

SKYCITY Entertainment Group Limited

1H17 Result Presentation

9 February 2017



- All information included in this presentation is provided as at 9 February 2017
- This 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

- Average NZD/AUD cross-rate for 1H17 = 0.9492 and 1H16 = 0.9130
- Weighted average number of shares for 1H17 = 659,565,210 and 1H16 = 590,191,246
- Revenue (incl Gaming GST), calculated as gaming win (incl GST) plus non gaming revenue (excl GST), is shown to facilitate Australasian comparisons
- Normalised revenue is adjusted for IB at the theoretical win rate of 1.35% versus an actual win rate of 1.52% in 1H17 (1H16: 1.41%)
- EBITDA margin is calculated as a % of revenue (incl Gaming GST) to facilitate Australasian comparisons
- Normalised EBITDA is adjusted for IB at the theoretical win rate of 1.35% and certain other items (see page 37 for more details)
- Certain totals, subtotals and percentages may not agree due to rounding

Results Overview

5

Property Updates

11

Other Financial Information

19

Major Growth Projects

23

Outlook

27

Appendices

30

Results Overview



Results Overview

	1H17	1H16	Movement	
	\$m	\$m	\$m	%
Normalised Revenue (incl Gaming GST)	525.8	562.0	(36.1)	(6.4%)
Normalised EBITDA	168.9	178.2	(9.3)	(5.2%)
Normalised NPAT	83.7	85.4	(1.7)	(2.0%)
Normalised EPS	12.7cps	14.5cps	(1.8cps)	(12.4%)

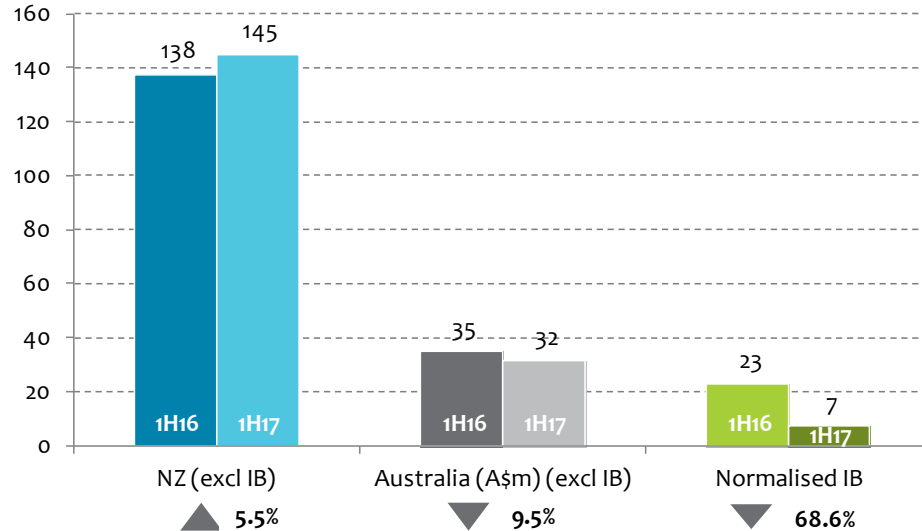
	1H17	1H16	Movement	
	\$m	\$m	\$m	%
Reported Revenue (incl Gaming GST)	533.1	566.1	(33.0)	(5.8%)
Reported EBITDA	169.1	171.6	(2.5)	(1.5%)
Reported NPAT	83.8	71.0	12.8	18.0%
Reported EPS	12.7cps	12.0cps	0.7cps	5.8%

Final Dividend NZ\$cps	10.0cps	10.5cps	(0.5cps)	(4.8%)
------------------------	---------	---------	----------	--------

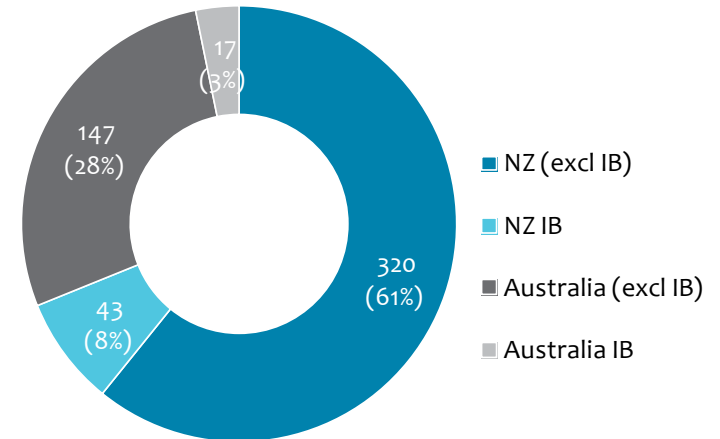
Geographic Performance

- 1H17 EBITDA (excl IB) in NZ increased 5.5% on the pcp, but decreased 9.5% in Australia
- SKYCITY Auckland represented 80% of 1H17 group normalised EBITDA
- Group-wide IB represented 5% of 1H17 group normalised EBITDA (10% for FY16)

1H17 EBITDA (pre corporate costs) (NZ\$m unless stated otherwise)



1H17 Normalised Revenue (incl Gaming GST) (NZ\$m) (% of total)



Group

- Key drivers of the result were solid growth in combined NZ properties, with Auckland improving significantly in 2Q17, offset by reduced IB turnover, challenging trading conditions in Darwin and a weaker Australian dollar
- Excluding IB and adjusting for a constant currency, group EBITDA was up 5.0% on the pcip

NZ – Revenue (excl IB) ▲ 3.7%; EBITDA (excl IB) ▲ 5.5%

- SKYCITY Auckland returned to growth in 2Q17 (with revenue (excl IB) up 8.2%) across all business segments, underpinned by strategic initiatives that increased both visitation and customer spend per visit
- Further strong growth achieved at SKYCITY Hamilton

Australia – A\$ Revenue (excl IB) ▼ 2.8%; A\$ EBITDA (excl IB) ▼ 9.5%

- Stable gaming machines performance at Adelaide Casino and an increased market share, offset by lower table games hold and a reduced F&B contribution
- Darwin continues to be adversely impacted by challenging trading conditions and increased competition from pubs & clubs

IB – Normalised Revenue ▼ 38.7%; Normalised EBITDA ▼ 68.6%

- IB turnover down 38.7% to \$4.4bn due to fewer visits from larger customers and recent developments in China
- EBITDA margin down to 12.0% (from 23.6%) due to fixed costs required to support the business and increased bad debt provisions

Major Growth Projects

- NZICC and Hobson St hotel projects remain on-budget and on-target for completion in Q1 2019
- Early works programme for Adelaide's Riverbank Precinct has commenced

Funding

- Operating cash flows up 20.9% on the pcip, reflecting a higher win rate in IB and working capital improvements
- Net hedged debt / normalised EBITDA of 1.1x as at December 2016
- Remain confident of retaining S&P credit rating during peak capex periods in FY19 / 20

Dividend – DPS 10.0cps ▼ 4.8%

- Interim dividend of 10.0cps, in-line with stated dividend policy
- Dividend Reinvestment Plan available with 2% discount
- Minor change to dividend policy proposed to reflect post-tax accounting impact of capitalised interest from major growth projects

Interim dividend per share

10.0cps

▼ 4.8%

Key dividend dates

Record date: 3 March 2017

Payment date: 17 March 2017

- Interim dividend of 10.0cps, in-line with existing payout policy
 - Represents a payout ratio of 79% of normalised 1H17 NPAT
 - Represents a cash dividend yield of 5.4%, based on a share price of NZ\$3.74
- Dividend Reinvestment Plan available for the interim dividend, with a 2% discount
- Payout calculation for future dividends to be adjusted for post-tax accounting impact of capitalised interest on major growth projects
- This change will not impact other elements of our existing dividend policy, including 80% payout ratio and a minimum of 20.0cps per annum

Property Updates



	1H17 \$m	1H16 \$m	Movement %
Revenue			
Gaming Machines	124.4	116.7	6.6%
Tables	77.7	76.6	1.5%
Gaming Revenue (incl GST)	202.1	193.2	4.6%
Non-Gaming Revenue	81.8	80.7	1.4%
Total Revenue (incl gaming GST) (excl IB)	283.9	273.9	3.7%
Gaming GST	(26.0)	(24.9)	(4.6%)
Total Revenue (excl gaming GST) (excl IB)	257.9	249.0	3.6%
Expenses	(127.3)	(124.8)	(2.0%)
EBITDA (excl IB)	130.6	124.3	5.1%
EBITDA Margin (excl IB)	46.0%	45.4%	
Depreciation & Amortisation ⁽¹⁾	(25.5)	(31.0)	17.7%
EBIT (excl IB)	105.1	93.3	12.7%
Normalised EBITDA (incl IB)	135.3	135.4	(0.1%)
Normalised EBITDA Margin (incl IB)	41.9%	41.7%	

- SKYCITY Auckland returned to growth in 2Q17
- Auckland continues to benefit from positive external factors despite increased CBD disruption caused by various capital works programmes
- 2Q17 revenue (excl IB) up 8.2% on the pcp with strategic initiatives successful in increasing visitation and customer spend per visit
- Strong growth achieved in gaming machines, particularly in 2Q17 with 11% revenue growth on the pcp and market share gains
- Satisfactory table games performance, with increased premium gaming activity in 2Q17, and hold rates normalising
- Cessation of Air NZ Koru catering contract during the period adversely impacted non-gaming revenue
- SKYCITY Hotel and the Grand Hotel continue to trade strongly with RevPar growth of 9% on the pcp

(1) Includes \$7.6m write-off of 101 Hobson St and Nelson St car park in 1H16

	1H17 \$m	1H16 \$m	Movement %
Revenue			
Gaming Machines	20.9	17.8	17.4%
Tables	4.9	5.7	(14.7%)
Gaming Revenue (incl GST)	25.8	23.5	9.6%
Non-Gaming Revenue	3.9	4.1	(5.7%)
Total Revenue (incl gaming GST) (excl IB)	29.6	27.6	7.3%
Gaming GST	(3.4)	(3.1)	(9.6%)
Total Revenue (excl gaming GST) (excl IB)	26.3	24.6	7.0%
Expenses	(12.9)	(12.9)	0.2%
EBITDA (excl IB)	13.4	11.6	15.1%
<i>EBITDA margin (excl IB)</i>	45.1%	42.1%	
Depreciation & Amortisation ⁽¹⁾	(2.2)	(5.0)	55.4%
EBIT (excl IB)	11.1	6.6	68.6%
Normalised EBITDA (incl IB)	13.4	11.6	15.2%
<i>Normalised EBITDA margin (incl IB)</i>	45.1%	42.1%	

- SKYCITY Hamilton delivered another positive performance during 1H17, driven by:
 - Strong growth in gaming machines, offset by lower hold on table games
 - Favourable local macroeconomic conditions
 - Operating leverage delivering margin expansion

- The ‘City Co-Op’ dining precinct and the refurbished ‘Bowl & Social’ have broadened the entertainment offering and increased visitation

(1) Includes \$2.8m write-off of Hamilton hotel project costs in 1H16

	1H17 \$m	1H16 \$m	Movement %
Revenue			
Gaming Machines	2.8	3.1	(9.5%)
Tables	2.6	2.8	(6.0%)
Gaming Revenue (incl GST)	5.4	5.9	(7.8%)
Non Gaming Revenue	0.7	0.7	0.0%
Total Revenue (incl gaming GST) (excl IB)	6.1	6.6	(7.3%)
Gaming GST	(0.7)	(0.8)	8.5%
Total Revenue (excl gaming GST) (excl IB)	5.4	5.8	(7.2%)
Expenses	(4.4)	(4.3)	(3.3%)
EBITDA (excl IB)	1.0	1.6	(36.0%)
<i>EBITDA margin (excl IB)</i>	<i>16.3%</i>	<i>23.6%</i>	
Depreciation & Amortisation	(0.5)	(0.5)	(0.0%)
EBIT (excl IB)	0.5	1.0	(55.0%)
Normalised EBITDA (incl IB)	1.4	2.6	(45.6%)
<i>Normalised EBITDA margin (incl IB)</i>	<i>15.6%</i>	<i>19.0%</i>	

■ Combined Queenstown operations 1H17 result was driven by:

- Lower local visitation, and reduced IB and premium activity
- Reduction in operating margins due to fixed costs required to support the business

	1H17 A\$m	1H16 A\$m	Movement %
Revenue			
Gaming Machines	27.0	27.2	(0.6%)
Tables	38.5	39.1	(1.5%)
Gaming Revenue (incl GST)	65.5	66.2	(1.1%)
Non Gaming Revenue	11.6	12.2	(4.7%)
Total Revenue (incl gaming GST) (excl IB)	77.1	78.4	(1.7%)
Gaming GST	(5.9)	(6.0)	0.9%
Total Revenue (excl gaming GST) (excl IB)	71.2	72.4	(1.7%)
Expenses ⁽¹⁾	(57.7)	(58.5)	1.3%
EBITDA (excl IB) ⁽¹⁾	13.5	14.0	(3.6%)
EBITDA margin (excl IB)	17.5%	17.8%	
Depreciation & Amortisation	(8.2)	(8.5)	3.6%
EBIT (excl IB)	5.3	5.5	(3.6%)
Normalised EBITDA (incl IB) ⁽¹⁾	14.8	21.4	(31.1%)
Normalised EBITDA margin (incl IB)	16.5%	20.7%	

- Adelaide Casino's 1H17 result was driven by:
 - Lower hold on tables games
 - Stable activity in gaming machines (which included modest gains in market share)
 - Reduced F&B contribution
 - Stable operating margins (excl IB)
- A\$5 maximum bets on main floor gaming machines and in SA pubs & clubs became effective from 1 January 2017 – no bet limit in premium rooms at Adelaide Casino
- Luke Walker now starting as GM on 16 February 2017 (currently Executive GM – Gaming Machines at Crown Melbourne)

(1) Excludes \$1.4m of restructure costs in 1H16

	1H17 A\$m	1H16 A\$m	Movement %
Revenue			
Gaming Machines	29.0	32.1	(9.6%)
Tables	10.0	9.7	2.8%
Keno	8.3	8.3	(0.6%)
Gaming Revenue (incl GST)	47.2	50.1	(5.7%)
Non-Gaming Revenue	15.1	14.9	1.1%
Total Revenue (incl gaming GST) (excl IB)	62.3	65.0	(4.1%)
Gaming GST	(4.3)	(4.5)	5.9%
Total Revenue (excl gaming GST) (excl IB)	58.0	60.5	(4.0%)
Expenses	(40.0)	(39.7)	(0.9%)
EBITDA (excl IB)	18.0	20.8	(13.5%)
<i>EBITDA Margin (excl IB)</i>	28.9%	32.0%	
Depreciation & Amortisation	(6.6)	(6.6)	0.0%
EBIT (excl IB)	11.4	14.2	(19.7%)
Normalised EBITDA (incl IB)	18.6	23.1	(19.2%)
<i>Normalised EBITDA margin (incl IB)</i>	28.3%	30.8%	

- Darwin's 1H17 result was driven by:
 - Weaker local gaming activity
 - Increased competition from pubs & clubs (with the permitted number of gaming machines increasing 60% since July 2015)
 - Reduction in operating margins
 - Stable non-gaming revenue, underpinned by increased F&B covers
- NT economic conditions remain challenging, with further increases in gaming machines (outside of the casino) expected under the new regulatory cap
- Applied for extension of casino licence (for a further five years out to 2036)

	1H17	1H16	Movement
Turnover	\$bn	\$bn	%
Auckland	2.9	3.8	(22.8%)
Other NZ	0.2	0.5	(55.5%)
Adelaide (A\$)	0.9	1.9	(51.1%)
Darwin (A\$)	0.3	0.7	(64.1%)
Total Turnover	4.4	7.2	(38.7%)
Total Normalised Revenue	59.2	96.6	(38.7%)

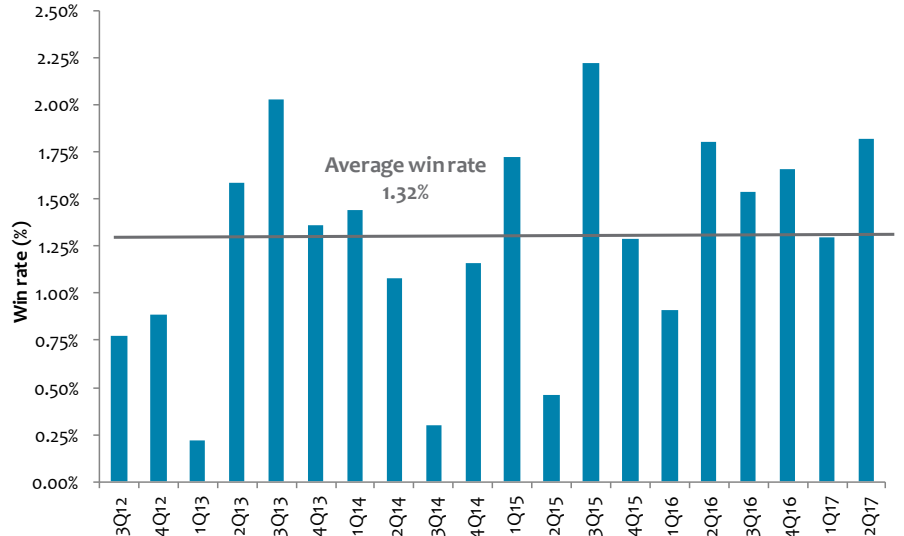
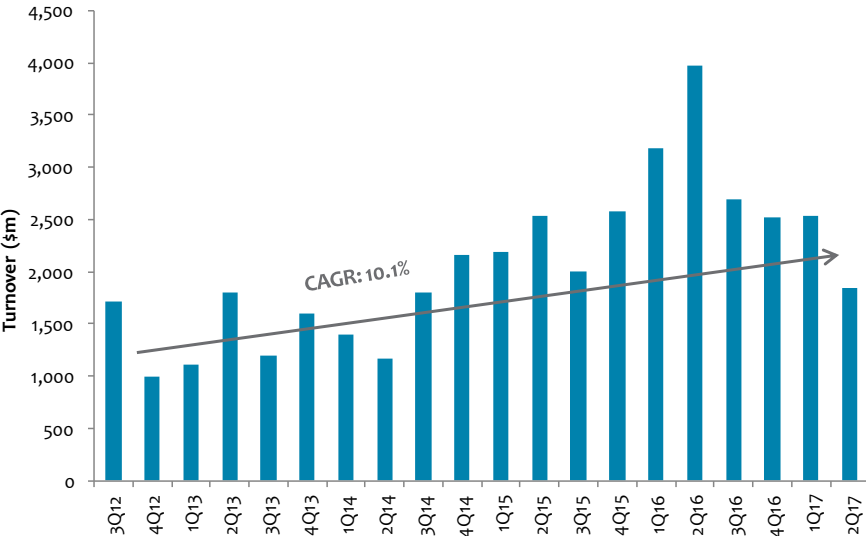
1H17	1H16
Actual Win %	
1.69%	1.58%
1.39%	1.33%
0.69%	0.85%
3.39%	1.08%
1.52%	1.41%

	1H17	1H16	Movement
Normalised EBITDA	\$m	\$m	%
Auckland	4.7	11.1	(57.8%)
Other NZ	0.5	1.0	(52.1%)
Adelaide (A\$)	1.2	7.4	(83.7%)
Darwin (A\$)	0.6	2.3	(74.9%)
Total Normalised EBITDA	7.1	22.8	(68.6%)
Total Reported EBITDA	7.2	16.2	(55.0%)

1H17	1H16
Margin %	
11.9%	21.8%
14.5%	14.1%
9.8%	29.4%
16.0%	22.0%
12.0%	23.6%

- Significant reduction in IB activity during the period, driven by:
 - Reduced number of visits from larger customers
 - Increased restrictions on fund transfers
- Operating margins negatively impacted due to the fixed cost base required to support the business and increased bad debt provisions
- Cost structures being reviewed to offset recent decline in IB activity
- Continue to comply with all relevant laws in China and take a conservative approach to credit

■ Average actual win rate of 1.32% since January 2012, in-line with the theoretical win rate of 1.35%



Other Financial Information



Corporate costs, D&A, interest and tax expense

Corporate costs: \$15.5m; ▼ 21.5%

- Corporate costs were lower during the period primarily due to reversal of LTI accruals and reduced corporate bonus provision
- Expect corporate costs in 2H17 to be higher than 1H17, reflecting increases in innovation and IT costs

Normalised D&A: \$47.3m; ▲ 3.1%

- Normalised D&A up on the pcp due recent capex in Auckland (Atrium refurbishment and 'Grand Horizon' IB salons) and increased amortisation of group IT systems
- Expect normalised D&A in 2H17 to be slightly higher than 1H17

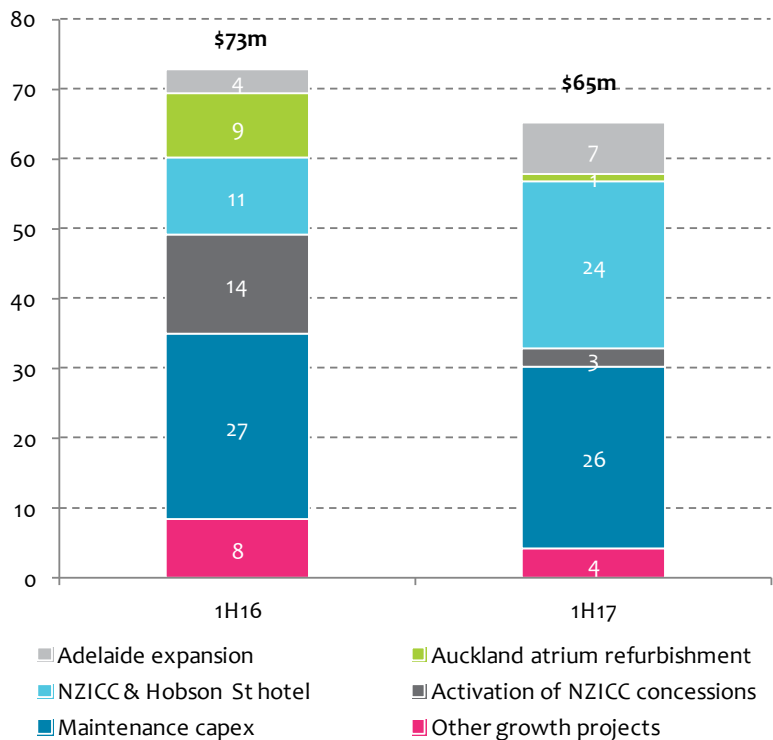
Normalised tax expense: \$29.8m; ▲ 0.8%

- Normalised tax expense flat on the pcp despite lower profitability, reflecting a slightly higher effective tax rate of 26.3% (1H16: 25.7%)
- Expect effective tax rate in 2H17 to be broadly similar to that in 1H17

Net interest expense: \$8.1m; ▼ 53.0%

- Net interest expense down significantly reflecting lower average debt, increased capitalised interest (\$6m) and forex gains
- Expect net interest expense in 2H17 to be slightly higher than 1H17

Capital expenditure (NZ\$m)



1H17 Capex

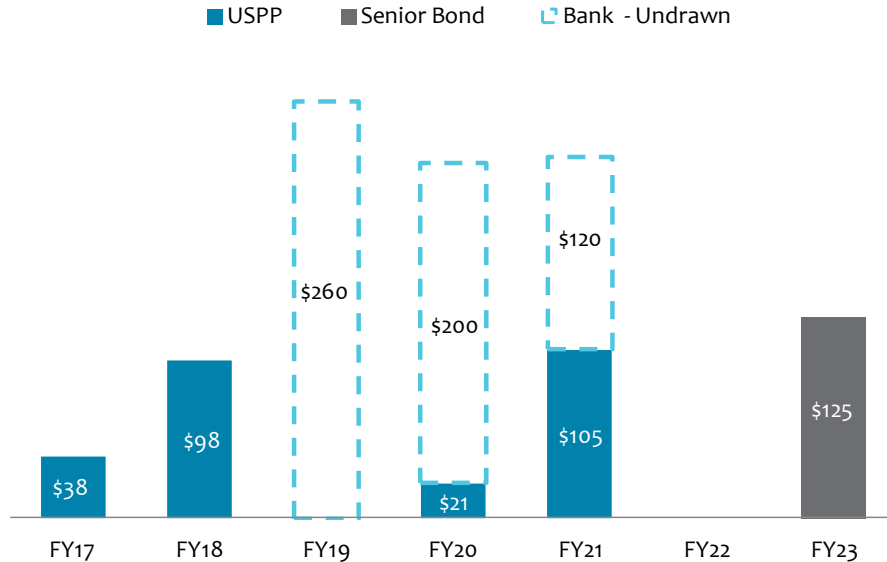
- Maintenance capex of \$26m
- Growth project capex of \$40m primarily related to NZICC and Hobson St hotel projects, Adelaide Casino expansion and activation of Auckland gaming concessions

Future Capex

- FY17 maintenance capex to be approximately \$65m
- Key growth project capex items for 2H17 relate to:
 - NZICC & Hobson St hotel construction (\$66m)
 - Adelaide expansion (A\$9m)
 - Atrium refurbishment and Cantonese restaurant in Auckland (\$10m)
- Previous market guidance regarding quantum of capex on major growth projects is reaffirmed
- Timing of major growth capex delayed slightly

Debt Maturity Profile

Hedged debt maturity profile (as at December 2016) (NZ\$m)



- Committed debt facilities (at hedged exchange rates) of \$970m as at December 2016, with \$387m currently drawn
 - Average interest rate on existing debt is 7.0% (currently all fixed rate debt)
 - Net hedged debt / normalised EBITDA of 1.1x as at 31 December 2016
- Operating cash flows of \$195m for 1H17, up 20.9% on the pcp
- Cash at bank of \$48m as at December 2016
- Remain confident in retaining S&P credit rating during peak capex periods of FY19 / 20
- Considering a further NZ bond issue and extending senior bank facilities before end of 2017

Major Growth Projects



NZICC and Hobson St Hotel

- NZICC and Hobson St hotel projects progressing on-budget and remain on-target for Q1 2019 completion
 - Excavation commenced in June 2016 and now 80% completed
- Total expected project costs remain in-line with previous market guidance



NZICC and Hobson St Hotel – Progress On Site



NZICC and Hobson St hotel site as at end of January 2017

Adelaide Casino Expansion

- Early works programme for the Riverbank Precinct has commenced
- Expectation is that the early works will be completed by late 2017
- Proposed expansion of Adelaide Casino remains under consideration by the Board



Outlook



NZ

- Auckland expected to continue to deliver modest growth in 2H17 on the pcp, driven by favourable macroeconomic drivers, new major events and ongoing initiatives to drive visitation
- Disruption from capital works programmes across the Auckland CBD – this is being proactively managed, but is expected to continue to impact the property
- Hamilton expected to continue to deliver growth in 2H17 on the pcp, underpinned by higher visitation and increased local gaming revenue

Australia

- Difficult trading conditions and competitive pressures expected to persist in Darwin during 2H17
- Adelaide Casino expected to remain stable in 2H17 on the pcp
- Risk of some disruption to Adelaide Casino from early works programme

IB

- IB activity expected to be weaker in 2H17 on the pcp given reduced visits from larger customers and recent developments in China (although Chinese NY has been favourable to-date)

Key Focus Areas For Remainder Of FY17

Continue to optimise operating performance of all business segments, particularly Auckland and IB

Welcome Graeme Stephens (CEO) and Luke Walker (GM Adelaide Casino)

Progress NZICC and Hobson St hotel projects on-time and on-budget

Complete Darwin licence extension approval process

Appendices



1H17 Results Overview – Normalised Results

	1H17	1H16	Movement	
	\$m	\$m	\$m	%
Normalised Revenue (including Gaming GST)	525.8	562.0	(36.1)	(6.4%)
Gaming GST	(47.9)	(51.4)	3.5	6.7%
Normalised Revenue	477.9	510.6	(32.7)	(6.4%)
Expenses	(309.0)	(332.4)	23.4	7.0%
Normalised EBITDA	168.9	178.2	(9.3)	(5.2%)
Depreciation and Amortisation	(47.3)	(45.9)	(1.4)	(3.1%)
Normalised EBIT	121.6	132.3	(10.7)	(8.1%)
Net Interest	(8.1)	(17.3)	9.2	53.0%
Normalised NPBT	113.5	115.0	(1.5)	(1.3%)
Tax	(29.8)	(29.6)	(0.2)	(0.8%)
Normalised NPAT	83.7	85.4	(1.7)	(2.0%)
Normalised EPS	12.7cps	14.5cps	(1.8cps)	(12.4%)

1H17 Results Overview – Reported Results

	1H17	1H16	Movement	
	\$m	\$m	\$m	%
Reported Revenue (including Gaming GST)	533.1	566.1	(33.0)	(5.8%)
Gaming GST	(48.9)	(52.4)	3.5	6.7%
Reported Revenue	484.2	513.7	(29.5)	(5.7%)
Expenses	(315.1)	(342.1)	27.0	7.9%
Reported EBITDA	169.1	171.6	(2.5)	(1.5%)
Depreciation and Amortisation	(47.3)	(56.3)	9.0	15.9%
Reported EBIT	121.7	115.3	6.4	5.6%
Net Interest	(8.1)	(17.3)	9.2	53.0%
Reported NPBT	113.6	98.0	15.6	16.0%
Tax	(29.8)	(26.9)	(2.9)	(10.7%)
Reported NPAT	83.8	71.0	12.8	18.0%
Reported EPS	12.7cps	12.0cps	0.7cps	5.8%
Final Dividend NZ\$ cps	10.0cps	10.5cps	(0.5cps)	(4.8%)

1H17 Revenue Summary by Business (incl Gaming GST)

	1H17 \$m	1H16 \$m	Movement %
New Zealand Casinos (excl IB)			
▪ Auckland	283.9	273.9	3.7%
▪ Hamilton	29.6	27.6	7.3%
▪ Queenstown, Other	6.1	6.6	(7.3%)
Total New Zealand Revenue	319.6	308.1	3.7%
Australian Casinos (excl IB)			
▪ Adelaide (A\$)	77.1	78.4	(1.7%)
▪ Darwin (A\$)	62.3	65.0	(4.1%)
Total Australia (A\$)	139.4	143.4	(2.8%)
Total Australia Revenue at 1H16 exchange rate (NZ\$)	152.7	157.2	(2.8%)
Normalised IB Revenue at 1H16 exchange rate (for A\$ revenue)	60.0	96.6	(37.9%)
Normalised Revenue at constant currency	532.3	562.0	(5.3%)
Exchange rate impact at 1H16 exchange rate	(6.5)		
Normalised Revenue at actual currency	525.8	562.0	(6.4%)
Adjust International Business to actual win rate	7.3	4.1	
Reported Revenue at actual currency	533.1	566.1	(5.8%)

2Q17 Revenue Summary by Business (incl Gaming GST)

		2Q17 \$m	2Q16 \$m	Movement %
New Zealand Casinos (excl IB)				
▪ Auckland		149.9	138.5	8.2%
▪ Hamilton		14.7	14.1	3.7%
▪ Queenstown, Other		3.0	3.0	(0.2%)
Total New Zealand Revenue		167.6	155.7	7.6%
Australian Casinos (excl IB)				
▪ Adelaide	(A\$)	38.0	39.4	(3.4%)
▪ Darwin	(A\$)	29.7	30.0	(1.1%)
Total Australia	(A\$)	67.7	69.4	(2.4%)
Total Australia Revenue	(NZ\$)	71.2	74.7	(4.7%)
Normalised IB Revenue		24.9	53.6	(53.5%)
Normalised Revenue		263.7	284.0	(7.2%)
Adjust International Business to actual win rate		8.7	18.0	
Reported Revenue		272.5	302.1	(9.8%)

1H17 EBITDA Summary by Business

		1H17 \$m	1H16 \$m	Movement %
New Zealand Casinos (excl IB)				
▪ Auckland		130.6	124.3	5.1%
▪ Hamilton		13.4	11.6	15.1%
▪ Queenstown, Other		1.0	1.6	(36.0%)
Total New Zealand EBITDA		145.0	137.5	5.5%
Australian Casinos (excl IB)				
▪ Adelaide	(A\$)	13.5	14.0	(3.6%)
▪ Darwin	(A\$)	18.0	20.8	(13.5%)
Total Australia	(A\$)	31.5	34.8	(9.5%)
Total Australia EBITDA at 1H16 exchange rate	(NZ\$)	34.5	38.1	(9.5%)
Normalised IB EBITDA at 1H16 exchange rate (for A\$ revenue)		7.2	22.8	(68.4%)
Corporate Costs		(15.5)	(19.7)	21.5%
NZICC operating costs		(0.9)	(0.5)	(95.0%)
Exchange rate impact at 1H16 exchange rate		(1.4)		
Normalised EBITDA at actual currency		168.9	178.2	(5.2%)
International Business adjustments		0.1	(6.6)	
Reported EBITDA at actual currency		169.1	171.6	(1.5%)

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
- Application of the group's non-GAAP financial information policy is consistent with the approach adopted in FY16
- **1H17 adjustments**
 - Actual win rate on IB of 1.52% vs. the theoretical win rate of 1.35%
- **1H16 adjustments**
 - Actual win rate on IB of 1.41% vs. the theoretical win rate of 1.35%
 - Write-off of the Hamilton hotel project costs (\$2.8m of capitalised costs incurred over 2011 to 2014)
 - Write-off of 101 Hobson St and the Nelson St car park to make way for the NZICC (\$7.6m book value)

1H17 Reported and Normalised Earnings

	1H17				1H16			
	Revenue \$m	EBITDA \$m	EBIT \$m	NPAT \$m	Revenue \$m	EBITDA \$m	EBIT \$m	NPAT \$m
Normalised	525.8	168.9	121.6	83.7	562.0	178.2	132.3	85.4
IB at theoretical	7.3	0.1	0.1	0.1	4.1	(6.6)	(6.6)	(4.6)
IB adjustments	7.3	0.1	0.1	0.1	4.1	(6.6)	(6.6)	(4.6)
Asset write-offs	-	-	-	-	-	-	(10.4)	(9.8)
Total other adjustments	0.0	0.0	0.0	0.0	0.0	0.0	(10.4)	(9.8)
Reported	533.1	169.1	121.7	83.8	566.1	171.6	115.3	71.0

- Intention to reallocate certain intra-group costs from FY18
- These costs primarily relate to IT and sponsorships, currently included within Corporate
- This reallocation is intended to more appropriately allocate costs to the businesses receiving the benefits and associated revenue impact
- 1H17 corporate costs and property-by-property operating expenses have been restated on the following page to reflect this reallocation and to enable comparability in FY18

1H17 Corporate Costs / Operating Expenses (Restated) (page 2 of 2)



		1H17 \$m	1H17 Restated \$m	Movement \$m
New Zealand Casino Expenses (excl IB)				
▪ Auckland		(127.3)	(131.5)	(4.2)
▪ Hamilton		(12.9)	(13.3)	(0.4)
▪ Queenstown, Other ⁽¹⁾		(5.3)	(5.4)	(0.1)
Total New Zealand Expenses		(145.5)	(150.2)	(4.8)
Australian Casinos Expenses (excl IB)				
▪ Adelaide	(A\$)	(57.7)	(58.4)	(0.7)
▪ Darwin	(A\$)	(40.0)	(40.3)	(0.3)
Total Australia	(A\$)	(97.7)	(98.7)	(1.0)
Total Australia Expenses	(NZ\$)	(102.9)	(104.0)	(1.1)
Normalised IB Expenses		(44.8)	(44.4)	0.4
Group Corporate Costs		(15.5)	(10.1)	5.4
Total Group Expenses (including Corporate Costs)		(309.0)	(309.0)	0.0

(1) "Other" includes \$0.9m of NZICC operating costs

