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## **Annual General Meeting Update**

Skyline Enterprises outlined its financial results to shareholders at its annual meeting in Queenstown on Saturday with the Group operations making a net profit after tax of \$35.7 million over the 2022 financial year compared with \$56.7 million for the previous year.

Skyline Chair Jan Hunt said that throughout the year the operating environment continued to be dominated by the impact of COVID-19 but the board and management were encouraged by the 2022 result and the strength and resilience within New Zealand and across the company's international operations.

"As communicated previously, the COVID-19 pandemic has had a material impact on Group operations. Border closures and restrictions, lockdowns, and constantly changing operating environments depressed overall business performance.

"Despite this, we were proactive in minimising the impact by maintaining agile and flexible operating models, tight cost control, and careful oversight of our capital works projects. As international travel gradually returns, we are confident that our response will position Skyline well to face further headwinds from higher inflation, constrained supply and a tighter employment market.

Skyline Chief Executive Officer Geoff McDonald said while some operations had been impacted more than others there was growing evidence to support a level of cautious optimism moving forward.

"At home, the lockdown of Auckland, our largest domestic market, in the latter half of the financial year and the absence of international visitors had a negative impact across all our New Zealand operations. The greatest impact was felt by our Skyline Queenstown business, but in recent months we have seen an increase in visitation, particularly from Australia as borders reopen and travel connectivity improves.

"Skyline Rotorua and the Christchurch Casino both enjoyed sound domestic and local visitation prior to the Auckland lockdown. Careful cost management through the later part of the year contributed to a respectable year-end result for both businesses.

"Our international operations were similarly not immune to COVID-19 related disruption, but positive results were still delivered across all businesses – particularly where COVID-19 restrictions eased earlier such as in Singapore or where they had been largely removed such as in Canada. The opening of our newest and largest Skyline Luge site in Busan, South Korea in July 2021 was a highlight of the year.

"Work is progressing on the Skyline Queenstown redevelopment and the future international developments in Kuala Lumpur, Malaysia and first Skyline property in the United Kingdom, Swansea."

Ms Hunt said while the Board deemed the payment of the traditional year-end dividend inappropriate at the time the financial year concluded, it had committed to consider an interim dividend payable later in the year if there was a positive trend in travel and visitation. Given recent performance trends it was now appropriate to do so, with the payment of a 20c dividend pre-Christmas this year.

All resolutions before shareholders at the meeting were passed by majority including the re-election to the Board of Grant Hensman and Donald Jackson and the election of Peter Treacy. Mr Treacy will become the Chair with Ms Hunt announcing her retirement at the end of the year.

After two years of Covid impacting on its operations and customer behaviours, Skyline subsidiary Christchurch Casino is establishing an offshore subsidiary - Christchurchcasino.com Limited - to partner with a licensed international gaming company and launch an online casino.

Christchurch Casino Chairman Bruce Robertson said it is a largely defensive initiative due to the growth in online casinos, at the expense of land-based casinos such as CCL.

Mr Robertson said that like other online casinos, CCL's will be run out of Malta and will involve robust responsible gambling safeguards. Online casinos are currently legally prohibited from being established or promoted in New Zealand, and CCL will comply fully with all its legal requirements.

He said CCL hopes that in due course a well-regulated legislative framework will be introduced for online gambling to be operated in New Zealand with regulatory oversight and monitoring to ensure world leading harm minimisation and responsible gambling safeguards are in place.

In addition, notwithstanding the offshore location of the online casino, Christchurchcasino.com Limited will pay GST on any gambling by NZ residents, as well as making further contributions to Christchurch Casino's charitable trust, Mr Robertson said.