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SKYLINE PRELIMINARY PROFIT ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2008

Skyline are very pleased to report an excellent years trading with profit before tax of \$21.7m (\$19m) and after providing for tax of \$5.5m (\$5m) the net operating surplus for the group is \$16.2m (\$14m) for the year ended 31 March 2008. Although Tourism numbers were slightly down on the previous year the revenue and profitability generated by all of our companies helped to provide this fine result.

This profit announcement is made under the previous "Generally Accepted Accounting Practice" which has been operating for New Zealand Companies but we are now required to report under the "New Zealand International Financial Reporting Standards" and as such there will be some variation and changes when Shareholders receive the Audited published accounts.

The two Skyline Gondola properties in Queenstown and Rotorua were the main contributors to the overall profitability. They were very well supported by our other companies both in Accommodation and Luge rides.

Again the outstanding performer was the Sentosa Skyride and Luge which almost doubled its net profit from the previous year. North Sky Luge in Canada also returned increased profit and the Directors are very pleased with the performance of these relatively new overseas ventures. Both Blue Peaks Lodge and Mercure Leisure Lodge improved occupancy and profitability was either exceeded or very similar to the last year.

Christchurch Casino had a good year with profitability just slightly ahead of the previous year. The Casino is now 15 years old and so some reasonably major repairs and renovations are important to maintain a high class facility. The work will be ongoing for the next 2-3 years.

Crowne Plaza Hotel Christchurch maintained its high occupancy and the profitability was similar. The Dunedin Casino has traded consistently and is now paying dividends. SkyCity Queenstown is continuing to provide excellent entertainment facilities for the Queenstown public and is gradually improving performance. The Directors overhauled the Management structure this year in an attempt to improve future prospects.

During the year the company encountered a major fire at one of our building complexes on the corner of Rees and Beach Streets Queenstown, the “Night & Day business”. Substantial damage was incurred and requires a total reconstruction of the site. The existing Arcade will be demolished and a new building will be introduced with construction starting toward the end of this year. This will be a substantial building and will represent a significant improvement to the Companys property portfolio.

Our other properties around Queenstown have performed well with good rentals and some increases.

With the very good results the Directors will be recommending an increase in the annual dividend to 28c per share requiring \$9.5m (\$8.5m). This is an increase of 3c per share on the 25c paid last year.

While our business has performed well we are generally battling increasing costs particularly in labour, all overheads, food and liquor. This puts pressure on our profit margins and with a slight downturn in tourism numbers we need to work hard to maintain our strong profitability. Although the costs are heavy we continue our upgrading programmes and at the moment we are concentrating on a major refurbishment of the Queenstown Skyline Restaurant.

Although we have challenges your directors are confident that the company can continue to perform and produce the excellent results that have been achieved in the last three years. We look forward to shareholders attendance at the AGM on Saturday 20th September 2008.

Barry Thomas
Chairman
30 May 2008