



Skyline Preliminary Announcement for the Year Ended 31st March 2015

Skyline is pleased to announce a successful year's trading with a profit before tax of \$63.3m (\$52.8m last year)

The variation between the years can be attributed to an increase in trading profit before tax of \$9.9m and increase of \$16.7m in value of the commercial property portfolio. The prior year included \$10.9m of insurance proceeds relating to the Christchurch Casino which did not reoccur.

Removing revaluation, amortisation and tax deferred on building depreciation provides a result of \$36.8m (\$26.8m last year)

The accounts are subject to audit confirmation.

Shareholders were advised at the 2014 AGM that the Skyline Directors and CEO's had reaffirmed the overarching strategy and set targets for the past year. Directors are pleased to report that overall targets were achieved.

Skyline Queenstown

Continued increased patronage on the gondola and across the property capped off the very positive first 6 months trading at Skyline Queenstown.

This provided a strong financial result. With the increased demand we plan to increase capacity for forecast long term growth.

Skyline Rotorua

The upgraded restaurant, installation of the Zip line and introduction of mountain biking has enhanced the product offering at Skyline Rotorua. This and other initiatives have seen an improvement on past results. The famous Crankworx mountain bike festival hosted at Skyline Rotorua in March 2015 was an outstanding success and provided valuable international exposure for Rotorua and Skyline.

The "Stratosfare" concept launched at both gondola properties has been well received. It has redefined our buffet-style restaurants with the focus on interaction between our guests, chefs and food.

Skyline International Luge

We continue to investigate new opportunities to expand our offshore luge operations.

Standardising our operating systems and introducing a licensing model to mitigate risk when operating in offshore locations remains our focus. This is important where the difficulty of managing complex projects and operations requires more direct local input rather than operating all offshore sites in our own right.

Skyline Luge Tongyeong

Unforeseen delays with the Tongyeong Luge project in South Korea shifts completion date to 2016. Skyline retains the view this project will be a positive addition to our luge operations portfolio.

Skyline Luge Sentosa

The upgrade at Sentosa has transformed the facility and resulted in trading exceeding our pre-upgrade forecasts. Directors and management are investigating further changes to accommodate this new demand which is forecast to continue.

Skyline Luge Mont Tremblant

The consistent trading results recorded over the past two years has been maintained.

Skyline Luge Calgary

With the first season fully operational after installing the improved luge cart handling system, an improved result has been achieved over last year. The luge product is proving popular which bodes well for the future.

Mercure Leisure Lodge.

As previously reported rationalisation of properties under the Mercure brand (Accor Hotels) in Dunedin has resulted in increased occupancy at Leisure Lodge. This coupled with increased general occupancy has resulted in an improved result this financial year.

Blue Peaks Lodge and Apartments

The continued growth in Queenstown visitor numbers has seen occupancy and yields improve across the accommodation sector. In addition increased promotion of the property through online and other developing channels to market has seen an improved result over last year.

Skyline Properties

The commercial property portfolio is nearly fully tenanted with results consistent with past years. Demand for downtown space remains strong. Construction of our new Marine Parade building is underway.

Totally Tourism

In line with our other businesses, TTL has benefited from the lift in visitor numbers. The past year's trading from this group of companies was ahead of last year, budget and projections at time of purchase. As noted in the Six Month

Review, The Helicopter Line has faced some very challenging operational issues and Milford remains a particularly competitive environment.

Christchurch Casino

Trading and patronage has not yet returned to pre-earthquake levels however bottom line results remain consistent with the past two years. The volatility from high end play is also a determining factor on trading results. The Casino will however continue to benefit from the rebuild with developments taking shape along Victoria Street and in the City Centre. New entertainment and food and beverage outlets are impacting on the Casinos food and beverage operations. Our strategy remains unchanged in positioning the Casino as Christchurch's premier entertainment destination.

Other Matters

Legal dispute – Heli Holdings and The Helicopter Line.

The Helicopter Line Limited and Heli Holdings Limited are in dispute regarding the lease of helicopters, provision of maintenance of helicopters by Airwork and other matters. The matter was heard in the High Court in May and June 2015. A decision is pending.

Investment in lifting group capabilities in terms of information and technology, social media, sales and marketing and other support functions continues.

Dividend

It is the directors' recommendation that a dividend of 42c per share (37c) be paid to shareholders requiring \$14.3m (\$12.6m)

With future demand to fund planned new investments and reinvestments in our established businesses Directors have again adopted a prudent approach in terms of the dividend payment.

This year's AGM is scheduled to be held on September 19th 2015 and we look forward to shareholders' attendance.

Mark Quickfall
Chairman

July 2015