

| Results for Announcement to the Market                         |                                     |                   |
|--|-------------------------------------|-------------------|
| Name of issuer   | SkyCity Entertainment Group Limited |                   |
| Reporting Period   | 12 months to 30 June 2019           |                   |
| Previous Reporting Period                                      | 12 months to 30 June 2018           |                   |
| Currency   | New Zealand dollars                 |                   |
| Reported   | Amount (million)                    | Percentage change |
| Reported revenue from continuing operations <sup>1,2</sup>     | \$822.3                             | 0.8%              |
| Total reported revenue <sup>3</sup>                            | \$905.4                             | -2.5%             |
| Reported profit (loss) from continuing operations <sup>1</sup> | \$160.8                             | 1.3%              |
| Reported total net profit (loss) <sup>3</sup>                  | \$144.6                             | -14.7%            |
| Normalised <sup>3</sup>  | Amount (million)                    | Percentage change |
| Normalised revenue including gaming GST                        | \$1,118.9                           | 1.6%              |
| Normalised total net profit (loss)                             | \$173.0                             | 1.9%              |

Notes:

- 'Reported' information is per the audited 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

<sup>1</sup> Excludes Darwin operations treated as discontinued operations

<sup>2</sup> On the Income Statement this is the total of Revenue, Other income and Share of losses from associates

<sup>3</sup> Includes Darwin operations

| Final Dividend   |   |                         |
|--|---|-------------------------|
| Amount per Quoted Equity Security  | \$ 0.100000   |                         |
| Imputed amount per Quoted Equity Security  | \$0.038889  |                         |
| Record Date  | 30 August 2019  |                         |
| Dividend Payment Date  | 13 September 2019   |                         |
|  | Current period  | Prior comparable period |
| Net tangible assets per Quoted Equity Security   | \$0.535949  | \$0.481823              |
| A brief explanation of any of the figures above necessary to enable the figures to be understood | <p>SkyCity's FY19 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 SkyCity Group as a whole and various other relevant aspects of the financial performance for the year ended 30 June 2019.</p> <p>The Investor Presentation will be available on the company's website from 14 August 2019.</p> |                         |
| Authority for this announcement  |   |                         |
| Name of person authorised to make this announcement  | Jo Wong   |                         |
| Contact person for this announcement   | Jo Wong   |                         |
| Contact phone number   | 09 363 6143   |                         |
| Contact email address  | <a href="mailto:jo.wong@skycity.co.nz">jo.wong@skycity.co.nz</a>  |                         |
| Date of release through MAP  | 14 August 2019  |                         |

Audited financial statements accompany this announcement.

### Reconciliation between Reported and Normalised Financial Information

- 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 – the intention is to provide information which:
  - Is representative of SkyCity's underlying performance (as a potential indicator of future performance);
  - Can be compared across years; and
  - Can assist with comparison between publicly listed casino companies in NZ and Australia
  
- This objective is achieved by:
  - Eliminating inherent volatility or “luck” factor from IB which has variable turnover and actual win % period to period;
  - Eliminating structural differences in our business between periods; and
  - Eliminating known different treatments with other NZ and Australian publicly listed casino companies
  
- Non-GAAP information is prepared in accordance with a Board-approved “Non-GAAP Financial Information Policy” and is reviewed by the Board at each reporting period. Application of SkyCity's non-GAAP financial information policy is consistent with the approach adopted in FY18

|                                     | FY19           |              |              |              | FY18           |              |              |              |
|-------------------------------------|----------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|
|                                     | Revenue        | EBITDA       | EBIT         | NPAT         | Revenue        | EBITDA       | EBIT         | NPAT         |
|                                     | \$m            | \$m          | \$m          | \$m          | \$m            | \$m          | \$m          | \$m          |
| <b>Reported</b>                     | <b>822.3</b>   | <b>297.8</b> | <b>217.8</b> | <b>144.6</b> | <b>815.9</b>   | <b>310.0</b> | <b>229.2</b> | <b>169.5</b> |
| IB revenue adjustment               | 80.3           | -            | -            | -            | 68.6           | -            | -            | -            |
| Gaming GST                          | 95.2           | -            | -            | -            | 91.8           | -            | -            | -            |
| IB at theoretical win rate          | 49.9           | 38.7         | 38.7         | 27.8         | 4.0            | (0.5)        | (0.5)        | 0.4          |
| Sale of Darwin                      | 88.7           | 20.4         | 10.4         | 24.7         | 120.6          | 28.7         | 15.2         | -            |
| Gain on sale of Federal St car park | (17.4)         | (17.4)       | (17.4)       | (17.7)       | -              | -            | -            | -            |
| Revaluation of Auckland properties  | -              | 3.2          | 3.2          | 3.2          | -              | -            | -            | -            |
| Significant tax events              | -              | -            | -            | (9.5)        | -              | -            | -            | -            |
| <b>Normalised</b>                   | <b>1,118.9</b> | <b>342.7</b> | <b>252.8</b> | <b>173.0</b> | <b>1,100.8</b> | <b>338.2</b> | <b>243.8</b> | <b>169.9</b> |

| Adjustment  | Explanation   | Rationale   |
|---|---|---|
| Treat IB commissions as an expense rather than reduction in revenue which reduces both reported revenue and operating expenses within IB (by \$80.3m in FY19 and \$68.6m in FY18) | <p>In FY19, SkyCity adopted NZ IFRS 15 (Revenue from Contracts with Customers) ("NZIFRS 15") for the first time. This accounting standard was applied to both FY19 and FY18 within the group's financial statements</p> <p>The main impact of adopting NZIFRS 15 was to reduce both revenue and expenses by the amount of IB junket commissions. This does not impact EBITDA, EBIT or NPAT</p> <p>This adjustment adds back IB commissions and increases both revenue and expenses. This adjustment does not impact EBITDA, EBIT or NPAT</p>  | <p>This adjustment has been made to maintain the relationship between turnover and the theoretical win rate of 1.35% when determining normalised revenue</p> <p>This adjustment is consistent with how all NZ and Australian publicly listed casino companies present revenue for IB</p> <p>By making this adjustment, SkyCity is enabling the user of its financial information to more easily compare results to other casino companies. SkyCity believes this enhances the user's understanding of comparative results and enables the user to better understand normalised IB results</p> |
| Add gaming GST to reported revenue (by \$95.2m in FY19 and \$91.8m in FY18)   | <p>Reported revenue included within the financial statements of the group excludes GST. This adjustment adds back GST associated with gaming so that normalised revenue equals the amount bet by gaming customers</p>   | <p>All publicly listed NZ and Australian casino companies include GST associated with gaming within their revenue results. Including gaming GST within reported revenue is not consistent with GAAP and from FY19 SkyCity has ceased to include gaming GST within revenue in its financial statements</p> <p>However, SkyCity does include gaming GST within its normalised revenue. By making this adjustment SkyCity is enabling the user of financial information to more easily compare results to other casino companies. This adjustment does not impact EBITDA, EBIT or NPAT</p>       |
| Apply theoretical win rate of 1.35% for IB vs. actual win rate of 1.00% (FY19) and 1.32% (FY18)   | <p>This adjustment recalculates gaming win from IB to the theoretical win rate. The vast majority of IB play is baccarat. Statistically, over the long-term the casino expects to win 1.35% of all bets taken on baccarat. However, in any particular reporting period the actual results of play will vary depending on "luck"</p> <p>The 1.35% win rate is used by all publicly listed NZ and Australian casino companies in addition to casino companies in Asia and the United States. For FY19 the actual win rate was 1.00% and in FY18 the win rate was 1.32%. SkyCity's average win rate over the last 10 years is 1.27% (or 1.33%, excluding FY19)</p> | <p>In order to understand the long-term results within IB there is the need to eliminate the inherent volatility or "luck" factor. By adjusting win to the theoretical win rate, the users of the financial information are able to understand the underlying performance of IB and form a view on the future performance of the business</p> <p>For internal purposes, including budgeting and determination of staff incentives, the theoretical win rate of 1.35% is used</p>  |

| Adjustment   | Explanation  | Rationale  |
|--|--|--|
| <p>Eliminate the impact of disposing the Darwin operations (classified as discontinued operations from 8 November 2018 and sold on 4 April 2019)</p> | <p>During FY19, SkyCity sold its Darwin operations</p> <p>In the group's financial statements, this has resulted in Darwin being treated as a discontinued operation from 8 November 2018 (the date of signing the sale and purchase agreement). As a result of this treatment, the impact of the Darwin operations for both FY19 and FY18 is reduced to a single line, net of tax, in the Income Statement (refer note 23 of the group's financial statements)</p> <p>Furthermore, as a result of classifying Darwin as a discontinued operation, no depreciation was booked between 8 November 2018 and 4 April 2019</p> <p>This adjustment:</p> <ul style="list-style-type: none"> <li>▪ Adds back the results of Darwin's operations in both FY19 and FY18 to revenue, EBITDA and EBIT</li> <li>▪ Reverses the net loss on disposal (~\$28m)</li> <li>▪ Calculates a depreciation charge from 8 November 2018 to 4 April 2019 (~\$5m) and reduces normalised results by this amount</li> </ul> | <p>The disposal of Darwin is a significant and one-off transaction that has impacted the comparability of the FY19 result with prior years</p> <p>The adjustments detailed are designed to show, in normalised results, the Darwin operations in FY19 in a manner consistent with prior years</p> <p>SkyCity considers this provides more useful information for assessing the current year performance against prior years</p> <p>In FY20, Darwin will be fully excluded from both FY20 and FY19 normalised results to enable appropriate comparisons between these years</p> |
| <p>Eliminate benefit from gain on sale (\$17.4m pre-tax) of Federal St car park (sold in April 2019)</p>   | <p>The reported results include a significant, one-off gain relating to the Federal St car park disposal. The adjustment reverses this gain</p>  | <p>The disposal of the Federal St car park is a significant and one-off transaction that has impacted the comparability of the FY19 results with prior years. SkyCity considers this provides more useful information for assessing the current year performance against prior years</p>   |
| <p>Reverse impact of revaluation (reduction of \$3.2m) of Auckland properties recently acquired</p>  | <p>During FY18 and FY19, SkyCity acquired a number of investment properties in Auckland. In accordance with the appropriate accounting standard, these investment properties will be revalued by an independent expert every year and the carrying value adjusted within the group's financial statements</p> <p>This adjustment reverses the FY19 decline in value of these properties</p>  | <p>The revaluation is non-cash and unrelated to the operations of the group</p> <p>This adjustment will be made each year to determine the group's normalised results</p> <p>SkyCity considers that reversing this valuation adjustment provides more useful information for assessing performance year-on-year</p>  |

| Adjustment   | Explanation   | Rationale  |
|--|---|--|
| <p>Eliminate significant tax events (net \$9.5m decrease to normalised NPAT)</p> | <p>During FY19, SkyCity had a number of significant tax events which have impacted the reported effective tax rate</p> <p><u>ATO tax review</u><br/>The Australian Tax Office (ATO) undertook a Streamlined Assurance Review of SkyCity's Australian operations. This is part of the ATO's plan to conduct Streamlined Assurance Reviews over the top 1,000 Australian companies</p> <p>As a result of this review, SkyCity and the ATO agreed to settle differences of opinion on the treatment of certain financing arrangements. As a result of this settlement, SkyCity made a A\$3.5 million payment to the ATO. This payment relates to historical items only and does not change SkyCity's future tax payments or tax expense</p> <p><u>Auckland car parks deferred tax</u><br/>During FY19, the group announced it had agreed to sell a concession over the Auckland main site and NZICC car parks. This transaction will be completed on 19 August 2019. However as at 30 June 2019, the car park assets associated with a part of the transaction have been classified as "assets classified as held for sale"</p> <p>This classification changes the calculation of deferred tax associated with these assets and as a result a \$11.5m reduction in tax expense was booked within the FY19 Income Statement</p> <p><u>Share of partnership expenditure – tax election</u><br/>In the current year, SkyCity made a NZ tax election for the SkyCity Australian Limited Partnership. This resulted in a one-off benefit in the FY19 tax expense</p> <p><u>Summary</u><br/>This adjustment eliminates the net reduction (from the above items) in tax expense for the purpose of the normalised results</p> | <p>These items do not significantly change SkyCity's future tax expense</p> <p>For the purposes of the normalised results, these items have been reversed from the FY19 tax expense in order to show SkyCity's underlying effective tax rate (when combined with other tax adjustments outlined in this reconciliation)</p> <p>SkyCity considers that this net adjustment provides more useful information for assessing potential future performance of the group</p> |