FY04 First Half Result: Profit and Dividend

Net Profit (NSAT): $55.1m

- **1H00**: $27.7m, +24%
- **1H01**: $33.2m, +20%
- **1H02**: $37.9m*, +14%
- **1H03**: $51.7m*, +36%
- **1H04**: $55.1m, +7%

Interim Dividend FY04
11.0cps 2/4/04 (19/3/04)

- **1H00**: 6.0c
- **1H01**: 7.0c
- **1H02**: 7.75c
- **1H03**: 10.5c
- **1H04**: 11.0c

* Before non-recurring items
Interim Dividend

- 11.0 cents per share (10.5 cps 2003)
- Entitlement date 19 March
- Payment date 2 April
- Fully-imputed

- Calculated at 90% x NSAT after adding back Adelaide licence amortisation
- Dividend policy for interim:final dividend at 45:55 ratio

- Total dividends paid to shareholders since SKYCITY commenced operations in 1996
  - $1.23 per share
  - $506 million
SKYCITY Entertainment Group
Financial Summary: 1H04 v 1H03

Revenues 6% (+$17m)

EBITDA 7% (+$9m)

EBIT 8% (+$8m)

NSAT(1) 7% (+$3.4m)

EPS 6% from 12.6 cps to 13.3 cps

Wealth Created(2) $866m in year ended 30 June 2003
Comprising Market Value Added (MVA) of $701m plus NOPAT $165m

(1) Before non-recurring item (1H03)
(2) Per Stern Stewart Wealth Creators’ Report 2003

EBITDA Earnings before interest tax, depreciation and amortisation
EBIT Earnings before interest and tax
NSAT Net Surplus (Profit) after tax
EPS Earnings per Share
Key Features of the Group Financial Result

- 7% increase in Group NSAT
- Revenue and margin growth at Auckland despite main gaming floor construction disruption, SARS overhang affecting hotel revenues, and no conference facilities available during the period
- Auckland EBIT up 7% from $86m to $92m
- Strong start continued at SKYCITY Hamilton with 1H04 revenues up 23% on 2H03 and EBITDA at 44% of revenues
- Adelaide revenues flat 1H04 over 1H03 but up 5% over 2H03
- Queenstown more recent trends (following new gaming machine introduction) are encouraging
- New Zealand cinema revenues up 14% at SKYCITY Leisure, but EBITDA steady at $5.4m.

Despite strong cinema revenues and earnings, the Leisure result overall was constrained by non-continuing items

- Canbet unprofitable post its UK relocation. Action required to turnaround the sportsbook performance
Other New Zealand Operations include SKYCITY Hamilton, SKYCITY Queenstown, and SKYCITY Leisure. SKYCITY Hamilton commenced operations in September 2002.
FY04 First Half Result: EBITDA

% within the bar graphs identify the ratio of EBITDA to Revenue

(1) Before premises rental
(2) Includes Group/Corporate Expenses

(1H03: Hamilton $3.2m, Queenstown $0.4m, Leisure $7.6m
1H04: Hamilton $6.8m, Queenstown $0.2m, Leisure $7.1m

(1) Before premises rental
(2) Includes Group/Corporate Expenses
1H04 Group Revenues and EBIT

Group Revenues $297m (+6%)

- Auckland: $199m (67%)
- Adelaide: A$53m (20%)
- Leisure: $19m (7%)
- Hamilton: $16m (5%)
- Queenstown: $3m (1%)

EBIT $107m (+8%)

- Auckland: $92m (86%)
- Adelaide: A$7m (8%)
- Other NZ Operations: $7m (6%)

Gaming/Non-Gaming Revenues

- Gaming: $238m (80%)
- Non-Gaming: $59m (20%)
• Strong result in Auckland

• Revenue and earnings growth despite main gaming floor disruption, SARS overhang (re hotel revenues) and non-availability of conference facilities

• “PLAY” casino and Bar3 opened 2 December 2003
  15% gaming expansion plus new bar experience

• EBITDA and EBIT both up $6m over 1H03. EBITDA margin up 0.2% points to 53.2%, EBIT margin up 0.5% points to 46.3%

• Convention and exhibition centre on time and to budget for scheduled opening in April. Forward bookings for convention centre ahead of expectations

• SKYCITY Grand Hotel (5 star, 316 rooms) on schedule for April 2005 opening. Strong international interest already shown in the new hotel
First Half Result 1H04
SKYCITY Auckland

- Strong result despite impediments, growth continues, costs managed, margins improved incrementally

- Revenues 5% (+$10.1m)
  - Gaming 7% (+$10.6m)
  - F&B 1% (+$0.1m)
  - Hotel, Conference 8% (-$0.8m)
  - Sky Tower 3% (+$0.1m)
  - Parking 7% (+$0.3m)
  - Complimentaries Steady at 2.4% of revenues

- Gross Margin % 0.4% points at 65% (+$7.5m)
- EBITDA 0.2% points at 53% (+$5.9m)
- EBIT 0.5% points at 46% (+$5.7m)
FY04 Half Year Result
SKYCITY Auckland: Gaming +7%

• Revenue Growth
  Tables  ➤  8%
  Gaming Machines ➤  5%

• 15% capacity increase: December 2003

• New “PLAY” casino (+15% capacity increase) and bar opened on level 3. Creates continuity between the main gaming floor on level 2 and the casino and bar facilities on level 3. 230 new / additional gaming machines, 12 new / additional table games

• Some construction-related disruption to main floor customers during the level 3 re-development. Visitation numbers down on corresponding prior period August-November 2003, but up on prior period December 2003-February 2004 following completion of construction and opening of the new facility

• Members’ Club (level 3) expansion and redevelopment scheduled for May-December period. Will be disruptive to main gaming floor areas on level 2 immediately below the construction work during the 12 week period May-July 2004

• Touchbet roulette introduced November 2003

• 160 new / replacement machines and 304 machine conversions during 1H04
• New machine manufacturer added: Stargames

• New 5 cent hyperlink “Jackpot Carnival” introduced in September in non-smoking area. 47 machines linked to 4 level jackpot. Strong response to this new product

• 1,200 jackpots over $10,000
  64 cars and 3 car and boat packages won by customers
  One millionaire customer on SKY HIGH jackpot at $1.1m

• Popular product relocations into non-smoking areas showing positive results

• Auckland gaming configuration (including level 3 “PLAY” casino)

<table>
<thead>
<tr>
<th></th>
<th>Machines</th>
<th>Tables</th>
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</thead>
<tbody>
<tr>
<td>Main gaming floor</td>
<td>1,330</td>
<td>62</td>
</tr>
<tr>
<td>Alto casino and bar</td>
<td>86</td>
<td>16</td>
</tr>
<tr>
<td>PLAY casino and bar</td>
<td>223</td>
<td>15</td>
</tr>
<tr>
<td>Members’ Club</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,647</td>
<td>110</td>
</tr>
</tbody>
</table>
FY04 Half Year Result
SKYCITY Auckland: Food and Beverage

- Revenue 0.9% to $16.0m ($15.9m)
  12% over 2H03 ($14.4m)

- Gross Margin from 17% to 20%

- Strong margin recovery reversed previous trend and restored 20% level previously achieved

- Lack of conference facilities restricted food and beverage revenues during the period

- New stylish, modern "Bar3" opened on level 3 in December 2003. Expected also to be a focal point for the conference market
FY04 First Half Result
SKYCITY Auckland: Hotel and Conference

- Revenue: 8% from $10.2m (1H03) to $9.4m
- Hotel Occupancy: from 89% to 83%
  SARS overhang into 1H04: booking lead-time after concerns eased in May/June 2003
  2H03 most impacted by SARS at 80% occupancy
- Hotel Room Rate: marginally at $124
- Conference facilities closed throughout the period, affecting revenue comparison to 1H03
- Third phase (of 3) of hotel refurbishment programme will commence April
- New convention and exhibition centre opens 5 April
- Forward bookings for convention centre above expectations
- New 5 star “SKYCITY Grand” hotel (316 rooms) on schedule for April 2005
FY04 First Half Result
SKYCITY Auckland: Sky Tower

• Revenue 3% at $4.2m ($4.1m)

• New / redeveloped Sky Tower entry / exit / retail area

• Sky Jump developing as a major attraction especially during the summer months

• Sky Tower bungy under consideration

• Sky Tower winner of the Visitor Attraction Category in the 2003 New Zealand Tourism Awards

• Sky Tower a leading visitor attraction in Auckland and a highly visible brand representation for SKYCITY
FY04 First Half Result
SKYCITY Auckland: Carparking, Theatre

Carparking

- Revenues 7% at $5.1m ($4.7m)
- Pressure on existing carparking facilities - options under consideration

SKYCITY Theatre

- 56,000 theatre visits during 1H04
- 35th Auckland International Film Festival attracted 20,000 patrons over 85 screenings (July 2003)
- New Zealand film premieres for Finding Nemo, Legally Blonde 2, and first public screening of Lord of the Rings: The Return of the King as a Starship Children’s Hospital charity fundraiser
- Pete Postlethwaite’s ‘Scaramouche Jones’ achieved 93% attendances during its highly acclaimed August season
• Revenues flat on 1H03 at A$53m, but up 5% over 2H03

• EBITDA steady on 1H03 at A$12.5m

• Expanded / enhanced facilities required to attract new customers. Existing gaming and entertainment offerings are not sufficiently attractive to existing or potential customers

• SKYCITY Adelaide major redevelopment project (A$70m) announced in December 2003
First Half Result 1H04
SKYCITY Adelaide

- Revenues flat, costs held at 1H03 levels

- Revenues Steady at A$53m
  - Gaming Steady at A$47m
  - Other Steady at A$5.8m

- Expenses Direct expenses up by A$1.1m but indirect costs reduced by A$0.8m

- EBITDA Steady at 24% at A$12.5m (1H03: A$12.7m)

- EBIT Down 5% at A$7.2m (1H03: A$7.6m)
SKYCITY Adelaide
Facility Expansion and Upgrade: A$70m

- Adelaide redevelopment project announced
- Stage 1 commenced with completion scheduled for December 2004 - January/February 2005
- Stages 2 and 3 are subject to customer response to Stage 1 and to the regulatory environment
- Stage 1: A$20m
  Development of the North Terrace-fronting section of the building
  - new bistro-style restaurant (300 seats) with indoor and outdoor seating
  - new bar featuring live entertainment
  - new North Terrace street level pub / bar
  - new gaming area to incorporate 20 tables and 120 gaming machines
  - private function room
- Stages 2 and 3: A$50m
  - underground carparking (450 spaces)
  - dedicated entertainment facility for concerts and special events
  - redevelopment / refurbishment of the existing gaming areas
  - renovation of existing food and beverage offerings
  - redevelopment and landscaping of Station Road
  - progressive implementation over three years FY05/06/07
First Half Result
SKYCITY Adelaide: Gaming

• Revenue steady at A$47m
  Tables  3%
  Gaming Machines  3%

• Main floor tables up 8%, offset by lower Grange Room (premium play) revenues

• Touchbet roulette introduced October 2003. Some shift from machine play to table play as a consequence

• 74 new / replacement gaming machines and 135 machine conversions

• A$6.3m in jackpot prizes, including 21 vehicles
• Valet carparking offer within Action Loyalty programme has proved attractive to customers

• Action programme continues to show good results

• Ongoing promotions and events

• Proposed 20% reduction in pubs / clubs gaming machines announced. Casino purchase agreement (2000) with South Australian government means reduction (if enacted) would not apply to SKYCITY Adelaide
First Half Result
SKYCITY Adelaide: Food and Beverage

- Revenues 3% from A$6.9m to A$6.7m but up 8% on 2H03 (A$6.3m)

- Gross Margin Steady at 10.2% (v 1H03 at 10.1%) but down on 2H03 (13.9%)

- Revenues have been impacted by lower overall visitation levels

- Gross margin has been impacted by promotional activities. Recovery to higher % is targeted

- Pullman restaurant refurbishment completed

- New enhanced restaurant / bar facilities included in Stage 1 of the redevelopment project expected to generate significant customer response
• Strong initial performance continued

• Hours extended in response to customer demand

• Additional 3 tables and 39 gaming machines in June 2003

• VIP gaming room added (June 2003)

• Function centre scheduled to open Easter 2004
FY04 First Half Result
SKYCITY Hamilton

• Strong performance across the board: revenues, costs, margins, product presentation, customer response
- Revenues up 23% on 2H03 at $15.5m
- Gross margin at 57% (v 50% in 2H03)
- EBITDA margin at 44% (v 32% in 2H03)
- EBIT margin at 27% (v 14% in 2H03)

• 1H04 ratios and financial results:
- Gross Margin 57% $9.0m
- EBITDA 44% $6.8m
- EBIT 27% $4.2m
FY04 First Half Result
SKYCITY Hamilton

- Gaming Revenue  ▲  24% on 2H03, at $14.1m
- Other Revenues (Carpark, F&B)  ▲  20% on 2H03, at $1.7m
- Complimentaries  Steady  at 1.7%
- Cash Express jackpot introduced in November 2003
- Regular daily promotions (Monday-Wednesday) and live entertainment (Friday, Saturday)
- Sponsorships include Chiefs Super 12, Waikato NPC rugby, the “Boathouse 8’s” (Oxford v Waikato University rowing), Waikato Racing Club, Cambridge-Te Awamutu Harness Racing Club
- $395,000 of grants and donations by the SKYCITY Hamilton Community Trust
FY04 First Half Result
SKYCITY Queenstown

- Revenues Steady at $3.0m
  - Gaming Machines 22%
  - Table Games 24% (limited premium play in 1H04)
  - F&B 10%

- New machine product (42 machines) installed progressively between October 2003 and February 2004. Encouraging revenue performance since introduction

- Total gaming machine number increased from 78 to 86 in December 2003

- EBITDA at +$0.2m, EBIT loss of $0.5m

- EBIT breakeven or better objective for full year FY04
• Wild Thyme restaurant at 14% gross margin

• Regular promotions and on-site entertainment

• Community sponsorships and donations

  Sponsorships
  – Winter Festival
  – Central Otago Wine and Food Festival

  Donations
  – $203,000 of grants and donations by the SKYCITY Queenstown Casino Community Trust

• Despite two competing casino properties in close proximity in Queenstown, the SKYCITY Queenstown business is achieving encouraging revenue gains since the new gaming machine programme was initiated in late 2003 (calendar year)
FY04 First Half Result
SKYCITY Leisure Limited

• New Zealand cinema revenues continue to grow. SKYCITY Metro tenancy changes and Planet Hollywood (loss-making) closed

• Revenues*
  - NZ Cinemas 14% to $15.3m
  - Property 13% to $2.4m

• Expenses (incl. depreciation) 14% to $15.3m

• EBIT* 5% to $3.4m

• Borders Books, Planet Hollywood, and Theatro tenancies at SKYCITY Metro determined
  - new long-term lease (but at reduced rental) agreed with Borders
  - new restaurant tenancies agreed as replacements for Planet Hollywood (losses curtailed) and Theatro (vacant space)

* Before discontinued operations and prior period adjustment
• Village SKYCITY Cinemas St Lukes (Auckland, opened May 2003, 8 screens), attracting significant visitation - popular new venue

• New Village SKYCITY Cinemas 8 screen cinema complex for Tauranga scheduled to open in April 2005

• Cinema City (5 screens) in Whangarei acquired February 2004

• 2 new screens to be added to the Dunedin Rialto cinema complex

• SKYCITY Metro well-positioned as major entertainment venue in central Auckland
Canbet Limited
FY04 First Half Result
Canbet

• 1H04 first period since relocation to UK in April 2003

• A disappointing half year resulted in a loss of A$4.1m (SKYCITY at 32.6%)

• Canbet’s half-year result adversely impacted by the appreciating Australian dollar

• UK relocation went smoothly but a series of internal issues subsequently impacted company performance and revenue performance was insufficient to cover the increased costs of the UK operation

• The Canbet board has advised that it is reviewing the company’s performance with a view to initiating remedial actions and revenue initiatives
Regulatory and Compliance
The new Gambling Act (2003) in New Zealand restricts casino licenses to those already on issue and imposes stricter supervision on pub / club machine operations.

Ongoing liaison / discussion with the Independent Gambling Authority in South Australia to develop Codes of Practice for gaming and gaming-related activities.

The Northern Territory Treasury has undertaken to process the probity and other necessary applications with respect to SKYCITY’s acquisition of Darwin casino in a timely manner - a period of 2-3 months is anticipated.

All SKYCITY’s operations maintain very high levels of regulatory compliance. Liaison and co-operation continues between the company and the regulatory authorities in all jurisdictions.
Growth and Development
Existing Projects and Initiatives

Auckland
• “PLAY” casino and bar facility opened December 2003
• Convention and exhibition centre opening April 2004
• 5 star hotel opening April 2005
• Carparking expansion being pursued

Adelaide
• Stage 1 of the redevelopment programme initiated: A$20m
• Stages 2 and 3 (A$50m), subject to confirmation
• Proposed facilities include
  - new restaurants, bars, and entertainment facilities
  - new gaming area
  - refurbishment of existing gaming areas
  - carparking (450 spaces)
Existing Projects and Initiatives

Hamilton
• New function centre opening April 2004

Queenstown
• 42 new gaming machines introduced during the October 2003-January 2004 period have significantly enhanced the casino offering and have generated an encouraging response from Queenstown customers

Leisure
• New opportunities - new cinema sites, relocations, refurbishments
• Cinema rebranding - Village SKYCITY Cinemas
Darwin Hotel and Casino

- Darwin hotel and casino acquired from MGM Grand, subject to regulatory approvals, for A$195m

- Favourable acquisition multiple of 7.3 times EBITDA

- Core business for SKYCITY: gaming and entertainment

- SKYCITY’s Action Loyalty and premium play programmes represent upside opportunity to purchase price

- Some potential cost synergies anticipated

- SKYCITY a significant operator in both New Zealand and Australia with an estimated 29% of Group revenues from Australian operations following the Darwin acquisition
Capital Management
Capital Management

Share Buyback

- 4.7 million shares bought back on-market during 2003 at an average ex-dividend price of $4.22. Total programme completed at $40.6 million

Extended Debt Facility: $1.0 bn

- Negotiated with existing lending syndicate
- Darwin acquisition fully funded by senior debt

Dividends, Shares

- Consistent 90% dividend payout ratio maintained
- Special dividend of 10 cps (post split basis) paid November 2002
As at 27 February 2004
SKYCITY as at February 2004

• History of consistent growth in earnings, share price, and dividends
• Superior returns and wealth creation for shareholders
  - 73% pretax return by SKC compared to 21% on the NZSX50 since July 2002
• Active capital management: gearing, share buyback, dividends
• SKYCITY a major gaming and entertainment company in both Australia and New Zealand
• New and expanded facilities in Auckland
  - December 2003: new casino (+15% gaming capacity) and bar
  - April 2004: convention and exhibition centre
  - April 2005: 5 star, 316 room hotel
• New and expanded facilities for Adelaide
  - Redevelopment Project: A$70m over 3 years
    - Stage 1 confirmed: A$20m
    - Stages 2 and 3 subject to confirmation: A$50m
• Strong Group balance sheet
• Growth and yield: historical and prospective