

SKYCITY Entertainment Group Limited

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6 May 2011

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

Dear Sir/Madam

RE: Investor Presentation

Please find attached a copy of the SKYCITY presentation to the Macquarie Australia Conference being held today in Sydney.

Yours faithfully



Peter Treacy
Company Secretary

SKYCITY
Entertainment
Group Limited

Macquarie Bank

12th Annual Australia
Conference

Friday 6 May 2011



SKYCITY
ENTERTAINMENT GROUP

SKYCITY Overview

- Operator of leading land based Casino entertainment facilities in major population centres
- Highly visible and regulated industry – challenges and opportunities
- Listed on both the ASX and NZX with headquarters in Auckland, New Zealand
 - Top 5 New Zealand public company by market capitalisation
 - Market Cap: NZD2.0 billion (~AUD1.5bn)
 - Revenues ~ NZD 840m, NPAT ~ NZD 129m (FY2010)
- ~54% of SKYCITY share register New Zealand owned
- ~63% of SKYCITY share register owned by institutional investors
- Board of Directors comprising leading business people from Australia and New Zealand
 - (Chairman Rod McGeoch – SA based Director Bruce Carter)

SKYCITY Overview

Employees: 5,560	Hotel Rooms: 780	Gaming Tables: 299	Gaming Machines: 4,312
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Darwin - 100%
Revenue ~A\$110m
Employees 750



Adelaide - 100%
Revenue ~A\$135m
Employees 1,040

Auckland - 100%
Revenue ~NZ\$400m
Employees 2,810

Hamilton - 100%
Revenue ~NZ\$40m
Employees 340

Christchurch - 50%
Profit contribution ~NZ\$6m
Employees 550

Queenstown - 60%
Revenue ~NZ\$7m
Employees 70

Capital Management

- Strong balance sheet with significant funding capacity and flexible financing covenants
- Investment grade credit rating (S&P BBB- Positive Outlook) ensures access to International debt markets
- Net Debt to EBITDA of approx 2 times
- Even spread of maturities over next 10 years
 - Mix of bank debt, NZ Capital Notes, USPP
 - ~NZ\$500m undrawn capacity
- Major growth projects can be funded from additional debt, whilst remaining within existing covenant ratios and without requiring additional equity
- Tight control over capital expenditure
- Disciplined capital management – returns focussed, value creation

Strong and Stronger Management Team

Recent Appointments:

- New COO Auckland – 1 May 2011
 - Stuart Wing – Former MD Jupiters Queensland
 - 20 years in Gaming/ Casino industry.

- New CFO – 1 July 2011
 - James Burrell – Ex Permira London / Hong Kong (Galaxy, Gala Coral, Sisal)
 - Ex Arthur Andersen

Industry Outlook

New Zealand

- economic activity returning to growth - consumer discretionary spend
 - Auckland outpaces rest of NZ
 - Strong momentum heading into Rugby World Cup Sep / Oct 2011
- John Key National Government – strong and stable
- Regulatory headwinds subsided in NZ as demonstrated by:
 - Approved New Gaming Areas:
 - Level 8 and 9 VIP facilities
 - Diamond Room
 - Platinum Room
 - Approval of new Bally Gaming System.

Industry Outlook

Australia

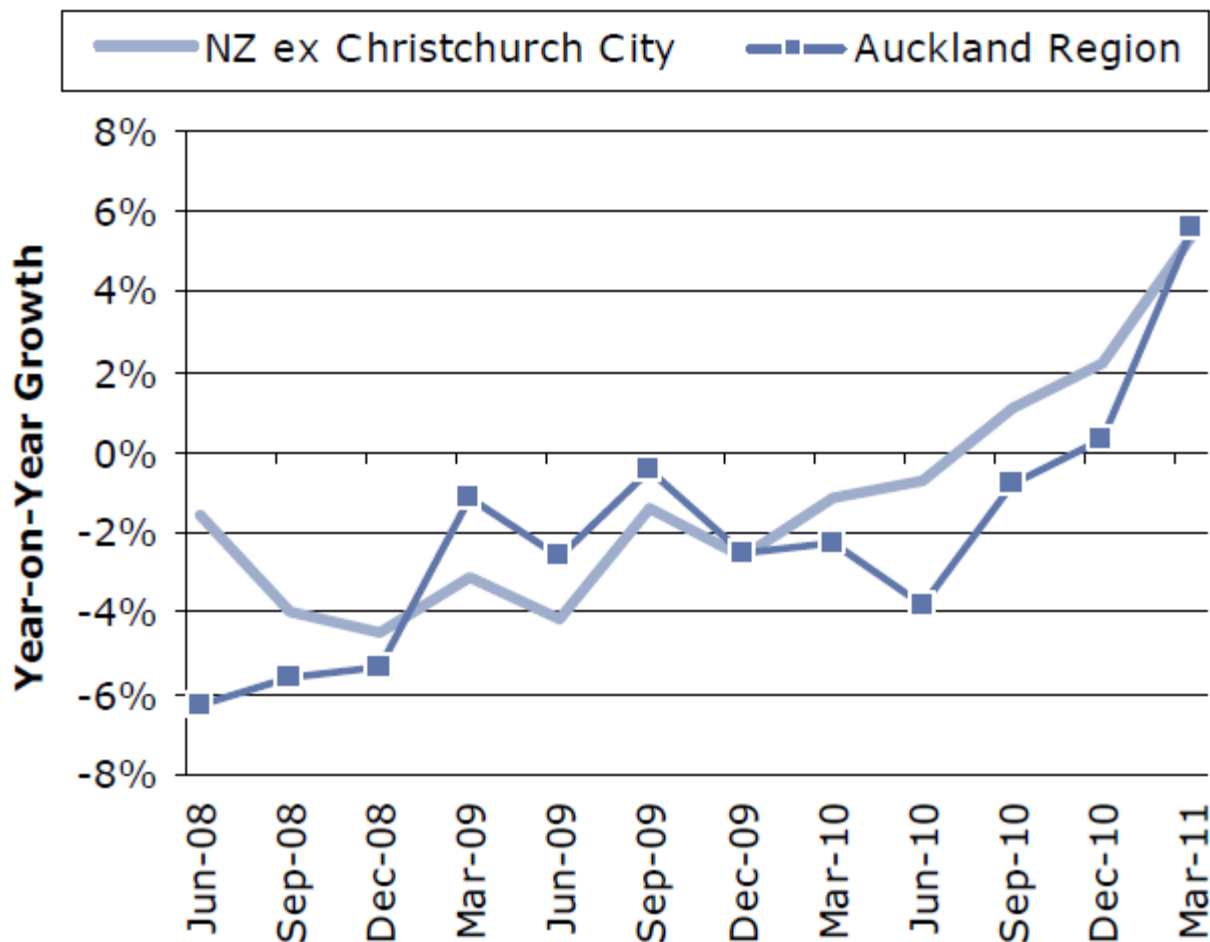
- Retail / discretionary spend outlook more challenging
- Gillard / Wilkie Government – unsupportive of Gaming Industry
 - Regulatory headwinds – uncertain outlook
 - Threatening mandatory Pre-Commitment
 - State Governments not supportive.
- Voluntary or Compulsory pre-commitment
 - At the venue
 - By the player



Auckland Property

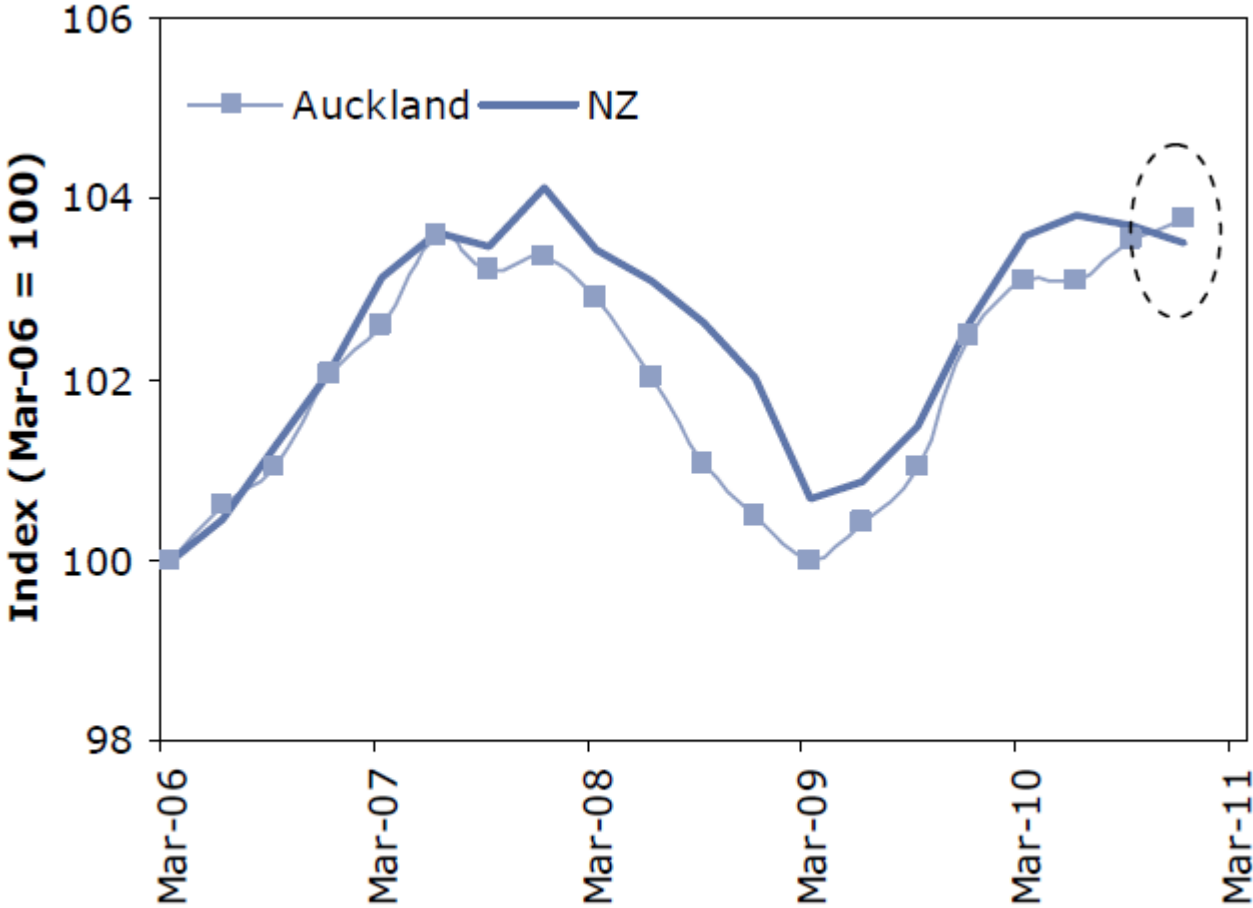
- Represents more than half of SkyCity Group earnings
- Gaming Machine Revenues have returned to growth:
 - 1H11 up 6.1% over preceding half year (2H10),
 - 2Q11 up 5.0% over preceding 1Q11
 - This momentum has continued into 3Q11 and April/May.
 - Broader NZ & Auckland gaming machine markets also growing
 - Total expenditure and win per unit
 - Auckland growth outpacing rest of NZ
- Signs of improvement in table games business consistent with improvement in levels of economic activity
- Good response to marketing, product , customer segmentation and new facility initiatives – leading to increased visitation

NZ - Recent Positive Growth in EGM performance



Source: Department of Internal Affairs

Auckland / NZ Economic Activity



Source: NBNZ, GS&PNZ Research estimates



Rugby World Cup

- September / October 2011
- Expected Group EBITDA uplift significant
- Christchurch Qtr finals now also being held in Auckland.
- Hotels holding high occupancy and high average rates
- Gaming expected to have uplift in revenues similar to 2005 Lions tour
- Creation of temporary hospitality venues around the property to capitalise on visitation
- All transport to Eden Park will be departing and returning to Albert Street
- at our entrance



Growth

- Maximise the potential of our existing licences
 - Invest capital in exchange for expansion and deregulation
 - Jobs, Export Income, Tourism, Taxes, Regeneration
 - Major significant opportunities:
 - NCC Auckland and Adelaide redevelopment
 - Capacity constrained at peak trading periods
 - Car parking, gaming product / technology
- Increase the value of our licences / assets

International Business

- A strong growth segment for SkyCity
 - >20% CAGR over last 4 years and approx 50% growth yoy in F11
 - Primarily into Auckland but Darwin is a significant opportunity
- Growth of Macau and Singapore – 20 – 40% CAGRs
- Export income
 - Key markets are China, Thailand
- Tourism
 - Direct flights and business alliances – China Southern, Air NZ, Virgin Blue (NZ); Air Asia (Darwin)
 - Visa conditions – Taiwan, Vietnam, China

Auckland

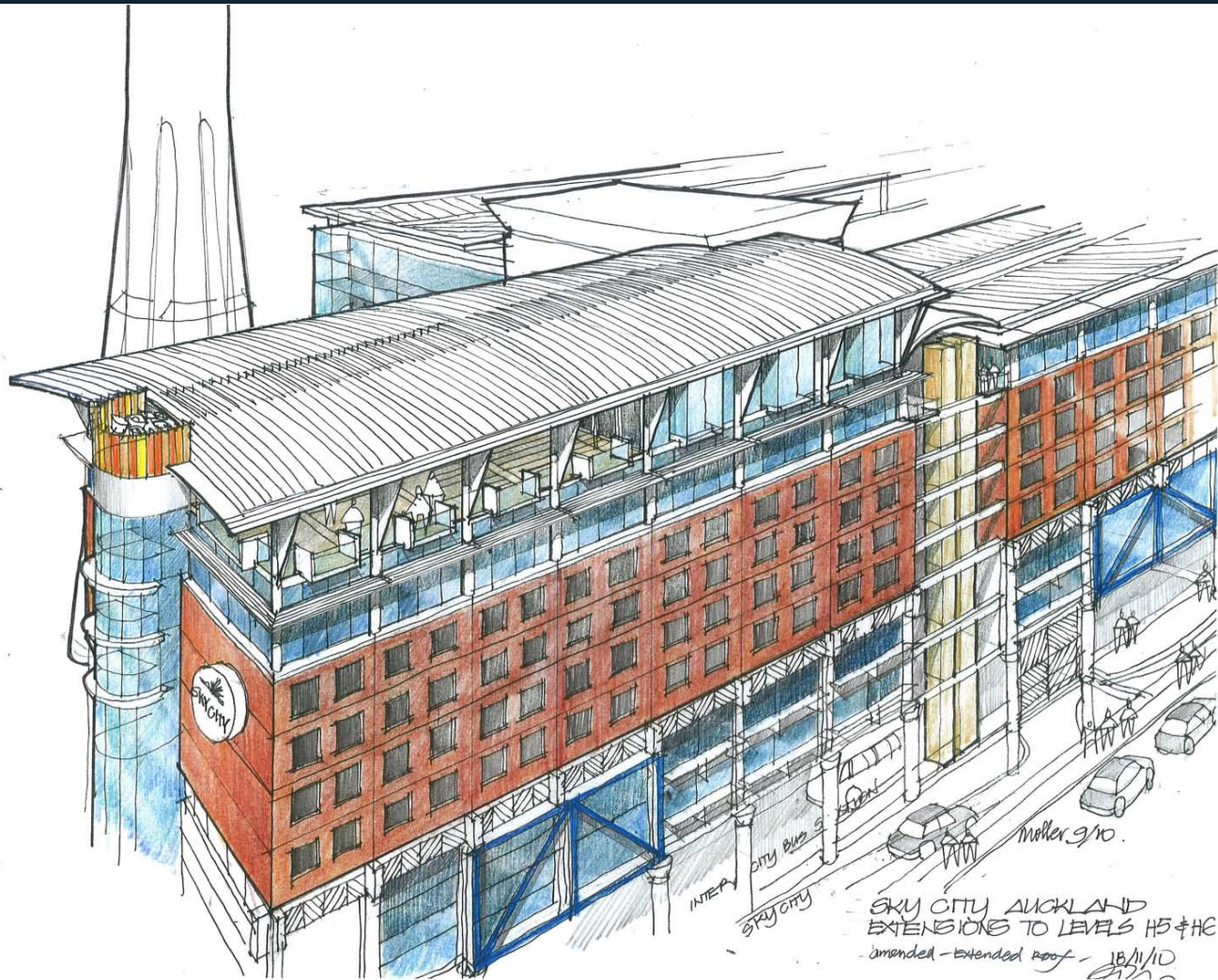
- Major Expansion and Growth Projects
 - New Villas and International and Local VIP Gaming rooms Level 8 / 9 atop the SKYCITY Hotel
 - New Gaming Areas – Diamond and Platinum
 - Federal Street Precinct
 - National Convention Centre on Hobson St.



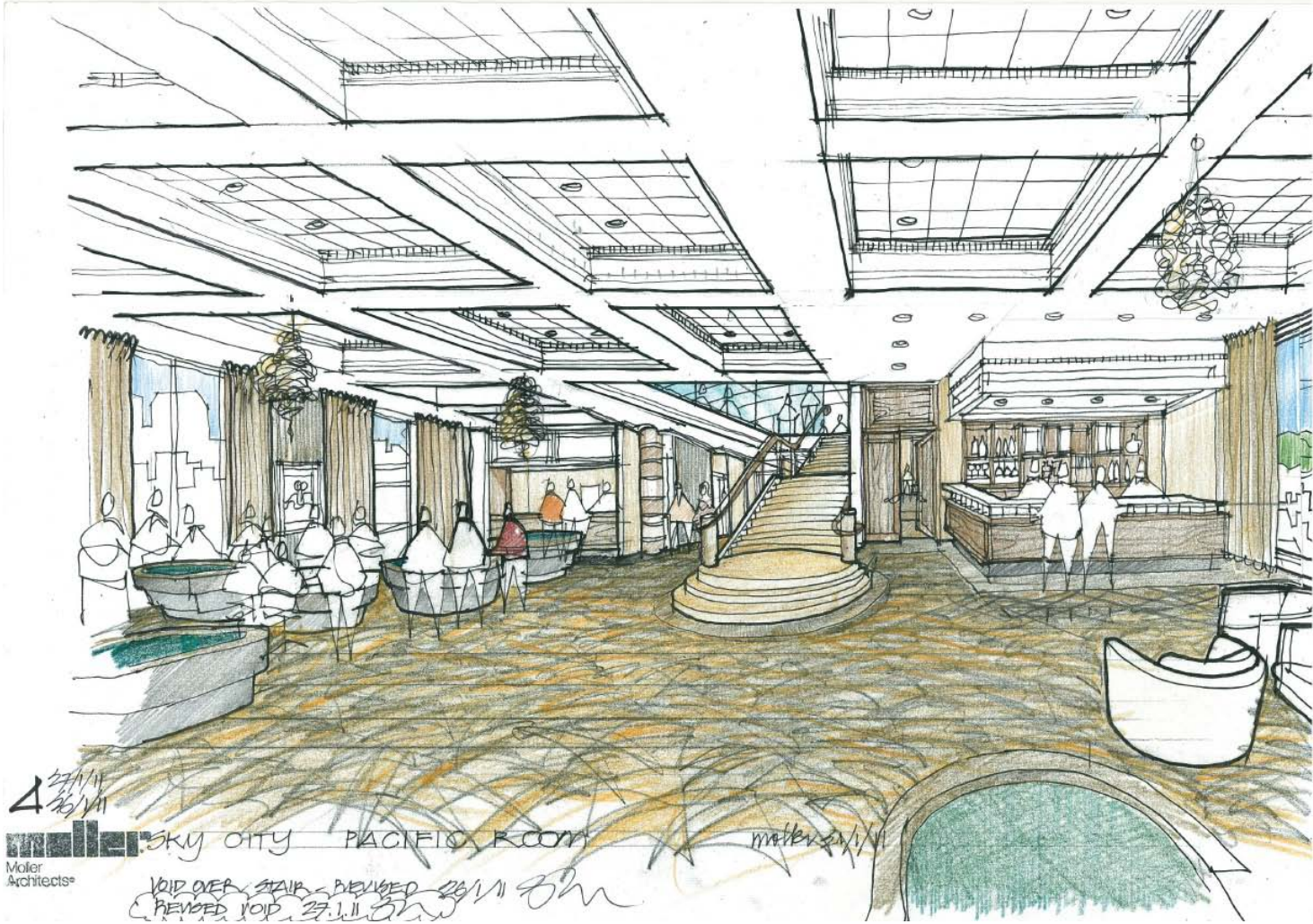
Auckland – VIP Facilities L8/9

- Significantly increases our international and local VIP gaming capacity in Auckland
 - New Villas and gaming Salons for International players
 - New Pacific Room for local VIP tables players
- Improved product and service levels
- Improved yield management of product
- Ready for Rugby World Cup - completion in 2 stages
 - International (Salons and Villas) - end of June
 - new Pacific Room, rooftop bar and deck and an additional VIP salon for groups - end of August

Auckland – VIP Facilities L8/9



Auckland – VIP Facilities L8/9



Auckland - Federal Street Precinct



Auckland - National Convention Centre

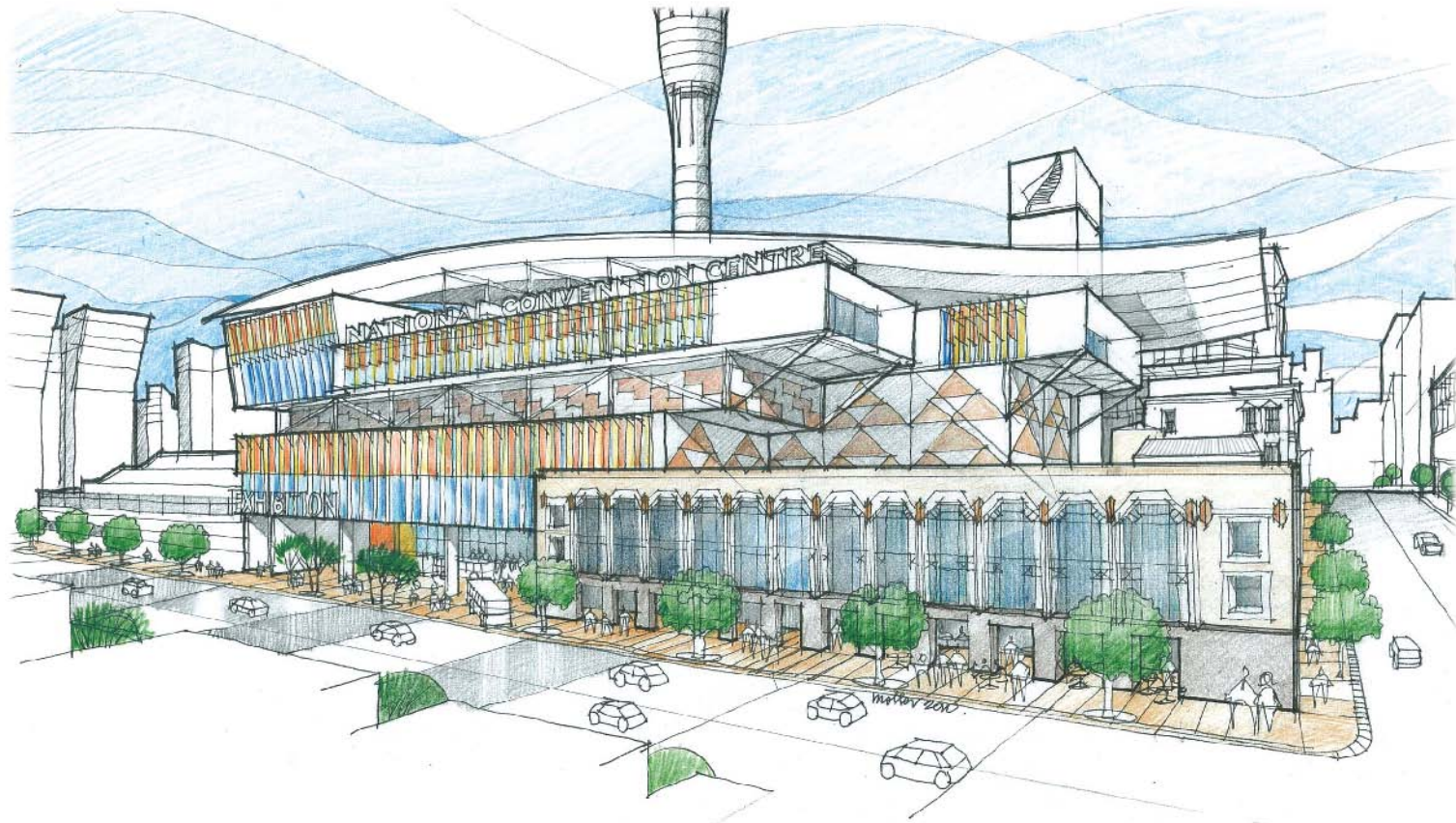


NATIONAL CONVENTION CENTRE

HOBSON ST looking south



Auckland - National Convention Centre



NATIONAL CONVENTION CENTRE

NELSON ST looking east

moller
Moller
Architects®

Adelaide

- A “Temporary casino”
 - limited gaming footprint and limited range of non gaming attractions
 - A Heritage listed building – suboptimal layout
 - minimal car parking
- Tightest regulatory framework in Australasia
 - Significant product restrictions (Coin only, type, range, amount)
 - Highest rate of gaming tax (EGMS 43.5%)
- Create an Iconic expanded world class facility with a wide range of product and entertainment amenities
- Seeking a ‘level playing field’ in respect of regulation.
- No investment decision until clear where Federal Regulation is going.

Adelaide Oval Redevelopment Proposal



Adelaide
Casino
Site

Adelaide Convention Centre Expansion Proposal



Adelaide
Casino
Site

Adelaide Casino Redevelopment



Darwin

- Close proximity to Asia
- Darwin is closer to 5 capital cities in Asia than to capital city of Australia
- Major expansion for Darwin International Airport planned A\$100m+ commencing 2011
- Improving airlift from Asia – new routes / operators



Darwin

- Strategic Location close to Asia
- Potential for significant International business
 - Indonesia, SE Asia focus
- Supportive local Government
- Strong sustainable economic growth in the NT supported by major projects
- Darwin property undergoing significant upgrades
 - Reviewing gaming layout and facilities (incl VIP)
 - Lagoon Resort development underway – completion mid 2012
 - Luxury Villa accommodation (including VIP), spa, saltwater swimming lagoon, bar and restaurant

Darwin - Tropical Resort



Darwin - Tropical Resort





SKYCITY