

NOTICE OF ANNUAL MEETING

The 2013 Annual Meeting of Shareholders will be held at the SKYCITY Theatre, Level 3, SKYCITY Auckland, Corner Victoria and Federal Streets, Auckland, on Friday 18 October 2013 commencing at 10.00am (New Zealand time).

AGENDA

Shareholders will be asked to consider, and if thought appropriate, pass the following ordinary resolutions:

1. TO ELECT RETIRING DIRECTOR

Nigel Morrison retires from office at the Annual Meeting and, being eligible, offers himself for election.

2. TO RE-ELECT RETIRING DIRECTOR

Bruce Carter retires from office at the Annual Meeting and, being eligible, offers himself for re-election.

3. TO RE-ELECT RETIRING DIRECTOR

Chris Moller retires from office at the Annual Meeting and, being eligible, offers himself for re-election.

4. TO AUTHORISE THE CHIEF EXECUTIVE'S PARTICIPATION IN THE SKYCITY CHIEF EXECUTIVE OFFICER'S LONG TERM INCENTIVE PLAN

Approval is sought for the participation of, and issue of shares to, Nigel Morrison, Chief Executive and (subject to his election at the Annual Meeting) Director, in the company's Chief Executive Officer Long Term Incentive Plan 2013 on the terms set out in the Explanatory Notes accompanying this Notice of Meeting including the provision of financial assistance to Mr Morrison by a subsidiary of the company by way of an interest-free loan.

5. TO AUTHORISE THE DIRECTORS TO FIX THE FEES AND EXPENSES OF THE AUDITOR OF THE COMPANY

All items of business are ordinary resolutions and are required to be passed by a simple majority of the votes of those shareholders entitled to vote and voting on the resolutions.

EXPLANATORY NOTES

Explanatory Notes on the directors offering themselves for election and re-election, the Chief Executive's participation in the company's Chief Executive Officer Long Term Incentive Plan 2013 and the fixing of the auditor's fees and expenses are attached to and form part of this Notice of Annual Meeting.

ATTENDANCE

All shareholders are entitled to attend and vote at the Annual Meeting or to appoint a proxy or representative (in the case of a corporate shareholder) to attend and vote on their behalf. The appointment of a proxy or representative does not preclude a shareholder from attending and voting at the Annual Meeting.

PROXIES

A proxy need not be a shareholder and may be appointed online or by completing the form accompanying this Notice of Annual Meeting. The appointment must be lodged online at www.investorvote.co.nz or, if you complete the accompanying form, received by Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Private Bag 92119, Auckland 1142 by no later than 10.00am (New Zealand time) on Wednesday 16 October 2013.

You may appoint the Chairman of the Annual Meeting as your proxy. If you appoint the Chairman as proxy and have marked the 'proxy discretion' box in relation to any of resolutions 1, 2, 4 or 5, the Chairman will vote for that resolution. However, the Chairman will abstain from voting where he has been given discretion for resolution 3.

Please note that your proxy will not be able to vote at the Annual Meeting unless you have provided a voting direction or discretion.

VOTING RESTRICTIONS

In accordance with the ASX Listing Rules, the company will disregard any votes cast on resolution 4 by any director of SKYCITY and any of their associates, except where any such vote is cast by the director or one of their associates as proxy for a person who is entitled to vote and the director or that associate votes in accordance with express instructions to vote for or against a particular resolution on the proxy form or online proxy instructions or where such vote is cast by the Chairman as proxy for a person who is entitled to vote in accordance with a direction on the proxy form or online proxy instructions to vote as the proxy decides.

As noted above, where the Chairman is appointed as a proxy he will abstain from voting on resolution 3, except where he has been given express instructions to vote for or against that resolution.

GENERAL

Please note that all dollar amounts stated in this Notice of Meeting are expressed in New Zealand dollars.

Yours faithfully



PETER TREACY
COMPANY SECRETARY
Auckland, New Zealand
13 September 2013

LETTER FROM THE CHAIRMAN

DEAR SHAREHOLDER AND/OR CAPITAL NOTEHOLDER

I am pleased to invite you to the 2013 Annual Meeting of SKYCITY Entertainment Group Limited to be held on Friday 18 October 2013 commencing at 10.00am (New Zealand time) at the SKYCITY Theatre on Level 3 of the SKYCITY Auckland main complex, located at the corner of Victoria and Federal Streets, Auckland.

Shareholders attending the Annual Meeting may park free of charge in the SKYCITY Auckland main car park. Please take a ticket on entry into our car park and we will replace your ticket with a prepaid one at the Annual Meeting.

As in previous years, shareholders and capital noteholders are invited to attend the Annual Meeting and to ask questions about the operations and management of the business. Capital noteholders who are not also shareholders are reminded that only shareholders (or the proxies or corporative representatives of shareholders) are entitled to vote on the resolutions which are included on the agenda for the Annual Meeting.

If you wish to vote by appointing a proxy to vote on your behalf, you may direct your proxy to vote for or against a resolution, to abstain from voting or to exercise their discretion as to how to vote.

SKYCITY'S Chief Executive, Nigel Morrison, and I will summarise SKYCITY's performance during the 2012/13 financial year and provide an update on current trading. Shareholders and capital noteholders will then be invited to ask questions relating to the operations and management of the business before we move to the resolutions as set out in the agenda.

Agenda items for the Annual Meeting relate to the election and re-election of directors, the acquisition of shares by Nigel Morrison as part of his incentive remuneration structure pursuant to his employment agreement and authorisation for directors to fix the fees and expenses of the external auditor.

Nigel Morrison is standing for election, and Bruce Carter and I are standing for re-election, as directors at the Annual Meeting. The board has determined that both Bruce Carter and I are independent and eligible for election and unanimously endorses the election and re-election of all three directors. Brief biographical notes for each of these directors are included in the accompanying Explanatory Notes.

The board recommends shareholders vote in favour of all resolutions.

Shareholders and capital noteholders are invited to submit questions prior to the Annual Meeting by post (PO Box 6443, Wellesley Street, Auckland) or by email (sceginfo@skycity.co.nz). We will aggregate the main themes of the questions asked and respond to them at the Annual Meeting.

For those shareholders attending the Annual Meeting, please bring the combined attendance card, proxy form and voting paper with you to assist with your registration and for voting purposes. Capital noteholders who are not also shareholders have not been sent this document, but are nonetheless entitled to attend the Annual Meeting. However, as referred to above, capital noteholders who are not also shareholders cannot vote on the resolutions being put to the Annual Meeting.

Voting at the Annual Meeting will be, as has been the practice in the past, by way of poll.

If you are not intending to attend the Annual Meeting, please appoint your proxy online or complete and lodge the form accompanying this Notice of Meeting so that it is received by Computershare Investor Services Limited by no later than 10.00am (New Zealand time) on Wednesday 16 October 2013, being 48 hours prior to the Annual Meeting. Please remember to state your voting instructions.

A live recording of the Annual Meeting will be broadcast on the company's website (www.skycityentertainmentgroup.com) commencing at 10.00am (New Zealand time) on Friday 18 October 2013. A test page is currently available on our website so that you can visit prior to the Annual Meeting and ensure that you will be able to view and hear the broadcast. The recording will also be available on our website following the Annual Meeting. Copies of the presentations made at the Annual Meeting and the results of voting will be posted on the company's website following the conclusion of the Annual Meeting and finalisation of the voting results.

I look forward to seeing you at the Annual Meeting.

Yours faithfully

A handwritten signature in black ink that reads "Chris Moller". The signature is written in a cursive, slightly slanted style.

CHRIS MOLLER
CHAIRMAN

EXPLANATORY NOTES

AGENDA ITEM 1

ELECTION OF NIGEL MORRISON

Nigel Morrison retires pursuant to NZSX Listing Rule 3.3.9 (which limits an Executive Director's term of appointment to a term not exceeding five years) and offers himself for election in accordance with NZSX Listing Rule 3.3.6.

Mr Morrison has been the Chief Executive of the SKYCITY Entertainment Group since 1 March 2008.

Mr Morrison joined SKYCITY having had over 18 years' experience in the gaming industry throughout Australasia and Asia. Prior to joining SKYCITY, he was the Group Chief Financial Officer of Galaxy Entertainment Group, a leading publicly-listed Hong Kong-based group operating and developing casinos in Macau. He has also held positions as CEO of the Federal Group, Australia's largest private gaming group, and Chief Operating Officer of Crown Limited. Before embarking on a career in casinos in 1993, Mr Morrison was a Corporate Finance Partner with Ernst & Young in Melbourne, specialising in the gaming industry. In 2009, Mr Morrison was awarded professional accountancy organisation CPA Australia's highest acknowledgment for career achievement.

Mr Morrison's appointment as a director should have previously been voted on by shareholders. However, as a result of the company not having put the matter to a vote, a resolution to consider Mr Morrison's election as a director has been included at this year's Annual Meeting.

The board unanimously recommends that shareholders vote in favour of his election.

AGENDA ITEM 2

RE-ELECTION OF BRUCE CARTER

Bruce Carter retires by rotation at the Annual Meeting and offers himself for re-election in accordance with NZSX Listing Rule 3.3.11.

Mr Carter is Deputy Chairman of the board, Chairman of the Audit and Financial Risk Committee of the board and a member of the Governance and Nominations Committee of the board.

Mr Carter is a Consultant to Ferrier Hodgson in Adelaide and was one of the founding partners of the Adelaide practice in 1992. He was formerly a partner at Ernst & Young and has more than 30 years' experience in corporate restructuring and insolvency. He is Chairman of ASC Pty Limited (Australian Submarine Corporation) and a director/chair of a number of private companies and government bodies. He is a Fellow of the Institute of Chartered Accountants.

The board considers Mr Carter to be an independent director and unanimously recommends that shareholders vote in favour of his election.

AGENDA ITEM 3

RE-ELECTION OF CHRIS MOLLER

Chris Moller retires by rotation at the Annual Meeting and offers himself for re-election in accordance with NZSX Listing Rule 3.3.11.

Mr Moller is Chairman of the board, a member of the Audit and Financial Risk Committee of the board, a member of the Remuneration and Human Resources Committee of the board, a member of the Corporate Social Responsibility Committee of the board and Chairman of the Governance and Nominations Committee of the board.

Mr Moller is currently Chairman of Meridian Energy Limited and the New Zealand Transport Agency and a director of Westpac New Zealand Limited. In his previous role as CEO of the New Zealand Rugby Union, Chris jointly led New Zealand's successful bid to host the 2011 Rugby World Cup. Mr Moller's career has included senior posts with the New Zealand Dairy Board, including global Chief Financial Officer and Managing Director of NZMP, the international ingredients business of the New Zealand Dairy Board and subsequently Fonterra, when he also held the position of Deputy Chief Executive of Fonterra. His early career was in the finance and banking sectors.

The board considers Mr Moller to be an independent director and unanimously recommends that shareholders vote in favour of his election.

AGENDA ITEM 4

CHIEF EXECUTIVE OFFICER LONG TERM INCENTIVE PLAN

INTRODUCTION

At the 2009 Annual Meeting, shareholder approval was sought and obtained for the participation of Mr Morrison in the company's Chief Executive Officer Long Term Incentive Plan 2009 ("**2009 Plan**"). Shareholder approval is required if the company is to offer further shares to Mr Morrison.

The board wishes Mr Morrison to lead the company through the exciting phase ahead, which includes the redevelopment and expansion of Adelaide Casino and the building of the New Zealand International Convention Centre in Auckland (both projects subject to necessary approvals and consents and, in the case of the New Zealand International Convention Centre, enabling legislation). These are two seminal projects

that Mr Morrison has shepherded from their inception. The board believes that granting Mr Morrison restricted long term incentive shares directly linked to the company's share price performance truly aligns his interests with those of shareholders as these two major projects take shape and as the company fully exploits the capital spend already deployed on the main Auckland site, in Darwin and on the additional casino in Queenstown.

As such, shareholder approval is being sought for the issue of shares in the company to, or acquisition of shares in the company by, Mr Morrison under the company's Chief Executive Officer Long Term Incentive Plan 2013 ("**Plan**") on the terms and conditions set out in these Explanatory Notes. This includes approval for the provision of financial assistance by a subsidiary of the company to Mr Morrison by way of an interest-free loan. The terms of the Plan under which Mr Morrison will participate from 2013 are materially the same as the terms of the 2009 Plan and SKYCITY's Executive Long Term Incentive Plan ("**Executive Plan**") in which other senior executives of the company participate.

Shareholder approval is required to authorise Mr Morrison's participation in the Plan pursuant to NZSX Listing Rules 7.3.1(a) and 7.6.5 and ASX Listing Rule 10.14.

Under the Plan:

- shares to the value of \$5,000,000 will be acquired following the Annual Meeting on behalf of Mr Morrison and held on trust for a restrictive period; and
- if the company's total shareholder return meets or exceeds the prescribed performance hurdles, then shares will vest on a scale that recognises the company's performance relative to specified comparator groups.

The Plan will be on the same terms as the 2009 Plan other than as follows:

- (a) the restrictive period will continue to run until the third anniversary of the tenth business day following SKYCITY's preliminary full year announcement (which will be 27 August 2016), however, subject to receiving shareholder approval, the price will not be set and the shares will not be allocated to Mr Morrison until after the Annual Meeting;
- (b) the Plan provides that if Mr Morrison ceases to be an employee in consensual circumstances, the board has a discretion whether any of the unvested shares held by the trustee on behalf of Mr Morrison should be vested in him and whether these shares should be subject to achievement of the performance hurdles; and

- (c) the Plan provides that if Mr Morrison ceases to be an employee due to medical incapacity, permanent disability or death, legal title to some of the shares held by the trustee on behalf of Mr Morrison will be transferred to him on a proportionate basis. This number of shares will be calculated with respect to the length of time from the acquisition of those shares until the cessation of Mr Morrison's employment as a proportion of the time from the Reference Date to the Initial Performance Testing Date (such terms as defined below). These shares will not be subject to the performance hurdles.

In all other material respects, the Plan is unchanged from the 2009 Plan. A summary of the main terms of the Plan is set out below.

SUMMARY

The Plan enables Mr Morrison to subscribe for shares in SKYCITY at market value with the assistance of an interest-free loan.

The trustee of the Plan may either acquire SKYCITY shares on-market or be issued SKYCITY shares by the company on behalf of Mr Morrison. SKYCITY will issue any shares under the Plan to the trustee no later than 12 months after the date of the Annual Meeting. Under the terms of the Plan these shares will be held on behalf of Mr Morrison for a restrictive period until the third anniversary of the date which is the tenth business day following the company's preliminary full year announcement for 2013 ("**Reference Date**"). The price at which such shares will be allocated to Mr Morrison in 2013 will be the volume weighted average sales price of the company's shares on the NZX Main Board designated as price setting trades by NZX over the 10 trading day period ("**Pricing Period**") following the Annual Meeting (if shareholder approval is obtained) ("**Offer Price**"). Vesting of the shares in Mr Morrison is subject to his continued employment and the achievement of certain performance objectives.

EXPLANATORY NOTES

CONTINUED

VALUE OF ENTITLEMENT

If approved:

- (i) Mr Morrison will acquire a beneficial interest in \$5,000,000 of shares in the company in 2013 to be held on his behalf under the Plan; and
- (ii) the actual number of shares acquired by Mr Morrison will be determined by dividing the sum of \$5,000,000 by the Offer Price, which will be calculated over the Pricing Period commencing on 21 October 2013 (being the first trading day following the Annual Meeting).

No further shares will be offered under the Plan without seeking shareholder approval. Accordingly, the shares allocated in 2013 will be the maximum number of shares acquired by Mr Morrison under the Plan.

Details of any shares allocated to Mr Morrison under the Plan in 2013 will be advised to NZX and ASX on allocation and will be published in the 2014 Annual Report of the Company.

TERMS OF THE LOAN

The value of the loan will equal the value of the shares allocated to Mr Morrison, being \$5,000,000. Any dividends or other distributions payable during the restrictive period will be used to repay the loan outstanding. If the trustee demands, interest is payable at 7.0% per annum. However, no demand will be made while Mr Morrison is a party to the loan.

The loan will only be repayable in certain circumstances:

- (i) when shares vest in Mr Morrison, a bonus payment paid to Mr Morrison will be used to repay the loan outstanding;
- (ii) for any shares which do not vest in Mr Morrison, Mr Morrison will be required to transfer his beneficial interest in the shares to the trustee and the value of those shares will repay the loan outstanding. The effect of these arrangements is that Mr Morrison will not be required to reimburse the trustee for any loss in value of shares which do not vest in Mr Morrison, but consequently Mr Morrison will not be entitled to any gain in respect of those shares;
- (iii) if Mr Morrison exercises his call option or put option in connection with the shares, the loan outstanding will be repaid in full when Mr Morrison transfers his beneficial interest in the shares to the trustee; and
- (iv) if a call or demand is made for repayment of the loan outside of the terms of the Plan, Mr Morrison may exercise his put option to repay the loan balance.

PERFORMANCE OBJECTIVE

The performance objective is a measure of SKYCITY's total shareholder return ("**TSR**") in relation to two comparator groups. The first comparator group is a select group of companies from Australia and New Zealand ("**Peer Comparator Group**") and the second comparator group comprises entities other than SKYCITY in the NZX 50 index ("**Index Comparator Group**"). Vesting of the shares in Mr Morrison requires achievement of certain levels of TSR relative to the Peer Comparator Group and Index Comparator Group over a minimum 3 year restrictive period or as may be extended by the one year retesting period.

PERFORMANCE TESTING DATES

On specified dates ("**Performance Testing Dates**"), the board will determine whether the performance hurdles have been satisfied and, if so, how many of the shares will be retained by Mr Morrison. If, at the end of the minimum restrictive period, the TSR performance targets have not been met in full, the restrictive period will be automatically extended for a further period of up to one year for unvested shares. During this one year retesting period, the company will assess (mid-way through the period and at the end of the retesting period) whether the TSR performance objective has been achieved. It is proposed that there will be three Performance Testing Dates for the shares allocated to Mr Morrison this year:

- (i) the third anniversary of 28 August 2013 ("**Initial Performance Testing Date**");
- (ii) six months following the Initial Performance Testing Date; and
- (iii) twelve months following the Initial Performance Testing Date.

PERFORMANCE HURDLES

Whether (and how many) shares are retained by Mr Morrison will depend on SKYCITY meeting the applicable performance hurdles as at the Performance Testing Dates. Mr Morrison will only be entitled to retain shares allocated to him in 2013 if SKYCITY's TSR over the period from the Reference Date to the relevant Performance Testing Date meets or exceeds the average of the 50th percentile of the TSRs of the Peer Comparator Group and Index Comparator Group (such average being the "**Average Median TSR**").

A company's TSR corresponds to the increase in market price in the company's shares and the value of dividends and other distributions received by shareholders over the period to the relevant Performance Testing Date.

If SKYCITY's TSR performance is equal to the Average Median TSR as at the relevant Performance Testing Date, then 50% of the shares allocated in 2013 will be retained by Mr Morrison. The number of shares that are retained then increases, on a straight line basis, such that all of the shares allocated in 2013 will be retained by Mr Morrison as at the relevant Performance Testing Date if the SKYCITY TSR is at, or above, the average of the TSRs representing the 75th percentile of the TSRs of the Peer Comparator Group and Index Comparator Group.

The board has discretion to determine that up to 25% of the shares allocated in 2013 will be retained by Mr Morrison if SKYCITY's TSR does not equal or exceed the Average Median TSR, but exceeds the 50th percentile of the TSR's of one or other of the Peer Comparator Group or Index Comparator Group.

The board is not bound to follow the process outlined above in all circumstances and has some discretion to impose its own judgment in certain defined situations as set out in the terms of the Plan ("**Terms**") and/or Performance Hurdles Memorandum.

Achievement of performance hurdles (including TSRs) will not be calculated by the board, but by an independent party appointed by the board. SKYCITY's auditor will review the calculations if it is not appointed to undertake them.

BONUS PAYMENT

To the extent that the performance hurdles are met and any conditions on the transfer of shares are satisfied (including continued employment), legal title to the relevant number of SKYCITY shares will be transferred to Mr Morrison and a bonus paid to him such that the after-tax amount of that bonus will, unless there has been an increase in the applicable tax rate, equal, or exceed, the outstanding balance of the loan in respect of the shares transferred.

PERFORMANCE HURDLES NOT MET

To the extent that the performance hurdles are not met at the end of the applicable restrictive period, or if Mr Morrison ceases to be employed by the SKYCITY group other than for a qualifying reason, some or all of the shares will be forfeited to the trustee without compensation unless the trustee (in its discretion) determines otherwise.

ADJUSTMENTS TO ENTITLEMENT

The board may adjust the Terms if there is a change in SKYCITY's capital structure between a Reference Date and a Performance Testing Date to ensure that no benefit is conferred on Mr Morrison that is not conferred on SKYCITY's shareholders (and vice versa). The adjustment or alteration that the board makes to the Terms will be reviewed and approved by an independent party.

EARLY TERMINATION OF RESTRICTIVE PERIOD

If Mr Morrison ceases to be employed by SKYCITY as a result of termination of his employment by the company for cause during the restrictive period, then any shares which are not entitled to vest in Mr Morrison will be forfeited on the date Mr Morrison ceases to be an employee of the company ("**Cessation Date**").

If Mr Morrison:

- (i) gives notice terminating his employment; or
- (ii) has his employment terminated without cause as provided in his employment agreement (other than for health reasons as described further below),

then the board shall have a discretion whether any shares held by the trustee on behalf of Mr Morrison will vest in him and whether any such vesting shall be subject to the performance hurdle. This discretion will be exercised reasonably and, in doing so, the board shall have regard to such factors as they determine, including (without limitation):

- (i) the company's performance over the period prior to the Cessation Date;
- (ii) the circumstances under which he ceased to be an employee; and
- (iii) the period from the Reference Date to the Cessation Date as a proportion of the period from the Reference Date to the Initial Performance Testing Date.

If Mr Morrison ceases to be an employee of SKYCITY due to his death, medical incapacity or permanent disability, legal title to some of the shares held on his behalf shall be transferred to him with effect from the Cessation Date. The number of shares to be transferred will be determined on a straight line basis and will be equal to the period from the Reference Date to the Cessation Date as a proportion of the period from the Reference Date to the Initial Performance Testing Date multiplied by the number of shares held on his behalf by the trustee and shall not be subject to the performance hurdle.

EXPLANATORY NOTES

CONTINUED

GENERAL

During the restrictive period (including any retesting period), the shares are held by a trustee and may not be sold or used as security for another loan. Mr Morrison can, however, direct the trustee how to vote on the shares. Mr Morrison is also entitled to the benefits of any dividends, capital returns or other distributions declared by SKYCITY and to the benefit of any rights issues, bonus issues or other entitlements offered to shareholders. After any adjustment for additional taxation on any such distributions and entitlements, the after-tax value will be withheld by the trustee and applied in part repayment of the loan provided to acquire shares.

It is intended that Mr Morrison will be the only participant in the Plan. A small number of other senior executives of SKYCITY participate in the Executive Plan which has largely the same overall terms and conditions. Mr Morrison is the only director or associate of a director participating in the Plan and, accordingly, is the only person whose participation is required to be approved by shareholders. If any additional persons become entitled to participate in the Plan for whose participation shareholder approval is required, such persons will not participate in the Plan unless such shareholder approval is obtained under ASX Listing Rule 10.14.

Shares for the 2013 year will, subject to shareholder approval of the Plan, be allocated to Mr Morrison following the Annual Meeting.

APPRAISAL REPORT

SKYCITY has engaged dsd Consulting Limited to prepare an appraisal report in connection with the acquisition of shares in the company by Mr Morrison under the Plan. A copy of dsd Consulting Limited's appraisal report is enclosed with this Notice of Meeting.

VOTING

In accordance with the ASX Listing Rules, the company will disregard any votes cast on resolution 4 by any director of SKYCITY and any of their associates, except where any such vote is cast by the director or one of their associates as proxy for a person who is entitled to vote and the director or that associate votes in accordance with express instructions to vote for or against a particular resolution on the proxy form or online proxy instructions or where such vote is cast by the Chairman as proxy for a person who is entitled to vote in accordance with a direction on the proxy form or online proxy instructions to vote as the proxy decides.

BOARD RECOMMENDATION

Mr Morrison, as Chief Executive, is responsible for managing the business of the company and for ensuring compliance with the regulatory regimes under which the company operates. The successful performance of those responsibilities will influence the company's results and the level of return to the company's shareholders.

The directors believe that the Plan will continue to closely align the company's Chief Executive's long term incentive arrangements with shareholder interests and enhance the company's ability to ensure longevity in this critical role.

AGENDA ITEM 5

REMUNERATION OF AUDITOR

Section 200 of the Companies Act 1993 provides that a company's auditor is automatically re-appointed unless there is a resolution or other reason for the auditor not to be re-appointed. The company wishes PricewaterhouseCoopers to continue as the company's auditor and PricewaterhouseCoopers has indicated its willingness to do so.

Section 197(a) of the Companies Act 1993 provides that the fees and expenses of PricewaterhouseCoopers as auditor are to be fixed in such a manner as the company determines at the Annual Meeting. The board proposes that, consistent with commercial practice, the auditor's fees should be fixed by the directors. Authority for the directors to fix the fees and expenses of the auditor is a resolution at each Annual Meeting of shareholders of the company.

APPRAISAL REPORT



28 August 2013

The Non-Associated Directors
SKYCITY Entertainment Group Limited
Federal House
86 Federal Street
Auckland
New Zealand

We have provided this letter upon request from the Directors not associated with Nigel Morrison, the Chief Executive Officer of SKYCITY Entertainment Group Limited, for the benefit of shareholders not associated with Nigel Morrison ("non-associated shareholders") to assist them to determine the appropriateness of the Board recommended remuneration and in particular, the terms of the proposed Long-Term Incentive Plan ("CEO LTI Plan") for Nigel Morrison which includes the provision of financial assistance in connection with the acquisition of SKYCITY shares.

The material terms of the CEO LTI Plan are described in the explanatory notes to the Notice of Meeting for SKYCITY's 2013 Annual Meeting. Under the CEO LTI Plan vesting of shares in Mr Morrison will be subject to measurement of SKYCITY's total shareholder return against a peer comparator group and an index comparator group (as more fully described in the Notice of Meeting). We confirm that the comparator groups used in both the New Zealand and Australian markets are appropriate and representative of companies with similar commercial attributes to SKYCITY.

We endorse the terms of Nigel Morrison's remuneration, including his base remuneration of NZ\$1,850,000, annual performance potential, and long term performance incentives. We have reviewed and support that the terms, performance hurdles and testing regime applicable to the CEO LTI plan are not inappropriate. These terms are (except as expressly noted) materially the same as the terms of the long term incentive plan for Nigel Morrison approved by shareholders in 2009.

We note that the explanatory notes to the Notice of Meeting describe the changes to the terms of the CEO LTI Plan from the plan previously approved by shareholders in 2009. In relation to these changes we confirm that it is not uncommon for long term incentive plans to provide discretion, or include conditions for pro-rata payments of long-term incentives in the event of death in service in the New Zealand market based on research of the New Zealand comparator group companies. We support these changes to the CEO LTI Plan.

Having regard to the aggregate of the Chief Executive Officer's remuneration, including his base remuneration and the significant proportion of his remuneration which is subject to performance measures, it is our opinion that the structure of the Chief Executive Officer's package (including the terms of the CEO LTI Plan and the provision of financial assistance under those terms) is appropriate and represents reasonable remuneration for the Chief Executive Officer of a business with the size and complexity of the SKYCITY Entertainment Group and is appropriate for a high performing incumbent who has been in the role for over 5 years. The proportion of Total Package is more highly weighted towards variable pay than other comparable organisations and in our opinion rewards contingent on performance are appropriate for a seasoned Chief Executive Officer.

It is our opinion that the combination of fixed annual remuneration, annual short-term incentive and the long term equity based incentive program tied to total shareholder return hurdles represent both a competitive and reasoned outcome having regard to both the Australian and New Zealand marketplaces.

In conclusion, it is our opinion that SKYCITY's remuneration strategy is consistent with the Board's stated policy and objectives and would be considered reasonable when reviewed against the remuneration arrangements for the selected comparator group. In our opinion, the consideration for, and the terms and conditions of, the financial assistance and the acquisition of SKYCITY shares under the CEO LTI Plan is fair to the non-associated shareholders of SKYCITY and not inappropriate.

It is our opinion that the information provided in the Notice of Meeting provides an accurate summary of the key terms of the CEO LTI Plan and, together with the information and opinions set out in this appraisal report (being all material matters to the CEO LTI Plan) is sufficient for the non-associated shareholders to understand all relevant factors, and make an informed decision, in respect of whether the provision of financial assistance and acquisition of shares under the CEO LTI Plan is fair to the non-associated shareholders as part of Nigel Morrison's overall remuneration.

We further confirm that we have obtained all information which we believe is desirable for the purposes of preparing this appraisal report, including all material information which is or should have been known to any Director and made available to the Directors.

Yours sincerely

A handwritten signature in black ink that reads 'S. Doughty' in a cursive style.

S Doughty
Director

