



Skyline Preliminary Announcement for the Year Ended 31st March 2014

Skyline is pleased to report a satisfactory year's trading with a profit before tax of \$52.8M (\$17.2m last year before profit and gain on acquisition and disposal of casino assets)

The significant variations between the years can be attributed to an increase in the value of the commercial property portfolio of \$7.8m, insurance proceeds pertaining to earlier years for the Christchurch Casino of \$10.9m, a reduction in current year write offs for amortisation of goodwill of \$9.0m and full ownership of the Christchurch Casino.

Removing revaluation, amortisation, and tax deferred on building depreciation and insurance proceeds figures provides a result of \$25.3m (\$26.2m last year)

The accounts are subject to audit confirmation.

Skyline Gondola Properties

Skyline Queenstown enjoyed increased trading across the property with Gondola numbers topping last years all time high. Skyline Rotorua produced a result slightly ahead of last year. The recent implementation of a continuous improvement programme aims to lift performance further. New initiatives and upgrades are progressing at both properties to improve the visitor experience.

Skyline International Luge

Skyline Luge Sentosa's contribution was at a level consistent with the previous year. With all upgrades now complete we are seeing real benefits from this reinvestment. Mont Tremblant achieved an improved result and fully met expectations. As previously noted, the establishment at Calgary was not without its challenges. With consenting, mechanical and operational issues now resolved, improved results are forecast.

Consenting of the Skyline Luge Tongyeong in Korea is progressing and construction may commence this year with an opening planned for late 2015.

Establishment of new offshore luge operations will impact on trading results until they are fully operational with an established trading base.

Totally Tourism

The second full year's trading from this group of companies was in line with last year. In a very competitive environment Totally Tourism has worked hard to leverage its market position with its industry respected brands, strategically positioned in key locations. With a wide range of dynamic operations, management continue to focus on operational efficiencies to improve performance.

Christchurch Casino

Patronage is still below pre earthquake levels but the trend continues to improve with an 8% increase in guest numbers over 2012/2013. Repair to the infrastructure in the vicinity of the Casino continued and at times has made access to the Casino difficult.

Victoria Street has become an entertainment precinct in its own right with significant growth in hospitality venues in the area with more to come. The opening of the Casino's new entertainment and function venue, Mashina, late last year has seen demand exceed capacity over the weekends in particular. The opening of Mashina reinforces the Casino's place as Christchurch's Premier Entertainment Destination.

Accommodation Properties

The Mercure Leisure Lodge and Blue Peaks Lodge recorded strong growth in occupancy for the year; this in turn improved net return from both properties.

Commercial Properties

Vacancy levels continue to remain low in the town centre with our tenancies providing a result in line with last year. Skyline Properties current focus is the new build on our Marine Parade and Church Street site. The recently announced town centre improvement project is welcomed by all properties owners.

Dividend

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

With trading results on par with last year, the continued investment in offshore luge and reinvestment in our established businesses Directors have adopted a prudent approach in terms of the dividend payment.

General

International tourist arrivals (overnight visitors) grew by 5% worldwide in 2013, reaching a record 1,087 million arrivals, after topping the 1 billion mark in 2012. Asia and the Pacific recorded the strongest growth with a 6% increase in arrivals.

The destinations Skyline Enterprises operate in; New Zealand, Canada and Singapore have all trended up. New Zealand and Singapore in particular have enjoyed solid growth from China and wider Asia and this is forecast to continue.

This year's AGM is scheduled to be held on 13 September 2014 and we look forward to shareholders' attendance.

Mark Quickfall

Chairman

July 2014