

SKYCITY Entertainment Group Limited	
Results for announcement to the market	
Reporting Period	1 July 2018 to 31 December 2018
Previous Reporting Period	1 July 2017 to 31 December 2017

Reported	Amount (millions)	Percentage change
Reported revenue including gaming GST from ordinary activities ²	NZ\$460.2	1.0%
Reported revenue from ordinary activities ^{1 2}	NZ\$411.4	0.3%
Reported profit (loss) from ordinary activities after tax attributable to security holders ²	NZ\$68.8	-18.9%
Reported net profit (loss) attributable to security holders ³	NZ\$82.8	-11.4%

Normalised ³	Amount (millions)	Percentage change
Normalised revenue including gaming GST from ordinary activities	NZ\$598.0	10.9%
Normalised revenue from ordinary activities	NZ\$541.2	10.4%
Normalised profit (loss) from ordinary activities after tax attributable to security holders	NZ\$97.0	11.4%
Normalised net profit (loss) attributable to security holders	NZ\$97.0	11.4%

Notes:

- 'Reported' information is per the unaudited 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
- Certain totals, subtotals and percentages may not agree due to rounding

¹ On the Income Statement this is the total of Revenue, Other income and Share of losses from associates

² Excludes Darwin operations treated as discontinued operations

³ Includes Darwin operations

Interim Dividend	Amount per security	Imputed amount per security
	NZ\$ 0.10	\$0.038889

Record Date	1 March 2019
Payment Date	15 March 2019

Comments:	<p>SKYCITY's 1H19 performance is set out in the Company's Investor 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 six months ended 31 December 2018.</p> <p>The Investor Presentation will be available on the Company's website from 13 February 2019.</p>
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NTA Backing

	2018	2017
Net tangible asset backing per ordinary share	\$0.569	\$0.446

Auditors

This report is based on accounts that have been the subject of a review by the company's auditor. Their review report is provided with this report.

Earnings per share

	Amount (cents per share)	Percentage change
Reported ⁴	12.3	-11.5%
Normalised	14.3	10.0%

Reported earnings per share from continuing operations for the six months to 31 December 2018 were 10.2 cents per share (31 December 2017: 12.6 cents per share). Normalised earnings per share for the six months to 31 December 2018 were 14.3 cents per share (31 December 2017: 13.0 cents per share). "Normalised" eliminates certain revenue and expense items and adjusts International VIP commission business win rate to theoretical.

Dividends

100% of the March 2019 dividend will be imputed at the company's New Zealand tax rate of 28% and not franked for Australian purposes.

The company's Dividend Reinvestment Plan will not be activated in respect of the interim dividend.

⁴ Includes both continuing and discontinuing operations on the Income Statement

Reconciliation between Reported and Normalised Financial Information

	1H19				1H18			
	Revenue \$m	EBITDA \$m	EBIT \$m	NPAT \$m	Revenue \$m	EBITDA \$m	EBIT \$m	NPAT \$m
Reported	460.2	148.3	107.7	82.8	455.7	161.6	121.4	93.5
IB at theoretical win rate	28.0	23.4	23.4	16.8	(15.3)	(9.4)	(9.4)	(6.4)
ATO tax review				3.9				
Darwin depreciation			(1.8)	(1.8)				
Darwin deferred tax				(4.8)				
NZIFRS 15 – revenue adjustment	44.7				31.2			
Darwin – discontinued operation	65.1	17.4	12.6		67.8	19.0	12.1	
Normalised	598.0	189.1	141.9	97.0	539.4	171.2	124.1	87.0

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.

Total revenues are gaming win plus non-gaming revenues.

Application of the group’s non-GAAP financial information policy is consistent with the approach adopted in FY18.

1H19 adjustments (from reported to normalised)

- Apply theoretical win rate of 1.35% for IB vs. actual win rate of 0.98%
- Remove one-off payment to the ATO following tax review (A\$3.5m)
- Eliminate benefit from ceasing Darwin depreciation following classification as discontinued operation (from November 2018)
- Eliminate benefit of reversing Darwin’s deferred tax liability following classification as discontinued operation (from November 2018)
- Reverse impact of NZIFRS 15 “Revenue from Contracts with Customers” which reduced both reported revenue and operating expenses within IB
- Include Darwin in revenue, EBITDA, EBIT and NPBT instead of treating as discontinued operation

1H18 adjustments (from reported to normalised)

- Apply theoretical win rate of 1.35% for IB vs. actual win rate of 1.70%