
Expenses	**35.2**	31.4	3.8	12.1%
EBITDA	**22.3**	**23.5**	**(1.2)**	**(5.1%)**
EBITDA margin	***36.0%***	***39.8%***		
Depreciation	**3.8**	3.4	0.4	11.8%
Amortisation	**0.1**	0.1	-	-
EBIT	**18.4**	**20.0**	**(1.6)**	**(8.0%)**

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

VII 1H09 Result - SKYCITY Hamilton

	1H09 $m	1H08 $m	Movement $m	Movement %
Revenues				
Machines	**13.5**	13.7	(0.2)	(1.5%)
Tables	**5.1**	5.0	0.1	2.0%
Gross gaming revenue	**18.6**	18.7	(0.1)	(0.5%)
Less GST on gaming revenue	**2.1**	2.1	-	-
Gaming Revenue (net of GST)	**16.5**	**16.6**	**(0.1)**	**(0.6%)**
Food and beverage, other	**3.4**	3.4	-	-
Total Revenue	**19.9**	**20.0**	**(0.1)**	**(0.5%)**
Expenses	**11.1**	10.0	1.1	11.0%
EBITDA	**8.8**	**10.0**	**(1.2)**	**(12.0%)**
EBITDA margin	***40.0%***	***45.2%***		
Depreciation	**2.1**	2.3	(0.2)	(8.7%)
EBIT	**6.7**	**7.7**	**(1.0)**	**(13.0%)**

Note: 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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VIII 1H09 Result - SKYCITY Queenstown

	1H09 $m	1H08 $m	Movement $m	Movement %
Revenues				
Machines	**1.9**	2.1	(0.2)	(9.5%)
Tables	**1.4**	1.3	0.1	7.7%
Gross gaming revenue	**3.3**	3.4	(0.1)	(2.9%)
Less GST on gaming revenue	**0.4**	0.4	-	-
Gaming Revenue (net of GST)	**2.9**	**3.0**	**(0.1)**	**(3.3%)**
Food and beverage, other	**0.5**	0.5	-	-
Total Revenue	**3.4**	**3.5**	**(0.1)**	**(2.9%)**
Expenses	**3.0**	3.3	(0.3)	(9.1%)
EBITDA	**0.4**	**0.2**	**0.2**	**100.0%**
EBITDA margin	***10.5%***	***5.1%***		
Depreciation	**0.3**	0.3	-	-
EBIT	**0.1**	**(0.1)**	**0.2**	

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

IX 1H09 Result – International Business

	1H09 NZ$m	1H08 NZ$m
Revenue	**7.6**	21.9
Less commission, comps and taxes	**3.9**	6.3
Net win	**3.7**	15.6
Other direct expenses	**2.9**	3.0
International VIP Commission Business EBITDA	**0.8**	**12.6**
Revenue at theoretical	7.6	10.4
Net win above/(below) theoretical	**-**	**11.5**
Theoretical win rate	1.33%	1.33%
Actual win rate	1.32%	3.19%

X 1H09 Result - Christchurch Casino

	1H09 $m	1H08 $m	Movement $m	Movement %
Revenues				
Gaming	**28.3**	28.5	(0.2)	(0.7%)
Food and beverage, other	**5.4**	5.8	(0.4)	(6.9%)
Total Revenue	**33.7**	**34.3**	**(0.6)**	**(1.7%)**
Expenses	**22.4**	23.1	(0.7)	(3.0%)
EBITDA	**11.3**	**11.2**	**0.1**	**0.9%**
EBITDA margin	***33.5%***	***32.7%***		
Depreciation	**1.9**	1.7	0.2	11.8%
EBIT	**9.4**	**9.5**	**(0.1)**	**(1.1%)**
Contribution to SKYCITY	**3.4**	**2.7**	**0.7**	**25.9%**

Christchurch Casino is not consolidated into the SKYCITY Group result. Contribution from Christchurch Casino represents 45.7% (2H08) and 30.7% (1H08) equity earnings plus interest received on shareholder advances

XI 1H09 Result – SKYCITY Cinemas

	1H09 $m	1H08 $m	Movement $m	Movement %
Revenue	**37.4**	32.5	4.9	15.1%
Expenses	**34.9**	30.5	4.4	14.4%
EBITDA	**2.5**	2.0	0.5	25.0%
EBITDA Margin	***6.7%***	*6.2%*		
Depreciation	**3.7**	3.3	0.4	12.1%
Amortisation	**-**	-	-	-
EBIT	**(1.2)**	(1.3)	0.1	(7.7%)

- Revenues, expenses and depreciation up due to new 10 screen cinema complexes in Auckland at Albany (April) and Manukau (September)
- EBITDA margin improved from 6.2% to 6.7%.

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XII Revenue and EBITDA Margin

SKYCITY reports revenue net of GST. In order to facilitate comparison with Australian peers (which report revenues inclusive of gaming GST), revenues are shown below grossed-up for gaming GST

	1H09 $m	1H08 $m
Reported Revenue (Net)	**422.1**	421.5
Add back: GST Gaming	**34.2**	35.1
Revenue (Gross incl. GST)	**456.3**	**456.6**
EBITDA Adjusted for NRI	**149.7**	**163.5**
EBITDA margin (Net)	***35.5%***	***38.8%***
EBITDA margin (Gross)	***32.8%***	***35.8%***

XIII Australian Dollar Earnings Adelaide and Darwin

- Average NZD:AUD cross-rate during 1H09 0.8312
- Average NZD:AUD cross-rate during 1H08 0.8676
- Restating 1H08 prior period at 0.8312 to remove the FX differential would have the following impact:
  - 1H08 reported EBITDA +$1.8m
  - 1H08 Normalised NPAT +$0.9m
- Impact of currency variation on the 1H09 v 1H08 earnings comparison not material.

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XIV Debt Movement

- SKYCITY's balance sheet debt position has reduced by $24m from $988m at 30/6/08 to $964m at 31/12/08. This reduction is due to three main factors as below:

1. Repayments from cash flow		$22m
2. CCIRS cash received	$129m	
less cash on deposit	($22m)	$107m
3. Debt revaluations		(-$105m)
Debt reduction		**$24m**

- The balance sheet offset to the debt revaluation is in derivative financial instruments and equity reserves
- The USD/USPP exchange rate movement is fully hedged by a cross-currency interest rate swap (CCIRS)

XV Hedged Debt Position: USPP

- SKYCITY's USD debt (US Private Placement US$274.5m) is fully hedged by cross-currency interest rate swaps (CCIRS) which are aligned to the maturity dates of the USPP
- Fair value of the CCIRS at 31/12/08 was NZ$140.2m. Security arrangements with the counterparty mean that $129.3m in cash had been received by SKYCITY as at 31/12/08 to offset any credit risk re the counterparty (Deutsche Bank)
- This cash has, in the meantime, been used to fully repay the bank debt facility of $129m and increase cash deposits. At the time of repayment of the USD debt, any cash received as security will be used to fund repayment of the USPP debt
- The amount of cash received as security will vary with movements in the NZD/USD exchange rate. At current exchange rates (below 0.71) SKYCITY is able to use the cash received to (temporarily) pay down debt. This in-cash position will continue as long as the NZD/USD exchange rate remains below the CCIRS rate of 0.71.

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XVI Interest and Tax

- Reduced funding costs due to lower debt and interest rates
- 77% of debt drawn down (as at 23/2/09) is at fixed interest
- SKYCITY's weighted average cost of debt (inclusive margin) was 7.65% for the 1H09 period, compared to 7.68% for the 1H08 period
- Tax rate for 1H09 at 25.5% compared to 28.6% in 1H08. Ongoing tax rate projected at ~26.5%.

XVII Consolidated Balance Sheet
SKYCITY Entertainment Group Limited

	As at 31/12/08 NZ$m	As at 30/6/08 NZ$m
Equity		
Share Capital	482.2	460.8
Retained profits	(18.9)	(24.3)
Reserves	(4.9)	34.0
Minority interests	1.3	1.9
Total Equity	**459.7**	**472.4**
Current Assets		
Cash and bank	84.5	61.9
Receivables and prepayments	35.6	31.5
Inventories	6.9	5.9
Tax receivables	14.0	33.8
Derivative financial instruments	-	1.3
Total Current Assets	**141.0**	**134.4**
Non-Current Assets		
Property, plant and equipment	1,005.6	991.2
Investment property	-	8.9
Intangible assets	397.7	418.5
Investments in associates	83.3	84.0
Deferred tax assets	24.1	11.7
Tax receivables	-	11.5
Derivative financial instruments	13.1	22.5
Other non-current assets	-	1.0
Total Non-Current Assets	**1,523.8**	**1,549.3**
Total Assets	**1,664.8**	**1,683.7**

XVII Consolidated Balance Sheet (continued)
SKYCITY Entertainment Group Limited

	As at 31/12/08 NZ$m	As at 30/6/08 NZ$m
Total Assets (carried forward)	**1,664.8**	**1,683.7**
Current Liabilities		
Payables	120.9	118.3
Derivative financial instruments	3.7	-
Total Current Liabilities	**124.6**	**118.3**
Non-Current Liabilities		
Term borrowings	661.6	677.9
Subordinated debt	302.5	310.3
Deferred tax liabilities	58.6	77.9
Derivative financial instruments	54.8	23.6
Other non-current liabilities	3.0	3.3
Total Non-Current Liabilities	**1,080.5**	**1,093.0**
Total Liabilities	**1,205.1**	**1,211.3**
Net Assets	**459.7**	**472.4**
Net Position of Derivative Financial Instruments included in Balance Sheet Assets/(Liabilities)	(45.4)	0.2

XVIII Balance Sheet Notes

- Equity
  - Share capital increased by $21.5m as a result of bonus shares issued under the company's Profit Distribution Plan in October 2008 and shares issued to SKYCITY personnel under the company's incentive remuneration plan.
  - Retained profits increased by $5.4m. The transactions during the half year that affected retained profits were net profit after tax (6 month period ended 31/12/08) of $54.8m, less the FY08 final distribution of $49.4m.
  - The Reserves balance as at 31/12/08 is represented by the shares awarded but not yet issued to salaried staff under the company's staff incentive scheme $0.7m, foreign currency translation reserve balance $3.1m, and cash flow hedge reserve ($8.7m).
  - The movement in the 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 $1.3m is Skyline Enterprises' 40% shareholding in Queenstown Casinos Limited.

- Current Assets
  - Cash and bank comprises $47.3m of funds on interest-bearing deposit and $37.2m of cash held in-house/on-property.
  - Tax receivables of $14.1m relates to prepaid tax to ensure the Group's imputation credit account was in credit on 31/3/08. The balance is shown as a current asset as it is expected to be utilised within the next twelve months. The decrease of $31.2m (30/6/08 current tax receivable $33.8m plus non-current tax receivable $11.5m) is a result of tax receivable balances being utilised in the current period.

XVIII Balance Sheet Notes (continued)

- Non-Current Assets
  - The $14.4m increase in property, plant and equipment relates primarily to transfer of a real estate asset from Investment Property, the Darwin expansion project, completion of the Manukau cinema complex in Auckland, new gaming machines and conversions, offset by depreciation.
  - Investment Property of $8.9m reclassified to Property, Plant and Equipment.
  - Intangible assets have decreased by $20.8m which consists of the impact of movements in the NZD/AUD exchange rate on the Adelaide and Darwin casino licenses and goodwill ($19.1m), amortisation of the Adelaide casino licence (-A$1.0m) and software additions and amortisation (-$0.6m).
  - Investments in Associates comprises SKYCITY's investment in Christchurch Casinos Limited (CCL). SKYCITY's effective shareholding in Christchurch Casinos Limited is 45.7% up from 40.5% following the acquisition of the Intercontinental Hotels Group shareholding in July 2008. The balance of the shareholding interest in CCL is held via shareholder advances. Other minor associates of SKYCITY Cinemas Holdings Limited are also included.
  - Deferred tax assets of $24.1m relate to temporary differences (accounting v tax depreciation and movements in derivatives). Refer also deferred tax liability under non-current liabilities (below).
  - All derivatives are discussed under the non-current liabilities section (below).

- Non-Current Liabilities
  - Term borrowings represent funds drawn down on the senior debt facility (31/12/08 – Nil), and US Private Placement debt (NZ$664m), less deferred funding expenses ($2m). The $16m reduction in term borrowings from FY08 comprises exchange rate movements on the US dollar denominated USPP, offset by repayment of the NZ$ syndicated bank facility, and amortisation of deferred funding expenses.
  - At 31/12/08, SKYCITY had in place a $500m (30/6/08: $500m) syndicated bank facility on an unsecured, negative pledge basis, maturing April 2011. As at 31/12/08, the amount drawn on this facility was nil (30/6/08: $129m). The movement in the syndicated bank facility from 30/6/08 relates to debt repayment of $129 million using funds obtained from operations and realisation of hedging currency exposures.

XVIII Balance Sheet Notes (continued)

Non-Current Liabilities (continued)

- Subordinated debt includes New Zealand capital notes ($125m) and Australian capital notes (SKYCITY ACES) (A$150m). The $7.8m decrease relates primarily to the impact of exchange rate movements on the SKYCITY ACES and amortisation of deferred expenses. This is fully hedged.
- Deferred tax liabilities decreased by $19.3m as a result of temporary differences associated with tax v accounting carrying values and movements in the fair value of the Group's derivative financial instruments. Deferred tax assets and deferred tax liabilities are not netted off under NZ IFRS. The combined deferred tax asset and liability position as at 31/12/08, if able to be netted off, would be a net liability of $34.5m (FY08: $66.2m).
- NZ IFRS requires that all derivatives are marked to market and recorded on the balance sheet as at the company's reporting date.
- Derivative financial instruments represent the market value of interest rate swaps, cross currency interest rate swaps (CCIRS), and forward foreign exchange contracts. The net balance of all derivative financial instruments has moved from $0.2m at 30/6/08 to -$45.4m at 31/12/08. The CCIRS hedging the USD debt have moved from a value of -$23.4m to $140.2m. $129.0m cash has been received as security on the CCIRS, so the carrying value is shown at the net value of $11.2m. Due to the fall in interest rates, interest rate swaps fixing the company's interest rate exposure have fallen in mark to market value from $18.7m to -$53.4m. As these interest rate swaps are in an effective hedging relationship, the revaluation is reflected in the Cash Flow Hedge Reserve (Equity).

Disclaimer

- All information included in this presentation is provided as at 23 February 2009.
- 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.

SKYCITY ENTERTAINMENT GROUP

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23 February 2009

Listed Company Relations
New Zealand Exchange Limited
Level 2, NZX Centre
11 Cable Street
WELLINGTON

Dear Sir/Madam

RE: Appendix 7 – Bonus Issue

The attached Appendix 7 relates to SKYCITY Entertainment Group's FY09 interim profit distribution by way of a bonus share issue with an option to have the bonus shares bought back by the company for cash. For shareholders who elect to have the bonus shares bought back for cash, full imputation credits will be attached.

Appendix 7 sets out the relevant dates for the bonus issue and the cents per share (9.0cps) that the distribution will be calculated from. The example below shows how the number of bonus shares issued to each shareholder will be calculated.

EXAMPLE ONLY

Distribution amount per share	$0.09
The strike price is calculated from the weighted average sale price of SKYCITY shares on NZSX (this is indicative only and is the weighted average price on the NZSX for the period 9/2/09 to 13/2/09 adjusted for the distribution)	
Discount applicable	2.5%
Strike price: $2.870641 x (1 – 2.5%)	$2.798875
The bonus issue ratio would then be calculated as	$0.09 / $2.798875

The bonus issue ratio would be 0.0321558 bonus shares for every one share held or one bonus share for every 31.0986108 shares held.

Note that the above is an example only and will vary depending on the final strike price. The actual strike price, which will be calculated based on the weighted average price on the NZSX for the period 5 March 2009 to 11 March 2009, will be advised to the NZX, together with an updated Appendix 7, on 12 March 2009.

Yours faithfully

Alistair Ryan

Alistair Ryan
Chief Financial Officer

NZX

Appendix 7 of Listing Rules.

EMAIL: announce@nzx.com

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

Notice of event affecting securities

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

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	Director's resolution
Contact phone number	(09) 363 6141
Contact fax number	(09) 363 6140
Date	23 / 2 / 2009

Nature of event
Tick as appropriate

Bonus Issue	X
If ticked, state whether: Taxable	
/ Non Taxable	X
Conversion	
Interest	
Rights Issue Renouncable	
Rights Issue non-renouncable	
Capital change	
Call	
Dividend	
If ticked, state whether: Interim	
Full Year	
Special	

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	Ordinary shares
ISIN	NZSKCE0001S2

If unknown, contact NZX

Number of Securities to be issued following event	Not known until strike price set
Minimum Entitlement	N/A
Ratio, e.g 1 for 2	for
Conversion, Maturity, Call Payable or Exercise Date	N/A
Treatment of Fractions	Rounded up
Tick if pari passu	X
OR provide an explanation of the ranking	
Strike price per security for any issue in lieu or date Strike Price available.	12 March 2009

Enter N/A if not applicable

Monies Associated with Event

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

In dollars and cents

Amount per security	$0.0900
Source of Payment	Profit
Currency	NZ Dollars
Total monies	N/A

Supplementary dividend details - Listing Rule 7.12.7

Amount per security in dollars and cents	$0.015882*
Date Payable	27 March 2009

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	$
Credits (Give details)	$0.038571*

Timing (Refer Appendix 8 in the Listing Rules)

Record Date 5pm *For calculation of entitlements*	4 March 2009
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.*	27 March 2009
Notice Date *Entitlement letters, call notices, conversion notices mailed*	16 March 2009
Allotment Date *For the issue of new securities. Must be within 5 business days of record date.*	27 March 2009

* Applicable to shareholders who accept associated buy back offer

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights:
Security Code:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Security Code:
Cease Quoting Old Security 5pm:

SKYCITY Entertainment Group Limited

Interim Financial Report

for the half year ended 31 December 2008

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Accountants' Report

To the shareholders of SKYCITY Entertainment Group Limited

We have reviewed the interim financial statements ("financial statements") on pages 1 to 14. The financial statements provide information about the past financial performance and cash flows of the Group, comprising SKYCITY Entertainment Group Limited and its subsidiaries for the half year ended 31 December 2008 and its financial position as at that date. This information is stated in accordance with the accounting policies set out on page 6.

Directors' responsibilities

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 2008 and its financial performance and cash flows for the half year ended on that date.

Accountants' responsibilities

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.

Basis of opinion

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 half year ended 31 December 2008 in accordance with the Review Engagement Standards issued by the Institute of Chartered Accountants of New Zealand.

We have no relationship with or interests in SKYCITY Entertainment Group Limited or its subsidiaries other than in our capacities as accountants conducting this review, auditors under the Companies Act 1993, tax and accounting advisors.

Review opinion

We have reviewed the financial performance and cash flows of the Group for the half year ended 31 December 2008 and its financial position as at that date.

Based on our review nothing has come to our attention that causes us to believe that the financial statements do not present fairly the financial position of the Group as at 31 December 2008 and its financial performance and cash flows for the half year ended on that date in accordance with both International Accounting Standard 34 and New Zealand International Accounting Standard 34, Interim Financial Reporting.

Our review was completed on 23 February 2009 and our review opinion is expressed as at that date.

PricewaterhouseCoopers

Chartered Accountants

Auckland

Consolidated Income Statement

For the six months ended 31 December 2008

	Notes	**Unaudited 6 months 31 December 2008 $'000**	Unaudited 6 months 31 December 2007 $'000	Audited 12 months 30 June 2008 $'000
Revenue	3	**417,617**	418,649	804,014
Other income	4	**997**	389	1,416
Share of net profits of associates		**3,487**	2,577	5,456
Employee benefits expense		**(127,584)**	(119,256)	(238,319)
Other expenses	5	**(60,467)**	(54,790)	(111,302)
Direct consumables and film hire costs		**(34,212)**	(31,124)	(60,318)
Gaming taxes and levies		**(28,057)**	(28,932)	(56,016)
Marketing and communications		**(21,598)**	(23,570)	(41,102)
Directors' fees		**(386)**	(260)	(595)
Depreciation and amortisation expense	5	**(36,855)**	(35,866)	(73,765)
Restructuring costs	5	**(1,228)**	(4,822)	(7,798)
Impairment of Cinemas		**-**	(60,000)	(60,000)
Finance costs - net	6	**(38,103)**	(40,379)	(75,889)
Profit before income tax		**73,611**	22,616	85,782
Income tax expense		**(18,790)**	(21,992)	(36,534)
Profit before minority interest		**54,821**	624	49,248
Attributable to:				
(Profit)/Loss attributable to minority interest		**(41)**	663	608
Profit attributable to shareholders of the company		**54,780**	1,287	49,856
Earnings per share for profit attributable to the shareholders of the company				
Basic earnings per share (cents)		**11.6**	0.3	10.8
Diluted earnings per share (cents)		**10.8**	0.3	10.8

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

Consolidated Balance Sheet

As at 31 December 2008

	Notes	**Unaudited 31 December 2008 $'000**	Unaudited 31 December 2007 $'000	Audited 30 June 2008 $'000
ASSETS				
Current assets				
Cash and bank balances		**84,486**	78,820	61,914
Receivables and prepayments		**35,568**	31,828	31,483
Inventories		**6,900**	5,749	5,899
Tax receivables		**14,112**	14,611	33,818
Derivative financial instruments		**-**	458	1,270
Assets classified as held for sale		**-**	6,925	-
Total current assets		**141,066**	138,391	134,384
Non-current assets				
Tax receivable		**-**	-	11,492
Property, plant and equipment		**1,005,611**	945,399	991,215
Investment properties		**-**	8,870	8,845
Intangible assets		**397,715**	385,491	418,532
Available for sale financial assets		**-**	1,022	1,022
Investments in associates		**83,310**	81,178	84,008
Deferred tax assets		**24,073**	17,946	11,708
Derivative financial instruments		**13,058**	31,641	22,463
Total non-current assets		**1,523,767**	1,471,547	1,549,285
Total assets		**1,664,833**	1,609,938	1,683,669
LIABILITIES				
Current liabilities				
Payables		**120,932**	100,468	118,272
Derivative financial instruments		**3,689**	-	-
Total current liabilities		**124,621**	100,468	118,272
Non-current liabilities				
Interest bearing liabilities	8	**661,580**	704,086	677,884
Subordinated debt - capital notes		**125,191**	123,774	123,772
Subordinated debt - SKYCITY ACES	9	**177,356**	166,916	186,538
Deferred tax liabilities		**58,572**	64,673	77,891
Derivative financial instruments		**54,816**	30,794	23,561
Other non-current liabilities		**2,972**	3,864	3,396
Total non-current liabilities		**1,080,487**	1,094,107	1,093,042
Total liabilities		**1,205,108**	1,194,575	1,211,314
Net assets		**459,725**	415,363	472,355
EQUITY				
Share capital	7	**482,237**	428,964	460,779
Reserves	10(a)	**(4,887)**	6,580	33,993
Retained (losses)	10(b)	**(18,954)**	(22,009)	(24,300)
Shareholders' equity		**458,396**	413,535	470,472
Minority interest		**1,329**	1,828	1,883
Total equity		**459,725**	415,363	472,355

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

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2008

	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Minority interest $'000	Total equity $'000
Balance as at 1 July 2007	364,068	(16,069)	31,044	2,491	381,534
Movement in cash flow hedge	-	17,598	-	-	17,598
Exchange differences on translation of foreign operations	-	6,811	-	-	6,811
Available for sale financial assets	-	(85)	-	-	(85)
Net income directly recognised in equity	-	24,324	-	-	24,324
Profit for the half year	-	-	1,287	-	1,287
Total recognised income	-	24,324	1,287	-	25,611
Exercise of share options	23,973	-	-	-	23,973
Shares issued under Profit Distribution Plan	54,340	-	-	-	54,340
Buyback of shares under Profit Distribution Plan	(15,438)	-	-	-	(15,438)
Share options/rights issued for employee services	316	-	-	-	316
Employee share entitlements issued	1,705	-	-	-	1,705
Distribution to owners	-	-	(54,340)	-	(54,340)
Movement in employee share entitlement reserve	-	(1,675)	-	-	(1,675)
Change in minority interest	-	-	-	(663)	(663)
Balance as at 31 December 2007	428,964	6,580	(22,009)	1,828	415,363
Balance as at 1 July 2008	460,779	33,993	(24,300)	1,883	472,355
Movement in cash flow hedge	-	(21,960)	-	-	(21,960)
Exchange differences on translation of foreign operations	-	(15,524)	-	-	(15,524)
Net income directly recognised in equity	-	(37,484)	-	-	(37,484)
Profit for the half year	-	-	54,780	-	54,780
Total recognised income	-	(37,484)	54,780	-	17,296
Shares issued under Profit Distribution Plan	49,434	-	-	-	49,434
Buyback of shares under Profit Distribution Plan	(29,878)	-	-	-	(29,878)
Share options/rights issued for employee services	443	-	-	-	443
Employee share entitlements issued	1,459	-	-	-	1,459
Distribution to owners	-	-	(49,434)	-	(49,434)
Movement in employee share entitlement reserve	-	(1,396)	-	-	(1,396)
Change in minority interest	-	-	-	(554)	(554)
Balance as at 31 December 2008	482,237	(4,887)	(18,954)	1,329	459,725

Consolidated Statement of Changes in Equity (continued)

	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Minority interest $'000	Total equity $'000
Balance as at 1 July 2007	364,068	(16,069)	31,044	2,491	381,534
Movement in cash flow hedge	-	12,031	-	-	12,031
Exchange differences on translation of foreign operations	-	39,584	-	-	39,584
Available for sale financial assets	-	(85)	-	-	(85)
Net income directly recognised in equity	-	51,530	-	-	51,530
Profit for the year	-	-	49,856	-	49,856
Total recognised income	-	51,530	49,856	-	101,386
Exercise of share options	23,978	-	-	-	23,978
Shares issued under Profit Distribution Plan	105,200	-	-	-	105,200
Buyback of shares under Profit Distribution Plan	(6,838)	-	-	-	(6,838)
Buy back and cancellation of shares under Profit Distribution Plan	(27,842)	-	-	-	(27,842)
Share rights issued for employee services	508	-	-	-	508
Employee share entitlements issued	1,705	-	-	-	1,705
Distributions to owners	-	-	(105,200)	-	(105,200)
Movement in employee share entitlement reserve	-	(1,468)	-	-	(1,468)
Movement in minority interest	-	-	-	(608)	(608)
Balance as at 30 June 2008	460,779	33,993	(24,300)	1,883	472,355

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

Consolidated Cash Flow Statement

For the six months ended 31 December 2008

	Notes	**Unaudited 6 months 31 December 2008 $'000**	Unaudited 6 months 31 December 2007 $'000	Audited 12 months 30 June 2008 $'000
Cash flows from operating activities				
Receipts from customers		**413,532**	417,742	803,528
Payments to suppliers and employees		**(246,694)**	(235,331)	(446,761)
		166,838	182,411	356,767
Dividends received		**5,213**	1,114	2,280
Interest received		**2,121**	2,885	8,976
Other taxes paid		**(27,831)**	(22,660)	(48,844)
Income taxes paid		**(9,819)**	(9,515)	(32,817)
Net cash inflow / (outflow) from operating activities	17	**136,522**	154,235	286,362
Cash flows from investing activities				
Deferred payment for prior year purchase of business		**-**	(20,000)	(20,000)
Purchase of/proceeds from property, plant and equipment		**(42,142)**	(41,536)	(89,076)
Payments for intangible assets		**(2,477)**	(745)	(1,189)
Proceeds from sale of available for sale assets		**-**	1,920	1,920
Payment to Minority Interest		**(600)**	-	-
Net cash inflow / (outflow) from investing activities		**(45,219)**	(60,361)	(108,345)
Cash flows from financing activities				
Exercise of share options		**-**	23,973	23,978
Cash flows associated with derivatives	17	**129,314**	-	-
Repayment of borrowings		**(129,000)**	(51,000)	(92,000)
Distributions paid to company's shareholders		**(29,878)**	(15,438)	(34,680)
Interest paid		**(39,167)**	(44,126)	(84,938)
Net cash flows from financing activities		**(68,731)**	(86,591)	(187,640)
Net increase/(decrease) in cash and cash equivalents		**22,572**	7,283	(9,623)
Cash and bank balances at the beginning of the period		**61,914**	71,537	71,537
Cash and cash equivalents at end of the half year		**84,486**	78,820	61,914

The above consolidated 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, tourism, and cinema exhibition sectors. The Group has operations in New Zealand, Australia and Fiji.

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 23 February 2009.

2 Summary of significant accounting policies

These general purpose financial statements for the interim half year reporting period ended 31 December 2008 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 Cash Flow Statement have been applied on a basis consistent with those used in the audited financial statements for the year ended 30 June 2008 and the unaudited financial statements for the six months ended 31 December 2007.

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 2008.

(a) Changes in accounting policies

Other than as referred to below, 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.

Certain comparatives have been restated in order to conform to current year presentation. The nature of these changes is to increase the level of disclosure around expenses to conform with the annual financial statements and to reclassify interest income within net finance expenses. There is no impact on net profit.

During the year the Group changed the following accounting policies:

(i) NZ IFRIC 13 Customer Loyalty Programmes

A portion of revenue is allocated to the loyalty points scheme and is recognised when customers redeem their loyalty points. The change in accounting policy has not had a material effect in terms of the measurement of revenue in the financial statements. Disclosures regarding the amount of loyalty revenue have been made in note 3.

3 Revenue

	6 months 31 December 2008 $'000	6 months 31 December 2007 $'000	12 months 30 June 2008 $'000
Gaming	**298,821**	306,391	586,511
Non-gaming	**118,796**	112,258	217,503
	417,617	418,649	804,014

Included within gaming revenue is revenue relating to loyalty action points of $5,343k (31 December 2007: $4,027k, 30 June 2008: $7,941k).

Included within non-gaming revenue is revenue relating to loyalty action points of $68k (31 December 2007: $68k, 30 June 2008: $127k).

4 Other income

	6 months 31 December 2008 $'000	6 months 31 December 2007 $'000	12 months 30 June 2008 $'000
Net gain on disposal of property, plant and equipment	**401**	78	399
Interest income - Christchurch Hotels Limited	**590**	311	1,015
Dividend income	**6**	-	2
	997	389	1,416

5 Profit before income tax

	6 months 31 December 2008 $'000	6 months 31 December 2007 $'000	12 months 30 June 2008 $'000
Profit before income tax includes the following specific expenses:			
Depreciation			
Buildings	**8,470**	9,635	21,704
Plant and equipment	**19,759**	19,170	38,076
Furniture and fittings	**4,307**	2,788	5,310
Motor vehicles	**103**	136	268
Total depreciation	**32,639**	31,729	65,358
Amortisation			
Casino licence (Adelaide)	**1,262**	1,208	2,449
Software	**2,954**	2,929	5,958
Total amortisation	**4,216**	4,137	8,407
Utilities, insurance and rates	**11,432**	10,608	21,389
Community Trust donations	**1,234**	1,464	2,854
Lease payments relating to operating leases	**9,013**	8,547	17,115
Other property expenses	**10,648**	8,389	17,711
Other items	**28,140**	25,782	52,233
	60,467	54,790	111,302

5 Profit before income tax (continued)

Restructuring costs	**1,228**	1,707	4,558
Transaction costs	**-**	3,115	3,240
	1,228	4,822	7,798

Restructuring costs relate to redundancy and other payments. Transaction costs relate to various costs associated with a takeover approach made to the Group and the potential sale of the Cinemas business covering the September 2007 to February 2008 period. Transaction costs identified above do not include any internal costs.

6 Finance expenses

	6 months 31 December 2008 $'000	6 months 31 December 2007 $'000	12 months 30 June 2008 $'000
Finance costs			
Interest and finance charges paid/payable	**39,912**	43,676	86,353
Foreign currency gains	**(278)**	(722)	(2,503)
Interest income	**(1,531)**	(2,575)	(7,961)
Net finance costs	**38,103**	40,379	75,889

7 Share capital

	31 December 2008 Shares	31 December 2007 Shares	30 June 2008 Shares	**31 December 2008 $'000**	31 December 2007 $'000	30 June 2008 $'000
Opening balance of ordinary shares issued	**471,399,291**	450,709,08	450,709,087	**460,779**	364,068	364,068
Shares issued under Profit Distribution Plan	**13,721,796**	12,470,788	25,690,301	**49,434**	54,340	105,200
Exercise of share rights/options	**-**	1,631,213	1,631,213	**-**	23,973	23,978
Issue of share rights/options	**-**	-	-	**443**	316	508
New shares issued under employee bonus scheme	**-**	344,019	344,019	**-**	1,705	1,705
Treasury shares issued under employee bonus scheme	**-**	-	-	**1,459**	-	-
Shares repurchased and cancelled	**(8,293,603)**	(1,975,232)	(6,975,329)	**(29,878)**	(15,438)	(27,842)
Shares repurchased and not cancelled	**-**	-	-	**-**	-	(6,838)
	476,827,484	463,179,875	471,399,291	**482,237**	428,964	460,779

8 Non-current liabilities - Interest bearing liabilities

	31 December 2008 $'000	31 December 2007 $'000	30 June 2008 $'000
Unsecured			
United States Private Placement	**664,078**	536,369	551,745
Syndicated bank facility	**-**	170,000	129,000
Deferred funding expenses	**(2,498)**	(2,283)	(2,861)
Total unsecured non-current interest bearing borrowings	**661,580**	704,086	677,884

8 Non-current liabilities - Interest bearing liabilities (continued)

(a) Syndicated Bank Facility

At 31 December 2008, SKYCITY had in place a $500,000,000 (31 December 2007 and 30 June 2008: $500,000,000) facility on an unsecured, negative pledge basis maturing April 2011. The funding syndicate is comprised of ANZ National Bank Limited, Bank of New Zealand Limited and Commonwealth Bank of Australia, New Zealand Branch. As at 31 December 2008, the amount drawn on this facility was nil (31 December 2007: $170,000,000, 30 June 2008: $129,000,000).

The movement in the syndicated bank facility from 30 June 2008 relates to debt repayments of $129 million using funds obtained from operations and realisation of hedging currency exposures.

(b) 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 movement in the USPP from 30 June 2008 relates to foreign exchange and interest rate movements. No repayments of USPP debt were made during the period ended 31 December 2008.

The USPP fixed rate US dollar borrowings 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.

The USPP floating rate Australian dollar borrowings have been designated as hedging the net investment in the Australian operations. Foreign currency movements on the Australian dollar borrowings are accounted for within the Foreign Currency Translation Reserve.

9 Non-current liabilities - SKYCITY ACES

	31 December 2008 $'000	31 December 2007 $'000	30 June 2008 $'000
SKYCITY ACES	**177,356**	166,916	186,538

The movement in the SKYCITY ACES debt from prior periods relates to foreign exchange movements and is offset by changes in the foreign currency translation reserve and does not impact the Income Statement.

10 Reserves and retained losses

	6 months 31 December 2008 $'000	6 months 31 December 2007 $'000	12 months 30 June 2008 $'000
(a) Reserves			
Hedging reserve - cash flow hedges	**(8,702)**	18,825	13,258
Foreign currency translation reserve	**3,153**	(14,096)	18,677
Employee share entitlement reserve	**662**	1,851	2,058
	(4,887)	6,580	33,993

10 Reserves and retained losses (continued)

	6 months 31 December 2008 $'000	6 months 31 December 2007 $'000	12 months 30 June 2008 $'000
Hedging reserve - cash flow hedges			
Balance at the beginning of the period	**13,258**	1,227	1,227
Revaluation	**74,685**	20,131	14,591
Transfer to net profit	**(106,102)**	6,064	3,552
Deferred tax	**9,457**	(8,597)	(6,112)
Balance at the end of the period	**(8,702)**	18,825	13,258
Foreign currency translation reserve			
Balance at the beginning of the period	**18,677**	(20,907)	(20,907)
Exchange difference on translation of overseas subsidiaries	**(18,568)**	8,518	47,830
Effect of hedging the net investment of overseas subsidiaries	**3,044**	(1,707)	(8,246)
Balance at the end of the period	**3,153**	(14,096)	18,677
Employee Share Entitlement Reserve			
Balance at the beginning of the period	**2,058**	3,526	3,526
Less value of shares issued during the period	**(1,460)**	(1,705)	(1,705)
Plus value of share entitlements for the period	**64**	30	237
Balance at the end of the period	**662**	1,851	2,058

(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.

(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.

(iii) Employee share entitlement reserve

Under the SKYCITY Performance Pay Incentive Plan (PPI), selected employees have been eligible for performance related bonuses in respect of each of the financial years ending 30 June 2001 through 30 June 2009. The employee share entitlement reserve represents the value of ordinary shares to be issued in respect of the plan for the years ended 30 June 2007 through 30 June 2008.

PPI shares, relating to plan years prior to 30 June 2007, are issued in three equal instalments, being one third of the shares on the bonus declaration date, and provided eligibility criteria continue to be met, one third on the next entitlement date (approximately 12 months later) and one third on the final entitlement date (approximately 24 months later).

PPI shares relating to plan years after 30 June 2007 are issued on the bonus declaration date.

Shares are issued at the average closing price of SKYCITY Entertainment Group Limited's shares on the New Zealand Exchange on the ten business days following the release to the New Zealand Exchange of the SKYCITY Entertainment Group Limited's annual result for the relevant year of the Plan.

Shares issued have the same rights as existing ordinary shares and are issued as soon as possible after the tenth business day following the release of SKYCITY Entertainment Group Limited's annual result.

10 Reserves and retained losses (continued)

(b) Retained losses

Movements in retained losses were as follows:

	31 December 2008 $'000	31 December 2007 $'000	30 June 2008 $'000
Balance at the beginning of the period	**(24,300)**	31,044	31,044
Net profit for the year	**54,780**	1,287	49,856
Distribution/dividends	**(49,434)**	(54,340)	(105,200)
Balance at the end of the period	**(18,954)**	(22,009)	(24,300)

11 Distributions/Dividends

	31 December 2008 $'000	31 December 2007 $'000	30 June 2008 $'000
Prior year's final distribution/dividend	49,434	54,340	54,340
Interim distribution/dividend	-	-	50,860
Total dividends provided for or paid	49,434	54,340	105,200

	Cents per Share		
	31 December 2008	31 December 2007	30 June 2008
Prior year final distribution/dividend	**10.5¢**	12¢	12¢
Current year interim distribution/dividend	**n/a**	n/a	11¢

12 Contingencies

There are no significant contingent liabilities or assets.

13 Commitments

(a) Capital commitments

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

	31 December 2008 $'000	31 December 2007 $'000	30 June 2008 $'000
Capital commitments	**22,068**	64,728	37,057

(b) Operating lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	**18,799**	17,240	19,936
Later than one year but not later than five years	**61,129**	57,538	64,437
Later than five years	**401,039**	318,039	420,053
	480,967	392,817	504,426

14 Segment information

(a) Description of segments

Geographical segments

The group is organised into the following main geographical areas:

SKYCITY Auckland
SKYCITY Auckland includes casino operations, hotels and convention, food and beverage, car parking, 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, Christchurch Casino and SKYCITY Cinemas.

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 SKYCITY's Auckland, Darwin, Adelaide and Queenstown locations.

Business segments

Although the Group is managed on a geographical basis, it operates in the following business segments:

Gaming machines
A gaming machine is a device that is mechanically or electronically operated and designed for use in casino gaming.

Table games
Table games typically involve a dealer who initiates the game and are played with cards, tiles, dice or in some cases via electronic terminals.

Cinemas
New Zealand and Fiji cinema exhibition operations including, in some cases, associated buildings.

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 SKYCITY's Auckland, Darwin, Adelaide and Queenstown locations.

Other
Other includes hotels and convention, food and beverage, car parking, property rentals, Sky Tower and sundry activities.

14 Segment information (continued)

(b) Primary reporting - geographic segments

Half year ended 31 December 2008	SKYCITY Auckland $'000	Rest of New Zealand $'000	SKYCITY Adelaide $'000	SKYCITY Darwin $'000	International Business $'000	Total $'000
Total revenue and other income	202,894	64,395	77,708	69,483	7,621	422,101
Segment result	84,804	(8,065)	11,942	22,179	854	111,714
Half year ended 31 December 2007						
Total revenue and other income	205,257	59,150	72,088	63,183	21,937	421,615
Segment result	91,210	(72,330)	8,548	22,999	12,568	62,995
Year end ended 30 June 2008						
Total revenue and other income	402,280	118,675	138,076	117,804	34,051	810,886
Segment result	174,376	(80,307)	12,235	38,161	17,206	161,671

15 Events occurring after the balance date

(a) Profit Distribution Plan

On 23 February 2009, the directors resolved to make a pro-rata issue of bonus shares in respect of an interim distribution of profits of 9 cents per share for the six month period ended 31 December 2008. The bonus shares will be issued to all shareholders on the company's register at the close of business on 4 March 2009. The number of bonus shares to be issued is calculated as 9 cents per share divided by the strike price. The strike price will be set as the weighted average price of shares traded on the NZSX during the five days from 5 to 11 March less a 2.5% discount. Shareholders will be able to elect to have the company buy back some or all of the bonus shares on the day of issue at the strike price. The proceeds received by the shareholder as a result of having elected to sell some or all of the bonus shares will be treated as dividends and will be fully imputed by the company.

The bonus shares will be issued and buyback proceeds paid to shareholders on 27 March 2009.

16 Significant Associates and Joint Ventures

The Group holds a direct interest of 30.7% and a further indirect interest of 15.0% (2007: 30.7% and 9.8%) interest in Christchurch Casinos Limited, and a 50% (2007: 50%) interest in Vista Entertainment Solutions Limited. The Group holds a 50% interest in the Rialto Cinemas joint venture (2007: 50%). No associate or joint venture is material to the Group.

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

	6 months 31 December 2008 $'000	6 months 31 December 2007 $'000	12 months 30 June 2008 $'000
Profit for the year	**54,780**	1,287	49,856
Minority interest	**41**	(663)	(608)
Depreciation and amortisation	**36,855**	35,866	73,765
Interest expense	**39,634**	44,952	83,850
Current period employee share entitlement	**63**	1,705	237
Current period share options expense	**443**	316	508
Share of profits of associates not received as dividends or distributions	**1,720**	(1,463)	(3,177)
Gain on sale of property, plant and equipment	**(401)**	-	(247)
Sale of available for sale financial asset	**-**	(152)	(152)
Change in operating assets and liabilities			
(Increase)/decrease receivables and prepayments	**(4,085)**	(833)	(487)
(Increase)/decrease in inventories	**(1,001)**	(226)	(376)
(Increase)/decrease in deferred tax asset	**(12,365)**	(1,967)	4,270
Increase/(decrease) in payables and accruals	**2,660**	(19,030)	2,167
Increase/(decrease) in deferred tax liability	**(19,319)**	11,681	24,899
Decrease/(increase) in provision for tax receivable	**31,198**	11,359	(19,339)
Increase/(decrease) in other non-current liabilities	**(424)**	-	-
Impairment of Cinemas	**-**	60,000	60,000
Capital items included in working capital movements	**6,723**	11,404	11,196
Net cash inflow from operating activities	**136,522**	154,236	286,362

Included within financing activates is $129,314,000 relating to cash collateral deposits on certain derivatives.

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23 February 2009

Company Announcements Office
Australian Stock Exchange
Exchange Centre
Level 6
20 Bridge Street
Sydney NSW 2000
AUSTRALIA

Dear Sir/Madam

Re: Listing Rule 4.2A - Details of Directors and Directors' Declaration in Respect of the Half Year Financial Statements and Notes

This announcement is made pursuant to Listing Rule 4.2A and relates to and should be read in conjunction with the announcement of the company's result for the six months to 31 December 2008 dated 23 February 2009.

The directors of SKYCITY Entertainment Group Limited, at any time during or since the end of the half year ended 31 December 2008, were:

Mr Rod McGeoch	Chairman	Mr Peter Cullinane	Director
Ms Jane Freeman	Director	Mr Brent Harman	Director
Mr Chris Moller	Director	Mr Nigel Morrison	Managing Director
Ms Patsy Reddy	Director	Sir Dryden Spring	Director
Mr Elmar Toime	Director	Mr Bill Trotter	Director

Ms Patsy Reddy and Mr Bill Trotter retired from the board at the company's 2008 Annual Meeting on 31 October 2008.

Sir Dryden Spring retired from the board by rotation, and was subsequently re-elected, at the company's 2008 Annual Meeting.

Ms Jane Freeman and Mr Peter Cullinane were appointed to the board on 26 March 2008 and held office until the 2008 Annual meeting. They were subsequently elected at the 2008 Annual Meeting.

Mr Brent Harman, Mr Chris Moller and Mr Nigel Morrison were appointed to the board on 18 December 2008.

Attached is a declaration on behalf of the directors in respect of the half year financial statements and notes.

Yours faithfully

Peter Treacy
Company Secretary

SKYCITY ENTERTAINMENT GROUP LIMITED

("the Company")

Directors' Declaration in respect of the Financial Statements for the half year ended 31 December 2008

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 2008. This declaration must be filed with the Australian Stock Exchange.

Declaration

The directors of the Company hereby declare that:

- the SKYCITY financial statements for the half year ended 31 December 2008 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 2008 and the notes to those financial statements give a true and fair view of the financial position and performance of the Company; and
- in the directors' opinion, 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 23 February 2009 and is signed for and on behalf of the board of directors by the board chairman.

Signed

R H McGeoch
Chairman

MEDIA RELEASE

February 23 2009

SKYCITY HALF YEAR RESULT

Underlying Net Profit after Tax of $55.6 million

- **Relatively resilient performance from New Zealand operations in spite of challenging economic environment**
- **Solid performance from Australian casinos**
- **Focus on prudent capital and debt management**
- **9.0 cents per share first half distribution**
- **Future distribution payout ratio to be eased back to 60%-70% to retain capital for debt retirement**

SKYCITY Entertainment Group today announced an underlying net profit after tax of $55.6 million for the half year ended 31 December 2008, compared to $55.9 million for the first half last year. Reported net profit of $54.8 million for the half year ended was well ahead of reported net profit for the previous half year of $1.3 million which was impacted by the Cinemas write-off.

Chief Executive Officer Nigel Morrison said: "Overall we view this as a satisfactory result.

"However, like others we're cautious in our outlook in relation to the economies of both New Zealand and Australia, and our future performance will be influenced by how these economies unfold.

While underlying revenues were up 3% on prior year to $422 million, underlying EBITDA was down 1.5% from $152 million to $150 million, partially reflecting the increasing costs of operation and generating revenues in a more challenging economic environment.

New Zealand

"There is no doubt that the economic environment in New Zealand is challenging. Focusing on revenue growth, we're satisfied with the results achieved in Auckland particularly in the second quarter.

Both hotels in Auckland have to date maintained strong occupancy and conventions and events strategies have been successful in delivering sustained revenue flows.

"One of the major challenges facing the Auckland casino has been to improve the performance of the gaming machines business. Second quarter revenues from gaming machines improved following a significant re-layout and re-design of product, and focus on enhanced customer services.

"The cost of growing revenue whilst still providing value has seen margins soften somewhat, but, on balance, we're satisfied with the performance of our Auckland property in the current environment.

The earnings from our other New Zealand interests (Hamilton, Christchurch and Queenstown) were steady with last year.

Australia

"We're pleased with the performance of our Australian businesses and the revenue growth achieved in both Adelaide and Darwin.

"Our Adelaide property has been a solid performer, delivering a 3% revenue growth and an 18% growth in EBITDA, in spite of the introduction of full smoking bans in November 2007.

"Darwin results are also encouraging with reasonable revenue growth achieved despite the extensive disruption from the stage 1 expansion, which concluded last week with the opening of the new Platinum VIP room and 'Sandbar' destination bar, following the earlier opening of our now acclaimed Italian restaurant 'il Piatto.' We look forward to a successful forthcoming dry season in Darwin with these exciting new additions."

Cinemas

"The Cinemas result has been pleasing with first half revenues up 15% and EBITDA up 25%. Our new management team is working hard to grow revenue, seen recently with the introduction of both Bollywood and Asian cinema movies into the Auckland market. New Auckland cinemas (10 screen complexes at Albany and Manukau) consolidate SKYCITY's dominant exhibition position in Auckland (market share increase to over 65%)."

International Business

Our International Business turnover levels have softened by 16% to $640 million, with our win rates substantially less at 1.3% (being at theoretical) compared to 3.2% last year. As a result of the very high win rate last year, gaming revenues from our International Business were down from $21.9 million last year to $7.6 million this year.

"The higher than theoretical win rate in 1H08 distorts the actual reported comparison to 1H09 which was in line with theoretical, but is adjusted for in determining underlying earnings."

Capital Management

Whilst SKYCITY has a sound balance sheet and debt position and is well placed to deal with the challenging environment which will confront businesses during the economic downturn, we have increased our focus on cautious and conservative capital management. To this end we are tightly controlling capital expenditure and have reviewed our future shareholder distribution policy.

In addition to the long-term debt facilities in place, SKYCITY has a $500 million unused but committed facility available from its senior banking syndicate.

Interim FY09 Distribution

Consistent with our focus on prudent capital management, SKYCITY has declared an interim tax-effective profit distribution of 9.0 cents per share, payable on 27 March (record date 4 March). The 9.0cps distribution will be made via shares issued under the company's Profit Distribution Plan (PDP) with cash buyback option. In addition, a 2.5% discount on the distribution shares will be provided to shareholders. This current distribution of 9.0cps represents an effective annualised pretax yield of approximately 9.5% at current share price levels.

Future Distributions

Going forward, SKYCITY plans to reduce its distribution payout ratio to between 60%-70% of net profit after tax to retain additional capital for debt retirement.

Outlook

"We are cautious about the balance of the 2009 financial year and our future performance will be influenced by how the New Zealand and Australian economies unfold. However our core operations objective for 2009 remains unchanged, that being to maximise the potential of our existing assets. Success for us lies in generating even more reasons to visit and our central focus for the six months ahead and beyond will be to ensure that we're the entertainment destinations of choice in the cities in which we operate" said Mr Morrison.

ENDS

About SKYCITY Entertainment Group

- SKYCITY Entertainment Group includes six casino and hotel complexes across New Zealand and Australia (Auckland, Hamilton, Christchurch, Queenstown, Adelaide, Darwin) and the SKYCITY Cinemas and Rialto cinema chains in New Zealand and Fiji.
- SKYCITY Entertainment Group employs more than 7,000 people throughout Australia and New Zealand.