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SKYCITY Entertainment Group Ltd.'s NZ\$100 Million Fixed-Rate Bonds Assigned 'BBB-' Rating

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MELBOURNE (Standard & Poor's) Aug. 25, 2015--Standard & Poor's Ratings Services said today that it has assigned its 'BBB-' rating to SKYCITY Entertainment Group Ltd.'s (SKYCITY) NZ\$100 million unsubordinated, unsecured, fixed-rate, seven-year bonds, maturing Sept. 28, 2022. Proceeds from the issuance will be used to pay down drawings on SKYCITY's bank facilities.

The 'BBB-' issuer credit rating on SKYCITY reflects the group's solid market positions underpinned by long-term exclusive casino licenses in its key markets; good asset quality; and resilience to economic cycles. Tempering these strengths are execution risks associated with major developments in Auckland and Adelaide; earnings concentration in Auckland; and the risks of operating in a heavily regulated industry. We expect the group to proactively manage its financial risk profile in line with expectations for the rating during the peak of the development period.

RELATED CRITERIA AND RESEARCH

- Key Credit Factors For The Leisure And Sports Industry, March 5, 2014
- General: Corporate Methodology, Nov. 19, 2013
- 2008 Corporate Criteria: Rating Each Issue, April 15, 2008

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