

SKYCITY Entertainment Group Limited

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11 October 2013

Listed Company Relations
NZX Limited
Level 2, NZX Centre
11 Cable Street
WELLINGTON

RE: SKYCITY Reaches Agreement with South Australian Government

Please see attached our media release and the media release from the Deputy Premier of South Australia in relation to the above.

Yours faithfully



Peter Treacy
Company Secretary

MEDIA RELEASE
11 October 2013



SKYCITY reaches final agreement with the South Australian Government

SKYCITY Entertainment Group announced today that it has reached final agreement with the South Australian Government on the detailed terms of the revised regulatory and taxation environment for the Adelaide Casino.

Following the assent of enabling gambling Legislation in August this year, the parties have now signed a new Approved Licensing Agreement (ALA) and a new Casino Duty Agreement (CDA). The terms of the revised regulatory and taxation environment are contained in those binding contracts and will come into effect once the remaining conditions precedent are satisfied.

“The signing of these key agreements is an important milestone and paves the way for SKYCITY to proceed with its A\$350 million investment to transform Adelaide Casino into a world class integrated entertainment and tourism complex,” SKYCITY Chief Executive Nigel Morrison says.

Deputy Premier John Rau said, “This agreement is a step towards Adelaide Casino becoming a world class gaming and entertainment destination that many South Australians and tourists will enjoy.”

Mr Morrison said, “Once our investment is fully complete, the new and expanded complex will deliver high-value international and interstate tourism and create much-needed economic growth and jobs for Adelaide and South Australia.

“Our world class complex will be an integral part of the new entertainment, sporting and arts precinct being developed on the banks of the River Torrens, complementing the redeveloped Adelaide Oval and the new and expanded Adelaide Convention Centre, helping South Australia attract a greater share of a lucrative and growing high-value tourist market.”

SKYCITY will begin the first phase of this proposed investment in the coming months, with work commencing on a major refurbishment and reconfiguration of its current facilities within the historic Adelaide Railway Building. Along with the introduction of new gaming equipment and technologies, this investment is expected to total around A\$40m.

“The initial investment we are making to improve our existing facilities, which is anticipated to occur over the course of the next 12 months, will see the creation of new Premium Gaming areas for Premium Gaming customers from South Australia as well as visitors from interstate and overseas. We are also planning some exciting new dining and bar concepts, which will significantly enhance our entertainment appeal,” Mr Morrison says.

SKYCITY is also introducing new technologies to enhance its host responsibility capabilities, which are already considered world-leading.

-ENDS-

Key Terms of the New Agreements

The new ALA and CDA agreements will deliver the key concessions previously announced in December 2012, which are:

- A 20 year extension (to 2035), of Adelaide Casino’s South Australian Casino exclusivity;
- Introduction of cashless gaming and Ticket-in Ticket-out (TITO);
- Introduction of Premium Gaming;
- New gaming tax rates, including lower gaming tax rates for Premium Gaming;
- An increase in the number of gaming machines to 1,500;
- An increase in the number of gaming tables to 200, where 15 such tables may be substituted for 300 automated table game terminals.

The key conditions that remain to be satisfied for the Approved Licensing Agreement and the Casino Duty Agreement to come into effect are:

- Approval of the final ALA by the Independent Gambling Authority (IGA).
 - This is required under section 16(3)(c) of the Casino Act ;
- SKYCITY's satisfaction regarding the final form of the relevant regulatory instruments to give effect to the new regulatory framework and allow for the introduction of new gaming systems and technologies; and
- SKYCITY and the State Government reaching an in-principle agreement regarding tenure and the procedure for the necessary approvals for the new development site.

For further information please contact:

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News Release Deputy Premier John Rau

Attorney General
Minister for Planning
Minister for Industrial Relations
Minister for Business Services and Consumers

Friday, 11 October, 2013

Milestone reached as SKYCITY commence \$40 million upgrade

The State Government and SKYCITY Entertainment Group have today signed an agreement that paves the way for the \$350 million expansion to the Adelaide Casino, beginning with a \$40 million investment in its current facilities.

The agreement extends Adelaide Casino's exclusivity in South Australia until 2035, provides for a new taxation regime and includes the strongest responsible gambling measures applied to any casino in Australia. It also allows Adelaide Casino to expand its gaming operations and include new premium gaming areas.

Deputy Premier John Rau said the agreement is an important milestone for the Adelaide Casino and the Greater Riverbank Precinct.

"This agreement is a step towards the Adelaide Casino becoming a world class gaming and entertainment destination that many South Australians and tourists will enjoy," Mr Rau said.

"The new taxation regime which forms part of the agreement is a good deal for South Australian taxpayers and it also puts the Adelaide Casino at the front of the pack nationally when it comes to responsible gambling measures.

"The agreement means that Adelaide Casino will be three and a half years ahead of Commonwealth responsible gambling reforms.

"This includes the introduction of voluntary pre-commitment and risk monitoring technologies.

"It also involves the Casino providing \$300,000 per year for gambling rehabilitation programs, which will be indexed.

"Importantly, the agreement means that Adelaide Casino can now proceed with developing further plans for their expansion, which will make it a key destination along the Greater Riverbank Precinct."

SKYCITY will spend nearly \$40 million in refurbishing its current facilities and purchasing new gaming equipment and technology.

The signing follows an in-principle agreement that was reached in December 2012 and the successful passage of legislation in the State Parliament earlier this year.

The finalisation of the agreement allows the Adelaide Casino to operate 1500 gaming machines, up from 995, and 200 table games, up from 90.

Media contact: Chris Burford – 0419 567 989

The new tax regime will be:

Tax	Old	New
Gaming Machines	34.41%	41.0% ^(a)
Table Games	0.91%	3.41%
Automated Table Games	0.91%	10.91%
Premium Gaming Machines	n/a	10.91%
Premium Table Games	n/a	0.91%

Many of the legislative changes will come into effect from 1 January 2014.

(a) 41 per cent is the maximum tax rate which may be payable in any given year during the period.