

SKYCITY Entertainment Group Limited

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14 July 2008

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

Dear Sir/Madam

**RE: Confirmation of FY08 Profit Guidance
Correction to Previous Statement**

In an exchange statement made earlier today SKYCITY advised that it expected to achieve its profit guidance for the 2007/08 financial year.

The statement confirmed a net tax paid profit in the range of \$108m-\$110m. However that was incorrectly noted as being after Cinemas write down but should have been stated as before Cinemas write down.

The correct statement of paragraph 2 under the heading "Profit Guidance for FY08 Confirmed at \$108m-\$110m", is as below.

"The profit guidance advised at that time (February 2008) was for a net tax-paid profit in the range of \$108m-\$110m (before Cinemas write down)."

We apologise for any confusion this may have caused.

A corrected version of the full statement is attached.

Yours faithfully



Alistair Ryan
General Manager Corporate

14 July 2008

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Dear Sir/Madam

- **Chief Executive Update**
- **Confirmation of FY08 Profit Guidance**
- **Standard and Poor's Investment Grade Rating (BBB-, Stable Outlook)**
- **Debt Profile Update**

SKYCITY Entertainment Group Limited is today publishing an update to shareholders (copy attached) which provides an update from Chief Executive, Nigel Morrison, on developments at the company since he joined in March.

In particular the update includes three items which represent important disclosures by the company. These matters are referred to below.

Profit Guidance for FY08 Confirmed at \$108m-\$110m

SKYCITY advises that it expects to achieve the profit guidance for the 2007/08 financial year, as was advised in conjunction with the company's interim result announced in February.

The profit guidance advised at that time (February 2008) was for a net tax-paid profit in the range \$108m-\$110m (before Cinemas write down).

The company's financial statements and result summary for the year ended 30 June 2008 are scheduled to be released on 25 August 2008.

Standard and Poor's Investment Grade Rating (BBB-) with Stable Outlook

SKYCITY is pleased to report it has received an Investment Grade rating of BBB- with Stable Outlook from international credit ratings agency Standard and Poor's.

Standard and Poor's states that *"This rating reflects SKYCITY's good quality casino assets in New Zealand and Australia which underpin sustainability of earnings and provide the company with the capacity to manage its financial risk profile at a level supportive of the investment-grade rating. The rating also recognises the favourable licensing environment for SKYCITY's casino operations."*

A copy of Standard and Poor's press release (dated 14 July 2008) on the SKYCITY rating is attached.

Debt Profile Update

In February 2008 SKYCITY completed the renegotiation/extension of its \$500m revolving senior debt facility. Of this facility, some \$370m remains undrawn as at this time. The current facility term is to April 2011.

The first required refinancing of company debt relates to \$124m of capital notes in May 2010.

Given the company's current average interest rate of 7.8% and the structure of the existing debt facilities, SKYCITY advises that it considers its debt structure to be sound and secure, with the current debt level of \$1.0 billion placing no undue pressure on the organisation.

This view is consistent with the Standard and Poor's investment grade rating as advised above.

Other Matters, Updates

The Chief Executive's update also provides further information on other matters and also notes the date of the company's 2008 annual meeting, being 31 October 2008.

Yours faithfully



Alistair Ryan
Chief Financial Officer