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Update for the 6 months to 30 September 2020

November 2020

Greetings Shareholders,
As anticipated COVID-19 has had a significant impact on Skyline's global operations.

However, trading is better than expected across the majority of sites, due to strong domestic demand through peak times and support from government initiatives in New Zealand, Korea, Canada and Singapore.

It was opportune for the New Zealand businesses that the country moved to the initial Alert Level 1 prior to the July school holidays which allowed for increased visitation and improved trading on our sites during this critical period. Pleasingly, the casino has delivered a respectable and consistent performance since the lockdown period ended. At the end of September, EBIT for the group is positive, albeit 70% down on the same period last year.

We have benefited from a variety of support and funding packages from Governments in all operating countries during the last six months. This support has aided our financial position. We are also extremely grateful for the support received from our landlords and suppliers globally, who have provided various forms and degrees of relief, especially in the initial months of the financial year when COVID-19 first appeared. Skyline in turn has worked hard to continue to support our own tenants right across the commercial property portfolio.

Early in the new financial year we secured confirmation of a funding line with our bankers BNZ, but at this stage we have not yet had to draw down on this.

Restructures across our operations have been completed, and in recent weeks we have been able to re-employ staff in some sectors to help cope with the busier periods.

In New Zealand trading has tapered off after the most recent School Holidays, and the Canadian sites are now closed for the season. We look forward to the upcoming summer holidays in New Zealand but acknowledge it may be some months before we see the return of International travel. Therefore, we will continue our conservative approach to manage and monitor costs tightly across the group.

On the development front, Busan and the O'Connell's redevelopments continue to plan and are due to complete in June 2021 and Nov 2021 respectively. Some minor civil works are also ongoing for the Skyline Queenstown development. The Board continue to regularly review and prioritize all capital work streams.

Our broad customer appeal, our people, and global diversity of the portfolio continue to be our core strengths. They will see us through this crisis and ensure Skyline Enterprises remains agile, sustainable and successful.

Kind Regards
Jan Hunt
Chair – Skyline Enterprises