



Skyline Preliminary Announcement for the Year Ended 31st March 2017

The strong trading reported in the September six-monthly financial review continued. Skyline is now pleased to announce a preliminary profit before tax of \$85.1m (\$67.4m last year).

This capped off another successful year for Skyline Enterprises.

The variation between the years of \$17.7m can be attributed to an increase in trading profit before tax of \$7.6m and an increase in value of the commercial property portfolio of \$10.1m.

Removing revaluation, amortisation and tax deferred on building depreciation provides a result of \$50.3m (\$44.1m last year). The accounts are subject to audit confirmation.

Recapping on our six-monthly review and more recent announcements.

Skyline Queenstown

Increased gains across all areas of the business continued this financial year. This performance reaffirms our decision to redevelop Skyline Queenstown. In June, our direct referral application for this development to the Environment Court was heard. The court highlighted two issues Skyline will need to address with car parking being the major issue. Our next step is to secure consent to construct a multi-story carpark behind the bottom terminal. This will extend our timeline for the project with a four-year development period and planned 2021 completion date.

Skyline Rotorua

The benefits of our refurbishment and new product development at Skyline Rotorua continued to provide growth. This has mainly benefited our gondola, luge, restaurant and zip line activities.

Skyline International Luge

Overall trading results for our International Luge sites in Canada and Sentosa met expectations.

Skyline Luge Sentosa track extensions and the second chairlift project completion in August will provide further capacity.

Since balance date, Skyline Luge Tongyeong has officially opened and trading is ahead of budget.

The establishment of our second Korean luge operation has been confirmed. Skyline Luge Busan will be part of a large-scale theme park, hotel and shopping complex development under construction called Osiria Thema Park in East Busan. Investigations of other potential offshore sites continue.

Mercure Leisure Lodge Blue Peaks Lodge and Apartments

Our accommodation properties continued to benefit from increased visitation and traded in line with the previous year. Both properties will benefit from planned upgrades to improve the guest experience.

Totally Tourism

The helicopter operations, Milford Sound flights, Mitre Peak Cruises and related operations delivered a collective result ahead of previous years.

Skyline Properties

Skylines commercial properties are near fully tenanted with the Queenstown CBD market remaining buoyant. The new Eichardts building on Marine Parade is complete with high quality tenants. Planning the refurbishment of O'Connell's Pavilion continues.

Christchurch Casino

The financial results continue to be consistent year on year. Post-earthquake inner city infrastructure and visitor accommodation has taken longer than expected to come on stream.

Skyline Enterprises Group Support

We continue to develop groupwide functions including Finance, HR, ICT, S&M and Enterprise Solutions to support our diverse range of businesses. Project Management has also become increasingly important with increased reinvestment in our businesses and new development projects.

Other Matters

Our executive search for a new CEO was successful. Geoff McDonald joined Skyline Enterprises 1 June 2017 after a significant business career in the global healthcare arena, most recently as General Manager of GSK Australia.

Investigations into the Franz Josef Glacier Gondola Project viability continue.

Dividend

The Directors' have determined a dividend of 60c per share (50c) be paid to shareholders requiring \$20.5m (\$17.0m)

This year's AGM will be held on 30th September 2017 at Skyline Queenstown.

Mark Quickfall
Chairman
3 July 2017