

SKYCITY  
Entertainment  
Group Limited

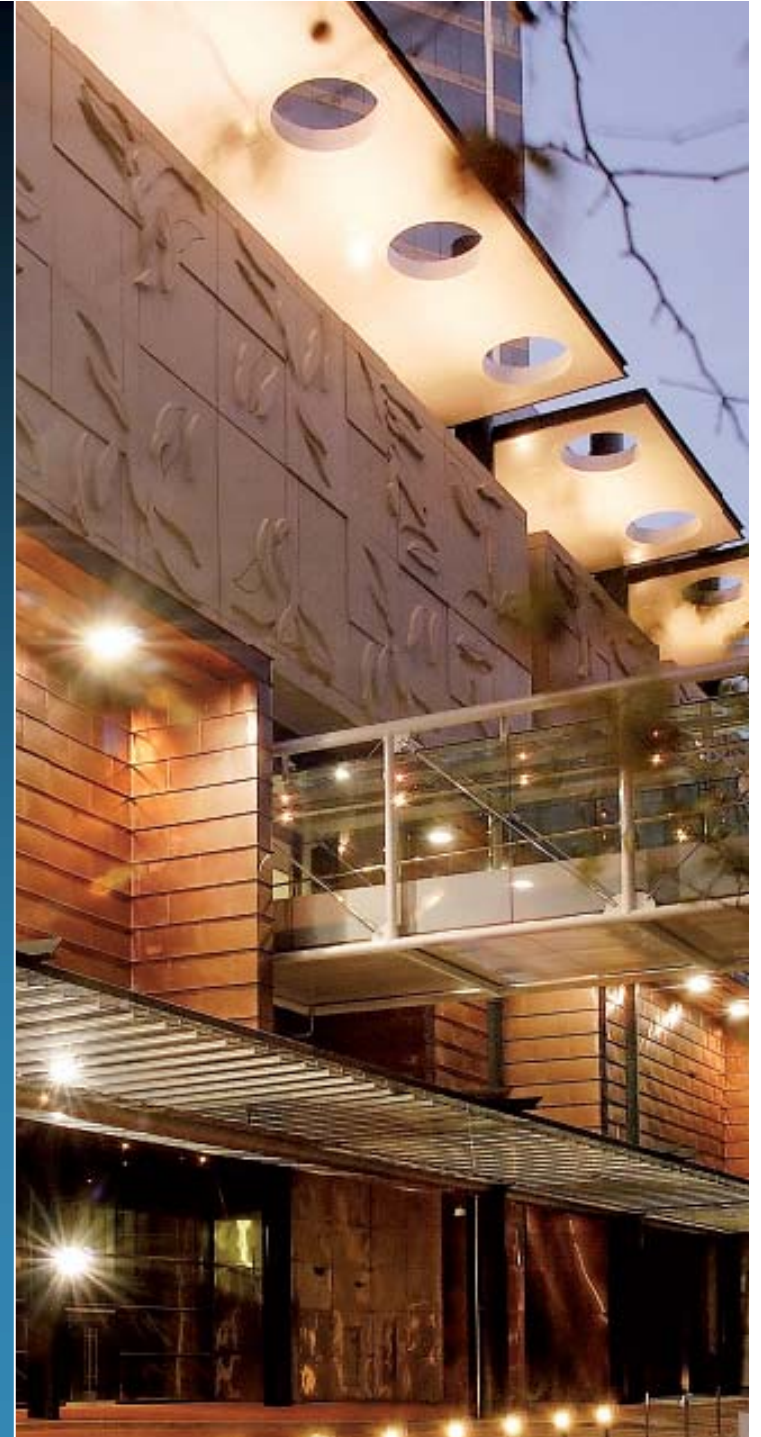
# Annual Meeting

31 October 2008





# Annual Meeting Agenda





# 2008 Annual Meeting

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- Duly convened
- Quorum
- 2007 minutes
- The SKYCITY Board



# Sequence of the Meeting

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- Chairman and Managing Director's addresses
- Questions relating to the management and operations of the business
- Resolutions and questions relating to the resolutions
- Morning tea



# Meeting Procedure

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- Voting (shareholders only) by way of poll
- Voting papers, voting boxes at end of meeting
- Resolutions
- Proxy votes (154 million = 32%)
- Shareholder Review and Annual Report



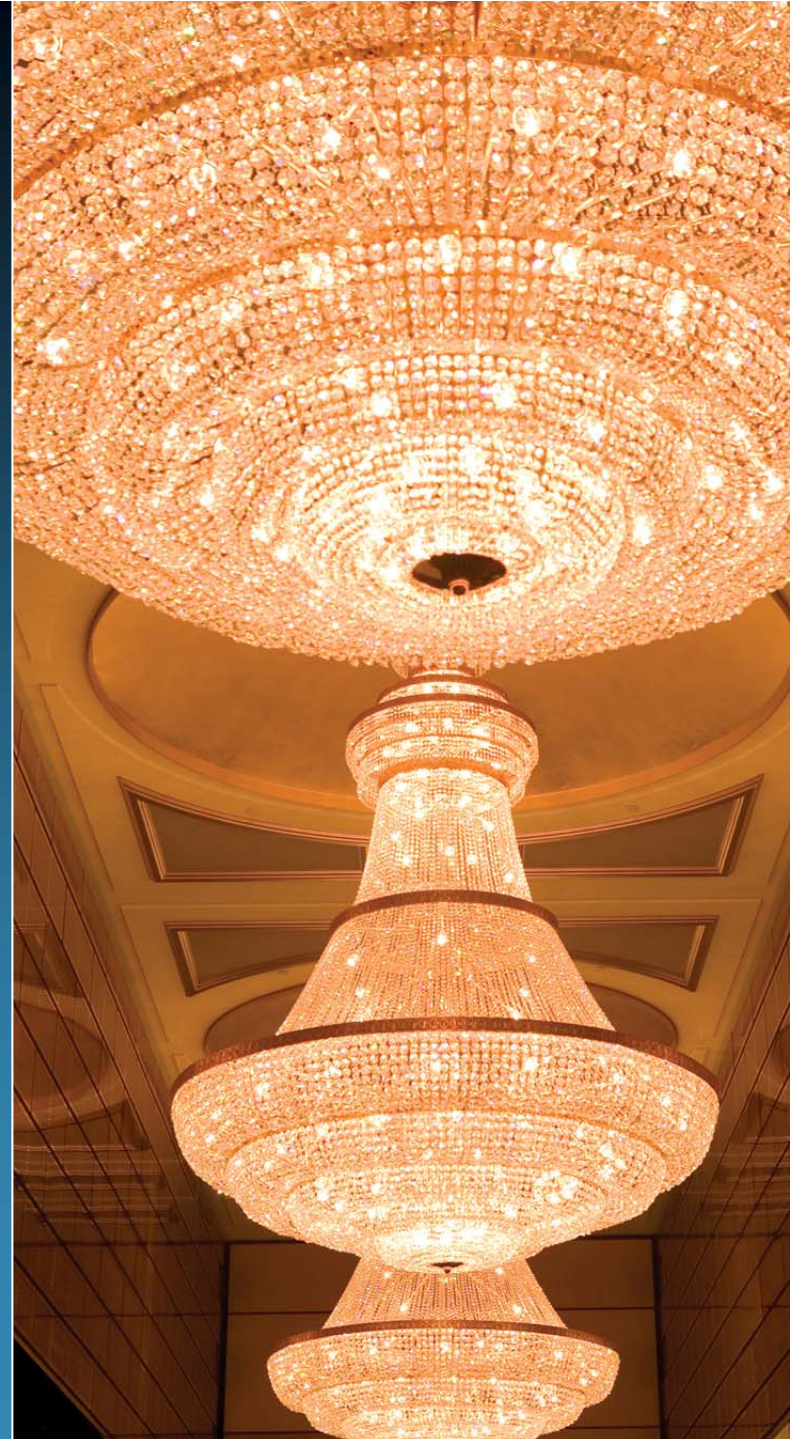
# Complimentaries

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- 2 SKYCITY Cinema Movie Tickets
- Complimentary refreshment voucher, being for either a
  - drink at a casino bar, or
  - coffee and cake at Winners
- One \$5 match play voucher
- One free car park voucher

# Chairman's Address 2008

*Rod McGeoch*





# FY2008 Performance: A year of significant change

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- Dealt with approaches from two parties who had expressed interest in acquiring the Company and also the now discontinued asset sales
- Appointment of new CEO
- Organisation restructure and appointment of new management team
- Rejuvenation at board level
  - Welcome to Jane Freeman, Peter Cullinane, Chris Moller and Brent Harman
  - Gratitude expressed to departing directors Patsy Reddy and Bill Trotter
- Increased distributions to shareholders

# Regulatory Environment & Responsible Gaming

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- Care needs to be taken in regulatory design
- Better dialogue with regulators
- SKYCITY is committed to being a leading operator of responsible gaming
  - SKYCITY aims to be a destination of fun, entertainment and excitement
  - Spend over \$10m a year supporting responsible gaming initiatives

# Our place in the community

- SKYCITY makes a significant, but often overlooked, contribution to the communities in which we operate

- Community
- Economy
- Auckland City

**\$3.2m**

Distributed to 272  
community  
organisations

**Over  
\$200m**

Paid in wages to our  
~7,400 employees

**Over  
\$1m**

Cash sponsorship given  
to NZ sports teams

**Over  
\$150m**

Paid as taxes etc to the  
NZ and Australian  
governments



# Focus for 2009

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- Maximising the potential of SKYCITY's portfolio of great assets
- Driving divisional earnings and maximising EBITDA
- Tightly controlled capex
- Employee engagement and cultural change
- Improving customer experience



# Chief Executive Officer's Address 2008

*Nigel Morrison*





# Today's address

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- Group Summary
- 2008 Highlights
- New Organisational Structure and Management Team
- Strategic Priorities for 2009
- Trading Update for First Quarter 2009

# Group Summary

**Employees:**  
7,400

**Hotel Rooms:**  
777

**Gaming Tables:**  
298

**Restaurants /  
Bars / Cafes:**  
47

**Gaming Machines:**  
4,057

**Cinema Screens:**  
122

## Darwin

Revenue A\$101m  
Employees 1,500

## Adelaide

Revenue A\$118m  
Employees 1,000

## Auckland

Revenue \$402m  
Employees 3,070

## Hamilton

Revenue \$39m  
Employees 350

## Cinemas

Revenue \$66m  
Employees 790

## Christchurch

Profit Contribution \$6m  
Employees 580

## Queenstown

Revenue \$7m  
Employees 80



# 2008 Highlights

- NPAT adjusted for non-recurring items \$111.9m (up 19%) and in line with guidance
- Underlying NPAT of \$102m, adjusted for strong International Business win rate of 2.6%
- Strengthened balance sheet, secured long term funding and investment grade credit rating (BBB-)
- Retirement of \$92m of debt
- Business reorganisation and new management appointments
- Auckland casino refurbishment completed
- Darwin refurbishment and expansion

**\$886.3m**

Gross Revenue  
(incl gaming GST)

**\$311.2m**

EBITDA  
(Adjusted for NRIs)

**\$111.9m**

NPAT  
(Adjusted for NRIs)

**21.5cps**

Distribution to  
shareholders

*NRIs = Non Recurring Items*

# 2008 Result Highlights

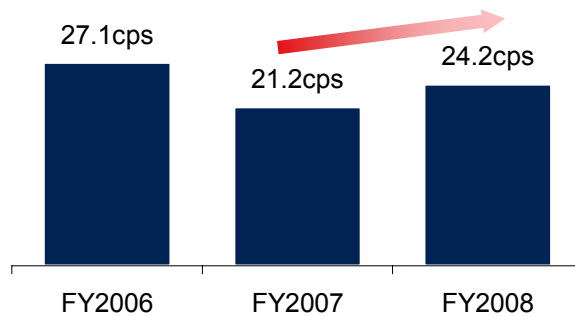
	2008	2007	Movement
<b>EBITDA</b>			
Actual	\$303.4m	\$297.2m	+2.1%
NRI Adjusted	\$311.2m	\$293.2m	+6.1%
Normalised	\$297.5m	\$295.6m	+0.6%

<b>NPAT</b>			
Actual	\$49.9m	\$98.4m	-49.3%
NRI Adjusted	\$111.9m	\$93.8m	+19.3%
Normalised	\$102.0m	\$95.4m	+6.9%

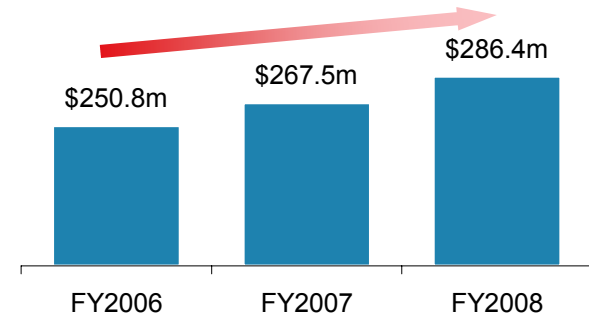
Adjusted financials are the reported financials adjusted only for Non Recurring Items (which include the Cinemas writedown of \$58.4m)  
 Normalised financials eliminate Non Recurring Items and also adjust the International VIP Commission Business win rate to theoretical

# Key Metrics All Improved

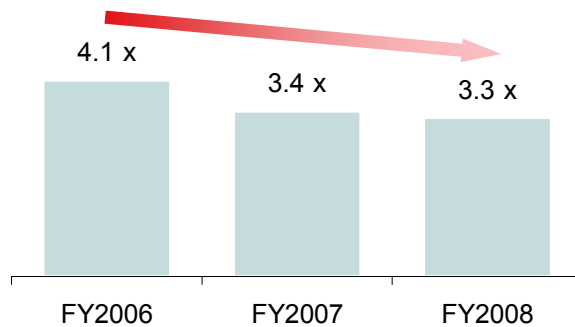
## EPS (Adjusted for NRIs)



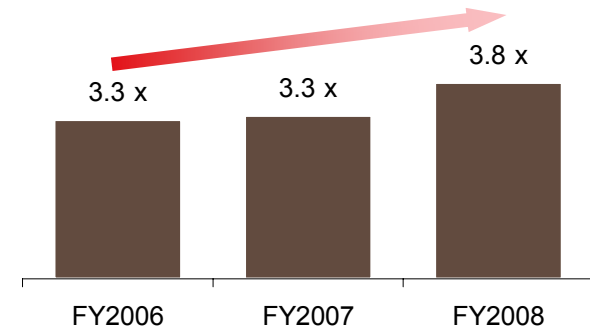
## Operating Cashflow



## Net Debt / EBITDA

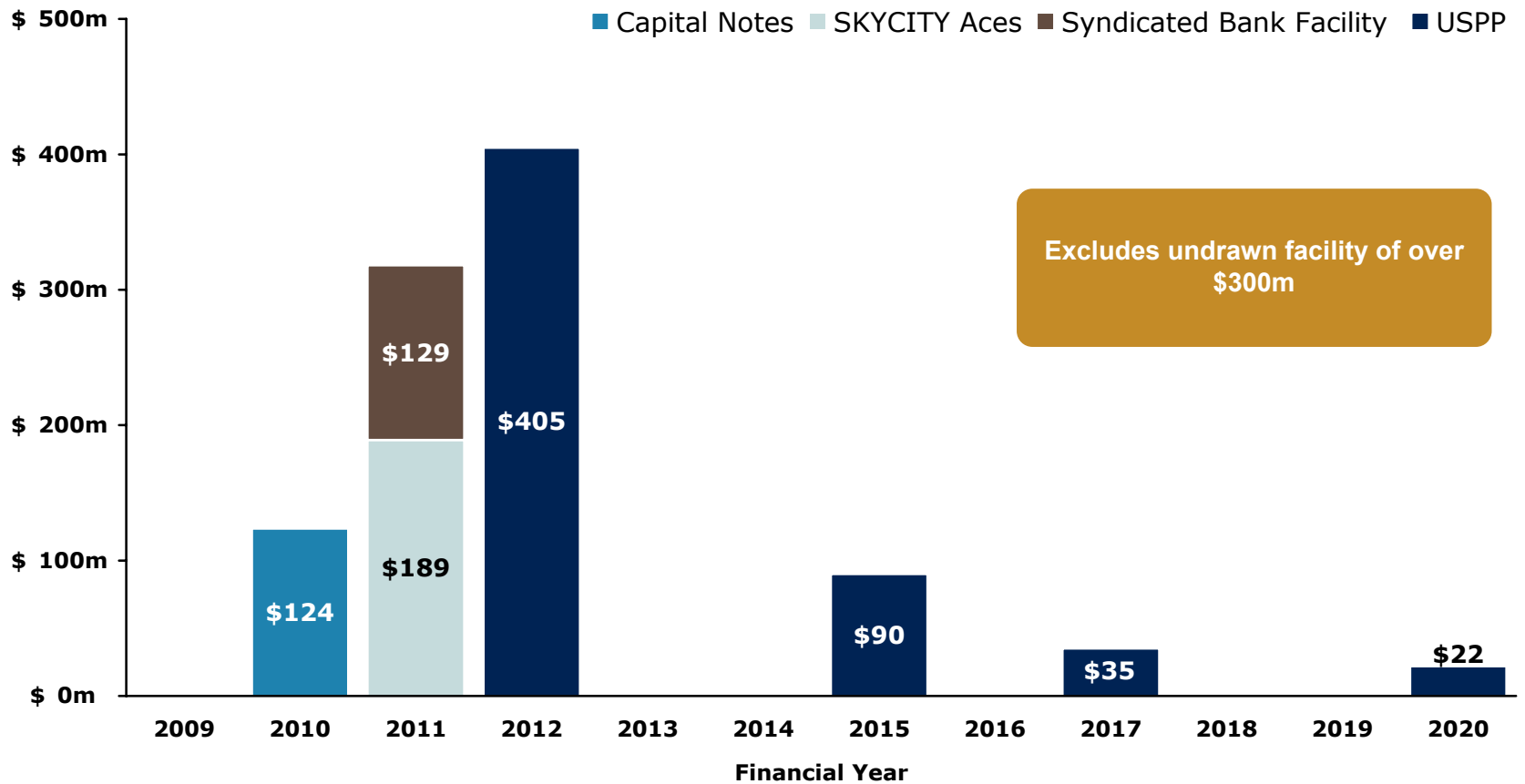


## Interest Cover (EBITDA/Net Interest)



# Financial Flexibility

## Debt Maturity Profile

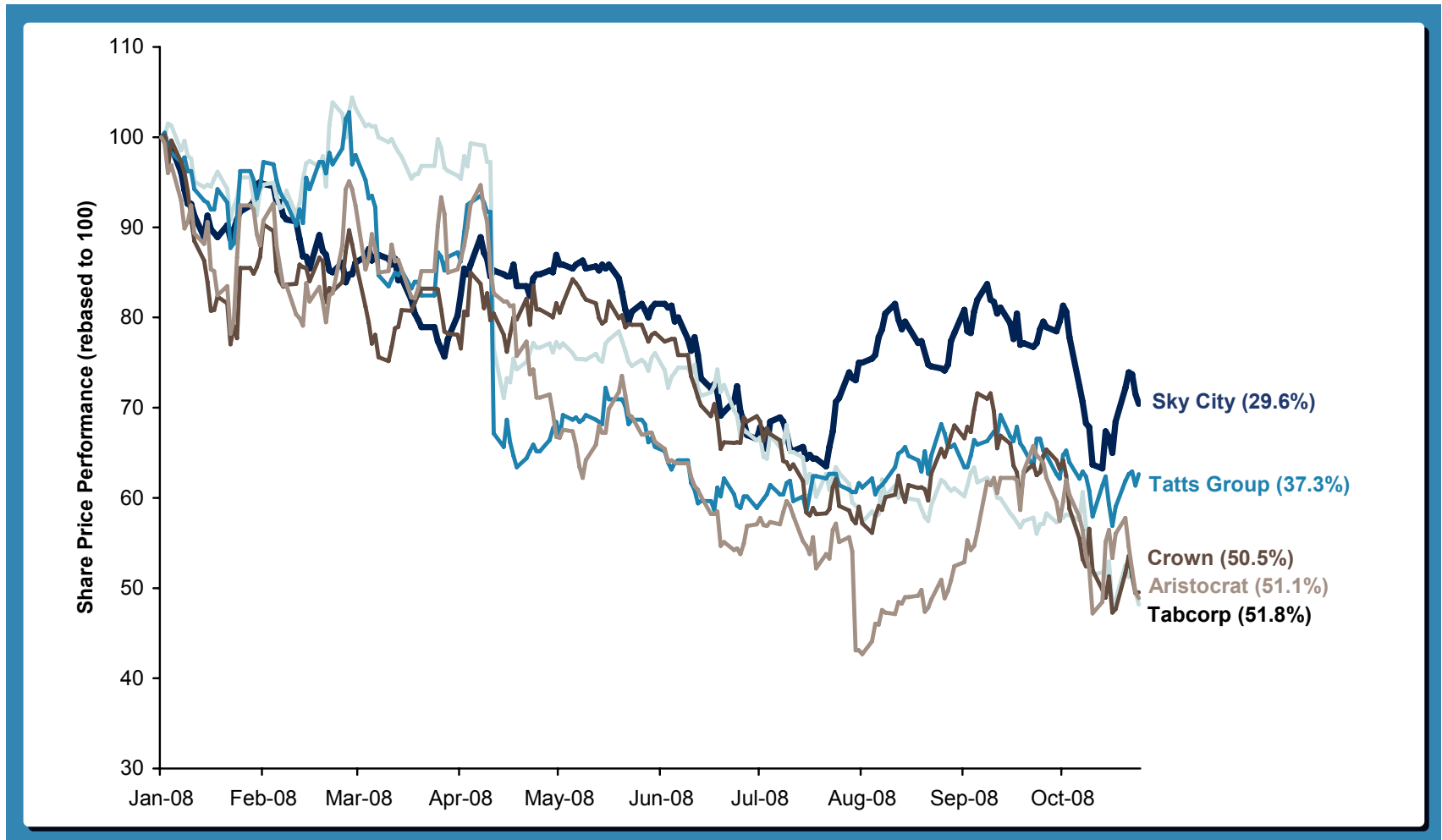


# New Organisation Structure & Management Team

- New organisation structure and new management team appointed
- New management team has strong background in gaming and hospitality
- Managers accountable for divisional profitability

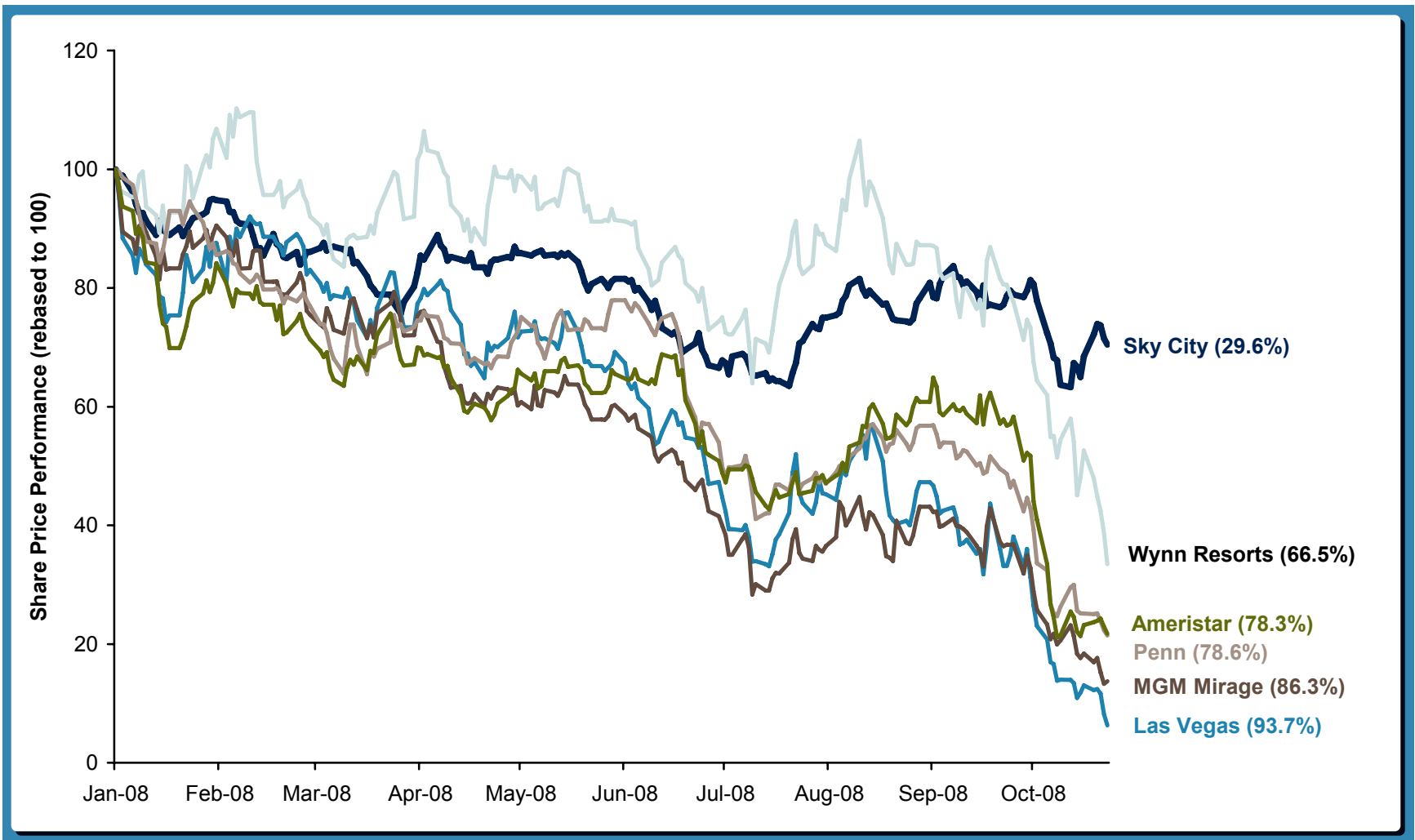


# Performance vs Australian Peers – 2008YTD



Note: Share price performance in original currency as at 24 October 2008

# Performance vs International Peers – 2008 YTD



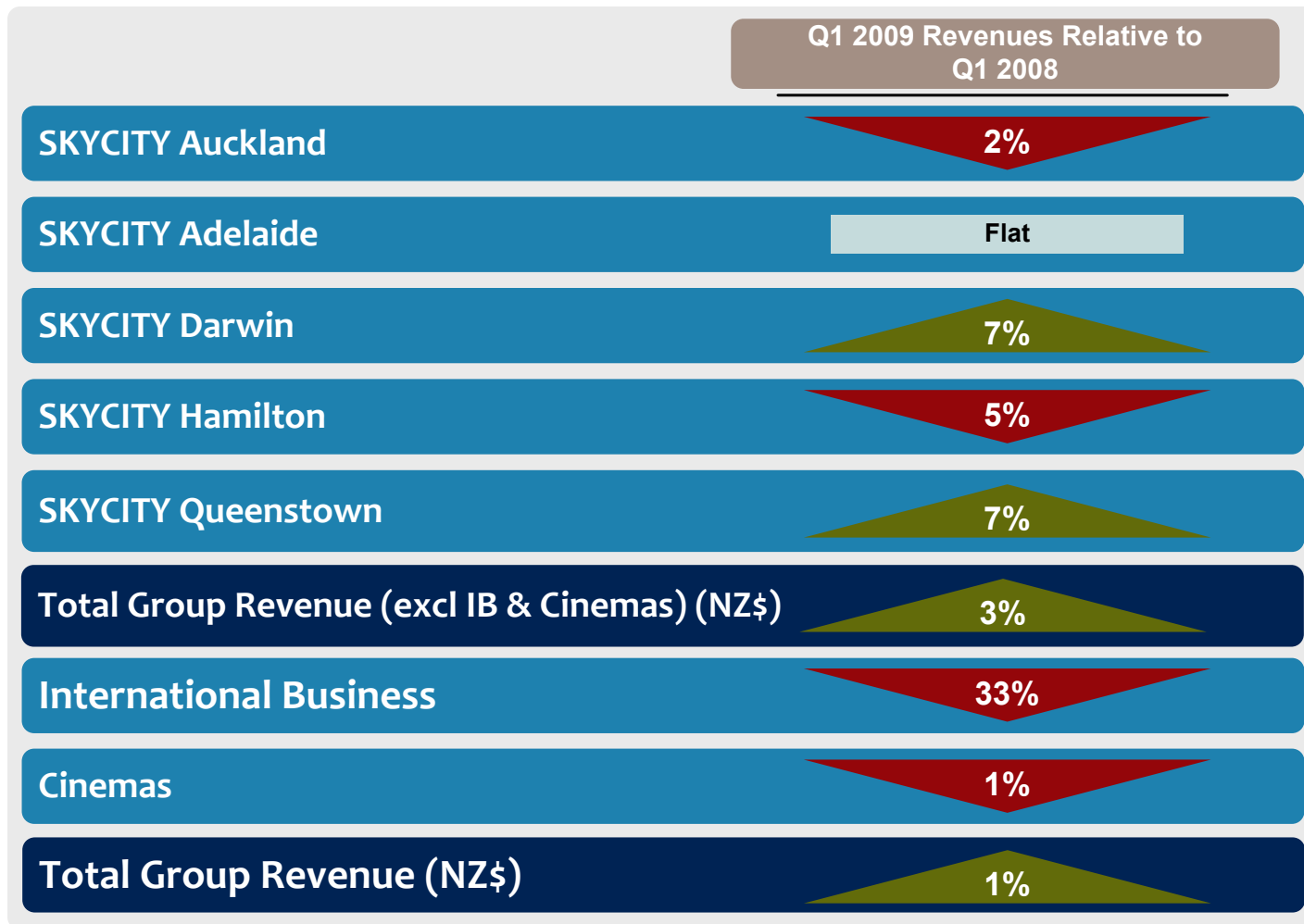
Note: Share price performance in original currency as at 24 October 2008

# Strategic Priorities for 2009

- Priority: growing revenues and EBITDA from each of the existing businesses
- Lift performance across every division
- Maximise benefit from Auckland refurbishment
- Continue to invest in Darwin
- Strong control over capex
- Cinemas focused on growing core revenues, earnings and market share
- Enhance our technology platform



# Trading Update for First Quarter 2009



Note: Divisional Revenues are calculated in base currencies. Total Group Revenue is currency adjusted.



# Events Putting SKYCITY on the Map

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- Louis Vuitton Pacific Series (major sponsor)
- Rugby World Cup 2011 (formal partnership with tournament organisers)
- Luxury motor show (hosted at SKYCITY Convention Centre before A1GP )
- SKYCITY Starlight Symphony (major sponsor)
- U-19 World Basketball Champs (official provider of accom, food & bevg)
- Tourism Rendezvous (major sponsor)
- Meetings 2009 NZ (major conference event to be hosted at SKYCITY)

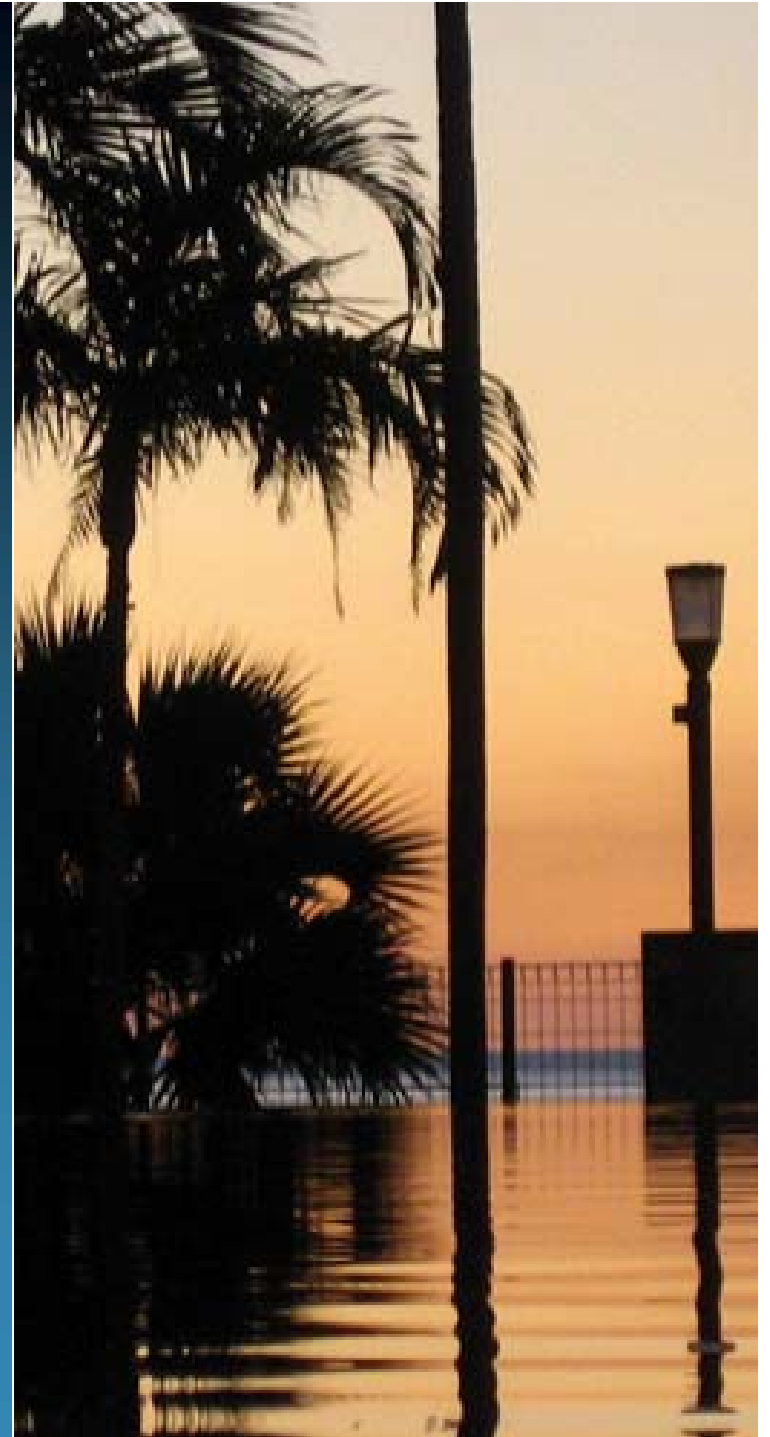


# Questions

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- Questions covering the management and operations of the business
- Reserve questions relating to resolutions until that stage of the agenda
- Questions from the microphones

# Annual Meeting Resolutions





# 2008 Annual Meeting Resolutions

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- Introduce and propose
- Discussion, questions
- Cast your vote at end of meeting



# Matters of Business

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- To re-elect Sir Dryden Spring as a director
- To elect Peter Cullinane as a director
- To elect Jane Freeman as a director
- To approve the issue of share rights to Nigel Morrison
- To approve an increase in the available pool for directors' remuneration
- To authorise the directors to fix the auditor's remuneration

# Resolution 1

## Re-election of Director: Sir Dryden Spring

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- Director since October 2003
- Chairman of the Audit and Risk Committee
- Member of the Governance and Nominations Committee
- Extensive director expertise
  - Chairman of ANZ National Bank
  - Director of Fletcher Building, Port of Tauranga and Northport
- Independent
- Unanimously endorsed by the board



# Resolution 2

## Election of Director: Peter Cullinane

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- Appointed March 2008
- Member of the Audit and Risk Committee
- Member of the Governance and Nominations Committee
- Former COO Saatchi & Saatchi Worldwide
- Independent
- Unanimously endorsed by the board



# Resolution 3

## Election of Director: Jane Freeman

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- Appointed March 2008
- Member of the Human Resources Committee
- Member of the Governance and Nominations Committee
- Broad executive experience including directorships with Air New Zealand, Delegat's Wines and Pumpkin Patch
- Independent
- Unanimously endorsed by the board





## Resolution 4 Issue of Share Rights to CEO

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- Authorise the issue of share rights to CEO, Nigel Morrison
    - Issue of up to 2,000,000 share rights to the company's Chief Executive Officer, Nigel Morrison, on or before 30 October 2011, under the Long-Term Incentive Plan
    - Favourable Appraisal Report from Deloitte and John Egan & Associates on proposed issue
    - Resolution relates to the maximum number of share rights which can be issued over the next 3 years
    - Further explanatory notes in the Notice of Meeting
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# Resolution 5

## Directors Remuneration Pool

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- Approve an increase in directors' remuneration pool from \$750,000 per annum plus GST (if any) to \$950,000 per annum plus GST (if any)
  - Chairman's fees and Directors' fees will remain unchanged
  - Allows for increased in size of board
  - Provides compensation to the Chairmen of Board Subcommittees



## Resolution 6 Auditor's Fees

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- Authorise the directors to fix the fees and expenses of the auditor of the Company
  - PricewaterhouseCoopers continues as the auditor of SKYCITY

# Conclusion





# Conclusion

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- Voting papers in the ballot boxes at the exits to this room
- If you need a voting paper please see Computershare
- Close of meeting

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# Annual Meeting

31 October 2008

