

Christchurch City Holdings lifts holding in Lyttelton Port Company

News release

18 October 2005

Christchurch City Holdings Ltd (CCHL) has bought a further 3.84% of the ordinary shares in the Lyttelton Port Company, taking its total holding from 65.16% to 69%.

CCHL is the Christchurch City Council's investment company, and bought the ordinary voting shares off-market from the Ashburton District Council, paying \$1.86 a share, for 3,926,190 shares for a total of \$7.3 million.

CCHL advised the NZSX of the purchase at 4pm today.

“The purchase enables CCHL to consolidate its LPC shareholding, and will also enable CCHL to group LPC with our other subsidiaries for tax purposes,” said the Chief Executive of CCHL, Mr Bob Lineham.

CCHL also advised that the share sale and purchase agreement includes an escalation clause.

“If LPC's share price should rise significantly within three months of the sale, then we will look at adjusting the sale price to reflect such a movement.”

“With the recent fluctuations in the share price, we agreed to include the escalation clause to provide Ashburton District Council with comfort that the price settled on is a reasonable reflection of the market over the immediate short-term.” said Mr Lineham.

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