SKYCITY ENTERTAINMENT GROUP

SKYCITY Entertainment Group Limited
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12 August 2015

Client Market Services
NZX Limited
Level 1, NZX Centre
11 Cable Street
WELLINGTON

**RE: SKYCITY ENTERTAINMENT GROUP LIMITED (SKC)
ANNUAL RESULT (FOR THE YEAR ENDED 30 JUNE 2015)**

We supply herewith the financial information as required by NZX Listing Rule 10.3 together with a copy of the company's FY15 Full Year Result presentation and the SKYCITY Entertainment Group Limited financial statements for the year ended 30 June 2015.

Please find attached:

1. Appendix 1 (NZX Listing Rule 10.3.1) detailing the Preliminary Announcement for the year ended 30 June 2015.

2. FY15 Full Year Result presentation for the year ended 30 June 2015.

3. Appendix 7 (NZX Listing Rule 7.12.2) detailing the final distribution of NZ$0.10 cents per ordinary share to be paid on 2 October 2015 to those shareholders on the company's share register as at 5.00 pm on 18 September 2015. The company's Dividend Reinvestment Plan will be activated in respect of the final distribution, with a 2% discount being offered.

4. Audited financial statements and notes for the year ended 30 June 2015.

5. A media release.

Yours faithfully

Rob Hamilton
Chief Financial Officer

SKYCITY Entertainment Group Limited	
Results for announcement to the market	
Reporting Period	1 July 2014 to 30 June 2015
Previous Reporting Period	1 July 2013 to 30 June 2014

Reported	Amount (000s)	Percentage change
Reported revenue including gaming GST from ordinary activities	NZ$1,009,063	+11.8%
Reported revenue from ordinary activities [1]	NZ$917,443	+11.7%
Reported profit (loss) from ordinary activities after tax attributable to security holders	NZ$128,744	+30.7%
Reported net profit (loss) attributable to security holders	NZ$128,744	+30.7%

Normalised	Amount (000s)	Percentage change
Normalised revenue including gaming GST from ordinary activities	NZ$1,007,715	+8.7%
Normalised revenue from ordinary activities	NZ$916,084	+8.6%
Normalised profit (loss) from ordinary activities after tax attributable to security holders	NZ$134,058	+8.8%
Normalised net profit (loss) attributable to security holders	NZ$134,058	+8.8%

Notes:
- ‘Reported’ information is per the audited financial statements
- ‘Normalised’ results sets International Business win to theoretical win rate of 1.35% and adjusts for certain revenue and expense items. Reconciliation between reported and normalised financial information is provided at the end of this document
- ‘EBITDA’ = Earnings before interest, tax, depreciation and amortisation
- ‘EBIT’ = Earnings before interest and tax
- ‘NPAT’ = Net profit after tax

[1] On the Income Statement this is the total of Revenue and Other Income

Final Dividend	Amount per security	Imputed amount per security
	NZ$0.10	$0.009722

Record Date	18 September 2015
Payment Date	2 October 2015

Comments:	SKYCITY's FY15 performance is set out in the Company's Result Presentation which is attached to this announcement. It provides detail and explanatory comment on operating and financial performance for each business unit and the Group as a whole and various other relevant aspects of the financial performance for the year ended 30 June 2015. The Result Presentation will be available on the Company's website from 12 August 2015.

NTA Backing

	2015	2014
Net tangible asset backing per ordinary share	44.4¢	40.6¢
Net tangible asset backing per ordinary share – excluding Adelaide redevelopment accounting	71.8¢	69.0¢

Net tangible asset backing per ordinary share declined during FY14 as a result of the increase in the carrying value of the Adelaide Casino Licence (an intangible asset excluded from the calculation) and the associated Deferred Licence Value (treated as a liability). If these items are both excluded the Net tangible asset backing per ordinary share would be 71.8 cents per share as at 30 June 2015.

Auditors

This report is based on accounts that have been audited. The audit report is provided with the accounts which accompany this announcement.

Discontinued Operations
None.

Dividends
25% of the October 2015 dividend will be imputed at the company's New Zealand tax rate of 28% and not franked for Australian purposes.

For the October 2015 dividend, a discount of 2.0% will be available for shareholders participating in the Dividend Reinvestment Plan. Elections to participate in the DRP for the October 2015 dividend close on Monday 21 September 2015.

Reconciliation between reported and normalised financial information

	FY15				FY14			
	Revenue $m	EBITDA $m	EBIT $m	NPAT $m	Revenue $m	EBITDA $m	EBIT $m	NPAT $m
Normalised	**1,007.7**	**304.9**	**216.4**	**134.1**	**927.3**	**287.6**	**208.0**	**123.2**
International Business at Theoretical	1.3	3.5	3.5	2.3	(24.8)	(21.7)	(21.7)	(15.4)
Provision for IB Debtors	-	-	-	-	-	(0.2)	(0.2)	(0.2)
International Business Adjustments	**1.3**	**3.5**	**3.5**	**2.3**	**(24.8)**	**(21.9)**	**(21.9)**	**(15.6)**
Adelaide redevelopment costs	-	(1.7)	(1.7)	(1.2)	-	(4.3)	(4.3)	(3.0)
NZICC interest and other costs	-	(0.6)	(0.6)	(4.6)	-	(0.3)	(0.3)	(2.8)
Strategic projects	-	-	-	-	-	(1.4)	(1.4)	(1.0)
Darwin pre-opening costs	-	(0.1)	(0.1)	(0.1)	-	-	-	-
Restructuring costs	-	(1.6)	(1.6)	(1.1)	-	(2.3)	(2.3)	(1.7)
Auckland project costs	-	(0.3)	(1.1)	(0.7)	-	(0.9)	(2.1)	(1.5)
Profit from sale of Christchurch	-	-	-	-	-	-	-	0.9
Total Other Adjustments		**(4.3)**	**(5.1)**	**(7.7)**	**-**	**(9.2)**	**(10.4)**	**(9.1)**
Reported	1,009.1	304.1	214.8	128.7	902.5	256.5	175.7	98.5

SKYCITY's objective of producing normalised financial information is to provide data that is useful to the investment community in understanding the underlying operations of the Group.

Gaming revenue figures reflect gaming win (inclusive of gaming GST). This facilitates Australasian comparisons and is consistent with the treatment adopted by major Australian casinos. Non-gaming revenues are net of GST. Total revenues are gaming win plus non-gaming revenues.

Key Adjustments are:

- Adelaide redevelopment costs – Structural redundancies and launch costs for new facilities (Sean's Kitchen and Madame Hanoi)
- NZICC – Interest on purchase of New Zealand International Convention Centre (NZICC) land bank (calculated using the Group's average cost of debt of 6.7% on an average balance of $85m) and other costs specific to this project
- Strategic project costs – none in FY15, with FY14 including the acquisition of SKYCITY Wharf Casino, the investigation of investment opportunities in Brisbane, the Gold Coast and the Philippines, and other miscellaneous items
- Darwin preopening costs – ACES Sports Bar
- Restructuring costs – Costs associated with changing the staffing structures under an approved restructuring plan
- Auckland project costs – Federal Street launch and Federal Street fire costs

IB actual win rate at 1.36% for FY15 (FY14: 0.97%)

Normalisation adjustments have been calculated in a consistent manner in FY15 and FY14.

SKYCITY Entertainment Group Limited

30 June 2015 Annual Result Presentation

SKYCITY Results FY15

www.skycityentertainmentgroup.com

FY15 Results Overview

	FY15	FY14	Movement	
	$m	$m	$m	%
Normalised Revenue (incl Gaming GST)	1,007.7	927.3	80.4	8.7%
Normalised EBITDA	304.9	287.6	17.3	6.0%
Normalised NPAT	134.1	123.2	10.9	8.8%
Normalised EPS	***22.9 cps***	***21.3 cps***	***1.6 cps***	***7.5%***

	FY15	FY14	Movement	
	$m	$m	$m	%
Reported Revenue (incl Gaming GST)	1,009.1	902.5	106.6	11.8%
Reported EBITDA	304.1	256.5	47.6	18.6%
Reported NPAT	128.7	98.5	30.2	30.7%
Reported EPS	***22.0 cps***	***17.0 cps***	***5.0 cps***	***29.4%***
Final Dividend NZ$ cps	10.0 cps	10.0 cps	-	-

- *Average NZD/AUD cross-rate during FY15 0.9301 and FY14 0.9049*
- *Weighted average number of shares FY15 = 586,071,258 and FY14 = 579,706,028*

2H15 Results Overview

	2H15	2H14	Movement	
	$m	$m	$m	%
Normalised Revenue (incl Gaming GST)	497.7	460.3	37.4	8.1%
Normalised EBITDA	150.5	137.8	12.7	9.2%
Normalised NPAT	67.5	56.8	10.7	18.8%
Normalised EPS	***11.5 cps***	***9.8 cps***	***1.7 cps***	***17.3%***

	2H15	2H14	Movement	
	$m	$m	$m	%
Reported Revenue (incl Gaming GST)	513.6	437.4	76.2	17.4%
Reported EBITDA	163.3	112.9	50.4	44.6%
Reported NPAT	74.1	37.4	36.7	98.1%
Reported EPS	***12.6 cps***	***6.4 cps***	***6.2 cps***	***96.9%***
Final Dividend NZ$ cps	10.0 cps	10.0 cps	-	-

- *Average NZD/AUD cross-rate during 2H15 0.9455 and 2H14 0.9277*
- *Weighted average number of shares 2H15 = 587,472,741 2H14 = 581,012,330*

FY15 Results Overview – Key Take Outs

Group Result

- Normalised revenue up 8.7% on the previous corresponding period ("pcp") to $1.0bn, normalised EBITDA up 6.0% to $304.9m and normalised NPAT up 8.8% to $134.1m
- Reported NPAT up 30.7% to $128.7m, reflecting an improved IB win rate across the period
  - Continued strong growth in Auckland
  - Strong growth in group-wide IB
  - Solid revenue and EBITDA growth in Hamilton
  - Disappointing performance for Adelaide
  - EBITDA growth achieved in Darwin
- A strong 2H15 performance on 2H14, with normalised EBITDA up 9.2% and normalised NPAT up 18.8%
- Operating cash flows up 64.6% for 2H15 on the pcp and up 26.0% for the year overall
- Momentum from 2H15 has continued into July 2015

FY15 Results Overview – Key Take Outs

Property Updates

Auckland

- Auckland continues to be the standout performer across the group, delivering record results, with normalised revenue up 13.0% and normalised EBITDA up 13.7% from $217.9m to $247.8m. This growth continues the positive recent momentum across all business segments, with the property now having delivered 6 consecutive quarters of EBITDA growth vs. the pcp. Excluding IB, Auckland's revenue increased 9.8% to $521.3m and EBITDA 11.9% to $228.3m
- A strong focus on cost management across the Auckland business ensured solid EBITDA margins were maintained, despite mix changes arising from strong relative growth in IB, local tables and F&B
- The Auckland property continues to benefit from positive external influences which are supportive of sustained growth over the medium-term
- Going forward, the Auckland property will also benefit from the activation of the NZICC gaming concessions, which are expected to start by the end of 2015 following signing of a binding building works contract for the NZICC

Other NZ

- SKYCITY Hamilton's performance continued to improve in 2H15 relative to 1H15, resulting in FY15 normalised revenue being up 4.5% to $50.6m and normalised EBITDA up 15.7% to $19.9m
- The combined Queenstown operations have returned to growth. Normalised revenue was up 34.6% to $18.3m and normalised EBITDA up 61.1% to $2.9m, underpinned by both strong local gaming and IB volumes

FY15 Results Overview – Key Take Outs

Adelaide

- As previously identified, the Adelaide Casino was significantly impacted during FY15 by the refurbishment works that were completed during January 2015
- Modest revenue growth was achieved for the year with normalised revenue up 4.8% to A$174.1m with improving visitation trends emerging post completion of the refurbishment. However, margin contraction over the period delivered a disappointing EBITDA result overall, down 19.2% to A$27.3m

Darwin

- SKYCITY Darwin delivered EBITDA growth of 7.2% for the period, despite flat local revenues in a challenging market. IB volumes showed strong growth over the period, up 113.2% on the pcp, reinforcing Darwin's appeal as a attractive destination for VIP customers
- The NT Government completed the gaming tax review for SKYCITY Darwin in July 2015. As previously announced, the net impact of the new gaming tax rates (which apply until June 2025) and the previously announced community benefit levy is an increase in operating costs for Darwin of approximately A$1m per annum

International Business

- SKYCITY's International Business ("IB") delivered record activity for the period, with group turnover and normalised revenue up 42.6% to $9.3bn and $125.6m, respectively

FY15 Results Overview – Key Take Outs

- Normalised EBITDA was up 35.1% to $26.4m with stable margins. Actual win rate of 1.36% for the period, in line with the theoretical win rate of 1.35%

July 2015 Trading Update

- July trading has seen a continuation of the momentum exhibited during 2H15. Strong Auckland, Hamilton and IB performances have delivered normalised group revenue for the month of $95.5m up 11.4% on the pcp
- Local revenue (excluding IB) for Adelaide was up 9.0% on the pcp underpinned by a strong F&B performance and solid table games growth, whilst delivering local revenue growth (excluding IB) in Darwin remains challenging
- EBITDA margins improved overall for the group on the pcp and at all properties except in Adelaide (despite being up slightly on its average FY15 margin) and for IB

NZICC Project

- SKYCITY agreed preliminary design with the Crown on the NZICC project in May 2015 and received confirmation from the Auckland Council in July that the resource consent application for the NZICC will proceed on a non-notified basis
- SKYCITY expects to have the building works contract for the NZICC signed by October and to commence construction by the end of 2015. Plans to activate various gaming concessions in Auckland are well advanced

FY15 Results Overview – Key Take Outs

Adelaide Redevelopment

- SKYCITY has made good progress on the transformation of Adelaide Casino over the past 12 months including completing the A$50m refurbishment of the existing property and agreeing terms with Walker Corporation for the exclusive lease of 750 car parks to be delivered as part of a A$610m redevelopment of the adjacent Adelaide Festival Plaza
- Given the significant growth opportunity from developing an integrated entertainment facility within the Riverbank precinct, SKYCITY remains committed to redeveloping the Adelaide Casino, constructing a new hotel, expanded gaming podium and new F&B facilities
- SKYCITY continues to review the concept design and development costs to ensure the expansion project best meets the future requirements of the South Australian market and is value-enhancing for shareholders. However, timing to commence the expansion works is uncertain and needs to be coordinated with the South Australian Government’s and Walker Corporation’s plans for the broader development of the Riverbank precinct

Funding

- Current debt funding headroom is expected to be sufficient to meet expected funding requirements until at least the start of FY18
- SKYCITY continues to investigate a potential New Zealand retail bond issue in order to maintain access to this market following the repayment of the capital notes in May 2015

FY15 Results Overview – Key Take Outs (page 6 of 6)

- SKYCITY also continues to explore a range of property-related funding options to finance the two major projects, including partnering options with external investors for the development and ownership of the proposed Hobson St hotel

Property Assets

- Current market value of land and buildings estimated at $1.41bn vs. book value of $0.89bn
- No current plans to separate property assets but we will continue to monitor and evaluate options for purposes of funding and maximising shareholder value

Dividend

- SKYCITY has announced a final dividend of 10 cents per share consistent with the prior year. The dividend will be 25% imputed in New Zealand but not franked in Australia
- The Dividend Reinvestment Plan will be available for this dividend, with a 2% discount

FY15 Revenue Summary by Business (incl Gaming GST)

		FY15 $m	FY14 $m	Movement $m	Movement %
New Zealand Casinos					
▪ Auckland		**602.6**	533.3	69.3	13.0%
▪ Hamilton		**50.6**	48.4	2.2	4.5%
▪ Queenstown, Other		**19.0**	14.3	4.7	32.9%
Total New Zealand		**672.2**	**596.0**	**76.2**	**12.8%**
Australian Casinos					
▪ Adelaide	(A$)	**174.1**	166.2	7.9	4.8%
▪ Darwin	(A$)	**137.1**	133.1	4.0	3.0%
Total Australia	(A$)	**311.2**	**299.3**	**11.9**	**4.0%**
Total Australia at FY14 exchange rate	(NZ$)	**343.9**	**331.3**	**12.6**	**3.8%**
Normalised Revenue at constant currency		**1,016.1**	**927.3**	**88.8**	**9.6%**
Exchange rate impact at FY15 exchange rate		**(8.4)**			
Normalised Revenue at actual currency		**1,007.7**	**927.3**	80.4	8.7%
Adjust International Business to actual win rate		**1.3**	(24.8)	26.1	
Reported Revenue at actual currency		**1,009.1**	**902.5**	**106.6**	**11.8%**

- *Revenue (including Gaming GST) is shown above to facilitate Australasian comparisons*
- *Normalised Revenue is adjusted for IB at theoretical win rate of 1.35%, versus actual 1.36% in FY15 (FY14: 0.97%)*
- *Average NZD/AUD cross-rate during FY15 0.9301 and FY14 0.9049*
- *Certain totals, subtotals and percentages may not agree due to rounding*

2H15 Revenue Summary by Business (incl Gaming GST)

		2H15 $m	2H14 $m	Movement $m	Movement %
New Zealand Casinos					
▪ Auckland		**300.1**	275.3	24.8	9.0%
▪ Hamilton		**25.4**	23.5	1.9	8.1%
▪ Queenstown, Other		**12.0**	7.2	4.8	66.7%
Total New Zealand		**337.5**	**306.0**	**31.5**	**10.3%**
Australian Casinos					
▪ Adelaide	(A$)	**86.8**	82.8	4.0	4.8%
▪ Darwin	(A$)	**64.0**	60.2	3.8	6.3%
Total Australia	(A$)	**150.8**	**143.0**	**7.8**	**5.5%**
Total Australia	(NZ$)	**160.2**	**154.3**	**5.9**	**3.8%**
Normalised Revenues at actual currency		**497.7**	**460.3**	**37.4**	**8.1%**
Adjust International Business to actual win rate		**15.8**	(22.9)	38.7	169.0%
Reported Revenue at actual currency		**513.6**	**437.4**	**76.2**	**17.4%**

- *Revenue (including Gaming GST) is shown above to facilitate Australasian comparisons*
- *Normalised Revenue is adjusted for IB at theoretical win rate of 1.35%*
- *Average NZD/AUD cross-rate during 2H15 0.9455 and 2H14 0.9277*
- *Certain totals, subtotals and percentages may not agree due to rounding*

FY15 EBITDA Summary by Business

		FY15 $m	FY14 $m	Movement $m	Movement %
New Zealand Casinos					
▪ Auckland		**247.8**	217.9	29.9	13.7%
▪ Hamilton		**19.9**	17.2	2.7	15.7%
▪ Queenstown, Other		**3.0**	1.9	1.1	57.9%
Total New Zealand		**270.7**	**237.0**	**33.7**	**14.2%**
Australian Casinos					
▪ Adelaide	(A$)	**27.3**	33.8	(6.5)	(19.2%)
▪ Darwin	(A$)	**38.9**	36.3	2.6	7.2%
Total Australia	(A$)	**66.2**	**70.1**	**(3.9)**	**(5.6%)**
Total Australia at FY14 exchange rate	(NZ$)	**73.2**	**77.7**	**(4.5)**	**(5.8%)**
Corporate Costs		**(33.3)**	**(27.1)**	(6.2)	(22.9%)
Branding Project Costs[1]		**(3.7)**	0.0	(3.7)	NA
Normalised EBITDA at constant currency		**306.9**	**287.6**	**19.3**	**6.7%**
Exchange rate impact at FY15 exchange rate		**(2.0)**			
Normalised EBITDA at actual currency		**304.9**	**287.6**	**17.3**	**6.0%**
International Business adjustments		**3.5**	(21.9)	25.4	116.0%
Other Adjustments		**(4.3)**	(9.2)	4.9	53.1%
Reported EBITDA at actual currency		**304.1**	**256.5**	**47.6**	**18.6%**

- *Normalised EBITDA is adjusted for IB at theoretical win rate of 1.35% and certain other items (see page 61 for more details)*
- *Average NZD/AUD cross-rate during FY15 0.9301 and FY14 0.9049*

(1) Relates to the Adelaide and Auckland brand campaigns during FY15

2H15 EBITDA Summary by Business

		2H15 $m	2H14 $m	Movement $m	Movement %
New Zealand Casinos					
▪ Auckland		**123.5**	109.8	13.7	12.5%
▪ Hamilton		**10.1**	8.0	2.1	26.3%
▪ Queenstown, Other		**2.5**	0.7	1.8	257.1%
Total New Zealand		**136.1**	**118.5**	**17.6**	**14.9%**
Australian Casinos					
▪ Adelaide	(A$)	**13.8**	15.2	(1.4)	(9.2%)
▪ Darwin	(A$)	**17.3**	15.3	2.0	13.1%
Total Australia	(A$)	**31.1**	**30.5**	**0.6**	**2.0%**
Total Australia	(NZ$)	**32.8**	**33.0**	**(0.2)**	**(0.6%)**
Corporate Costs		**(16.8)**	**(13.7)**	(3.1)	(22.6%)
Branding Project Costs[1]		**(1.6)**	**0.0**	(1.6)	NA
Normalised EBITDA at actual currency		**150.5**	**137.8**	**12.7**	**9.2%**
International Business adjustments		**14.6**	(19.3)	33.9	175.6%
Other adjustments		**(1.8)**	(5.6)	3.8	67.9%
Reported EBITDA at actual currency		**163.3**	**112.9**	**50.4**	**44.6%**

- *Normalised EBITDA is adjusted for IB at the theoretical win rate of 1.35% and certain other items (see page 62 for more details)*
- *Average NZD/AUD cross-rate during 2H15 0.9455 and 2H14 0.9277*

(1) Relates to the Adelaide and Auckland brand campaigns during FY15

FY15 Group Awards

SKYCITY Auckland:
"Australasia's Leading Casino Resort"
SKYCITY Grand Hotel:
"New Zealand's Leading Hotel Suite"

SKY Tower:
"NZ number 1 Tourist Attraction"
SKYCITY Grand Hotel:
"Trip Advisor Travellers' Choice Award"
SKYCITY Hamilton:
"Trip Advisor Certificate of Excellence"
Federal St Restaurants:
"Trip Advisor Certificate of Excellence"

Depot:
"Metro Restaurant of the Year Awards Supreme Winner"
Gusto, The Grill, Fed Deli, The Sugar Club, Masu:
"Metro Restaurant of the Year Awards Top 50"

SKYCITY Darwin:
"Best Entertainment Venue – NT"
SKYCITY Darwin:
"Ministers Award for Responsible Service of Gaming"

SKYCITY Adelaide, Sean's Kitchen:
"Finalist for Australia's Best Restaurant and Bar Design Awards"
SKYCITY Adelaide, Sean's Kitchen:
"The City Awards, Adelaide's Best New Restaurant the Year"

FY15 Marquee Group Events

Poppy Day at SKYCITY

Darwin Gala Ball

Zara Phillips and CATWALK

FY15 Marquee Group Events

Queenstown Winter Festival (SKYCITY Masquerade Ball)

Opening of Sean's Kitchen, Adelaide

FY15 Property Updates

FY15 Property Update – SKYCITY Auckland

- SKYCITY Auckland delivered record results for the period, after continuing to achieve strong performance improvements from the investment in the property over the past few years. Strong normalised revenue and EBITDA growth were achieved across all business segments, with normalised revenue increasing 13.0% to $602.6m and EBITDA increasing 13.7% to $247.8m. Excluding IB, Auckland's revenue increased 9.8% to $521.3m and EBITDA 11.9% to $228.3m
- Non-gaming revenue was up 13.9% to $152.1m, with all business segments showing revenue growth and stable or improving margins
- IB turnover in Auckland of $6.0bn was up 38.7% on the pcp from $4.3bn and represents 64.7% of group IB turnover
- Local tables performed strongly over the period with revenues up 16.9% on the pcp, underpinned by improved customer segmentation and experiences and the continued success of our Federal Street restaurants
- Robust performance from gaming machines (on both the main gaming floor and in premium rooms), delivering revenue growth of 3.3% on the pcp despite a relatively strong comparative period
- A strong focus on cost management across the Auckland business ensured solid EBITDA margins were maintained, despite mix changes arising from strong relative growth in IB, local tables and F&B
- The revitalised Federal Street precinct and both SKYCITY Auckland hotels continue to go from strength-to-strength and reflect the benefits of being able to offer world-class integrated entertainment facilities to our local and international customers

FY15 Property Update – SKYCITY Auckland (page 2 of 2)

- Depot, one of our signature restaurants, won Metro Magazine's Auckland Restaurant of the Year for the 2nd time in 2015 (previous award in 2012), a great accolade following on from Masu winning the same award in the prior year
- The Auckland property has hosted a number of marquee events during the period, reinforcing its position as the premier entertainment destination in New Zealand, including being the official headquarters for the FIFA Under 20 World Cup in May/June and hosting a function for Zara Phillips and her patron charity CATWALK
- The Auckland property continues to benefit from positive external influences which are supportive of sustained growth over the medium-term
- Going forward, the Auckland property will benefit from the activation of the NZICC gaming concessions, which are expected to start by the end of 2015 following signing of a binding building works contract for the NZICC
- As recently announced, SKYCITY also continues to invest in the Auckland property to enhance the customer experience and accommodate additional gaming product, including a refurbishment of the main site atrium and the establishment of new F&B facilities

SKYCITY Auckland FY15 – Normalised

	FY15 $m	FY14 $m	Movement $m	Movement %
Revenues				
Machines	225.1	217.9	7.2	3.3%
Tables – Local	144.1	123.3	20.8	16.9%
Tables – IB (Normalised)	81.3	58.6	22.7	38.7%
Normalised Gaming Revenue (incl GST)	**450.5**	**399.8**	**50.7**	**12.7%**
Food and Beverage	61.6	52.1	9.5	18.2%
Hotels and Conventions	65.4	58.4	7.0	12.0%
Sky Tower, Parking and Other	25.1	23.0	2.1	9.1%
Non-Gaming Revenue	**152.1**	**133.5**	**18.6**	**13.9%**
Total Normalised Revenue (incl gaming GST)	**602.6**	**533.3**	**69.3**	**13.0%**
Gaming GST	(58.2)	(51.8)	(6.4)	(12.4%)
Total Normalised Revenue (excl gaming GST)	**544.4**	**481.5**	**62.9**	**13.1%**
Expenses (excluding IB)	(245.5)	(226.5)	(19.0)	(8.4%)
Expenses – IB (Normalised)	(51.1)	(37.1)	**(14.0)**	**(37.7%)**
Normalised EBITDA	**247.8**	**217.9**	**29.9**	**13.7%**
Normalised EBITDA Margin	41.1%	40.9%		

- *Gaming revenue shown on this page is gaming win (GST inclusive) - to facilitate Australasian comparisons*
- *Non-gaming revenue is net of GST*
- *Total revenue shown is gaming win plus non-gaming revenue*
- *EBITDA margin is calculated as a % of gaming win (GST inclusive) plus non-gaming revenue - to facilitate Australasian comparisons*

FY15 Property Update – Hamilton

- SKYCITY Hamilton returned to revenue and EBITDA growth in FY15 following management changes
- Hamilton's performance continued to improve in 2H15 relative to 1H15, resulting in normalised revenue being up 4.5% to $50.6m and normalised EBITDA up 15.7% to $19.9m. Normalised gaming revenue grew 6.9% to $43.4m with non-gaming revenue falling 7.7% to $7.2m
- The continued improved performance at Hamilton has been underpinned by:
  - Solid gaming machine and table games revenues delivered from both main floor and premium gaming spaces
  - Renewed focus on customer experience and loyalty programmes
  - Delivery of better product and facilities and a strong focus on cost management
  - Improving local macroeconomic conditions
- Management expects to deliver a significantly improved F&B offering by the end of the 2015 calendar year following a $2.5m investment in five new F&B outlets
- The medium-term outlook for Hamilton remains positive, underpinned by strategic initiatives to drive visitation to the property and investment in the surrounding Riverbank and CBD precinct's by the Hamilton City Council and other local businesses

SKYCITY Hamilton FY15 – Normalised

	FY15 $m	FY14 $m	Movement $m	Movement %
Revenues				
Machines	33.5	31.7	1.8	5.7%
Tables – Local	9.8	8.8	1.0	11.4%
Tables – IB (Normalised)	0.1	0.1	0.0	0.0%
Normalised Gaming Revenue (incl GST)	**43.4**	**40.6**	**2.8**	**6.9%**
Food and Beverage	5.7	6.2	(0.5)	(8.1%)
Conventions, Parking and Other	1.5	1.6	(0.1)	(6.3%)
Non-Gaming Revenue	**7.2**	**7.8**	**(0.6)**	**(7.7%)**
Total Normalised Revenue (incl gaming GST)	**50.6**	**48.4**	**2.2**	**4.5%**
Gaming GST	(5.5)	(5.3)	(0.2)	(3.8%)
Total Normalised Revenue (excl gaming GST)	**45.1**	**43.1**	**2.0**	**4.6%**
Expenses (excluding IB)	(25.2)	(25.9)	0.7	2.7%
Expenses – IB (Normalised)	-	-	-	-
Normalised EBITDA	**19.9**	**17.2**	**2.7**	**15.7%**
Normalised EBITDA margin	39.3%	35.5%		

- *Gaming revenue figures shown on this page is gaming win (GST inclusive) – to facilitate Australasian comparisons*
- *Non-gaming revenue is net of GST*
- *Total revenue shown is gaming win plus non-gaming revenue*
- *EBITDA margin is calculated as a % of gaming win (GST inclusive) plus non-gaming revenue - to facilitate Australasian comparisons*

SKYCITY Hamilton F&B Project – Concept Impressions

FY15 Property Update – Queenstown/Wharf Casino

- The combined Queenstown operations have returned to growth. Normalised revenue was up 34.6% to $18.3m and normalised EBITDA up 61.1% to $2.9m, underpinned by strong local gaming and IB volumes. Excluding IB, revenue increased 4.4% to $11.9m and normalised EBITDA 46.2% to $1.9m
- Jono Browne, the new General Manager of SKYCITY Queenstown and SKYCITY Wharf, started in May 2015 and reports to John Mortensen, Chief Operating Officer – New Zealand
- Queenstown remains an iconic location with strong tourism growth:
  - Around 2m visitors per annum, 65% international
  - 28% increase (to 378k) in international visitor arrivals into Queenstown airport in year to March 2015
- Queenstown is an increasingly attractive destination for IB customers, but has a limited offering and is reliant on external hotels and F&B
- Potential medium-term opportunity exists to enhance VIP offering and/or consolidate licences, but any significant actions would require regulatory change

SKYCITY Queenstown/Wharf FY15 – Normalised

	FY15 $m	FY14 $m	Movement $m	Movement %
Revenues				
Machines	4.7	4.3	0.4	9.3%
Tables – Local	3.3	2.9	0.4	13.8%
Tables – IB (Normalised)	6.4	2.2	4.2	190.9%
Normalised Gaming Revenue (incl GST)	**14.4**	**9.4**	**5.0**	**53.2%**
Food and Beverage	0.9	0.9	0.0	0.0%
Total Normalised Revenue (incl gaming GST)	**15.3**	**10.3**	**5.0**	**48.5%**
Wharf Casino	3.0	3.3	(0.3)	(9.1%)
Total Normalised Revenue (incl Wharf Casino)	**18.3**	**13.6**	**4.7**	**34.6%**
Gaming GST	(2.2)	(1.5)	(0.7)	(46.7%)
Total Normalised Revenue (excl gaming GST)	**16.1**	**12.1**	**4.0**	**33.1%**
Expenses (excluding IB)	**(8.7)**	(8.9)	0.2	2.2%
Expenses – IB (Normalised)	**(4.5)**	(1.4)	(3.1)	(221.4)
Normalised EBITDA	**2.9**	**1.8**	**1.1**	**61.1%**
Normalised EBITDA margin	15.8%	13.2%		

- *Gaming revenue figures shown on this page is gaming win (GST inclusive) – to facilitate Australasian comparisons*
- *Non-gaming revenue is net of GST*
- *Total revenue shown is gaming win plus non-gaming revenues*
- *EBITDA margin is calculated as a % of gaming win (GST inclusive) plus non-gaming revenue - to facilitate Australasian comparisons*

FY15 Property Update – Adelaide Casino

- As previously identified, the Adelaide Casino was significantly impacted during FY15 by the refurbishment works that were completed during January 2015
- Adelaide delivered modest revenue growth in 2H15 following completion of the refurbishment, resulting in normalised revenue for FY15 being up 4.8% on the pcp to A$174.1m but with normalised EBITDA down 19.2% to A$27.3m. Excluding IB, Adelaide's revenue increased 3.7% to A$153.6m and EBITDA was down 19.0% to $23.4m
- Adelaide's performance was primarily influenced by:
  - Higher operating costs during the refurbishment period and in connection with new operations, resulting in EBITDA margins declining from 20.3% to 15.7%
  - Flat local gaming revenue, consistent with trends observed in South Australian pubs and clubs
  - Growth of 13.3% in IB turnover, although this was relatively lower than at other properties
  - Significant growth in F&B activities following the successful opening of two new signature restaurants, Sean's Kitchen and Madame Hanoi
- Adelaide has shown some positive trends towards the end of FY15, with gaming visitation up approximately 10% on the pcp in 4Q15 and EBITDA margins increasing due to a range of efficiency initiatives being implemented
- SKYCITY remains firmly focused on achieving a significantly improved performance from the Adelaide property following completion of the major refurbishment works

Adelaide Casino FY15 – Normalised

	FY15 A$m	FY14 A$m	Movement A$m	%
Revenues				
Machines	**55.8**	57.3	(1.5)	(2.6%)
Tables – Local	**78.3**	76.7	1.6	2.1%
Tables – IB (Normalised)	**20.5**	18.1	2.4	13.3%
Normalised Gaming Revenue (incl GST)	**154.6**	**152.1**	**2.5**	**1.6%**
Food and Beverage	**17.9**	12.7	5.2	40.9%
Parking and Other	**1.6**	1.4	0.2	14.3%
Total Normalised Revenue (incl gaming GST)	**174.1**	**166.2**	**7.9**	**4.8%**
Gaming GST	**(14.0)**	(13.9)	(0.1)	(0.7%)
Total Normalised Revenue (excl gaming GST)	**160.1**	**152.3**	**7.8**	**5.1%**
Expenses (excluding IB)(1)	**(118.1)**	(107.1)	(11.0)	(10.3%)
Expenses – IB (Normalised)	**(14.7)**	(11.4)	(3.3)	(28.9%)
Normalised EBITDA (1)	**27.3**	**33.8**	**(6.5)**	**(19.2%)**
EBITDA margin	15.7%	20.3%		

(1) Excludes $1.8m of branding project costs during the period

- *Gaming revenue figures shown on this page is gaming win (GST inclusive) – to facilitate Australasian comparisons*
- *Non-gaming revenue is net of GST*
- *Total revenue shown is gaming win plus non-gaming revenue*
- *EBITDA margin is calculated as a % of gaming win (GST inclusive) plus non-gaming revenue - to facilitate Australasian comparisons*

FY15 Property Update – Darwin

- SKYCITY Darwin achieved a satisfactory result despite a challenging local market with normalised revenue increasing 3.0% to A$137.1m and normalised EBITDA increased 7.2% to A$38.9m. Excluding IB, Darwin's revenue decreased 2.9% to A$122.7m and EBITDA increased 3.0% to A$37.5m

- Darwin's performance was largely driven by:

  - Significant recent investment in the property to improve the customer experience and clearly differentiate the casino from the local pubs and clubs

  - Significant growth in IB turnover, reflecting the attraction of Darwin as a destination for IB customers

  - Robust growth in local tables, offset by stronger competition in gaming machines from local pubs and clubs, which benefitted from the introduction of note acceptors

  - Strong management focus on operating costs and efficiencies

  - Challenging local macroeconomic conditions

- The ACES Sports Bar and Vue Restaurant developments were completed in April and July 2015, respectively, with both venues being positively received by customers

FY15 Property Update – Darwin

- The NT Government completed the gaming tax review for SKYCITY Darwin in July 2015. As previously announced, the net impact of the new gaming tax rates (which apply until June 2025) and the previously announced community benefit levy is an increase in operating costs for Darwin of approximately A$1m per annum

- Medium to longer-term growth prospects for the Darwin property will depend on further promotion of IB play, potential activation of the Little Mindil site (adjacent to the property) and any further investment in existing facilities

SKYCITY Darwin – Recent Developments

ACES Sports Bar, opened April 2015

Vue Restaurant, opened July 2015

SKYCITY Darwin FY15 – Normalised

	FY15 A$m	FY14 A$m	Movement A$m	%
Revenues				
Machines	**59.1**	60.2	(1.1)	(1.8%)
Tables – Local	**18.3**	17.3	1.0	5.8%
Keno	**17.0**	16.8	0.2	1.2%
Tables – IB (Normalised)	**14.4**	6.8	7.6	113.2%
Normalised Gaming Revenue (incl GST)	**108.8**	**101.1**	**7.7**	**7.6%**
Food and Beverage	**13.5**	16.4	(2.9)	(17.7%)
Hotel	**8.6**	9.2	(0.6)	(6.5%)
Conventions and Other	**6.2**	6.4	(0.2)	(3.1%)
Non-Gaming Revenue	**28.3**	**32.0**	(3.7)	(11.6%)
Total Normalised Revenue (incl gaming GST)	**137.1**	**133.1**	**4.0**	**3.0%**
Gaming GST	**(9.8)**	(9.2)	(0.6)	(6.5%)
Total Normalised Revenue (excl gaming GST)	**127.3**	**123.9**	**3.4**	**2.7%**
Expenses (excluding IB)	**(76.7)**	(81.4)	4.7	5.8%
Expenses – IB (Normalised)	**(11.7)**	(6.2)	(5.5)	(88.7%)
Normalised EBITDA	**38.9**	**36.3**	**2.6**	**7.2%**
EBITDA Margin	28.4%	27.3%		

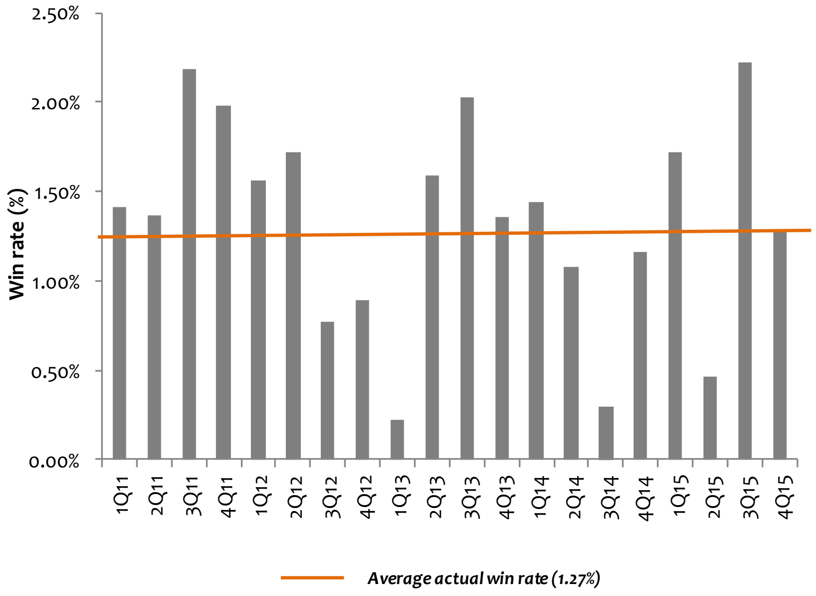
- *Gaming revenue figures shown on this page is gaming win (GST inclusive) – to facilitate Australasian comparisons*
- *Non-gaming revenue are net of GST*
- *Total revenue shown is gaming win plus non-gaming revenue*
- *EBITDA margin is calculated as a % of gaming win (GST inclusive) plus non-gaming revenue - to facilitate Australasian comparisons*

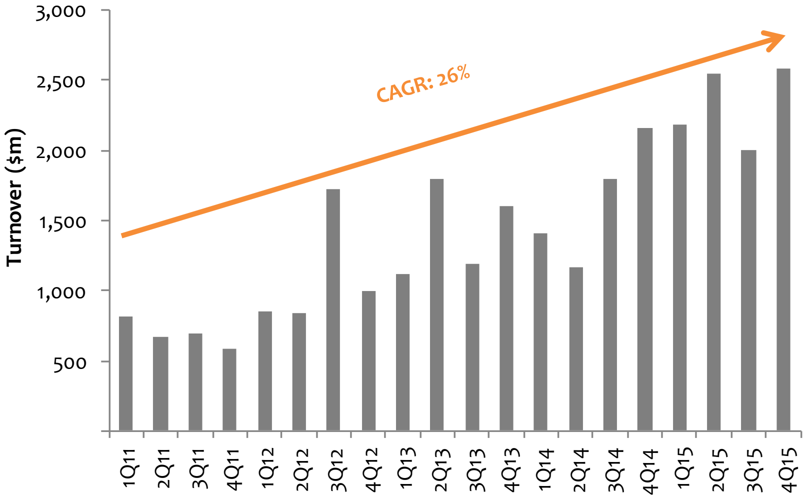
FY15 Update – Consolidated International Business (page 1 of 3)

- SKYCITY's IB delivered record activity during the period, with turnover increasing by 42.6% to $9.3bn
- Strong and sustained growth in IB has been underpinned by:
  - Ongoing success of our expanded sales and marketing team
  - Increased recognition of our 'Horizon' brand and offering
  - Increased play at higher table differential levels ($250k) since December 2013
  - Strong focus on direct relationships with our VIP customers (with junkets representing less than 40% of turnover)
  - Continued growth in the number of Asian VIP customers visiting New Zealand and Australia
- Across all properties, normalised IB revenue for FY15 increased 42.6% to $125.6m and normalised EBITDA increased 35.1% from $19.6m to $26.4m. Auckland represented 64.7% of group IB revenue, with Adelaide at 17.5% and Darwin at 12.5%
- Actual win rate of 1.36% was in line with the theoretical win rate of 1.35%
- No significant provision for doubtful debts was required during the period with the majority of IB play being on a cash upfront basis

FY15 Update – Consolidated International Business (page 2 of 3)

- Sustained turnover growth across IB, with a 26% CAGR since July 2011 and FY15 up 42.6% on the pcp
- Average actual win rate of 1.27% since July 2011, broadly in line with the theoretical win rate of 1.35%





FY15 Update – Consolidated International Business (page 3 of 3)

	FY15	FY14	Movement		FY15	FY14
Turnover	**$b**	**$b**	**$b**	**%**	**Actual Win %**	
Auckland (NZ$)	**6.0**	4.3	1.7	38.7%	1.20%	0.96%
Other NZ (NZ$)	**0.5**	0.2	0.3	190.9%	2.52%	1.52%
Adelaide (A$)	**1.5**	1.3	0.2	13.3%	0.86%	1.07%
Darwin (A$)	**1.1**	0.5	0.6	113.2%	2.49%	0.60%
Total Turnover (NZ$)	***9.3***	***6.5***	***2.8***	***42.6%***	***1.36%***	***0.97%***

	FY15	FY14	Movement	
Normalised Revenue (incl Gaming GST)	**$m**	**$m**	**$m**	**%**
Auckland (NZ$)	**81.3**	58.6	22.7	38.7%
Other NZ (NZ$)	**6.6**	2.3	4.3	190.9%
Adelaide (A$)	**20.5**	18.1	2.4	13.3%
Darwin (A$)	**14.4**	6.8	7.7	113.2%
Total Normalised Revenue (NZ$)	***125.6***	***88.0***	***37.6***	***42.6%***

	FY15	FY14	Movement		FY15	FY14
Normalised EBITDA	**$m**	**$m**	**$m**	**%**	**Margins (%)**	
Auckland (NZ$)	**19.6**	13.8	5.8	42.6%	24.1%	23.5%
Other NZ (NZ$)	**1.1**	0.5	0.6	126.0%	17.1%	22.0%
Adelaide (A$)	**3.9**	5.0	(1.1)	(21.3%)	19.1%	27.5%
Darwin (A$)	**1.4**	0.0	1.4	100.0%	9.7%	(0.6)%
Total Normalised EBITDA (NZ$)	***26.4***	***19.6***	***6.9***	***35.1%***	21.0%	22.2%
Total Reported EBITDA (NZ$)	***29.9***	***(2.3)***	***32.2***	***NA***		

- *Adelaide and Darwin are shown in A$. The totals in each section have Australian numbers converted at the relevant exchange rate each month*
- *Average NZD/AUD cross-rate during FY15 0.9301 and FY14 0.9049*

FY15 Update – Corporate Costs

- Corporate costs, excluding branding project costs, were broadly consistent in 2H15 with the level in 1H15. For FY15, corporate costs increased 22.9% to $33.3m, primarily due to:
  - Higher FY15 employee incentive payments driven by improved financial performance
  - Lower FY14 employee incentive accruals from reversals of prior years
  - Increased sponsorship commitments. Key sponsorships now include: the NZ Breakers, the NZ Warriors, the Auckland Blues, the Northern Mystics and the Poppy Partnership
  - Costs associated with establishing our Corporate Social Responsibility framework and development of a Digital Gaming strategy
  - Increased surveillance costs as a result of increased IB play
- Branding project costs of $3.7m related to the Auckland and Adelaide brand campaigns delivered during the period

FY15 Update – Normalised Interest and Tax

Normalised	FY15 $m	FY14 $m	Movement $m	Movement %
Interest	(38.2)	(44.4)	6.2	14.0%
Tax	(44.1)	(40.4)	(3.7)	(9.2%)

- FY15 net interest costs were down on the pcp, reflecting the lower interest rate environment and increased capitalised interest on projects
  - Average cost of debt was down 21bps to 6.71%
  - From 1 July 2015, following SKYCITY receiving certainty around the resource consent application, SKYCITY will capitalise (as opposed to adjust for) the interest costs associated with debt funding of the NZICC project until practical completion
  - Expect net interest expense in FY16 to be broadly similar to that in FY15
- FY15 tax expense was relatively stable on the pcp with an effective tax rate of ~25%
  - Expect the effective tax rate in FY16 to be broadly similar to that in FY15

FY15 Update – Normalised Depreciation & Amortisation

- Auckland's depreciation increased due to:
  - Ongoing Grand Hotel refurbishment
  - Completion of Federal Street streetscape
  - SKYCITY Hotel flooring refurbishment
  - Ongoing maintenance capex
- Adelaide's increase in FY15 D&A was largely due to the completion of the A$50m refurbishment of the existing site, along with the increase in value of the casino licence following activation of regulatory reforms in February 2014 (net book value of Adelaide licence was A$309m as at June 2015)
- Expect normalised D&A in FY16 to be marginally higher than FY15

Business Unit	FY15 $m	FY14 $m	Movement $m	Movement %
Auckland	47.0	43.7	3.3	7.7%
Hamilton	4.4	4.2	0.2	5.0%
Queenstown	1.1	0.9	0.1	9.3%
Adelaide (A$)	15.2	10.4	4.8	46.2%
Darwin (A$)	12.8	12.1	0.7	5.8%
Group	5.9	5.8	0.1	3.3%
Total NZ$	**88.5**	**79.6**	**8.9**	**11.2%**

- *Certain totals, subtotals and percentages may not agree due to rounding*

FY15 Update – Capital Expenditure

FY15 Capex

- Maintenance capex of $52.6m for FY15 was consistent with the prior year and management expectations after 1H15
- Project capex of $59.4m for FY15 mainly related to the Adelaide refurbishment and NZICC project
- Other projects included:
  - Auckland Grand Hotel refurbishment
  - Darwin: ACES Sports Bar, Vue Restaurant and TITO installation

Future Capex

- Expect maintenance capex in FY16 of $60-65m
- Key project capex items for FY16 relate to:
  - NZICC design and start of construction (~$50m)
  - Activation of the NZICC gaming concessions ($17m)
  - Auckland atrium refurbishment and expanded gaming podium ($24m)
  - Hamilton F&B outlets ($2.5m)
- Once the NZICC building works contract is signed and the Adelaide expansion plan is more fully developed we will provide a further update on our long-term group capex outlook

Capex Spend	FY15 $m	FY14 $m
NZICC	10.1	23.3
Adelaide refurbishment (A$)	24.5	25.6
Adelaide licence payment (A$)	0.0	20.0
Adelaide expansion (A$)	4.3	3.6
Other Projects	18.3	39.8
Total Project Capex	**59.4**	**115.9**
Maintenance Capex	52.6	52.2
Total NZ$	**112.0**	**168.1**

- *Average NZD/AUD cross-rate during FY15 0.9301 and FY14 0.9049*

FY15 Update – Property Assets

NZ $m	Book Value(1)	Market Value(2)
Land		
Auckland	233	342
Hamilton	8	9
Darwin	28	33
Total Land	**269**	**384**
Buildings		
Auckland	452	716
Hamilton	33	75
Darwin	136	231
Total Buildings	**621**	**1,022**
Total	**890**	**1,406**

(1) As at 30 June 2015
(2) Latest estimates available over the past 12 months

- Current market value of land and buildings estimated at $1.41bn vs. book value of $0.89bn
- Value of land and buildings represents approximately 43% of SKYCITY's enterprise value of $3.28bn
- NZICC project and Adelaide expansion will further increase the value of SKYCITY's property assets
- No current plans to separate property assets but we continue to monitor and evaluate options for purposes of funding and maximising shareholder value

July 2015
Trading Update

July 2015 – Trading Update

- July trading has seen a continuation of the trends exhibited during 2H15
- Strong Auckland, Hamilton and IB performances have delivered normalised group revenue for the month of $95.5m, up 11.4% on the pcp
- Auckland has continued to deliver good growth, across almost all business segments, with local revenue (excluding IB) up 9.3% on the pcp to $45.1m
- Hamilton has continued its strong momentum from 2H15 with local revenue (excluding IB) up 16.7% for the month on the pcp to $4.5m, underpinned by strong local gaming growth
- Adelaide achieved robust growth in local revenue (excluding IB) on the pcp, up 9.0% to A$14.0m, which was mainly driven by growth in F&B and table games (up 4.6% on the pcp) . Visitation continues to build since the completion of the refurbishment works, with July visitation up 9.0% on the pcp
- Darwin experienced a 3.0% increase in local revenue (excluding IB) on the pcp to $A11.8m, with positive local gaming growth being offset by weaker hotel and F&B revenues
- IB turnover and normalised revenue increased 22.7% to $1.2bn and $16.1m, respectively, with a win rate for the month of 1.54%
- EBITDA margins improved overall for the group on the pcp and at all properties except in Adelaide (despite being up slightly on its average FY15 margin) and for IB

Final Dividend

Final Dividend of 10 cents per share

	FY15	FY14	Movement	
Dividend – NZ$	**20.0 cps**	**20.0 cps**	**0.0 cps**	**0.0%**
Dividend – A$(1)	**17.9 cps**	**18.3 cps**	**(0.4) cps**	**(2.2)%**

- The final dividend of 10 cents per share ("cps") is consistent with the prior year
- The total FY15 dividend is calculated in accordance with the previously announced policy:
  - Corresponds to a payout ratio of 88% of Normalised FY15 NPAT
  - Based on a share price of NZ$4.28, this represents an annualised cash dividend yield of 4.7%
- The final FY15 dividend will be 25% imputed in New Zealand and not franked in Australia
- The Dividend Reinvestment Plan will be available for the FY15 final dividend with a 2% discount
- The payment date is 2nd October 2015 (entitlement / record date 18th September 2015)

(1) For illustrative purposes, only to show the dividend in A$, FY15 converted at 10 August 2015 rate of 0.8929 and FY14 at 9 August 2014 rate of 0.9130


New Zealand
International
Convention Centre

NZICC – Update

(page 1 of 2)

- SKYCITY has achieved some significant milestones in the NZICC project over the past 12 months:
  - Agreed preliminary design and amended the NZICC agreement with the NZ Government in May 2015
  - Received confirmation from the Auckland Council in July 2015 that the resource consent application for the NZICC will proceed on a non-notified basis
  - Well advanced in developed design for the NZICC, with detailed design of the basement also underway
  - Progressing competitive procurement process for selecting a main contractor for the NZICC construction
- Key targets for the NZICC project during FY16 are:
  - Obtaining the final resource consent from Auckland Council
  - Signing a building works contract by October 2015
  - Commencing construction by December 2015
- The NZICC (as defined by the NZICC agreement with the NZ Government) is currently expected to cost $450-470m (including land)

NZICC – Update

- SKYCITY’s expected future capital commitment to the broader NZICC project is currently expected to be $430-450m (excluding the Hobson St hotel)
  - Includes the laneway and additional car parks, plus other fees and costs
  - Already invested approximately $116m up to 30 June 2015 (primarily land)
- SKYCITY continues to explore partnering options with external investors for the development and ownership of the Hobson St hotel, the development cost for which is currently estimated to be $130-140m (excluding land)
- SKYCITY remains confident that the NZICC project is value enhancing for shareholders

Adelaide Redevelopment

Adelaide Redevelopment

- SKYCITY has made good progress on the transformation of Adelaide Casino over the past 12 months:
  - Completed A$50m refurbishment of the existing property in January 2015
  - Agreed terms with Walker Corporation for the exclusive lease of 750 car parks (of the total 1,560 available) in the proposed Festival Plaza development adjacent to the casino (to be completed by 2018) – this is a critical requirement to achieve the growth potential in the Adelaide property
  - Continued to progress plans for the broader expansion
- Given the significant growth opportunity from developing an integrated entertainment facility within the Riverbank precinct, SKYCITY remains committed to redeveloping the Adelaide Casino, constructing a new hotel, an expanded gaming podium and new F&B facilities
- SKYCITY currently expects the future cost of the Adelaide Casino expansion will be in the vicinity of A$350m. However, SKYCITY continues to review the concept design and development costs to ensure the project best meets the future requirements of the South Australian market and is value-enhancing for shareholders
- Timing to commence the expansion works is uncertain and needs to be coordinated with the South Australian Government's and Walker Corporation's plans for the broader development of the Riverbank precinct

Funding

Funding – Current Debt Facilities

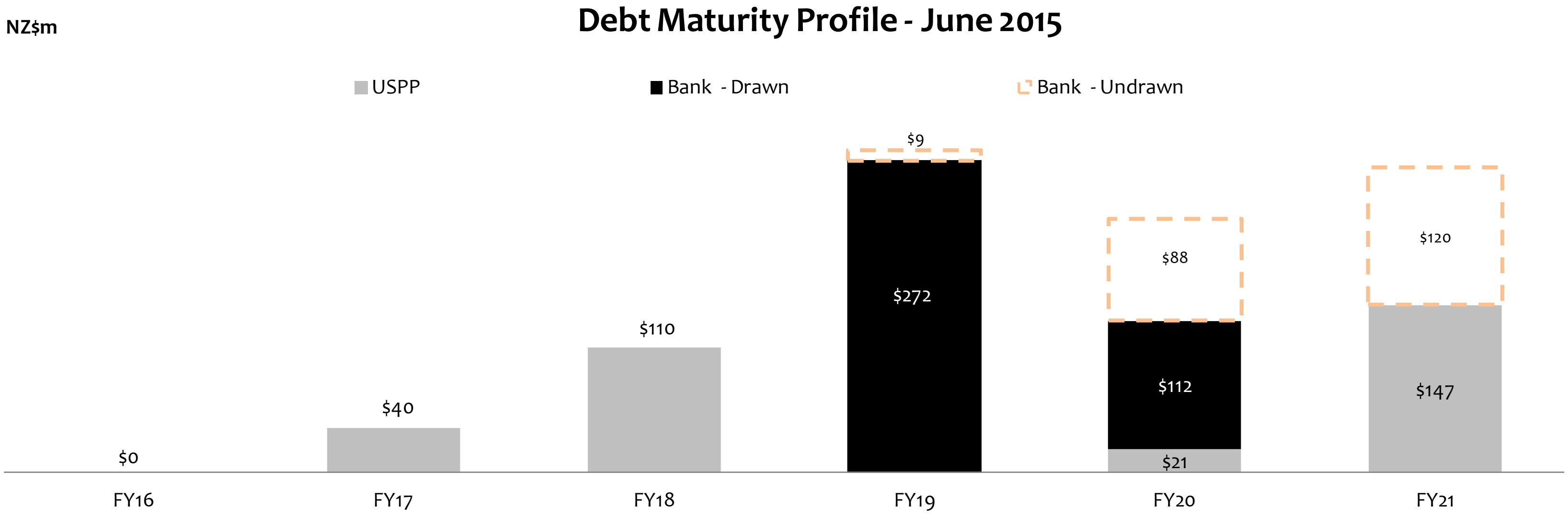
- Reported total debt as at 30 June 2015 of $701m, which reduces to $655m after adjusting for the exchange rate hedging effect of CCIRS in place
- Gearing ratio (net hedged debt/normalised EBITDA) of 2.1x as at 30 June 2015
- Current debt funding headroom is expected to be sufficient to meet expected funding requirements until at least the start of FY18

Debt Facilities (as at 30 June 2015)	Utilised $m		Total Available $m		Headroom $m
	Reported[(1)]	Hedged[(2)]	Reported[(1)]	Hedged[(2)]	
Bank Facilities	384	384	601	601	217
USPP Notes	317	271	317	271	-
Total Debt	**701**	**655**	**918**	**872**	**217**
Less: Cash at Bank	(12)	(12)			
Net Debt	**689**	**643**			

(1) Based on exchange rates at 30 June 2015 of NZD/AUD 0.8886, NZD/USD 0.6822
(2) After adjusting for the exchange rate hedging effect of CCIRS in place

Funding – Debt Maturity Profile

- Weighted average maturity of existing debt facilities is 4.5 years
- Next maturity is US$27m (NZ$40m) of USPP notes in March 2017



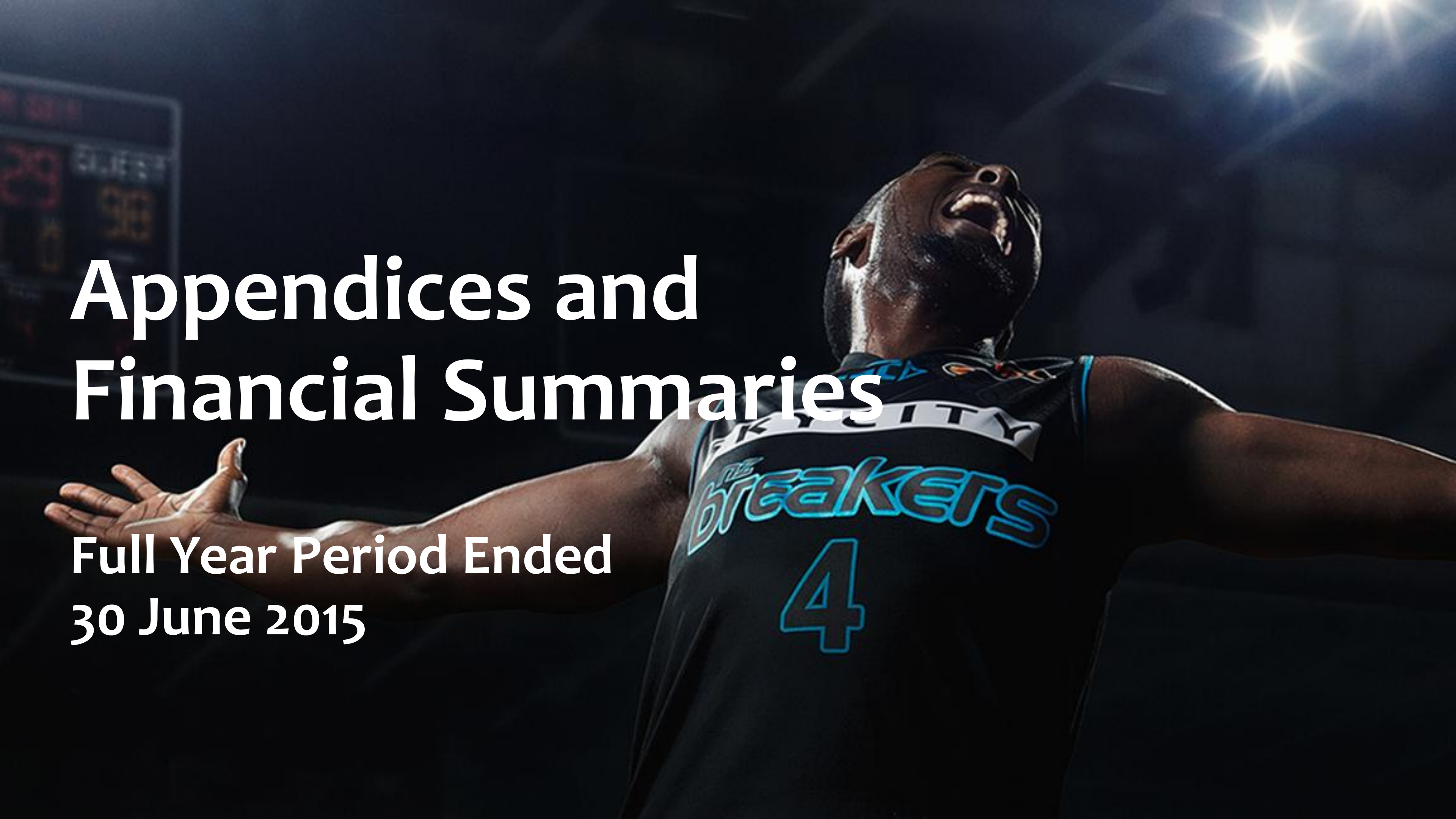
Funding Outlook

- Continue to investigate a potential NZ retail bond issue in order to maintain access to this market following the repayment of the capital notes in May 2015
  - Aim is to diversify debt funding sources and to increase debt funding headroom above $300m
  - Expect to announce further details over the next month
- Considering options for a further USPP note issue, subject to market conditions and ability to achieve satisfactory pricing
- Also continue to explore a range of property-related funding options to finance the two major projects, including partnering options with external investors for the development and ownership of the proposed Hobson St hotel
- SKYCITY remains committed to its stated dividend policy for the foreseeable future
- SKYCITY remains committed to its S&P BBB- credit rating (which was reconfirmed by S&P in June 2015)
- Intend to provide a further update on SKYCITY's long-term funding plan once the building works contract for the NZICC project is signed and plans for the Adelaide expansion are more fully developed

Conclusion

Conclusion

- Positive FY15 result with record normalised revenue for the group and strong growth across our NZ businesses and in IB
- More challenging environment in Australia, with Adelaide's performance continuing to be disappointing
- Momentum from FY15 sustained into July, with revenue growth continuing and further improvements in EBITDA margins
- Significant milestones achieved in the NZICC project during FY15 and currently expect to commence construction by December 2015
- Completed the refurbishment of the existing Adelaide Casino in January 2015
- Management focus for FY16:
  - Continue to optimise the operating performance of all business segments
  - Return Adelaide Casino to growth following completion of the refurbishment
  - Finalise planning and approvals for the NZICC project and commence construction
  - Successfully activate the NZICC gaming concessions, subject to signing a building works contract
  - Finalise plans for the Adelaide expansion
  - Finalise the funding plan through to completion of the major projects



Appendices and Financial Summaries

Full Year Period Ended 30 June 2015

FY15 Results Overview – Normalised Results

Normalised	FY15 $m	FY14 $m	Movement $m	%
Normalised Revenue (including Gaming GST)	1,007.7	927.3	80.4	8.7%
Gaming GST	(91.6)	(83.9)	(7.7)	(9.2%)
Normalised Revenue	**916.1**	**843.4**	**72.7**	**8.6%**
Expenses	(611.2)	(555.8)	(55.4)	(10.0%)
Normalised EBITDA	**304.9**	**287.6**	**17.3**	**6.0%**
Depreciation and Amortisation	(88.5)	(79.6)	(8.9)	(11.2%)
Normalised EBIT	**216.4**	**208.0**	**8.4**	**4.0%**
Interest Cost	(38.2)	(44.4)	6.2	14.0%
Normalised NPBT	**178.2**	**163.6**	**14.6**	**8.9%**
Tax	(44.1)	(40.4)	(3.7)	(9.2%)
Normalised NPAT	**134.1**	**123.2**	**10.9**	**8.8%**
Normalised EPS	**22.9 cps**	**21.3 cps**	**1.6 cps**	**7.5%**

- *Revenue (including Gaming GST) is shown above to facilitate Australasian comparisons*
- *Normalised NPAT adjusts for certain items and International Business (IB) at theoretical win rate of 1.35% versus actual 1.36% in FY15 (FY14: 0.97%)*
- *Average NZD/AUD cross-rate during FY15 0.9301 and FY14 0.9049*

FY15 Results Overview – Reported Results

Reported	FY15 $m	FY14 $m	Movement $m	%
Reported Revenue (including Gaming GST)	1,009.1	902.5	106.6	11.8%
Gaming GST	(91.6)	(81.0)	(10.6)	(13.1%)
Reported Revenue	**917.5**	**821.5**	**96.0**	**11.7%**
Expenses	(613.4)	(565.0)	(48.4)	(8.6%)
Reported EBITDA	**304.1**	**256.5**	**47.6**	**18.6%**
Depreciation and Amortisation	(89.3)	(80.8)	(8.5)	(10.5%)
Reported EBIT	**214.8**	**175.7**	**39.1**	**22.2%**
Interest Cost	(44.0)	(48.0)	4.0	8.3%
Profit from disposal of Christchurch Casino	-	0.9	(0.9)	(100.0%)
Reported NPBT	**170.8**	**128.6**	**42.2**	**32.8%**
Tax	(42.1)	(30.1)	(12.0)	(39.9%)
Reported NPAT	**128.7**	**98.5**	**30.2**	**30.7%**
Reported EPS	***22.0 cps***	***17.0 cps***	***5.0cps***	***29.4%***
Final Dividend NZ$ cps	***10.0 cps***	***10.0 cps***	***0.0 cps***	***0.0%***

- *Revenue (including Gaming GST) is shown above to facilitate Australasian comparisons*

FY15 EBIT Summary by Business

		FY15 $m	FY14 $m	Movement $m	Movement %
New Zealand Casinos					
▪ Auckland		**200.0**	174.2	25.8	14.8%
▪ Hamilton		**15.5**	13.0	2.5	19.2%
▪ Queenstown, Other		**1.9**	0.9	1.0	111.1%
Total New Zealand		**217.4**	**188.1**	**29.3**	**15.6%**
Australian Casinos					
▪ Adelaide	(A$)	**12.1**	23.3	(11.2)	(48.1%)
▪ Darwin	(A$)	**26.1**	24.2	1.9	7.9%
Total Australia	(A$)	**38.2**	**47.5**	**(9.3)**	**(19.6%)**
Total Australia at FY14 exchange rate	(NZ$)	**42.2**	**52.7**	**(10.5)**	**(19.9%)**
Corporate Costs		**(38.4)**	**(32.8)**	(5.6)	(17.1%)
Branding Project Costs(1)		**(3.7)**	-	(3.7)	(100.0%)
Normalised EBIT at constant currency		**217.5**	**208.0**	**9.5**	**4.6%**
Exchange rate impact at FY15 exchange		**(1.1)**			
Normalised EBIT at actual currency		**216.4**	**208.0**	**8.4**	**4.0%**
Adjustments		**(5.1)**	(10.4)	5.3	51.0%
International Business adjustments		**3.5**	(21.9)	25.4	116.0%
Reported EBIT at actual currency		**214.8**	**175.7**	**39.1**	**22.2%**

- *Normalised EBIT is adjusted for IB at the theoretical win rate of 1.35% and certain other items (see page 61 for more details)*
- *Average NZD/AUD cross-rate during FY15 0.9301 and FY14 0.9049*

(1) Relates to the Adelaide and Auckland brand campaigns during FY15

2H15 EBIT Summary by Business

		2H15 $m	2H14 $m	Movement $m	Movement %
New Zealand Casinos					
▪ Auckland		**99.0**	87.3	11.7	13.4%
▪ Hamilton		**7.9**	5.8	2.1	36.2%
▪ Queenstown, Other		**1.9**	0.2	1.7	850.0%
Total New Zealand		**108.8**	**93.3**	**15.5**	**16.6%**
Australian Casinos					
▪ Adelaide	(A$)	**5.7**	9.1	(3.4)	(37.4%)
▪ Darwin	(A$)	**10.7**	9.3	1.4	15.1%
Total Australia	(A$)	**16.4**	**18.4**	**(2.0)**	**(10.9%)**
Total Australia at LY fx rate	(NZ$)	**17.1**	**19.9**	**(2.8)**	**(14.1%)**
Corporate Costs		**(19.1)**	**(16.8)**	(2.3)	(13.7%)
Branding Project Costs[1]		**(1.6)**	**0.0**	(1.6)	(100.0%)
Normalised EBIT at actual currency		**105.2**	**96.4**	**8.8**	**9.1%**
Adjustments		**(2.6)**	(5.8)	3.2	55.2%
International Business adjustments		**14.6**	(19.3)	33.9	175.6%
Reported EBIT at actual currency		**117.2**	**71.3**	**45.9**	**64.4%**

- *Normalised EBIT is adjusted for IB at the theoretical win rate of 1.35% and certain other items (see page 62 for more details)*
- *Average NZD/AUD cross-rate during 2H15 0.9455 and 2H14 0.9277*

(1) Relates to the Adelaide and Auckland brand campaigns during FY15

FY15 Reported and Normalised Earnings

	FY15				FY14			
	Revenue $m	EBITDA $m	EBIT $m	NPAT $m	Revenue $m	EBITDA $m	EBIT $m	NPAT $m
Normalised	**1,007.7**	**304.9**	**216.4**	**134.1**	**927.3**	**287.6**	**208.0**	**123.2**
International Business at Theoretical	1.3	3.5	3.5	2.3	(24.8)	(21.7)	(21.7)	(15.4)
Provision for IB Debtors	-	-	-	-	-	(0.2)	(0.2)	(0.2)
International Business Adjustments	**1.3**	**3.5**	**3.5**	**2.3**	**(24.8)**	**(21.9)**	**(21.9)**	**(15.6)**
Adelaide redevelopment costs	-	(1.7)	(1.7)	(1.2)	-	(4.3)	(4.3)	(3.0)
NZICC interest and other costs	-	(0.6)	(0.6)	(4.6)	-	(0.3)	(0.3)	(2.8)
Strategic projects	-	-	-	-	-	(1.4)	(1.4)	(1.0)
Darwin pre-opening costs	-	(0.1)	(0.1)	(0.1)	-	-	-	-
Restructuring costs	-	(1.6)	(1.6)	(1.1)	-	(2.3)	(2.3)	(1.7)
Auckland project costs	-	(0.3)	(1.1)	(0.7)	-	(0.9)	(2.1)	(1.5)
Profit from sale of Christchurch	-	-	-	-	-	-	-	0.9
Total Other Adjustments		**(4.3)**	**(5.1)**	**(7.7)**	**-**	**(9.2)**	**(10.4)**	**(9.1)**
Reported	**1,009.1**	**304.1**	**214.8**	**128.7**	**902.5**	**256.5**	**175.7**	**98.5**

- *Revenue includes GST inclusive gaming revenue and GST exclusive non-gaming revenue*
- *Normalised (underlying) earnings adjusts for IB at the theoretical win rate of 1.35% and certain other items*
- *Certain totals, subtotals and percentages may not agree due to rounding*

2H15 Reported and Normalised Earnings

	2H15				2H14			
	Revenue $m	EBITDA $m	EBIT $m	NPAT $m	Revenue $m	EBITDA $m	EBIT $m	NPAT $m
Normalised	**497.7**	**150.5**	**105.2**	**67.5**	**460.3**	**137.8**	**96.4**	**56.8**
International Business at Theoretical	15.8	14.6	14.6	10.5	(22.9)	(19.1)	(19.1)	(13.5)
Provision for IB Debtors	-	-	-	-	-	(0.2)	(0.2)	(0.2)
International Business Adjustments	**15.8**	**14.6**	**14.6**	**10.5**	**(22.9)**	**(19.3)**	**(19.3)**	**(13.7)**
Adelaide redevelopment costs	-	(0.2)	(0.2)	(0.2)	-	(2.7)	(2.7)	(1.9)
NZICC interest and other costs	-	(0.3)	(0.3)	(2.3)	-	(0.3)	(0.3)	(1.7)
Strategic projects	-	-	-	-	-	(1.1)	(1.1)	(0.8)
Darwin pre-opening costs	-	(0.1)	(0.1)	(0.1)	-	-	-	-
Restructuring costs	-	(1.1)	(1.1)	(0.7)	-	(1.2)	(1.2)	(0.9)
Auckland project costs	-	(0.1)	(0.9)	(0.6)	-	(0.3)	(0.5)	(0.3)
Profit from sale of Christchurch	-	-	-	-	-	-	-	(0.1)
Total Other Adjustments	**-**	**(1.8)**	**(2.6)**	**(3.9)**	**-**	**(5.6)**	**(5.8)**	**(5.7)**
Reported	**513.6**	**163.3**	**117.2**	**74.1**	**437.4**	**112.9**	**71.3**	**37.4**

- *Revenue includes GST inclusive gaming revenue and GST exclusive non-gaming revenue*
- *Normalised (underlying) earnings adjusts for IB at the theoretical win rate of 1.35% and certain other items*
- *Certain totals, subtotals and percentages may not agree due to rounding*

Reported and Normalised Earnings

- SKYCITY's objective of producing normalised financial information is to provide data that is useful to the investment community in understanding the underlying operations of the Group
- Gaming revenue figures reflect gaming win (inclusive of gaming GST). This facilitates Australasian comparisons and is consistent with the treatment adopted by major Australian casinos
- Non-gaming revenue is net of GST
- Total revenue is gaming win plus non-gaming revenue
- EBITDA margin is calculated as a % of gaming win (GST inclusive) plus non-gaming revenue – to facilitate Australasian and period-on-period comparisons

Reported and Normalised Earnings

- Key Other Adjustments are:
  - Adelaide redevelopment costs – Structural redundancies and launch costs for new facilities (Sean's Kitchen and Madame Hanoi)
  - NZICC – Interest on purchase of New Zealand International Convention Centre (NZICC) land bank (calculated using the group's average cost of debt of 6.7% on an average balance of $85m) and other costs specific to this project
  - Strategic project costs – none in FY15, with FY14 including the acquisition of SKYCITY Wharf Casino, the investigation of investment opportunities in Brisbane, the Gold Coast and the Philippines, and other miscellaneous items
  - Darwin preopening costs – ACES Sports Bar
  - Restructuring costs – Costs associated with changing the staffing structures under an approved restructuring plan
  - Auckland project costs – Federal Street launch and Federal Street fire costs
- IB win rate was 1.36% for FY15 (FY14: 0.97%)
- Normalisation adjustments have been calculated in a consistent manner in FY15 and FY14

Impact of Currency Fluctuations

	FY15 Actual	FY15 Constant Currency	FY14 Actual	Movement FY15 Constant Currency v FY14 Actual	
	$m	$m	$m	$m	%
Normalised Revenue (incl Gaming GST)	1,007.7	1,016.1	927.3	88.8	9.6%
Normalised EBITDA	304.9	306.9	287.6	19.3	6.7%
Normalised EBIT	216.4	217.5	208.0	9.5	4.6%
Normalised NPAT	134.1	134.5	123.2	11.3	9.2%
Reported Revenue (incl Gaming GST)	1,009.1	1,017.6	902.5	115.1	12.8%
Reported EBITDA	304.1	305.9	256.5	49.4	19.3%
Reported EBIT	214.8	215.8	175.7	40.1	22.8%
Reported NPAT	128.7	129.1	98.5	30.6	31.1%

- *Average NZD/AUD cross-rate during FY15 0.9301 and FY14 0.9049*
- *Constant currency translates FY15 Australian dollar results to NZ dollars at 0.9049*

Disclaimer

- *All information included in this presentation is provided as at 12 August 2015*

- *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 investors investment objectives or other circumstances. Investors are encouraged to make an independent assessment of SKYCITY*

APPENDIX 7 – NZSX 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

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX 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	**Directors' resolution**
Contact phone number	**(09) 363 6000**
Contact fax number	**(09)363 6140**
Date	12 / 8 / 2015

Nature of event
Tick as appropriate

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

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	
ISIN (*If unknown, contact NZX*)	
Number of Securities to be issued following event	
Minimum Entitlement	
Ratio, e.g 1 for 2	for
Conversion, Maturity, Call Payable or Exercise Date (*Enter N/A if not applicable*)	
Treatment of Fractions	
Tick if pari passu	[ ]
OR provide an explanation of the ranking	
Strike price per security for any issue in lieu or date Strike Price available.	

Monies Associated with Event

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

In dollars and cents

Amount per security (does not include any excluded income)	**$0.1000**
Source of Payment	**Profit**
Excluded income per security (only applicable to listed PIEs)	
Currency	**NZ Dollars**
Total monies	**$58,747,274**

Supplementary dividend details - NZSX Listing Rule 7.12.7

Amount per security in dollars and cents	**$0.004412**
Date Payable	**2 October, 2015**

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	**$0.026486**
Imputation Credits (Give details)	**$0.009722**
Foreign Withholding Tax	$
FWP Credits (Give details)	

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm *For calculation of entitlements -*	**18 September, 2015**
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.*	**2 October, 2015**
Notice Date *Entitlement letters, call notices, conversion notices mailed*	
Allotment Date *For the issue of new securities. Must be within 5 business days of application closing date.*	

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

Security Code:

Security Code:

NZX

SKYCITY Entertainment Group Limited
Financial statements
for the year ended 30 June 2015

For and on behalf of the Board:

Chris Moller
Chairman

Bruce Carter
Chairman of the Audit and Financial Risk Committee

12 August 2015

SKYCITY Entertainment Group Limited
Income statement
For the year ended 30 June 2015

	Notes	Consolidated 2015 $'000	2014 $'000
Total receipts including GST	4	**1,036,966**	928,228
Less non-gaming GST	4	**(29,259)**	(26,694)
Gaming win plus non-gaming revenue	4	**1,007,707**	901,534
Less gaming GST	4	**(91,620)**	(81,051)
Revenue	4	**916,087**	820,483

	Notes	2015 $'000	2014 $'000
Revenue	4	**916,087**	**820,483**
Other income	5	**1,356**	1,000
Employee benefits expense		**(302,748)**	(280,009)
Other expenses	6	**(137,772)**	(121,007)
Directors fees		**(1,179)**	(1,130)
Restructuring costs	6	**(4,316)**	(9,170)
Gaming taxes and levies		**(56,676)**	(55,361)
Direct consumables		**(75,327)**	(68,028)
Marketing and communications		**(35,348)**	(30,343)
Gain on disposal of associate		**-**	934
Earnings before interest, taxes, depreciation and amortisation expenses (EBITDA)		**304,077**	257,369
Depreciation and amortisation expense	6	**(89,292)**	(80,769)
Earnings before interest and tax (EBIT)		**214,785**	176,600
Finance costs - net	7	**(43,927)**	(48,049)
Profit before income tax		**170,858**	128,551
Income tax expense	8	**(42,114)**	(30,014)
Profit for the year		**128,744**	98,537

Earnings per share for profit attributable to the shareholders of the company:

	Notes	**Cents**	Cents
Basic earnings per share	9	**22.0**	17.0
Diluted earnings per share	9	**22.0**	17.0

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

SKYCITY Entertainment Group Limited
Statement of comprehensive income
For the year ended 30 June 2015

		Consolidated	
		2015	2014
	Notes	**$'000**	$'000
Profit for the year		**128,744**	98,537
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of overseas subsidiaries	23	**11,719**	(27,102)
Movement in cash flow hedges	23	**(2,805)**	(4,546)
Income tax relating to components of other comprehensive income	23	**768**	1,375
Other comprehensive income for the year		**9,682**	(30,273)
Total comprehensive income for the year, net of tax		**138,426**	68,264
Total comprehensive income for the year is attributable to:			
Shareholders of the company		**138,426**	68,264

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

SKYCITY Entertainment Group Limited
Balance sheet
As at 30 June 2015

	Notes	Consolidated 2015 $'000	2014 $'000
ASSETS			
Current assets			
Cash and bank balances	10	**53,232**	54,052
Receivables and prepayments	11	**16,654**	18,810
Inventories		**8,362**	7,871
Tax prepayment	12	**45,227**	33,158
Derivative financial instruments	13	**32**	769
Total current assets		**123,507**	114,660
Non-current assets			
Tax prepayment	12	**779**	21,183
Property, plant and equipment	14	**1,174,248**	1,141,947
Intangible assets	15	**556,029**	537,648
Derivative financial instruments	13	**70,998**	15,889
Total non-current assets		**1,802,054**	1,716,667
Total assets		**1,925,561**	1,831,327
LIABILITIES			
Current liabilities			
Payables	16	**130,085**	119,500
Interest bearing liabilities	17	**-**	81,724
Derivative financial instruments	13	**675**	10,753
Subordinated debt - capital notes	19	**-**	76,441
Total current liabilities		**130,760**	288,418
Non-current liabilities			
Interest bearing liabilities	17,18	**699,092**	498,935
Provisions		**3,739**	-
Deferred tax liabilities	20	**80,613**	75,715
Derivative financial instruments	13	**33,513**	28,833
Deferred licence value	15	**160,922**	165,541
Total non-current liabilities		**977,879**	769,024
Total liabilities		**1,108,639**	1,057,442
Net assets		**816,922**	773,885
EQUITY			
Share capital	22	**758,800**	737,546
Reserves	23(a)	**(38,894)**	(48,576)
Retained earnings	23(b)	**97,016**	84,915
Total equity		**816,922**	773,885

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

Consolidated	Notes	**Share capital $'000**	**Hedging reserves $'000**	**Foreign currency translation reserve $'000**	**Retained profits $'000**	**Total equity $'000**
Balance as at 1 July 2013		729,395	(5,595)	(12,708)	101,799	812,891
Total comprehensive income/(expense)		-	(3,171)	(27,102)	98,537	68,264
Dividends provided for or paid	24	-	-	-	(115,421)	(115,421)
Shares issued under dividend reinvestment plan	22	20,126	-	-	-	20,126
Share rights issued for employee services	22	1,238	-	-	-	1,238
Net purchase of treasury shares	22	(13,213)	-	-	-	(13,213)
Balance as at 30 June 2014		737,546	(8,766)	(39,810)	84,915	773,885
Balance as at 1 July 2014		737,546	(8,766)	(39,810)	84,915	773,885
Total comprehensive income/(expense)		-	(2,037)	11,719	128,744	138,426
Dividends provided for or paid	24	-	-	-	(116,643)	(116,643)
Shares issued under dividend reinvestment plan	22	19,254	-	-	-	19,254
Share rights issued for employee services	22	1,245	-	-	-	1,245
Net purchase of treasury shares	22	755	-	-	-	755
		21,254	-	-	(116,643)	(95,389)
Balance as at 30 June 2015		758,800	(10,803)	(28,091)	97,016	816,922

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

SKYCITY Entertainment Group Limited
Statement of cash flows
For the year ended 30 June 2015

	Notes	Consolidated 2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers		**918,243**	820,259
Payments to suppliers and employees		**(550,189)**	(501,268)
		368,054	318,991
Dividends received		**8**	5
Gaming tax paid		**(48,328)**	(48,206)
Income taxes paid		**(29,059)**	(40,017)
Net cash inflow from operating activities	31	**290,675**	230,773
Cash flows from investing activities			
Purchase of/proceeds from property, plant and equipment		**(106,310)**	(156,164)
Payments for intangible assets		**(5,724)**	(11,899)
Proceeds from sale of Christchurch Casinos Limited		**-**	1,440
Net cash outflow from investing activities		**(112,034)**	(166,623)
Cash flows from financing activities			
Cash flows associated with derivatives	13	**4,839**	9,202
Drawdown of borrowings		**128,074**	67,193
Proceeds from sale of capital notes		**-**	20,000
Repayment of borrowings		**(168,751)**	-
Net purchase of treasury shares	22	**755**	(13,213)
Dividends paid to company shareholders	24	**(97,389)**	(95,295)
Interest paid		**(46,989)**	(49,116)
Net cash (outflows) from financing activities		**(179,461)**	(61,229)
Net increase / (decrease) in cash and bank balances		**(820)**	2,921
Cash and bank balances at the beginning of the year		**54,052**	51,131
Cash and cash equivalents at end of year	10	**53,232**	54,052

The above 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, and tourism sectors. The Group has operations in New Zealand and Australia.

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.

These consolidated financial statements were approved for issue by the board of directors on 12 August 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable Financial Reporting Standards, as applicable for profit-oriented entities. The financial statements also comply with International Financial Reporting Standards ('IFRS').

Entities Reporting

The Group has a small negative working capital balance. The Group has significant available undrawn banking facilities totalling $217 million as at 30 June 2015 (refer to note 18) and has the ability to fully pay all debts as they fall due.

The Group is designated as a profit-oriented entity for financial reporting purposes.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2015 and the results of all subsidiaries for the year then ended.

Statutory Base

SKYCITY Entertainment Group Limited is a company registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules. In accordance with the Financial Markets Conduct Act 2013, because group financial statements are prepared and presented for SKYCITY Entertainment Group Limited and its subsidiaries, separate financial statements for SKYCITY Entertainment Group Limited are no longer required to be prepared and presented.

Measurement Basis

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the company to exercise its judgement in the process of applying the Group's accounting policies. Judgement is used in the following areas: estimated impairment of goodwill, indefinite casino licences and assessing the probability of utilisation of unused tax losses.

The Group tests annually whether goodwill and indefinite licences have suffered any impairment, in accordance with the accounting policy stated in note 2(p). The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates (refer notes 6 and 15).

There is sufficient headroom between the value in use calculations and the carrying value of the remaining assets that significant changes in the assumptions used would not require an impairment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the net fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

(c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Chief Executive Officer/Managing Director.

(d) Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each of the company's operations are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that operation (functional currency). The consolidated financial statements are presented in New Zealand dollars which is the Group's presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) Foreign Operations

The results and financial position of foreign entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency below:

- assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each Income Statement are translated at average exchange rates, and
- all resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(e) Revenue Recognition

Revenue is recognised as summarised below.

(i) Operating Revenue
Operating revenues include casino, hotel, food and beverage, Sky Tower, carparking and other revenues. Casino revenues represent the net win to the casino from gaming activities, being the difference between amounts wagered and amounts won by casino patrons.

Revenues exclude the retail value of rooms, food, beverage and other promotional allowances provided on a complimentary basis to customers.

(ii) Interest Income
Interest income is recognised on a time-proportion basis using the effective interest method.

(iii) Dividend Income
Dividend income is recognised when the right to receive payment is established.

(iv) Loyalty Programme
A portion of revenue is allocated to the loyalty points scheme and is recognised when customers redeem their loyalty points.

(f) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income, based on the income tax rate for each jurisdiction. This is then adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and changes in unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for a deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(g) Goods and Services Tax (GST)

The Income Statement, Cash Flow Statement and Statement of Changes in Equity have been prepared so that all components are stated exclusive of GST. All items in the Balance Sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the lease.

(i) Impairment of Non Financial Assets

Intangible assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(j) Cash and Bank Balances

Cash and bank balances include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

(k) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

(l) Inventories

Inventories, all of which are finished goods, are stated at the lower of cost and net realisable value determined on a first in, first out basis.

(m) Investments and Other Financial Assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheets (notes 2(j) and (k)).

(n) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges) or hedges of exposures to variability in cash flows associated with recognised assets or liabilities or highly probable forecast transactions (cash flow hedges).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

At the inception of the transaction, SKYCITY documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair Value Hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash Flow Hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement.

Amounts accumulated in equity are recycled in the Income Statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in the Income Statement when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is transferred to the Income Statement.

(iii) Derivatives that Do Not Qualify for Hedge Accounting
Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised in the Income Statement.

(o) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as below:

- Buildings and fitout	5-75 years
- Plant and equipment	2-75 years
- Motor vehicles	3 years
- Fixtures and fittings	3-20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Gains and losses on disposals are determined by comparing proceeds with carrying amount.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Intangible Assets

(i) Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business/associate at the date of acquisition. Goodwill on acquisitions of businesses is included in Intangible Assets. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(ii) Casino Licences
The Group's casino licences that have a finite useful life are carried at cost less accumulated amortisation. Amortisation of these casino licences is calculated on a straight-line basis so as to expense the cost of the licences over their legal life.

The casino licences that have been determined to have an indefinite useful life for amortisation purposes are not amortised but are reviewed for impairment on an annual basis.

(iii) Regulatory reforms associated with casino licences
Regulatory reforms granted which are specific to the Group are initially recognised at their fair value where there is a reasonable assurance that the reforms will be received and the Group will comply with all conditions attached.

Regulatory reforms are recognised as an intangible asset and included within the value of casino licences. Where a regulatory reform is related to property, plant and equipment, once constructed the carrying value of that property, plant and equipment is reduced by the value of the regulatory reforms. Prior to construction of the related property, plant and equipment, the value of the regulatory reforms is accounted for as deferred licence value.

(iv) Acquired Software
Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life (three to seven years).

(q) Payables

Payables are stated at fair value or estimated liability where accrued.

(r) Borrowings

Borrowings, including capital notes, are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost unless part of an effective hedging relationship. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(s) Borrowing Costs

Borrowing costs are expensed, except for costs incurred for the construction of any qualifying asset which are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Employee Benefits

(i) Wages, Salaries and Annual Leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months of the reporting date and redundancy payments are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Share-Based Payments
SKYCITY operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the shares and/or share rights is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share rights or shares granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of share rights or shares that are expected to be distributed. At each balance sheet date, the entity revises its estimates of the number of shares expected to be distributed. It recognises the impact of the revision of original estimates, if any, in the Income Statement, and a corresponding adjustment to equity over the remaining vesting period.

(u) Share Capital

Ordinary shares are classified as equity.

Where any Group company purchases the company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company's equity holders.

(v) Dividends

Provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at balance date.

(w) Earnings Per Share

(i) Basic Earnings Per Share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted Earnings Per Share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(x) Statement of Cash Flows

Cash flows associated with derivatives that are part of a hedging relationship are off-set against cash flows associated with the hedged item.

(y) New Accounting Standards Adopted in the Year

There have been no significant changes in accounting policies during the current year. Accounting policies have been applied on a basis consistent with prior year.

(z) Standards, Amendments and Interpretations to Existing Standards that are not yet Effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 July 2015 or later periods, but which the Group has not early adopted. The significant items are:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- **NZ IFRS 9, Financial Instruments** (Effective date: periods beginning on or after 1 January 2018). NZ IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of NZ IFRS 9 was issued in September 2014. It replaces the guidance in NZ IAS 39 that relates to the classification and measurement of financial instruments. NZ IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in NZ IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. NZ IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under NZ IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group intends to adopt NZ IFRS 9 from 1 July 2015 and it is not expected to significantly impact the Group.
- **NZ IFRS 15, Revenue from Contracts with Customers** (Effective date: periods beginning on or after 1 January 2017). NZ IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces NZ IAS 18 'Revenue' and NZ IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group intends to adopt NZ IFRS 15 from 1 July 2017 and is currently assessing its full impact.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer/Managing Director that are used to assess performance and allocate resources.

The Group is organised into the following main operating segments:

SKYCITY Auckland
SKYCITY Auckland includes casino operations, hotels and convention, food and beverage, carparking, 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 and SKYCITY Wharf.

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.

Corporate / Group

Head office functions including legal and regulatory, group finance, human resources and information technology, the Chief Executive Officer's office and directors.

3 SEGMENT INFORMATION (continued)

2015	SKYCITY AUCKLAND $'000	REST OF NEW ZEALAND $'000	SKYCITY ADELAIDE $'000	SKYCITY DARWIN $'000	INTER - NATIONAL BUSINESS $'000	CORPORATE /GROUP $'000	TOTAL $'000
Revenue from external customers and other income	473,725	56,157	152,291	123,170	112,100	-	917,443
Expenses	(245,540)	(34,288)	(129,069)	(82,738)	(82,217)	(39,514)	(613,366)
Depreciation and amortisation	(47,759)	(5,489)	(16,319)	(13,782)	-	(5,943)	(89,292)
Segment profit/EBIT	180,426	16,380	6,903	26,650	29,883	(45,457)	214,785
Finance costs							(43,927)
Profit before income tax							170,858
Segment assets	700,918	58,321	493,749	364,967	-	307,606	1,925,561
Net additions to non-current assets (other than financial assets and deferred tax)	32,330	3,913	20,023	16,945	-	29,872	103,083

2014	SKYCITY AUCKLAND $'000	REST OF NEW ZEALAND $'000	SKYCITY ADELAIDE $'000	SKYCITY DARWIN $'000	INTER - NATIONAL BUSINESS $'000	CORPORATE /GROUP $'000	TOTAL $'000
Revenue from external customers and other income	430,519	53,949	150,504	130,704	55,807	-	821,483
Shares of net profits of associates	-	934	-	-	-	-	934
Expenses	(226,366)	(35,426)	(118,465)	(90,298)	(58,083)	(36,410)	(565,048)
Depreciation and amortisation	(44,898)	(5,269)	(11,508)	(13,425)	-	(5,669)	(80,769)
Segment profit/EBIT	159,255	14,188	20,531	26,981	(2,276)	(42,079)	176,600
Finance costs							(48,049)
Profit before income tax							128,551
Segment assets	726,167	62,786	454,450	339,401	-	248,523	1,831,327
Net additions to non-current assets (other than financial assets and deferred tax)	17,417	7,849	47,899	8,691	-	73,192	155,048

	Consolidated 2015 $'000	Consolidated 2014 $'000
Revenue - products and services		
Local gaming	**591,966**	570,532
International business gaming	**112,100**	55,807
Non gaming	**212,021**	194,144
Total revenue	**916,087**	820,483
Revenue - geographic		
New Zealand	**602,074**	522,133
Australia	**314,013**	298,350
Total revenue	**916,087**	820,483
Non-current asset additions - geographic		
New Zealand	**66,115**	98,459
Australia	**36,968**	56,589
Total non-current asset additions	**103,083**	155,048
Non-current assets excluding financial instruments - geographic		
New Zealand	**914,156**	934,818
Australia	**816,900**	765,960
Total non-current assets excluding financial instruments	**1,731,056**	1,700,778

4 REVENUE

	Consolidated	
	2015	2014
	$'000	$'000
Total receipts including GST	**1,036,966**	928,228
Less non-gaming GST	**(29,259)**	(26,694)
Gaming win plus non-gaming revenue	**1,007,707**	901,534
Less gaming GST	**(91,620)**	(81,051)
Total revenue	**916,087**	820,483
Gaming	**704,066**	626,339
Non-gaming	**212,021**	194,144
Total revenue	**916,087**	820,483

Non-gaming revenue includes revenues from hotels, food and beverage, convention centre, car parking, property rentals, Sky Tower, and other non-gaming activities.

Gaming win represents the gross cash inflows associated with gaming activities. “Total receipts including GST” and “Gaming win plus non-gaming revenue” do not represent revenue as defined by NZ IAS 18 Revenue. The Group has decided to disclose these amounts as they give shareholders and interested parties a better appreciation for the scope of the Group’s gaming activities and is consistent with industry practice adopted by casino operations in Australia.

5 OTHER INCOME

	Consolidated	
	2015	2014
	$'000	$'000
Net gain on disposal of property, plant and equipment	**1,348**	995
Dividend income	**8**	5
	1,356	1,000

6 EXPENSES

	Consolidated	
	2015	2014
	$'000	$'000
Profit before income tax includes the following specific expenses:		
Depreciation		
Buildings and fitout	**27,359**	24,421
Plant and equipment	**40,226**	37,915
Fixtures and fittings	**10,832**	9,516
Motor vehicles	**492**	403
Total depreciation	**78,909**	72,255
Amortisation		
Casino licences (Adelaide)	**4,402**	3,115
Computer software	**5,981**	5,399
Total amortisation	**10,383**	8,514
Total depreciation and amortisation	**89,292**	80,769

6 EXPENSES (continued)

	Consolidated	
	2015	2014
	$'000	$'000
Other expenses includes:		
Utilities, insurance and rates	**23,014**	23,002
Community Trust donations	**3,762**	2,635
Minimum lease payments relating to operating leases	**4,675**	4,382
Other property expenses	**14,023**	14,035
Other items (including International commissions)	**92,197**	75,944
Provision for bad and doubtful debts	**101**	1,009
	137,772	121,007
Restructuring costs:		
Adelaide redevelopment costs	**1,689**	4,262
NZICC costs	**629**	344
Strategic projects	**-**	1,372
Darwin pre-opening costs	**104**	-
Restructuring costs	**1,576**	2,305
Auckland project costs	**318**	887
	4,316	9,170

Auditors' fees

During the year the following fees were paid or are payable for services provided by the auditor of the parent entity and its related practices.

Audit services		
PricewaterhouseCoopers		
Group Audit	**766**	665
Total remuneration for audit services	**766**	665
Other assurance services provided by PricewaterhouseCoopers		
Accounting advice and assistance	**27**	42
Tax compliance services	**89**	106
Total remuneration for other assurance services	**116**	148
Total remuneration for assurance services	**882**	813

(a) Other services

PricewaterhouseCoopers		
Taxation advisory services *	**248**	295
Executive benchmarking assistance	**30**	156
Total remuneration for taxation services	**278**	451
	1,160	1,264

* Tax services in relation to ad-hoc queries covering a range of tax related matters.

The Group employs PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Group are important and auditor independence is not impaired. These assignments are principally tax advice. For other work, the company's External Audit Independence Policy requires that advisers other than PricewaterhouseCoopers are engaged, unless otherwise approved by the Board's Audit and Financial Risk Committee.

7 FINANCE COSTS - NET

	Consolidated	
	2015	2014
	$'000	$'000
Finance costs		
Interest and finance charges	**47,328**	50,130
Exchange (gains)/losses	**(1,077)**	(125)
Interest income	**(2,324)**	(1,956)
Total finance costs	**43,927**	48,049

8 INCOME TAX EXPENSE

	Consolidated	
	2015	2014
	$'000	$'000

(a) Income Tax Expense

Current tax	**35,976**	39,952
Deferred tax	**6,138**	(9,938)
	42,114	30,014

(b) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

Profit from continuing operations before income tax expense	**170,858**	128,551
Tax at the New Zealand tax rate of 28% (2014: 28%)	**47,840**	35,994
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Net non-deductible items	**165**	717
Share of net profit of associates	**-**	(262)
Foreign exchange rate differences	**(948)**	98
Share of partnership expenditure	**(7,045)**	(6,546)
Differences in overseas tax rates	**742**	(372)
Under provision in prior years	**1,360**	385
Income tax expense	**42,114**	30,014

The weighted average applicable tax rate was 24.6% (2014: 23.3%).

9 EARNINGS PER SHARE

	Consolidated	
	2015	2014
	Cents	Cents
Basic earnings per share		
Profit attributable to the ordinary equity holders of the company	**22.0**	17.0
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the company	**22.0**	17.0

(a) Reconciliations of Earnings used in calculating Earnings Per Share

	Consolidated	
	2015	2014
	$'000	$,000
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	**128,744**	98,537

(b) Weighted Average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**586,071,258**	579,706,028

There are no dilutive potential ordinary shares and therefore basic and diluted earnings per share are the same.

10 CASH AND BANK BALANCES

	Consolidated	
	2015	2014
	$'000	$'000
Cash at bank	**12,302**	12,056
Cash in house	**40,930**	41,996
	53,232	54,052

11 RECEIVABLES AND PREPAYMENTS

	Consolidated	
	2015	2014
	$'000	$'000
Trade receivables (net)	**10,226**	13,643
Sundry receivables	**3,294**	2,286
Prepayments	**3,134**	2,881
	16,654	18,810

12 NET TAX RECEIVABLES

	Consolidated	
	2015	2014
	$'000	$'000
Tax prepayment - current	**45,227**	33,158
Tax prepayment - non current	**779**	21,183
	46,006	54,341

Tax is typically paid in advance in New Zealand to ensure the Group has positive imputation credits as at 31 March of each year.

13 DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	2015	2014
	$'000	$'000
Current assets		
Forward foreign exchange contracts	**32**	769
Total current derivative financial instrument assets	**32**	769
Non-current assets		
Interest rate swaps - cash flow hedges	**-**	252
Cross-currency interest rate swaps - cash flow hedges	**70,998**	15,637
Total non-current derivative financial instrument assets	**70,998**	15,889
Current liabilities		
Forward foreign currency contracts	**327**	415
Interest rate swaps - cash flow hedges	**348**	836
Cross currency interest rate swaps - cashflow hedges	**-**	9,502
Total current derivative financial instrument liabilities	**675**	10,753
Non-current liabilities		
Interest rate swaps - cash flow hedges	**33,513**	24,039
Cross-currency interest rate swaps - cash flow hedges	**-**	4,794
Total non-current derivative financial instrument liabilities	**33,513**	28,833

During the year there were no fair value hedges.

There is no cash flow hedge ineffectiveness in either the current or prior year.

When the fair value of the cross currency interest rate swaps exceeds certain levels, a payment is received from (if the CCIRS is an asset) or made to (if the CCIRS is a liability) the counter party. As at 30 June 2015, there was no collateral deposited with counterparties to derivatives (2014: $7,339,042).

14 PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED	Land $'000	Buildings and Fitout $'000	Plant and equipment $'000	Fixtures and fittings $'000	Motor vehicles $'000	Capital work in progress $'000	Total $'000
At 30 June 2013							
Cost	192,075	907,564	353,796	95,265	4,547	73,559	1,626,806
Accumulated depreciation	-	(232,177)	(241,298)	(57,133)	(2,216)	-	(532,824)
Net book value	192,075	675,387	112,498	38,132	2,331	73,559	1,093,982
Movements in the year ended 30 June 2014							
Opening net book value	192,075	675,387	112,498	38,132	2,331	73,559	1,093,982
Exchange differences	(2,907)	(19,137)	(3,600)	(917)	(44)	(810)	(27,415)
Net additions/transfers	439	29,362	44,367	20,048	298	53,121	147,635
Depreciation charge	-	(24,421)	(37,915)	(9,516)	(403)	-	(72,255)
Closing net book value	189,607	661,191	115,350	47,747	2,182	125,870	1,141,947
At 30 June 2014							
Cost	189,607	913,655	378,384	112,352	4,679	125,870	1,724,547
Accumulated depreciation	-	(252,464)	(263,034)	(64,605)	(2,497)	-	(582,600)
Net book value	189,607	661,191	115,350	47,747	2,182	125,870	1,141,947
Movements in the year ended 30 June 2015							
Opening net book value	189,607	661,191	115,350	47,747	2,182	125,870	1,141,947
Exchange differences	1,318	8,402	1,856	528	19	1,728	13,851
Net additions/transfers	787	33,620	37,348	14,295	806	10,503	97,359
Depreciation charge	-	(27,359)	(40,226)	(10,832)	(492)	-	(78,909)
Closing net book value	191,712	675,854	114,328	51,738	2,515	138,101	1,174,248
At 30 June 2015							
Cost	191,712	956,334	396,035	124,221	5,250	138,101	1,811,653
Accumulated depreciation	-	(280,480)	(281,707)	(72,483)	(2,735)	-	(637,405)
Net book value	191,712	675,854	114,328	51,738	2,515	138,101	1,174,248

Borrowing costs of $2,092,270 have been capitalised in the current year relating to capital projects (2014: $765,208) using the Group's weighted average cost of debt of 6.71% (2014: 6.92%).

A memorandum of encumbrance is registered against the title of land for the Auckland casino in favour of Auckland Council. Auckland Council requires prior written consent before any transfer, assignment or disposition of the land. The intent of the covenant is to protect the Council's rights under the resource consent, relating to the provision of the bus terminus, public car park and the provision of public footpaths around the complex.

A further encumbrance records the Council's interest in relation to the sub-soil areas under Federal and Hobson Streets used by SKYCITY as car parking and a vehicle tunnel. The encumbrance is to notify any transferee of the Council's interest as lessor of the sub-soil areas.

The SKYCITY Hamilton site is subject to the normal rights that the Crown reserves in respect of minerals and mining in relation to the sub-soil areas. The land title is subject to Section 27B of the State Owned Enterprises Act 1986 which does not provide for the owner of the land to be heard in relation to any recommendations of the Waitangi Tribunal for the resumption of the land. At balance date the company was not aware of any matters pertaining to the land under the State Owned Enterprises Act 1986. Drainage rights have been granted over parts of the land appurtenant to Lot 2 Plan 5.23789 (CT22C/1428). There is also a right of way granted over part of Lot 1 and part of Lot 2 DP580554.

15 INTANGIBLE ASSETS

CONSOLIDATED	Goodwill $'000	Casino licences $'000	Computer software $'000	Total $'000
At 30 June 2013				
Cost	148,381	253,293	70,024	471,698
Accumulated amortisation	-	(36,044)	(46,015)	(82,059)
Net book amount	148,381	217,249	24,009	389,639
Movements in the year ended 30 June 2014				
Opening net book amount	148,381	217,249	24,009	389,639
Exchange differences	(11,091)	(21,401)	(370)	(32,862)
Additions	-	181,945	7,440	189,385
Amortisation charge	-	(3,115)	(5,399)	(8,514)
Closing net book amount	137,290	374,678	25,680	537,648
At 30 June 2014				
Cost	137,290	410,219	74,635	622,144
Accumulated amortisation	-	(35,541)	(48,955)	(84,496)
Net book amount	137,290	374,678	25,680	537,648
Movements in the year ended 30 June 2015				
Opening net book amount	137,290	374,678	25,680	537,648
Exchange differences	4,946	17,842	252	23,040
Additions	-	-	5,724	5,724
Amortisation charge	-	(4,402)	(5,981)	(10,383)
Closing net book amount	142,236	388,118	25,675	556,029
At 30 June 2015				
Cost	142,236	429,994	79,054	651,284
Accumulated amortisation	-	(41,876)	(53,379)	(95,255)
Net book amount	142,236	388,118	25,675	556,029

Casino Licence	Contract Term
SKYCITY Darwin Casino	The casino and associated operations are carried out by SKYCITY Darwin Pty Limited under a casino licence/operator agreement (the Casino Operator's Agreement) with the Northern Territory Government. The current licence term was extended in 2011 and now expires on 30 June 2031. The Casino Operator's Agreement is subject to extension for a further 5 years once its period to maturity reaches 15 years. These licence extensions apply on a continuing 5 year basis so that, subject to certain criteria being met, the licence period is never less than 15 years. The carrying value of the casino licence is A$31.7m (FY14: A$31.7m).

15 INTANGIBLE ASSETS (continued)

Adelaide Casino	The casino and associated operations are carried out by SKYCITY Adelaide Pty Limited under a casino licence (the Approved Licensing Agreement (ALA)) dated October 1999 (as amended). Unless terminated earlier, the expiry date of the ALA is 30 June 2085. The term of the ALA can be renewed for a further fixed term pursuant to section 9 of the Casino Act 1997 (SA). The carrying value of the casino licence is amortised over the life of the ALA. Effective 14 February 2014, the ALA and associated agreements were amended to (a) extend Adelaide Casino's exclusivity period for casino gaming in South Australia for a further 20 years until 30 June 2035 (during which period no other casino gaming is permitted, except for interactive gambling); (b) permit the implementation of account based cashless gaming and ticket-in-ticket-out gaming systems; (c) permit an increase in the number of both gaming machines and gaming tables; (d) reflect new taxation rates; and (e) implement various other operational improvements. As part of the agreement with the South Australian Government, SKYCITY Adelaide made a A$20 million payment in February 2014 to the South Australian Government and agreed to undertake a casino expansion and hotel development project. These reforms are exclusive to the Group and have therefore been recorded at fair value based on the estimated incremental benefit of the reforms over the life of the reforms. The asset is amortised over 20 years or 71 years depending on whether the incremental benefit is associated with the exclusivity period or the full licence period. The carrying value of the casino licence is A$309.2m (FY14: A$313.3m).
SKYCITY Auckland Casino	SKYCITY Auckland Limited holds a Casino Premises Licence for the Auckland premises. The Casino Premises Licence is for an initial 25 year term from 2 February 1996. The licence can be renewed for further periods of 15 years pursuant to section 138 of the Gambling Act 2003 (NZ). As the licence was initially granted for nil consideration, there is no associated carrying value. Pursuant to the terms of the New Zealand International Convention Centre Project and Licensing Agreement between Her Majesty the Queen in Right of New Zealand and the Company dated 5 July 2013, the initial term of the licence will be extended from the current expiry date of 1 February 2021 to 30 June 2048 on and from the date that the Company executes a building works contract with a contractor to construct the New Zealand International Convention Centre and there is no condition there under remaining to be satisfied by the Company.
SKYCITY Hamilton Casino	SKYCITY Hamilton Limited holds a Casino Premises Licence for the Hamilton premises. The Casino Premises Licence is for an initial 25 year term from 19 September 2002. The licence can be renewed for further periods of 15 years pursuant to section 138 of the Gambling Act 2003 (NZ). As the licence was initially granted for nil consideration, there is no associated carrying value.
SKYCITY Queenstown Casino	Queenstown Casinos Limited holds a Casino Premises Licence for these Queenstown premises. The Casino Premises Licence is for an initial 25 year term from 7 December 2000. The licence can be renewed for further periods of 15 years pursuant to section 138 of the Gambling Act 2003 (NZ). As the licence was initially granted for nil consideration, there is no associated carrying value.
SKYCITY Wharf Casino (Queenstown)	Otago Casinos Limited holds a Casino Premises Licence for these Queenstown premises. The Casino Premises Licence is for an initial 25 year term from 11 September 1999. The licence can be renewed for further periods of 15 years pursuant to section 138 of the Gambling Act 2003 (NZ). The carrying value of the casino licence is $4.4m (FY14: $4.4m).

15 INTANGIBLE ASSETS (continued)

(a) Impairment Tests for Intangibles with Indefinite Lives

Goodwill and licences with indefinite lives are allocated to the Group's cash-generating units (CGUs) identified below.

2015	**Otago Casino Limited ***	**SKYCITY Hamilton ***	**SKYCITY Darwin**	**Total**
	$'000	$'000	$'000	$'000
Goodwill	-	35,786	106,450	142,236
Casino Licence	4,391	-	35,710	40,101
	4,391	35,786	142,160	182,337
2014				
Goodwill	-	35,786	101,504	137,290
Casino Licence	4,391	-	34,051	38,442
	4,391	35,786	135,555	175,732

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use cash flow projections approved by directors covering a ten year period. There is a surplus between the calculated value-in-use and the carrying value for each asset.

* SKYCITY Hamilton and Otago Casino Limited are included within the "Rest of New Zealand" segment in note 3.

(b) Key Assumptions used for Value in Use Calculations of Cash Generating Units

	EBITDA margin		**Growth rate**		**Discount rate**	
	2015 %	2014 %	**2015 %**	2014 %	**2015 %**	2014 %
SKYCITY Hamilton	**39.3**	35.5	**2.0**	2.0	**9.5**	10.0
SKYCITY Darwin	**28.3**	27.3	**3.0**	3.0	**9.5**	10.0

These assumptions are consistent with past experience adjusted for economic indicators. The discount rates are post-tax and reflect specific risks relating to the relevant operating segment.

The company does not expect that a reasonably possible change in key assumptions would reduce recoverable amount below carrying amount.

16 PAYABLES

	Consolidated	
	2015 $'000	2014 $'000
Trade payables	**20,125**	21,965
Deferred income	**2,174**	2,600
Accrued expenses	**59,869**	53,415
Employee benefits	**47,917**	41,520
	130,085	119,500

The fair value of payables and accruals approximates the carrying amount as they are of a short term nature.

17 CURRENT LIABILITIES - INTEREST BEARING LIABILITIES

	Consolidated	
	2015	2014
	$'000	$'000
Current		
United States Private Placement	**-**	81,724
Total current interest-bearing borrowings	**-**	81,724

Refer note 18 for details concerning the US Private Debt.

18 NON-CURRENT LIABILITIES - INTEREST BEARING LIABILITIES

	Consolidated	
	2015	2014
	$'000	$'000
Unsecured		
United States Private Placement	**317,228**	251,300
Syndicated bank facility	**383,808**	249,673
Deferred funding expenses	**(1,944)**	(2,038)
Total non-current interest-bearing liabilities	**699,092**	498,935

(a) United States Private Placement (USPP)

As at 30 June 2015, SKYCITY had US$202.0 million and NZ$21.1 million of USPP notes outstanding:

- US$27.0 million maturing 15 March 2017
- US$75.0 million maturing 15 March 2018
- NZ$21.1 million maturing 15 March 2020
- US$100.0 million maturing 15 March 2021

During the year US$47.0 million and NZ$28.2 million matured. Other than these two repayments, movements in the outstanding balance relate to foreign exchange rate movements.

The US dollar USPP notes have been hedged to NZ dollars or Australian dollars by way of cross currency interest rate swaps to eliminate foreign exchange exposure to the US dollar. The offsetting changes in the value of the cross currency interest rate swaps are included within derivative financial instruments in note 13.

(b) Syndicated Bank Facility

As at 30 June 2015, SKYCITY had in place revolving credit facilities of:

- A$250.0 million maturing 30 June 2019
- NZ$250.0 million maturing 30 June 2020
- NZ$120.0 million maturing 15 March 2021

The syndicated banking facility is comprised of ANZ (New Zealand and Australia), Commonwealth Bank of Australia, Bank of New Zealand Limited, National Australia Bank and Westpac (New Zealand and Australia).

(c) Fair values

Fair value of USPP debt is estimated at NZ$359 million (2014: NZ$412 million) compared to a carrying value of NZ$317 million (2014: NZ$333 million). Fair value has been calculated based on the present value of future principal and interest cash flows, using market interest rates and credit margins at balance date.

Fair value is calculated using inputs other than quoted prices that are observable for the liability, either directly (that is, as prices) or indirectly (that is, derived from prices) - this is a level 2 valuation.

19 SUBORDINATED DEBT - CAPITAL NOTES

	Consolidated	
	2015	2014
	$'000	$'000
Balance at the end of the year	**-**	76,451
Deferred expense	**-**	10
Net capital notes at the end of the year	**-**	76,441

All capital notes were redeemed during the year.

20 DEFERRED TAX LIABILITIES

	Consolidated	
	2015	2014
	$'000	$'000
The balance comprises temporary differences attributable to:		
Prepayments and receivables	**254**	211
Provision and accruals	**(18,358)**	(11,560)
Depreciation	**102,813**	102,679
Foreign exchange differences	**734**	(10,726)
Tax losses	**(1)**	(937)
Other	**(535)**	(500)
Cash flow hedges	**(4,294)**	(3,452)
Net deferred tax liabilities	**80,613**	75,715
Movements:		
Balance at the beginning of the year	**75,715**	87,603
(Credited)/charged to the Income Statement (note 8)	**6,138**	(9,938)
Debited to equity reserves (note 23)	**(768)**	(1,276)
Foreign exchange differences	**(472)**	(674)
Closing balance at 30 June	**80,613**	75,715
Within 12 months	**(25,360)**	(24,772)
In excess of 12 months	**105,973**	100,487
	80,613	75,715

21 IMPUTATION CREDITS (New Zealand)

	Consolidated	
	2015 $'000	2014 $'000
Balances available for use in subsequent reporting periods		
Imputation credit account	**14,966**	13,523
Franking credit account	**3,915**	8,054

As required by relevant tax legislation, the imputation credit account had a credit balance as at 31 March 2015.

22 SHARE CAPITAL

	2015 Shares	2014 Shares	**2015 $'000**	2014 $'000
Opening balance of ordinary shares issued	**582,088,094**	576,958,340	**737,546**	729,395
Share rights issued for employee services	**-**	-	**1,245**	1,238
Employee share entitlements issued	**76,617**	746,714	**-**	-
Treasury shares issued	**(76,617)**	(746,714)	**-**	-
Net issue/(purchase) of treasury shares	**-**	-	**755**	(13,213)
Shares issued under dividend reinvestment plan	**5,384,647**	5,129,754	**19,254**	20,126
	587,472,741	582,088,094	**758,800**	737,546

All ordinary shares rank equally with one vote attached to each fully-paid ordinary share.

Included within the number of shares is 6,699,957 treasury shares (2014: 6,776,574) held by the company. The movement in treasury shares during the year related to the issuance of shares under the employee incentive plans and purchases of shares by an external trustee as part of the executive long term incentive plan (refer note 26). Treasury shares may be used to issue shares under the company's employee incentive plans or upon the exercise of share rights/options.

23 RESERVES AND RETAINED PROFITS

(a) Reserves

	Consolidated 2015 $'000	Consolidated 2014 $'000
Hedging reserve - cash flow hedges	**(10,803)**	(8,766)
Foreign currency translation reserve	**(28,091)**	(39,810)
	(38,894)	(48,576)

	Consolidated 2015 $'000	Consolidated 2014 $'000
Hedging reserve - cash flow hedges		
Balance at the beginning of the year	**(8,766)**	(5,595)
Revaluation	**57,467**	(40,294)
Transfer to net profit - finance costs (net)	**(60,272)**	35,748
Deferred tax	**768**	1,375
Balance 30 June	**(10,803)**	(8,766)

	Consolidated 2015 $'000	Consolidated 2014 $'000
Foreign currency translation reserve		
Balance at the beginning of the year	**(39,810)**	(12,708)
Exchange difference on translation of overseas subsidiaries	**11,719**	(27,102)
Balance 30 June	**(28,091)**	(39,810)

(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, as described in note 2(n). Amounts are recognised in the Income Statement when the associated hedged transaction affects the Income Statement. Cashflows are in line with the maturity of the hedged items, refer to note 25.

(ii) Foreign Currency Translation Reserve

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in note 2(d). The reserve is recognised in the Income Statement when the net investment is disposed of.

(b) Retained Profits

Movements in retained profits were as follows:

	Consolidated 2015 $'000	Consolidated 2014 $'000
Balance 1 July	**84,915**	101,799
Net profit for the year	**128,744**	98,537
Dividends	**(116,643)**	(115,421)
Balance 30 June	**97,016**	84,915

24 DIVIDENDS

	Consolidated	
	2015	2014
	$'000	$'000
Prior year final dividend	**58,042**	57,461
Current year interim dividend	**58,601**	57,960
Total dividends provided for or paid	**116,643**	115,421

Prior year final dividend (per share)	**10.00¢**	10.00¢
Current year interim dividend (per share)	**10.00¢**	10.00¢

On 11 August 2015, the directors resolved to declare a final dividend of 10 cents per share in respect of the year ended 30 June 2015 (refer to note 32 for further details).

25 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risks (interest rate, currency and electricity price), liquidity risk, and credit risk. The Group's overall risk management programme recognises the nature of these risks and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department under a formal Treasury Policy approved annually by the board of directors. The Treasury Policy sets out written principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess funds. The Treasury Policy sets conservative limits for allowable risk exposures which are formally reviewed at least annually.

(a) Market risk

(i) Currency Risk
The Group operates internationally and is exposed to currency risk, primarily with respect to Australian and US dollars. Exposure to the Australian dollar arises from the Group's net investment in its Australian operations. Exposure to the US dollar arises from funding denominated in that currency.

The Group utilises natural hedges wherever possible (i.e. Australian dollar funding is used to partially hedge the net investment in Australian operations) with forward foreign exchange contracts used to manage any significant residual risk to the Income Statement.

The Group's exposure to the US dollar (refer to US dollar US Private Placement debt detailed in note 18) has been fully hedged by way of cross-currency interest rate swaps (CCIRS), hedging US dollar exposure on both principal and interest. The CCIRS correspond in amount and maturity to the US dollar borrowings with no residual US dollar exposure.

(ii) Interest Rate Risk
The Group's interest rate exposures arise from long-term borrowings.

Interest rate swaps (IRS) and CCIRS are utilised to modify the interest repricing profile of the Group's debt to match the profile required by Treasury Policy. All IRS and CCIRS are in designated hedging relationships that are highly effective.

As the Group has no significant interest-bearing assets, the Group's revenue is substantially independent of changes in market interest rates.

The following table sets out the Group's exposure to interest rate risk, including the contractual repricing dates and the effective weighted average interest rate.

		Principal - Interest Rate Repricing						
2015	Weighted average %	1 year or less $'000	1-2 years $'000	2-3 years $'000	3-4 years $'000	4-5 years $'000	Over 5 years $'000	Total $'000
Cash and deposits	3.25	12,302	-	-	-	-	-	12,302
Bank facility	4.40	(383,808)	-	-	-	-	-	(383,808)
US Private Placement	5.31	(21,127)	(39,578)	(109,938)	-	-	(146,585)	(317,228)
IRS/CCIRS*		84,393	1,578	58,450	(11,254)	(40,000)	(93,167)	-
		(308,240)	(38,000)	(51,488)	(11,254)	(40,000)	(239,752)	(688,734)

Weighted average debt interest rate ** 6.06%

25 FINANCIAL RISK MANAGEMENT (continued)

2014	Weighted average %	Principal - Interest Rate Repricing 1 year or less $'000	1-2 years $'000	2-3 years $'000	3-4 years $'000	4-5 years $'000	Over 5 years $'000	Total $'000
Cash and deposits	3.25	12,056	-	-	-	-	-	12,056
Bank facility	5.00	(249,673)	-	-	-	-	-	(249,673)
US Private Placement	4.96	(102,851)	-	(30,766)	(85,460)	-	(113,947)	(333,024)
Capital notes (NZ)	7.25	(76,450)	-	-	-	-	-	(76,450)
IRS/CCIRS *		260,143	(31,462)	(7,234)	(50,197)	(90,731)	(80,519)	-
		(156,775)	(31,462)	(38,000)	(135,657)	(90,731)	(194,466)	(647,091)

Weighted average debt interest rate ** 6.75%

* Interest rate swaps and cross-currency interest rate swaps, notional principal amounts.

** As at 30 June, including the impact of interest rate hedging

(iii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk and foreign exchange risk. The sensitivity analysis considers reasonably possible changes in each risk with all other variables held constant, taking into account all underlying exposures and related hedges at the reporting date. The impact calculated is based on a full year impact of each change. Sensitivities have been selected based on the current level of interest rates and exchange rates, volatility observed on an historical basis and market expectations for future movements.

Consolidated	Interest rate risk				Foreign exchange risk			
	-100bps		+100bps		-5%		+5%	
30 June 2015	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
NZD/AUD movements	-	-	-	-	114	15,388	(126)	(13,922)
NZ interest rate movement	1,069	(7,227)	(1,069)	6,896	-	-	-	-
Australian interest rate movement	794	(5,930)	(794)	5,650	-	-	-	-

	Interest rate risk				Foreign exchange risk			
	-100bps		+100bps		-5%		+5%	
30 June 2014	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
NZD/AUD movements	-	-	-	-	(305)	8,624	338	(7,803)
NZ interest rate movement	1,799	(5,759)	(1,799)	5,465	-	-	-	-
Australian interest rate movement	286	(6,728)	(286)	6,368	-	-	-	-

25 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its financial obligations. SKYCITY is largely a cash-based business and its material credit risks arise mainly from financial instruments utilised in funding and International Business play.

Financial instruments (other than International Business discussed below) that potentially create a credit exposure can only be entered into with counterparties that are explicitly approved by the board. Maximum credit limits for each of these parties are approved on the basis of long-term credit rating (Standard and Poor's or Moody's). A minimum long-term rating of A+ (S&P) or A1 (Moody's) is required to approve individual counterparties.

The maximum credit risk of any financial instrument at any time is the fair value where that instrument is an asset. All derivatives are carried at fair value in the balance sheet. Trade receivables are presented net of an allowance for estimated doubtful receivables.

International players are managed in accordance with accepted industry practice. Settlement risk associated with international players is minimised through credit checking and a formal review and approval process.

There are no significant concentrations of credit risk in the Group.

(c) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of unutilised committed credit facilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties and maturities.

Maturities of Committed Funding Facilities

The tables below analyse the Group's maturity profile of committed funding. The bank facility revolving credit tranches of NZ$320 million and A$250 million (2014: NZ$285 million and A$200 million) were drawn down by NZ$206,000,000 and A$158,000,000 as at 30 June 2015 (2014: NZ$137,000,000, A$30,000,000 and term loan of A$75,000,000).

Consolidated - At 30 June 2015	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total facility
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bank facility	-	-	-	-	481,341	120,000	601,341
US Private Placement	-	-	39,578	109,938	21,127	146,585	317,228
Total debt facilities	-	-	39,578	109,938	502,468	266,585	918,569
Payables	79,317	-	-	-	-	-	79,317
Total drawn debt	-	-	39,578	109,938	404,935	146,585	701,036
Future contracted interest on drawn debt	11,948	8,600	16,536	13,302	18,449	5,947	74,782
Future contracted interest on CCIRS/IRS	3,167	2,933	5,560	4,213	7,291	1,665	24,829

25 FINANCIAL RISK MANAGEMENT (continued)

Consolidated - At 30 June 2014	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total facility
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bank facility	-	-	-	-	414,615	165,481	580,096
Capital notes	-	76,450	-	-	-	-	76,450
US Private Placement	-	81,724	-	30,766	85,460	135,074	333,024
Total debt facilities	-	158,174	-	30,766	500,075	300,555	989,570
Payables	75,380	-	-	-	-	-	75,380
Total drawn debt	-	158,174	-	30,766	254,652	215,555	659,147
Future contracted interest on drawn debt	14,333	11,278	17,770	17,254	26,417	14,827	101,879
Future contracted interest on CCIRS/IRS	5,934	5,134	8,476	7,849	12,856	10,806	51,055

On 20 March 2015, SKYCITY restructured its banking facilities. The restructure included an extension of the maturiy dates (refer note 18).

During the year, the capital notes (15 May 2015) and US$47.0 million and NZ$21.1 million of USPP notes (15 March 2015) matured and were repaid.

25 FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value estimation

The table below analyses for financial instruments that are measured in the balance sheet at fair value by level of the fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is,unobservable inputs) (level 3).

30 June 2015	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
Assets				
Financial assets at fair value through profit or loss				
– Forward foreign currency contracts	-	32	-	32
Derivatives used for hedging	-	70,998	-	70,998
Total assets	-	71,030	-	71,030
Liabilities				
Financial liabilities at fair value through profit or loss				
– Forward foreign currency contracts	-	327	-	327
Derivatives used for hedging	-	33,861	-	33,861
Total liabilities	-	34,188	-	34,188

30 June 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
Assets				
Financial assets at fair value through profit or loss				
– Forward foreign currency contracts	-	769	-	769
Derivatives used for hedging	-	15,889	-	15,889
Total assets	-	16,658	-	16,658
Liabilities				
Financial liabilities at fair value through profit or loss				
– Forward foreign currency contracts	-	415	-	415
Derivatives used for hedging	-	39,171	-	39,171
Total liabilities	-	39,586	-	39,586

Further details on derivatives are provided in note 13.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation techniques used to value financial instruments include:

- The fair value of interest rate swaps and cross currency interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

25 FINANCIAL RISK MANAGEMENT (continued)

(e) Financial instruments by category

	Loans and Receivables $'000	Assets / (Liabilities) at fair value through the Income Statement $'000	Derivatives used for Hedging $'000	Liabilities at Amortised Cost $'000
At 30 June 2015				
Cash and bank balances	53,232	-	-	-
Trade receivables	10,226	-	-	-
Sundry receivables	3,294	-	-	-
Derivative financial instruments - assets	-	32	70,998	-
Derivative financial instruments - liabilities	-	(327)	(33,861)	-
Interest bearing liabilities	-	-	-	(699,092)
Payables	-	-	-	(79,994)
	66,752	(295)	37,137	(779,086)
At 30 June 2014				
Cash and bank balances	54,052	-	-	-
Trade receivables	6,216	-	-	-
Sundry receivables	9,713	-	-	-
Derivative financial instruments - assets	-	769	15,889	-
Derivative financial instruments - liabilities	-	(415)	(39,171)	-
Interest bearing liabilities	-	-	-	(498,935)
Capital notes	-	-	-	(76,441)
Payables	-	-	-	(75,380)
	69,981	354	(23,282)	(650,756)

(f) Capital Risk Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise returns for shareholders and benefits for other stakeholders over the long term.

In order to optimise its capital structure, the Group manages actual and forecast operational cash flows, capital expenditure and equity distributions.

The Group primarily manages capital on the basis of gearing ratios measured on the basis of net debt (debt at hedged exchange rates less cash at bank) to EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) and interest coverage (EBITDA relative to net interest cost).

The primary ratios were as follows at 30 June

	2015	2014
Gearing ratio	**2.1 x**	2.3 x
Interest coverage	**7.8 x**	6.4 x

These types of ratios are consistent with the financial covenants in the Group's various funding facilities. Actual gearing as at 30 June 2015 was within covenant limits on funding facilities.

The Group does not have any externally-imposed capital requirements.

26 SHARE-BASED PAYMENTS

Chief Executive Officer and Executive Long Term Incentive Plan 2009

Under this plan, executives purchase SKYCITY shares funded by an interest free loan from the Group. The shares purchased by the executives are held by a trustee company with executives entitled to exercise the voting rights attached to the shares and receive dividends, the proceeds of which are used to repay the interest free loan.

At the end of the restricted period (3 to 4 years), the Group will pay a bonus to each executive to the extent their performance targets have been met which is sufficient to repay the initial interest free loan associated with the shares which vest. The shares upon which performance targets have been met will then fully vest to the executives. The loan owing on shares upon which performance targets have not been met (the forfeited shares) will be novated from the executives to the trustee company and will be fully repaid by the transfer of the forfeited shares. Performance targets relate to total shareholder return.

At 30 June 2015, the interest free loan on the CEO Long Term Incentive Plan is $4,709,538 (2014: $8,319,048) and on the Executive Long Term Incentive Plan total $11,051,650 (2014: $10,183,719).

Movements in the number of share rights outstanding are as follows:

Grant Date	Expiry date	Balance at start of the year Number	Granted during the year Number	Exercised / converted during the year Number	Expired during the year Number	Balance at end of the year Number	Within testing window Number
Consolidated 2015							
31/08/10	31/08/14	319,903	-	(76,866)	(243,037)	-	-
02/03/11	02/03/15	1,144,291	-	-	(1,144,291)	-	-
31/08/11	31/08/15	670,200	-	-	(125,000)	545,200	545,200
29/08/12	29/08/16	764,800	-	-	(97,500)	667,300	-
28/08/13	28/08/17	2,566,758	-	-	(168,750)	2,398,008	-
27/08/14	27/08/18	-	880,000	-	-	880,000	-
Total		5,465,952	880,000	(76,866)	(1,778,578)	4,490,508	545,200
Consolidated 2014							
02/09/09	02/09/13	408,263	-	-	(408,263)	-	-
31/08/10	31/08/14	1,082,195	-	(746,714)	(15,578)	319,903	319,903
02/03/11	02/03/15	1,394,291	-	-	(250,000)	1,144,291	1,144,291
31/08/11	31/08/15	705,200	-	-	(35,000)	670,200	-
29/08/12	29/08/16	999,800	-	-	(235,000)	764,800	-
28/08/13	28/08/17	-	2,851,758	-	(285,000)	2,566,758	-
Total		4,589,749	2,851,758	(746,714)	(1,228,841)	5,465,952	1,464,194

The weighted average remaining contractual life of options and rights outstanding at the end of the period was 1.97 years (2014: 2.08 years).

Fair value of share rights granted
The assessed fair value at grant date of the rights granted on 27 August 2014 is $1.00 (28 August 2013 is $1.14), this has been calculated using the single index model by Ernst & Young Transaction Advisory Services Limited.

The valuation inputs for the rights granted on 27 August 2014 included:

(a) rights are granted for no consideration

(b) exercise price: nil (2014: nil)

(c) grant date: 27 August 2014 (2014: 28 August 2013)

(d) expiry date: 27 August 2018 (2014: 28 August 2017)

(e) share price at valuation date $3.75 (2014: $3.93)

The expected price volatility is derived by analysing the historic volatility over a recent historical period similar to the term of the right.

26 SHARE-BASED PAYMENTS (continued)

Expenses arising from Share-Based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as below.

	Consolidated	
	2015	2014
	$'000	$'000
Rights issued under Share Rights Plans	**1,245**	1,238
	1,245	1,238

27 RELATED PARTY TRANSACTIONS

There are no bad or doubtful debts associated with any related party of the Group (2014: nil).

(a) Key Management and Personnel Compensation

Key management compensation is set out below. The key management personnel are all the directors of the company, the Chief Executive Officer and the key direct reports to the Chief Executive Officer. Following a review of key management it was determined that this should only include directors, the CEO and key executives with a group-wide role. In the prior year key management included all of the CEOs direct reports.

	Short-term benefits $'000	Share-based payments $'000	Total $'000
2015	**8,928**	**792**	**9,720**
2014	10,685	1,291	11,976

(b) Other transactions with key management personnel or entities related to them

Information on transactions with key management personnel or entities related to them, other than compensation, are set out below.

Certain directors have relevant interests in a number of companies with which SKYCITY has transactions in the normal course of business. A number of SKYCITY directors are also non-executive directors of other companies. Any transactions undertaken with these entities have been entered into on an arm's length commercial basis.

27 RELATED PARTY TRANSACTIONS (continued)

(c) Subsidiaries

Interests in subsidiaries are set out in note 28.

28 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2(b):

All wholly-owned subsidiary companies and significant partly-owned subsidiaries have balance dates of 30 June.

Name of entity	Principal place of business	Class of shares	Equity holding 2015 %	Equity holding 2014 %
New Zealand International Convention Centre Limited	New Zealand	Ordinary	**100**	100
Otago Casinos Limited	New Zealand	Ordinary	**100**	100
Queenstown Casinos Limited	New Zealand	Ordinary	**100**	100
Sky Tower Limited	New Zealand	Ordinary	**100**	100
SKYCITY Action Management Limited	New Zealand	Ordinary	**100**	100
SKYCITY Auckland Holdings Limited	New Zealand	Ordinary	**100**	100
SKYCITY Auckland Limited	New Zealand	Ordinary	**100**	100
SKYCITY Casino Management Limited	New Zealand	Ordinary	**100**	100
SKYCITY Hamilton Limited	New Zealand	Ordinary	**100**	100
SKYCITY International Holdings Limited	New Zealand	Ordinary	**100**	100
SKYCITY Investments Australia Limited	New Zealand	Ordinary	**100**	100
SKYCITY Investments Christchurch Limited	New Zealand	Ordinary	**100**	100
SKYCITY Investments Queenstown Limited	New Zealand	Ordinary	**100**	100
SKYCITY Management Limited	New Zealand	Ordinary	**100**	100
SKYCITY Metro Limited	New Zealand	Ordinary	**100**	100
SKYCITY Wellington Limited	New Zealand	Ordinary	**100**	100
SKYCITY Adelaide Pty Limited	Australia	Ordinary	**100**	100
SKYCITY Australia Finance Pty Limited	Australia	Ordinary	**100**	100
SKYCITY Australia Limited Partnership	Australia	Ordinary	**100**	100
SKYCITY Australia Pty Limited	Australia	Ordinary	**100**	100
SKYCITY Darwin Pty Limited	Australia	Ordinary	**100**	100
SKYCITY Treasury Australia Pty Limited	Australia	Ordinary	**100**	100
SKYCITY Investment Holdings Limited	Hong Kong	Ordinary	**100**	100

29 CONTINGENCIES

There are no significant contingences at year end (2014: nil).

30 COMMITMENTS

Capital Commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as set out below.

	Consolidated	
	2015 **$'000**	2014 $'000
Property, plant and equipment	**10,477**	17,084

Operating Lease Commitments

The Group leases various offices and other premises under non-cancellable operating leases. These leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	Consolidated	
	2015 **$'000**	2014 $'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**7,472**	5,561
Later than one year but not later than five years	**18,023**	15,813
Later than five years	**309,902**	293,627
Commitments not recognised in the financial statements	**335,397**	315,001

The above operating lease summary includes a large number of leases, the most significant of which are:

SKYCITY Auckland - Hobson and Federal Streets sub soil lease. This lease is for a period of 999 years from 31 January 1996 with rent reviews every five years.

SKYCITY Adelaide - Casino building lease. The initial lease term is until 3 March 2025 with 3 further rights of renewal for 20 years each and annual rent reviews.

31 RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2015 **$'000**	2014 $'000
Profit for the year	**128,744**	98,537
Depreciation and amortisation	**89,292**	80,769
Finance costs net	**43,927**	48,049
Net (gain) on sale of associate	**-**	(934)
Current period employee share expense	**1,245**	1,238
Gain on sale of fixed assets	**(1,348)**	(995)
Change in operating assets and liabilities		
Decrease in receivables and prepayments	**2,156**	1,081
Increase in inventories	**(491)**	(455)
Increase in payables	**10,585**	14,102
Increase/(decrease) in deferred tax liability	**4,898**	(11,888)
Decrease in tax receivable	**8,335**	510
Increase in provisions	**3,739**	-
Capital items included in working capital movements	**(407)**	759
Net cash inflow from operating activities	**290,675**	230,773

32 EVENTS OCCURING AFTER THE BALANCE SHEET DATE

(a) Dividend

On 11 August 2015, the directors resolved to provide for a final dividend to be paid in respect of the year ended 30 June 2015. The 25% imputed, unfranked dividend of 10 cents per share will be paid on 2 October 2015 to all shareholders on the company's register at the close of business on 18 September 2015.

Independent Auditors' Report

to the shareholders of SKYCITY Entertainment Group Limited

Report on the Financial Statements

We have audited the Group financial statements of SKYCITY Entertainment Group Limited ("the Company") on pages 1 to 39, which comprise the balance sheet as at 30 June 2015, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for the Group. The Group comprises the Company and the entities it controlled at 30 June 2015 or from time to time during the financial year.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our firm carries out other services for the Group in the areas of accounting assistance, tax, and other advisory services. Appropriate safeguards were applied to reduce the threats to independence from the provision of other services to an acceptable level. The provision of these other services has not impaired our independence as auditors of the Group.

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pwc

Independent Auditors' Report

SKYCITY Entertainment Group Limited

Opinion

In our opinion, the financial statements on pages 1 to 39 present fairly, in all material respects, the financial position of the Group as at 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Restriction on Use of our Report

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1993. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants
12 August 2015

Auckland

MEDIA RELEASE

12 August 2015

SKYCITY Entertainment Group Limited

Full Year Results for twelve months to 30 June 2015

Result Highlights:

- Normalised revenue up 8.7% to $1.0 billion, normalised EBITDA up 6.0% to $304.9 million and normalised NPAT up 8.8% to $134.1 million
- Reported NPAT up 30.7% to $128.7 million, reflecting an improved International Business win rate across the period
- Continued strong growth in Auckland across all business segments, with normalised revenue up 13.0% and normalised EBITDA up 13.7%
- Strong growth in group-wide International Business with turnover and normalised revenues up 42.6% and normalised EBITDA up 35.1%
- Hamilton delivered solid normalised revenue and EBITDA growth for the period following a much improved 2H15 performance
- Disappointing performance overall for Adelaide, despite modest revenue growth
- EBITDA growth achieved in Darwin, up 7.2% to A$38.9 million
- A strong 2H15 performance on 2H14, with normalised EBITDA up 9.2%, normalised NPAT up 18.8% and operating cash flows up 64.6%
- Momentum from 2H15 has continued into July 2015, with group-wide normalised revenue for July up 11.4% to $95.5 million
- Significant progress made on the NZICC project having agreed preliminary design with the Crown and received confirmation that the resource consent for the project will proceed on a non-notified basis
- Final dividend maintained at 10 cents per share (total dividend for the year of 20 cents per share)

SKYCITY Entertainment Group Limited (NZX:SKC) today announced its full year results for the 12 months ended 30 June 2015.

Significant investment by SKYCITY across its business has helped propel the company to record normalised revenue for the year.

Normalised revenue (including gaming GST) was up 8.7% to $1.0 billion and normalised EBITDA up 6.0% to $304.9 million. Normalised Net Profit After Tax (NPAT) of $134.1 million was up 8.8% on the previous year.

Reported NPAT for the full year was $128.7 million, up 30.7%, reflecting an improved win rate in International Business over the period of 1.36% (vs. 0.97% in FY14), in line with the theoretical.

SKYCITY Chief Executive Nigel Morrison says that, overall, the full year results for FY15 were pleasing with strong and sustained momentum across the core businesses.

"We have continued to achieve strong growth across our New Zealand properties and International Business and have delivered record revenues in excess of $1.0 billion for the first time. Similarly, we continue to achieve EBITDA growth in Darwin, despite the challenging local market in the Northern Territory," he says.

Mr Morrison says that Auckland delivered a pleasing result for the period after continuing to achieve strong performance improvements from the investment in the property over the past few years. The ongoing success of SKYCITY's widely-lauded restaurants on Federal Street, high average occupancies in the SKYCITY Hotel and Grand Hotel and significant growth in Sky Tower visitation and Convention Centre bookings have contributed to Auckland's overall result.

"The positive overall result was somewhat tempered by the disappointing performance of Adelaide Casino. Despite modest revenue growth in Adelaide for the full year and improving visitation trends, continued margin contraction (particularly over the first-half during the significant construction works) delivered a soft EBITDA result overall. SKYCITY remains firmly focused on achieving significantly improved performance from the Adelaide property following completion of the major refurbishment works completed in January this year," he says.

Earnings growth further accelerated in 2H15 on the previous corresponding period with normalised EBITDA up 9.2% and normalised NPAT up 18.8%. 2H15 operating cash flows were up 64.6% and up 26.0% for the full year overall, underpinned by improved financial performance and a higher actual win rate in International Business across the period.

Depreciation and Amortisation was up $8.9 million on a normalised basis due primarily to higher depreciation on recent capital investment in Auckland and Adelaide, and increased amortisation of the Adelaide Casino licence value. Corporate costs were also higher in the full year period, but in line with the 1H15 result and management expectations. Interest costs were down by $6.2 million for the period reflecting the lower interest rate environment and increased capitalised interest on projects. Normalised tax expense was relatively stable for the period.

Auckland

SKYCITY Auckland, SKYCITY's largest property, was again the standout performer across the group, delivering record results, with normalised revenue rising 13.0% to $602.6 million and normalised EBITDA up 13.7% to $247.8 million over the period. This significant growth continues the positive momentum exhibited during FY14 and 1H15, and means that Auckland has now delivered six consecutive quarters of EBITDA growth on previous corresponding periods.

Revenue and EBITDA growth was achieved across all business activities. Notable improvements were achieved in the gaming business, particularly within table games, underpinned by improved customer segmentation and experiences and the continued success of the Federal Street restaurants. Gaming machines delivered a robust performance across both the main gaming floor and in premium rooms despite a relatively strong comparative period.

The Federal Street dining precinct and both SKYCITY Auckland hotels continued to be very popular and reflected the benefits of being able to offer world-class integrated casino and entertainment facilities to local and international customers. Non-gaming revenue was up 13.9% to $152.1 million, with all business segments showing revenue growth and stable or improving margins.

Depot, one of the signature restaurants, won Metro Magazine's Auckland Restaurant of the Year for the second time in 2015 (previous award in 2012), a great accolade following on from Masu winning the same award in the prior year. Similarly, the Auckland property has hosted some marquee entertainment events during the period, reinforcing its position as the premier entertainment destination in New Zealand. These included being the primary host to FIFA during the recent Under 20 Football World Cup and hosting a function for Zara Phillips and her patron charity CatWalk Spinal Cord Injury Trust.

Mr Morrison says that it is pleasing to see SKYCITY Auckland delivering sustained strong financial performance.

"The strong growth in Auckland is a result of continued good management, value-adding investment and positive external factors which remain supportive of our underlying business. Furthermore, we expect the property to positively benefit from the activation of the NZICC gaming concessions which is expected to start toward the end of 2015, following signing of a binding building works contract for the NZICC," he says.

Hamilton

SKYCITY Hamilton returned to revenue and EBITDA growth in FY15, with normalised revenue up 4.5% to $50.6 million and normalised EBITDA up 15.7% to $19.9 million.

The improved performance has been underpinned by solid gaming revenues delivered by both main floor and premium gaming spaces, a renewed focus on customer experiences, the coordinated delivery of better product and facilities, and a stronger focus on cost management.

Management expect to deliver a significantly improved food & beverage offering by the end of the 2015 calendar year following a $2.5 million investment in five new quality outlets.

SKYCITY Hamilton is well placed to benefit from the Hamilton City Council's 'River Plan Project' given the property's ideal location and proximity to the planned tourism infrastructure investment in addition to ongoing strategic initiatives which shall drive visitation to the property.

Queenstown

The combined Queenstown operations have returned to growth. Normalised revenue was up 34.6% to $18.3 million and normalised EBITDA up 61.1% to $2.9 million, underpinned by strong local gaming and increased International Business volumes.

The medium-term focus for Queenstown remains growing International Business in this world-acclaimed tourist destination.

Adelaide

As previously identified, the Adelaide Casino was significantly impacted during FY15 by the refurbishment works that were completed during January 2015.

Adelaide continued to deliver only modest revenue growth in 2H15 following completion of the refurbishment, resulting in normalised revenue for FY15 being up 4.8% on the previous corresponding period to A$174.1 million but with normalised EBITDA down 19.2% to A$27.3 million.

Adelaide's performance was primarily influenced by flat local gaming revenue, consistent with trends observed in South Australian pubs and clubs and higher operating costs across the business, resulting in EBITDA margins contracting from 20.3% to 15.7%.

Mr Morrison says that SKYCITY remains firmly focused on achieving a significantly improved performance from the Adelaide Casino.

"Adelaide has shown some positive trends in 4Q15, with gaming visitation up approximately 10% on the previous corresponding period and EBITDA margins increasing due to a range of efficiency initiatives being implemented," he says.

Darwin

SKYCITY Darwin achieved a satisfactory result despite a challenging local market. Normalised revenue was marginally up to A$137.1 million and normalised EBITDA increased 7.2% to A$38.9 million.

The performance was primarily driven by significant recent investment in the property to improve the customer experience and clearly differentiate the Darwin casino experience from the pubs and clubs, significant growth in International Business turnover, reflecting the attraction of Darwin as a unique destination for International Business, and a strong management focus on operating costs and efficiencies.

The Northern Territory Government completed the gaming tax review for SKYCITY Darwin in July 2015. As previously announced, the net impact of the new gaming tax rates (which will apply until June 2025) and the previously announced community benefit levy is an increase in operating costs for Darwin of approximately A$1.0 million per annum.

The medium to longer-term growth prospects for the Darwin property will depend on further promotion of International Business play, potential activation of the Little Mindil site (adjacent to the property) and any further investment in existing facilities.

International Business

SKYCITY's International Business delivered record activity during the full year, with turnover increasing to $9.3 billion and normalised EBITDA up 35.1% to $26.4 million.

Growth in International Business turnover continues to be underpinned by the success of the expanded sales and marketing team, increased recognition of the 'Horizon' brand and offering, a strong focus on direct relationships with VIP customers and continued growth in the number of Asian VIP customers visiting New Zealand.

The average actual win rate for the full year period was 1.36%, which is in line with the theoretical win rate of 1.35%.

July 2015 Trading Update

July trading has seen a continuation of the momentum exhibited during 2H15. Strong Auckland, Hamilton and International Business performances have delivered normalised revenue for the month of $95.5 million, up 11.4% from $85.7 million in the previous corresponding period.

Auckland has continued to deliver good growth, with local revenue up 9.3% to $45.1 million, with growth across almost all business segments. Hamilton has continued its strong momentum from 2H15 with local revenue up 16.7% for the month to $4.5 million, underpinned by strong local gaming growth. International Business turnover and normalised revenue increased 22.7% to $1.2 billion and $16.1 million, respectively, for the month, with a win rate of 1.54%.

Adelaide achieved robust growth in local revenue on the previous corresponding period, up 9.0% to A$14.0 million, which was mainly driven by growth in food & beverage and table games revenues. Darwin delivered a 3.0% increase in local revenue to A$11.8 million, with positive local gaming growth being offset by softer hotel and food and beverage revenues.

New Zealand International Convention Centre

Significant progress has been achieved on the NZICC project during the period.

SKYCITY agreed the preliminary design with the Crown during May 2015 and confirmed that the total estimated cost for the NZICC (as defined in the NZICC Agreement) will increase to $450-$470 million (including land). Total future costs for the overall project including the additional car parks, laneway and other fees and costs, but excluding the Hobson St hotel, are estimated to be in the range of $430-450 million.

During July, SKYCITY received confirmation from Auckland Council that the resource consent application for the NZICC will proceed on a non-notified basis. SKYCITY is currently in the process of advancing a developed design for the NZICC and procuring the NZICC building works contract. SKYCITY expects this contract to be signed by October 2015, with construction to commence before the end of 2015.

Mr Morrison says this is a very exciting time for the NZICC project, having agreed an exceptional design with the Crown and with the final planning and approvals progressing well.

“We’re pleased that momentum is continuing to build on the project, bringing jobs, growth, and much-needed economic investment in downtown Auckland. Signing a building works contract will activate the gaming concessions, including the additional gaming product and the extension of the Auckland casino licence out to 2048.”

SKYCITY remains confident that the NZICC project and other associated developments will be value enhancing for the company and its shareholders.

“The various concessions and licence extension afforded to SKYCITY as part of the NZICC Agreement will support the continued growth in our flagship Auckland business for the foreseeable future, and enable us to continue to invest with certainty,” says Mr Morrison.

As recently announced, SKYCITY is enhancing the Auckland property with a major upgrade of the main site atrium. SKYCITY plans to spend around $24 million on the improvements, which shall include new and improved atrium features in addition to a new main escalator providing more direct access to the gaming floor and an extension of the gaming floor creating new space to house the additional gaming product granted as part the NZICC Agreement.

Adelaide Redevelopment

SKYCITY has made good progress on the transformation of the Adelaide Casino during FY15. The A$50 million refurbishment of the existing property was completed in January 2015, and terms have been agreed with Walker Corporation for the exclusive lease of 750 of the total 1,560 car parks in the proposed Adelaide Festival Plaza development adjacent to the Adelaide Casino.

Given the significant growth opportunity from developing an integrated entertainment facility within the Riverbank precinct, SKYCITY remains committed to redeveloping the Adelaide Casino, constructing a new hotel, an expanded gaming podium and new food & beverage facilities.

SKYCITY continues to review the concept design and development costs for the expansion to ensure the project best meets the future requirements of the South Australian market and is value-enhancing for shareholders. Timing to commence the expansion works is uncertain and needs to be coordinated with the South Australian Government's and Walker Corporation's plans for the broader development of the Riverbank precinct.

Funding

During March SKYCITY successfully extended the term of its bank facilities and achieved significant interest savings in the process. Current debt funding capacity, with headroom at 30 June 2015 of $217 million, is considered sufficient for expected funding requirements out to at least the start of FY18.

As previously indicated, SKYCITY is seeking to further diversify its debt funding sources by the end of 2015 and to increase funding headroom above $300 million. Accordingly, SKYCITY continues to investigate a potential NZ retail bond issue and is considering options for a further USPP note issue, subject to market conditions and the ability to achieve satisfactory pricing.

SKYCITY continues to explore a range of property-related funding options to finance the two major projects, including partnering options with external investors for the development and ownership of the proposed Hobson St hotel. SKYCITY intends to provide a further update on its long-term funding plan once the building works contract for the NZICC project is signed and plans for the Adelaide expansion are more fully developed.

The current market value of SKYCITY's land and buildings is estimated at $1.41 billion versus a book value of $0.89 billion. SKYCITY has no current plans to separate its property assets but will continue to monitor and evaluate options for purposes of funding and maximising shareholder value.

SKYCITY remains committed to its S&P BBB- credit rating, which was reconfirmed by S&P in June 2015.

Dividend

SKYCITY announced a final year dividend of 10 cents per share, which is payable on 2 October 2015. The dividend will be 25% imputed in New Zealand but not franked in Australia.

The Dividend Reinvestment Plan will be available for this dividend, with a 2% discount available.

Mr Morrison reiterated SKYCITY's commitment to its existing dividend policy for the foreseeable future.

"We believe this dividend policy offers our shareholders an attractive yield and is sustainable going forward," he says.

ENDS

Notes to editors:

- *All numbers in this media release are unaudited. Further information on adjustments between normalised and reported information is available in SKYCITY's investor presentation at: http://ir.skycityentertainmentgroup.com.*

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Appendix

Reconciliation between reported and normalised financial information

	FY15				FY14			
	Revenue $m	EBITDA $m	EBIT $m	NPAT $m	Revenue $m	EBITDA $m	EBIT $m	NPAT $m
Normalised	**1,007.7**	**304.9**	**216.4**	**134.1**	**927.3**	**287.6**	**208.0**	**123.2**
International Business at Theoretical	1.3	3.5	3.5	2.3	(24.8)	(21.7)	(21.7)	(15.4)
Provision for IB Debtors	-	-	-	-	-	(0.2)	(0.2)	(0.2)
International Business Adjustments	**1.3**	**3.5**	**3.5**	**2.3**	**(24.8)**	**(21.9)**	**(21.9)**	**(15.6)**
Adelaide redevelopment costs	-	(1.7)	(1.7)	(1.2)	-	(4.3)	(4.3)	(3.0)
NZICC interest and other costs	-	(0.6)	(0.6)	(4.6)	-	(0.3)	(0.3)	(2.8)
Strategic projects	-	-	-	-	-	(1.4)	(1.4)	(1.0)
Darwin pre-opening costs	-	(0.1)	(0.1)	(0.1)	-	-	-	-
Restructuring costs	-	(1.6)	(1.6)	(1.1)	-	(2.3)	(2.3)	(1.7)
Auckland project costs	-	(0.3)	(1.1)	(0.7)	-	(0.9)	(2.1)	(1.5)
Profit from sale of Christchurch	-	-	-	-	-	-	-	0.9
Total Other Adjustments		**(4.3)**	**(5.1)**	**(7.7)**	**-**	**(9.2)**	**(10.4)**	**(9.1)**
Reported	**1,009.1**	**304.1**	**214.8**	**128.7**	**902.5**	**256.5**	**175.7**	**98.5**

SKYCITY's objective of producing normalised financial information is to provide data that is useful to the investment community in understanding the underlying operations of the group.

Gaming revenue figures reflect gaming win (inclusive of gaming GST). This facilitates Australasian comparisons and is consistent with the treatment adopted by major Australian casinos. Non-gaming revenue is net of GST.

Total revenue is gaming win plus non-gaming revenue.

EBITDA margin is calculated as a % of gaming win (GST inclusive) plus non-gaming revenue – to facilitate Australasian and period-on-period comparisons.

Key Other Adjustments are:

- Adelaide redevelopment costs – structural redundancies and launch costs for new facilities (Sean's Kitchen and Madame Hanoi).

- NZICC – interest on purchase of New Zealand International Convention Centre (NZICC) land bank (calculated using the group's average cost of debt of 6.7% on an average balance of $85 million) and other costs specific to this project.

- Strategic project costs – none in FY15, with FY14 including the acquisition of SKYCITY Wharf Casino, the investigation of investment opportunities in Brisbane, the Gold Coast and the Philippines, and other miscellaneous items.

- Darwin preopening costs – ACES Sports Bar.

- Restructuring costs – costs associated with changing the staffing structures under an approved restructuring plan.

- Auckland project costs – Federal Street launch and Federal Street fire costs.

IB win rate was 1.36% for FY15 (FY14: 0.97%).

Normalisation adjustments have been calculated in a consistent manner in FY15 and FY14.