



CHRISTCHURCH CITY HOLDINGS LIMITED

## **CHRISTCHURCH CITY HOLDINGS RELEASES 2013 ANNUAL REVIEW AND REPORT**

Christchurch City Holdings Limited (CCHL) has released its Annual Review and Report for the year to June 2013.

CCHL is the investment arm of Christchurch City Council. It owns or has majority holdings in major infrastructure including the electricity network (Orion New Zealand Ltd), transport, freight and logistics (Christchurch International Airport Ltd, Red Bus Ltd, Lyttelton Port Company Ltd), optical fibre network (Enable Services Ltd) and maintenance, construction and services (City Care Ltd and EcoCentral Ltd).

The CCHL 2013 group profit for the year was \$70.7 million, compared with \$97.3 million in the 2012 financial year.

CCHL's Chairman Bruce Irvine said "The result compares favourably with the \$63.3 million forecast in last year's Statement of Intent. There were a number of one-off factors in both years, in particular earthquake impacts, that make a simple comparison of 2012 and 2013 results difficult – for example, there were insurance receipts of \$43.7 million in the 2012 year compared with \$18.0 million in 2013."

During the year, CCHL paid \$36.3 million in ordinary dividends to the Christchurch City Council, which when combined with tax adjustments assigned directly to the Council equated to the budgeted \$40.0 million in CCHL's Statement of Intent.

The report contains positive news regarding Lyttelton Port Company Ltd which reported strong improvements in trading, with record container volumes and increases in most other trades, and Christchurch International Airport Ltd which achieved a creditable result despite a reduction in passenger numbers.

The Annual Review shows normalised profit before tax for the year reduced by almost \$8.0 million from the last financial year. A contributing factor to this was a reduction in City Care Ltd's profitability for the 2013 year, arising in part from 'growing pains' as it develops into a much larger scale company. Partially offsetting this and other reductions were improvements in Orion New Zealand Ltd's and Lyttelton Port Company Ltd's underlying profitability.

Mr Irvine says the CCHL group has continued to play a vital role in the re-build of Christchurch and Canterbury following the Canterbury earthquakes.

"Overall the portfolio approach taken by CCHL with its range of investments has once again provided the underlying financial robustness required in times which, since the earthquakes, have proven to be volatile. CCHL will continue to provide the financial certainty that the Council requires with regard to on-going and sustainable dividends," he said.

For the first time CCHL reported on its role with the Canterbury Development Corporation (CDC). CCHL, at the request of the Christchurch City Council, has assumed a monitoring role for the organisation.

The review also summarises CCHL's involvement with the District Energy Scheme. CCHL has undertaken its own investigation and sought expressions of interest from the market.

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Christchurch City Holdings Limited is the 100% owned infrastructure investment arm of Christchurch City Council. It is the majority shareholder of Orion New Zealand Limited, Christchurch International Airport Limited, Lyttelton Port Company Limited, Enable Services Limited, City Care Limited, Red Bus Limited, and EcoCentral Limited.