

# Christchurch City Holdings Limited

## Fixed Rate Bond Offer Presentation

Arranger and Joint Lead Manager



Joint Lead Manager



# Disclaimer/Important Notice

Your attendance at this presentation constitutes your agreement to be bound by the following terms and conditions.

This presentation has been prepared by Christchurch City Holdings Limited (CCHL) in relation to the offer of bonds described in this presentation (Bonds). The offer of the Bonds is made in the product disclosure statement dated 16 November 2017 (PDS), which has been lodged in accordance with the Financial Markets Conduct Act 2013 (FMCA).

**The PDS is available through [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) or by contacting ANZ Bank New Zealand Limited or Westpac Banking Corporation (ABN: 33 007 457 141) (acting through its New Zealand branch) as Joint Lead Managers or any other Primary Market Participant, and must be given to investors before they decide to acquire any Bonds. No applications will be accepted or money received unless the applicant has been given the PDS.**

The information in this presentation is of general nature and does not constitute financial product advice, investment advice or any recommendation by the Issuer, the Supervisor, the Arranger, the Organising Participant, the Joint Lead Managers, or any of their respective directors, officers, employees, affiliates, agents or advisors to subscribe for, or purchase, any of the Bonds. Nothing in this presentation constitutes legal, financial, tax or other advice. The information in this presentation does not take into account the particular investment objectives, financial situation, tax position or needs of any person. You should make your own assessment of an investment in CCHL based on the PDS and should not rely on this presentation. In all cases, you should conduct your own research on the Issuer and analysis of any offer, the financial condition, assets and liabilities, financial position and performance, profits and losses, prospects and business affairs of CCHL, and the consents of this presentation.

CCHL has prepared this presentation using the information available as at the date of this presentation and is subject to change without notice. CCHL is not under any obligation to, nor does it intend to, update, modify or amend this information (in whole or in part) if any statements, opinions, conclusions or other information changes or subsequently becomes inaccurate. To the maximum extent permitted by law, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions in this presentation, or any information provided orally or in writing in connection with it.

This presentation contains certain forward looking statements with respect to CCHL. All of these forward looking statements are based on estimates, projections and assumptions made by CCHL about circumstances and events that have not yet taken place which, although CCHL believes them to be reasonable, are inherently uncertain. Therefore, reliance should not be placed upon these estimates and statements. No assurance can be given that any of these estimates or statements will be realised. It is likely that actual results will vary from those contemplated by these forward looking statements and such variations may be material.

Credit ratings provided by third-party credit ratings are statements of opinion, not statements of fact or recommendations to buy, hold or sell any securities. Such ratings may not reflect all risks of an investment in any securities and may be subject to revision, suspension or withdrawal at any time.

CCHL and its directors, officers, employees, agents and advisers disclaim all liability and responsibility (including for negligence) for any direct or indirect loss or damage which may be suffered by any recipient through use or reliance on anything contained in or omitted from this presentation.

Recipients should not assume that the information contained in this presentation is accurate as of any date other than the date on the front cover of this presentation or that there has been no change in the affairs of CCHL since that date.

None of the Arranger, the Joint Lead Managers or Supervisor nor any of their respective directors, officers, employees, affiliates or agents have independently verified the information contained in this presentation. None of the Arranger, Joint Lead Managers nor any of their respective directors, officers, employees and agents: (a) accept any responsibility or liability whatsoever for any loss arising from this presentation or its contents or otherwise arising in connection with the offer of Bonds; (b) authorised or caused the issue of, or made any statement in, any part of this presentation; and (c) make any representation, recommendation or warranty, express or implied regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this presentation and accept no liability (except to the extent such liability is found by a court to arise under the Financial Markets Conduct Act 2013 or cannot be disclaimed as a matter of law).

The distribution of this presentation, and the offer or sale of the Bonds, may be restricted by law in certain jurisdictions. Persons who receive this Presentation outside New Zealand must inform themselves about and observe all such restrictions. Nothing in this Presentation is to be construed as authorising its distribution, or the offer or sale of the Bonds, in any jurisdiction other than New Zealand and CCHL accepts no liability in that regard. The Bonds may not be offered or sold directly, indirectly, and neither this presentation nor any other offering material may be distributed or published, in any jurisdiction except under circumstances that will result in compliance with any applicable law or regulations.



Application has been made to NZX Limited (NZX) for permission to quote the bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the date of this presentation have been duly complied with. However, the Bonds have not yet been approved for quotation and NZX accepts no responsibility for any statement in this Presentation. NZX is a licensed market operator and the NZX Debt Market is a licensed market, each regulated under the FMCA.

# Agenda

Key Terms of the Offer	4
Overview of CCHL	7
CCHL Portfolio Assets	11
Update on Christchurch and Christchurch City Council	18
Capital Release Programme	22
CCHL Financial Overview	25



# Section 1

## Key Terms of the Offer

# Key Terms of the Offer

Issuer	Christchurch City Holdings Limited (“CCHL” or the “Issuer”)
Instrument	Unsecured, unsubordinated, fixed rate bonds (“Bonds”)
Uncalled Capital	CCHL is a wholly owned subsidiary of Christchurch City Council, which provides explicit financial support to CCHL through its subscription for uncalled capital
Issuer Rating	A+ (stable) S&P Global Ratings
Expected Issue Rating	A+ S&P Global Ratings
Issue Amount	Up to \$100,000,000 with the ability to accept up to \$50,000,000 of oversubscriptions at CCHL’s discretion
Tenor	5 years
Maturity Date	6 December 2022
Interest Rate	The Interest Rate will be determined by CCHL in conjunction with the Joint Lead Managers following the bookbuild
Interest Payments	Semi-annually in arrear in equal amounts on 6 June and 6 December in each year until and including the Maturity Date
Denominations	Minimum denominations of \$5,000 with multiples of \$1,000 thereafter
Financial Covenants	CCHL has agreed that, for so long as any Bonds are outstanding: <ul style="list-style-type: none"> <li>• its Total Liabilities will not exceed 60% of its Total Tangible Assets;</li> <li>• the ratio of EBIT to Interest and Financing Costs will not be less than 1.5:1; and</li> <li>• Shareholders’ Funds will not be less than \$500m</li> </ul>
Negative Pledge	CCHL has agreed that it will not create any security over its assets, excluding (inter alia); <ul style="list-style-type: none"> <li>• security interests created with the Supervisor’s consent; and</li> <li>• security interests in respect of which the aggregate principal amount of indebtedness so secured by all security interests permitted under this exclusion does not exceed 5% of CCHL’s Total Tangible Assets at that time.</li> </ul>
Listing	Application has been made to NZX to quote the Bonds on the NZX Debt Market



# Key Dates of the Offer

Opening Date	Monday, 27 November 2017
Closing Date	2pm NZT, Wednesday, 29 November 2017
Rate Set Date	Wednesday, 29 November 2017
Issue and Allotment Date	Wednesday, 6 December 2017
Expected Date of Initial Quotation on NZX Debt Market	Thursday, 7 December 2017
Maturity Date	Tuesday, 6 December 2022



## Section 2

### Overview of CCHL

# Overview of CCHL

## CCHL is the subsidiary holding company for CCC's trading businesses

- CCHL is a wholly-owned subsidiary of Christchurch City Council ("CCC").
- CCHL is the holding company for the Council's investment in eight trading businesses (CCTO's).
- Established in 1993.
- Strategic purpose of CCHL is to provide a separate and non-political commercial framework for the CCTOs.
- CCHL is responsible for overseeing, monitoring and managing CCC's shareholding in the CCTOs.
- CCHL aims to maximise its dividends to CCC, which are used to moderate rates increases.

### Scope & Scale

- Eight CCTOs, with a significant portion related to infrastructure businesses that support residential and commercial activities of the city and region.
- Approximately 95% of assets have an infrastructure bias.
- Total value of CCHL assets: \$2.9 billion.
- S&P credit rating: A+ (stable).



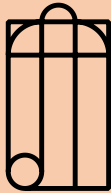
## Snapshot of CCHL

**\$2.87 billion** CCHL Parent Total Assets (up 7% from prior year)

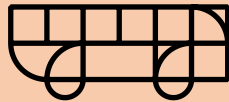
**\$2.18 billion** CCHL Parent Equity (up 5% from prior year)

**\$1.37 billion** of capital and dividend payments CCHL has made to the Council since 1995

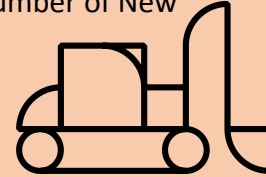
**8,655** tonnes recovered for resale by EcoCentral



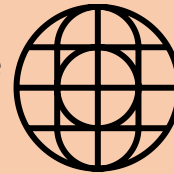
**5.6 million** Red Bus fleet kms during the year



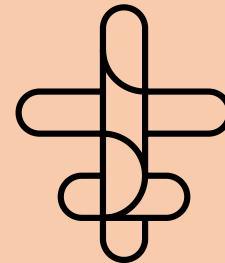
**2 million +** the number of New Zealanders serviced by Citycare



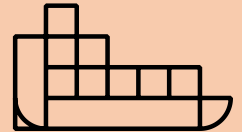
**50,106** the number of business, school and home broadband users which were connected to Enable's fibre network



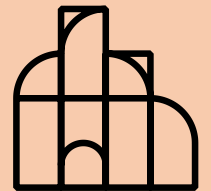
**6.57 million** the number of passengers through the CIAL terminals



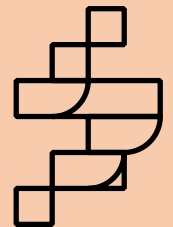
**401,711** containerised volume in TEUs handled by LPC – a record level



**\$19.2m** of funding approved means DCL are on track to transform New Brighton into a bustling seaside leisure destination



**200,000** the number of homes & businesses to which Orion distributes power



# Governance and Management

## Directors

- Jeremy Smith BSc, BCom, LLB, CMInstD (Chair), Appointed August 2016
- Lianne Dalziel LLB, Appointed December 2016
- Andrew Turner, Appointed December 2016
- Alex Skinner CA, FCA (ICAEW), CMInstD, Appointed November 2016
- Vicki Buck MA (Hons), Appointed December 2013
- Jamie Gough CMInstD, Appointed December 2013
- Mary Devine ONZM, B.Com, MBA, Appointed April 2017
- Greg Campbell MBA, FNZIM, Commences November 2017

## Management

- Paul Munro BCom, CA, CMInstD, Chief Executive Officer
- Leah Scales, BCom, CA, Chief Financial Officer

## Section 3

### CCHL Portfolio Assets

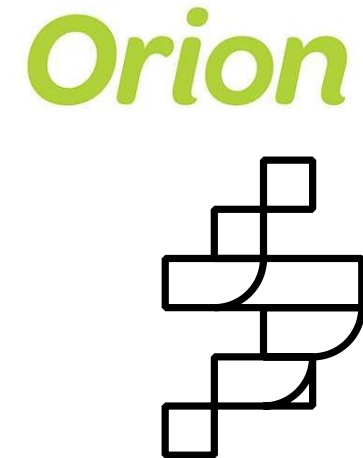
## CCHL Portfolio Assets

### Orion New Zealand Limited

- Orion owns and operates the electricity distribution network between the Waimakariri and Rakaia rivers and from the Canterbury coast to Arthur's Pass.
- Orion delivers electricity to approximately 200,000 homes and businesses, making it New Zealand's third largest electricity distribution company when compared on line revenue, asset size and system length.
- Orion has undertaken a significant network resilience and reliability capex programme following the Christchurch earthquakes, this program it expected to be substantively complete by the end of FY18.
- Orion owns Connetics, which is an electrical contracting business which provides services to a broad range of customers. Connetics undertakes approximately half of Orion's fieldwork for its network.
- Orion provided 57% of CCHL's dividend revenue in FY17. In FY15 Orion received its final earthquake-related insurance settlement of \$29m, boosting NPAT that year.

### Key Initiatives

- Following the earthquakes, Orion diverted onto a customised price path; the business will migrate to the default price path in 2021.
- Post-earthquake recovery and renewal programme well advanced and delivering notable benefits.



Financial summary	2015	2016	2017
	\$m	\$m	\$m
Revenue	334.1	307.3	309.7
Net Profit After Tax	82.6	53.4	51.8
Distributions	56.0	153.0	55.0
Total assets	1,083.9	1,122.0	1,156.7
Shareholders' equity	759.7	660.1	672.7

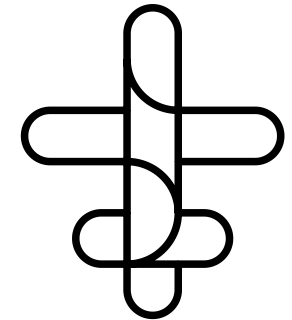
# CCHL Portfolio Assets

## Christchurch International Airport

- The Airport is located 10 kilometres northwest of Christchurch city centre, on the western city development edge and is a critical piece of significant national and regional infrastructure.
- Second largest airport in New Zealand (annual passengers 6.57m in year to 30 June 2017).
- As the gateway for Christchurch and the South Island, the Airport is the busiest and most strategic air connection for South Island trade and tourism markets.
- In FY17, 51.7% (FY16: 52%) of CIAL's operating revenue came from non-regulated sources, comprising mostly rental from commercial and retail properties located within and around the main airport campus.
- CIAL provided 29% of CCHL's dividend revenue in FY17.

## Key Initiatives

- Terminal Development completed.
- 3 P's - Planes, Passengers and Property Strategy.
- Real Growth Strategy 2025.
- Business risk diversification through property growth provides a pivotal role in underpinning the long term competitive position of CIAL's aeronautical services and how aviation volatility impacts profitability.



Financial summary	2015	2016	2017
	\$m	\$m	\$m
Revenue	177.4	182.7	213.5
Net Profit After Tax	39.3	43.1	64.6
Dividends	9.9	29.3	33.0
Total assets	1,212.8	1,260.6	1,347.0
Shareholders' equity	766.8	791.2	826.9

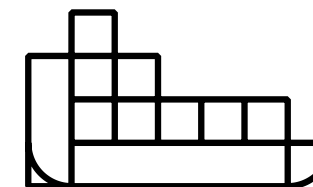
# CCHL Portfolio Assets

## Lyttelton Port Company Limited

- Largest port in the South Island.
- Third largest container port in NZ, 400,000 TEUs (20-foot equivalent containers) p.a.
- LPC's revenue is received from shipping and shipping related services, including stevedoring and cargo handling.
- LPC owns two Inland Ports which improve the port's connectivity for South Island trade:
  - the CityDepot (acquired in 2005) is located 6 kilometres from Lyttelton; and
  - MidlandPort (opened in 2016) a 27-hectare site at Rolleston which provides a direct daily rail link with the Lyttelton Port.
- LPC is now focussed on growth and futureproofing the Port to enable continued economic growth of Canterbury.
- LPC provided 6% of CCHL's dividend revenue in FY17.

## Key Initiatives

- Significant capex programme focusing on growth initiatives for the port:
  - Large reclamation project to relocate container port.
  - New dedicated cruise ship berth.
  - Significant dredging project planned, which will increase capacity for larger ships.
  - New Marina under construction, opening in early 2018.



Financial summary	2015	2016	2017
	\$m	\$m	\$m
Revenue	109.1	105.7	114.4
Net Profit After Tax	20.6	(59.8)	14.4
Dividends	22.2	2.6	5.2
Total assets	588.5	491.5	506.1
Shareholders' equity	531.7	469.1	478.4

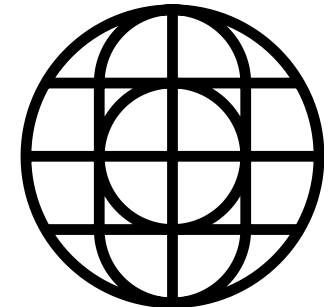
## CCHL Portfolio Assets

### Enable Services Limited

- Enable Group (including Enable Networks Ltd) is the provider of ultra-fast fibre broadband (“UFB”) distribution and service to the Canterbury region.
- Enable was awarded the UFB contract to build and operate a fibre optic network for the Canterbury region in 2011.
- The completed network will extend across Christchurch and to a number of towns in the Waimakariri and Selwyn Districts.
- The network build is currently due for completion in December 2018, one year ahead of contractual targets.
- Approximately 180,000 businesses, schools, homes and healthcare facilities will be able to connect to UFB network.
- 50,106 customers were connected to the network as at 30 June 2017, an increase of 24,289 throughout the year.
- The Enable Group does not currently provide dividends to CCHL.

### Key Initiatives

- Complete roll-out of the network by 2019.
- Drive customers connections.
- The UFB network will support and facilitate increased productivity and growth for the region.
- Potential migration to regulated environment.
- Transition company from network build focus to service concentration.

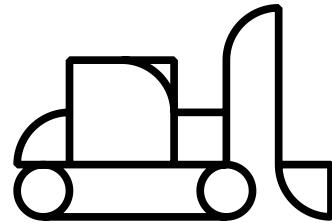


Financial summary	2015	2016	2017
	\$m	\$m	\$m
Revenue	74.4	75.2	36.3
Net Profit/(Loss) After Tax	(10.0)	3.3	(8.5)
Dividends	-	-	-
Total assets	191.5	343.3	424.7
Shareholder's equity	13.6	100.8	138.9

## CCHL Portfolio Assets

### Citycare Group

- City Care is a leading provider of construction, maintenance and management services across New Zealand's built environment.



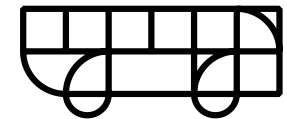
#### Key Initiatives

- New operational delivery model focusing on three key market sectors.
  - Citycare Water.
  - Citycare Property.
  - Citycare Civil.

Financial summary	2015	2016	2017
	\$m	\$m	\$m
Revenue	333.5	306.8	303.5
Net Profit After Tax	10.2	6.8	3.5
Dividends	5.7	4.1	6.2
Total assets	108.5	105.1	102.9
Shareholder's equity	55.7	58.9	56.3

### Red Bus Limited

- Provider of large passenger transport business servicing Canterbury and South island.
- Urban service provider for Christchurch.



#### Key Initiatives

- Establishment of Red Travel in 2015.
- Acquisition of Aaron Travel in 2016.

Financial summary	2015	2016	2017
	\$m	\$m	\$m
Revenue	18.3	19.1	20.6
Net Profit After Tax	-	0.1	0.2
Dividends	1.9	1.4	-
Total assets	42.0	43.2	43.5
Shareholder's equity	36.7	37.7	38.0

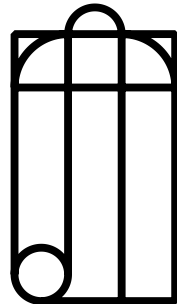
## CCHL Portfolio Assets

### EcoCentral Limited

- EcoCentral manages the processing of household and Commercial refuse and the automated sorting of recycling throughout the Canterbury region.

#### Key Initiatives

- EcoSort – recycling facility to sort, bale and sell reclaimed material either in NZ or overseas.
- EcoDrops – three transfer stations.
- EcoShop – retail outlet for household recycled goods.



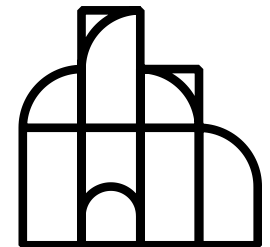
Financial summary	2015	2016	2017
	\$m	\$m	\$m
Revenue	38.8	37.6	37.9
Net Profit After Tax	2.0	1.6	0.9
Dividends	0.3	0.3	0.3
Total assets	16.3	15.9	16.3
Shareholder's equity	6.6	7.8	8.4

### Development Christchurch Ltd

- Established in 2015, DCL is one of three public sector agencies which works to support the regeneration and redevelopment of Christchurch.

#### Key Initiatives

- DCL has responsibility for facilitating, enabling and transforming development and investment opportunities to deliver strong outcomes for the people of Christchurch.



Financial summary	2015	2016	2017
	\$m	\$m	\$m
Revenue		0.3	4.3
Net Profit/(Loss) After Tax		(1.2)	0.2
Dividends		-	-
Total assets		2.7	3.1
Shareholder's equity		2.3	2.4

Note: DCL's FY17 financial information is provisional, and has not been audited.

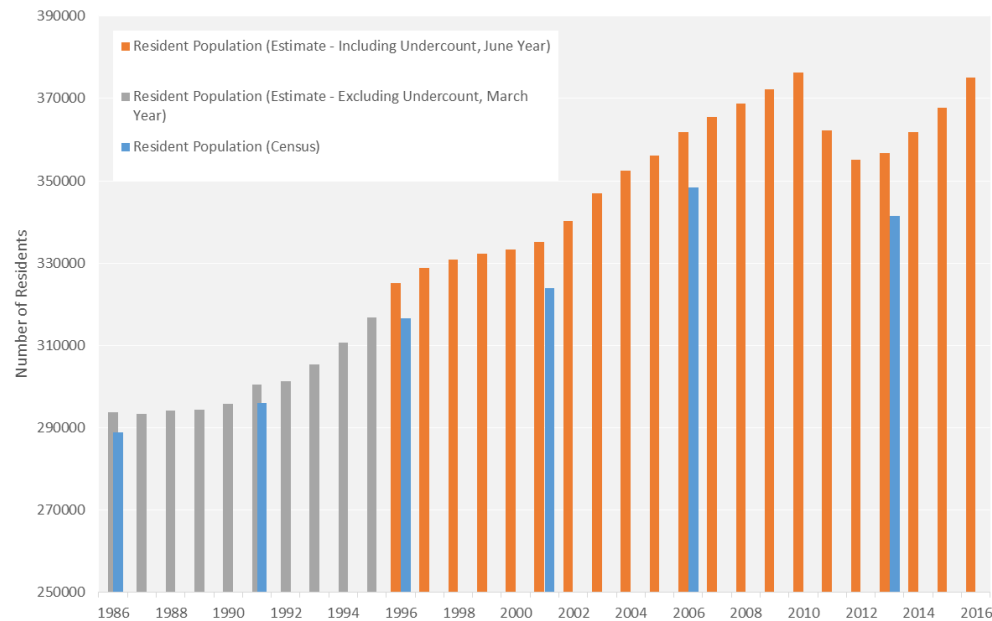
## Section 4

# Update on Christchurch and Christchurch City Council



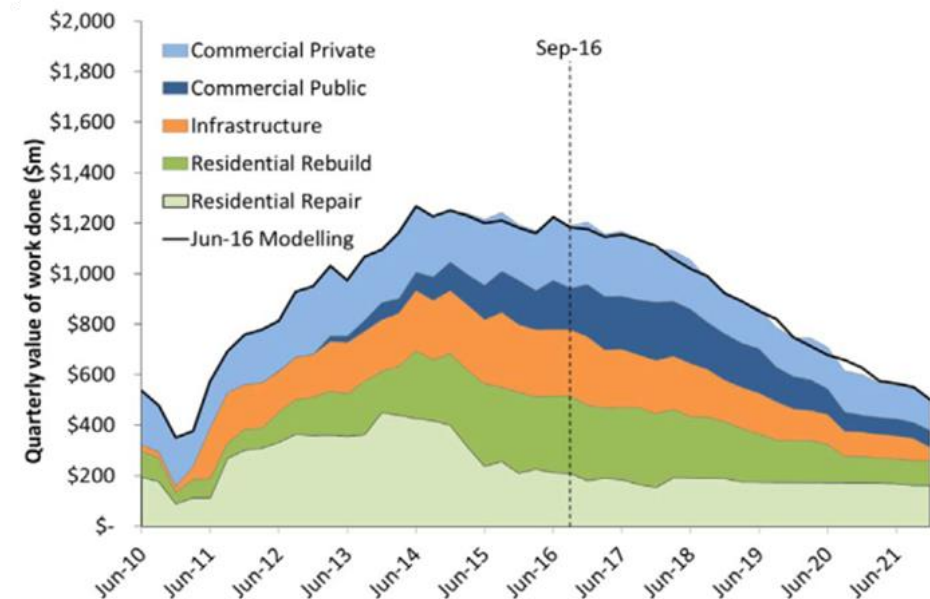
# Christchurch City

Post-earthquake focus is on a return to stability and normalised operating environment for the revitalised city



City population has stabilised. Future population growth ~1% pa

Greater Christchurch quarterly value of work projections



Source: MBIE

Construction volumes have peaked & are now normalising

# Christchurch City

**Post-earthquake focus is on a return to stability and normalised operating environment for the revitalised city**

## **City-wide rebuild investment > \$30 billion**

- Large number of major commercial tenants now back in the CBD.
- Key focus on Anchor Projects
  - *Justice Precinct (late-2017), Central Library (2018), Town Hall (2019), Convention Centre (2020), Metro Sports (2020).*
- Stronger Christchurch Infrastructure Rebuild (SCIRT) horizontal infrastructure complete.

## **Christchurch is a revitalised and improved city**

- Substantial rebuild has transformed Christchurch into a modern, safe city.
- Improved city and community infrastructure (underground utilities, roading / transport, hospitals / health, education).
- Significant increase in latent resilience.

# Christchurch City Council (Parent)

**Significant infrastructure capex will continue, but operations and finances have stabilised**

**Financials reflect insurance & government receipts, plus capex investment**

	2012	2013	2014	2015	2016	2017
Rates Revenue	298	311	337	362	396	426
Total Revenue	1,064	902	877	1,007	1,231	1,059
Total Assets	8,003	8,270	9,104	10,933	12,032	12,805
Net Debt	278	564	579	755	638	854

- S&P “A+ (Stable)” credit rating – ultimate credit comfort is Council’s power as taxing authority.
- 2016 Rating Values > \$100 billion (CCC’s effective rating base).
- Average rates charges still comparable with other metro councils.
- At present, there are no plans to sell CCHL’s shareholdings in its businesses.
- No plans to issue bonds in own name.
- No effective “cap” on ability to borrow cost-effectively from the LGFA, given Auckland’s volumes (CCC currently around 22% of LGFA’s loan book).
- Shareholder in LGFA (8.3% holding).
- Insurance settlement received.

## **Council provides explicit financial support to CCHL**

- \$1.3 billion of un-called capital.

## **Debt ratios & Rates stabilising at sustainable levels**

- As per Christchurch City Council Amended Long Term Plan 2015-2025:
  - Debt / Revenue ratio to peak in 2021 at 180% vs. LGFA covenant Limit of 250%.

## Section 5

# Capital Release Programme

# Capital Release Programme

**CCHL has undertaken to return a further \$280 million of capital to CCC facilitated by new debt issuance**

## Christchurch City Council (CCC) Funding Requirement

- CCC and CCHL have agreed that the optimal funding strategy for the group is for CCHL to provide \$280m via capital return.
- The most effective mechanism for CCHL to achieve this is via a debt issuance.
- CCC has no plans to issue in their own name as they will continue to raise debt via the LGFA given their shareholder status, low cost of capital and no capacity constraints.
- Whilst CCHL may continue to borrow via CCC, CCHL will seek to reengage with the market to diversify its debt programme.

## CCHL is structurally supported by CCC via Uncalled Capital

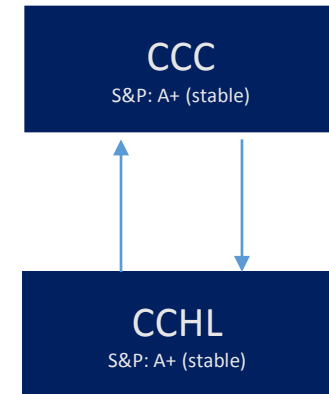
- Christchurch City Holdings Limited (“CCHL”) is a CCC wholly-owned subsidiary.
- CCC provides explicit financial support to CCHL through its subscription to Uncalled Capital (UCC).
- Under the Master Trust Deed for the Bonds (and the Negative Pledge Deed in connection with its other borrowings), CCHL covenants that it will ensure that Total Liabilities do not exceed:
  - The amount of uncalled and unpaid shares issued to CCC; and
  - The principal of all loans from CCHL to CCC which are repayable within seven days.
- The UCC can be ‘called’ in whole or in part by CCHL.
- CCHL has an A+ (stable) credit rating from Standard & Poor’s.

# Uncalled Capital

## CCHL is structurally supported by CCC via Uncalled Capital

### Key features of the Uncalled Capital

- Instrument: Redeemable Preference Shares.
  - Dividend: BKBM bid + 1.00% (paid pro rata based on amount paid up on Preference Shares).
  - Payment of Calls: Payment due, based on five business days notice provided by CCHL.
  - Not Cancellable / Not Redeemable while the Bonds are outstanding and other indebtedness remains.
- 
- The UCC is not a guarantee – Local Authorities are prohibited from providing guarantees to CCTOs.
  - The Bondholders and, separately, the beneficiaries of the CCHL Negative Pledge Deed (ie bank lenders and other debt security-holders), may vote for CCHL to call the UCC in an “event of default”, and monies received would be available to all creditors of CCHL.



CCHL has currently  
issued Uncalled  
Capital of \$1.3bn  
to CCC

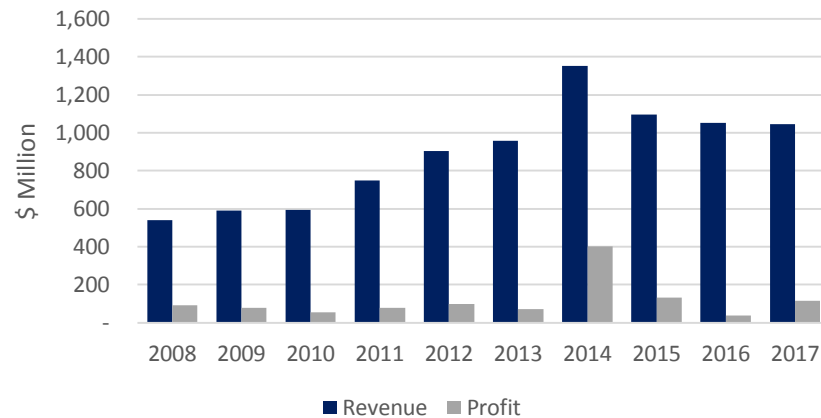
## Section 6

### CCHL Financial Overview

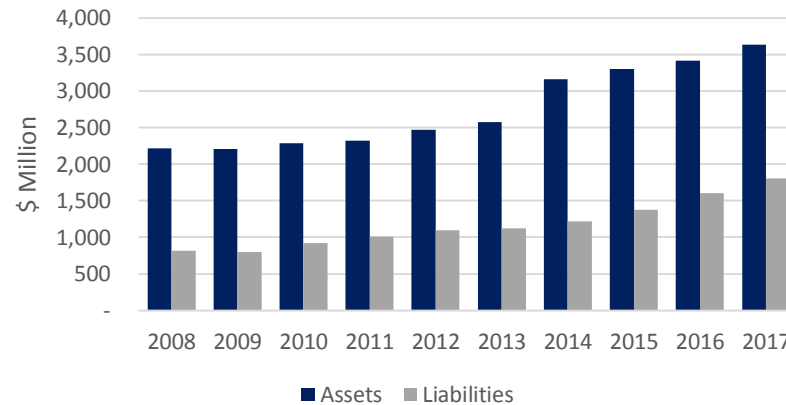
# CCHL Group Financial Overview

## 10 year Financial Summary

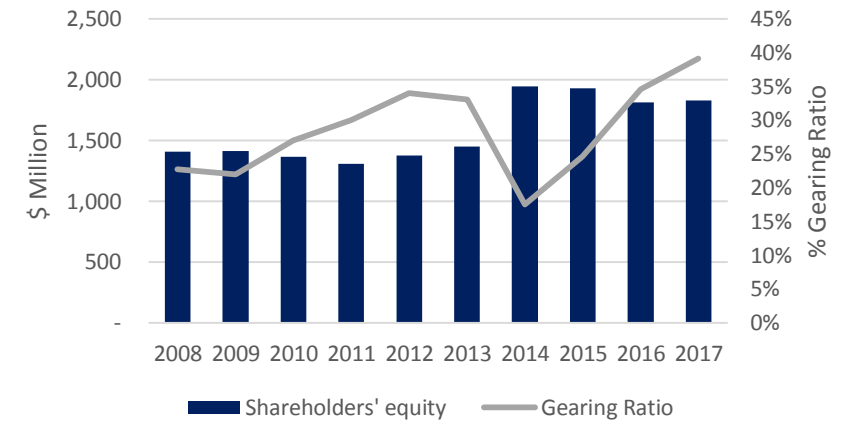
Revenue & Profit



Total Assets & Liabilities



Shareholder Equity & Gearing Ratio



➤ Spike in 2014 revenue was due to the insurance claim settlement by LPC.

➤ CCHL Group has experienced a steady and significant growth in assets over the last decade.

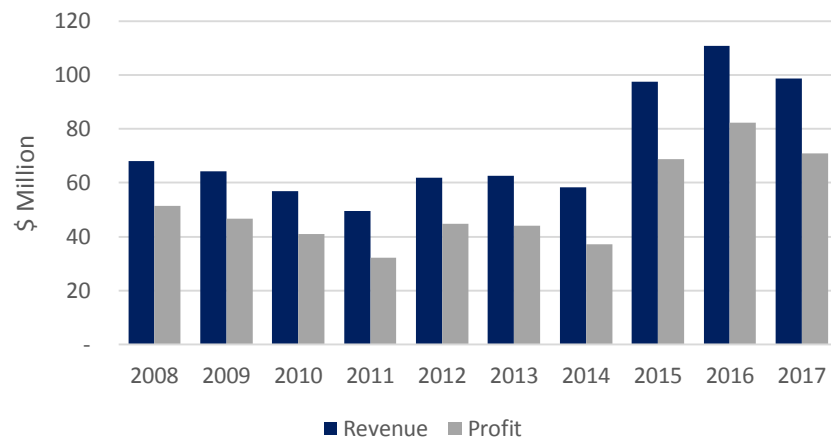
➤ Group gearing has typically been between 30%-40% through the historical period.

➤ The reduction in 2014 is largely due to the inflow of insurance proceeds following the settlement of LPC claims, prior to remediation and redevelopment capex.

# CCHL Parent Financial Overview

## 10 year Financial Summary

Revenue & Profit



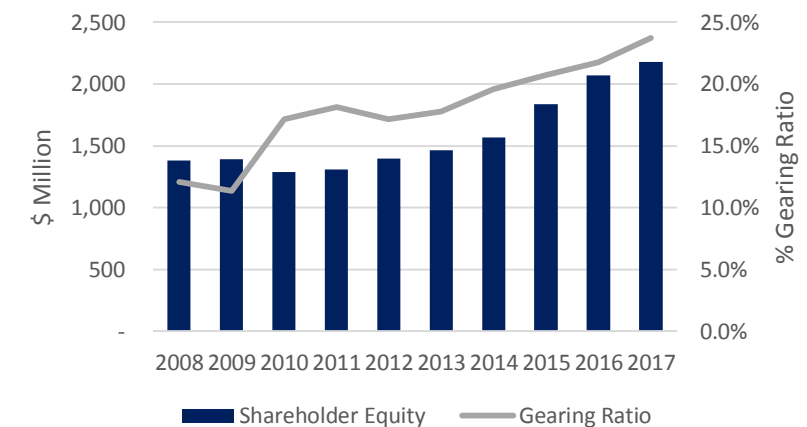
- An increase in special dividend flow and changes in dividend policy from subsidiaries has markedly increased CCHL Parent's revenue and profit over the last three financial years.

Total Assets & Liabilities



- CCHL Parent has experienced a steady and significant growth in assets over the last decade.

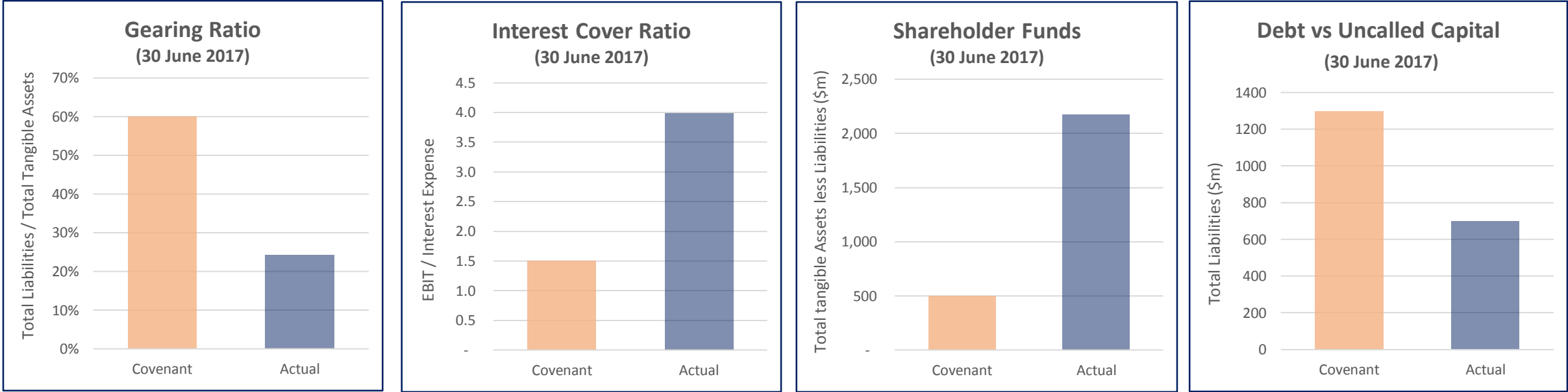
Shareholder Equity & Gearing Ratio



- Increase in CCHL Parent gearing primarily due to:
  - Intracompany funding for Enable.
  - Acquisition of remaining minority shareholding in LPC.

# CCHL Financial Overview

## CCHL Parent Covenants

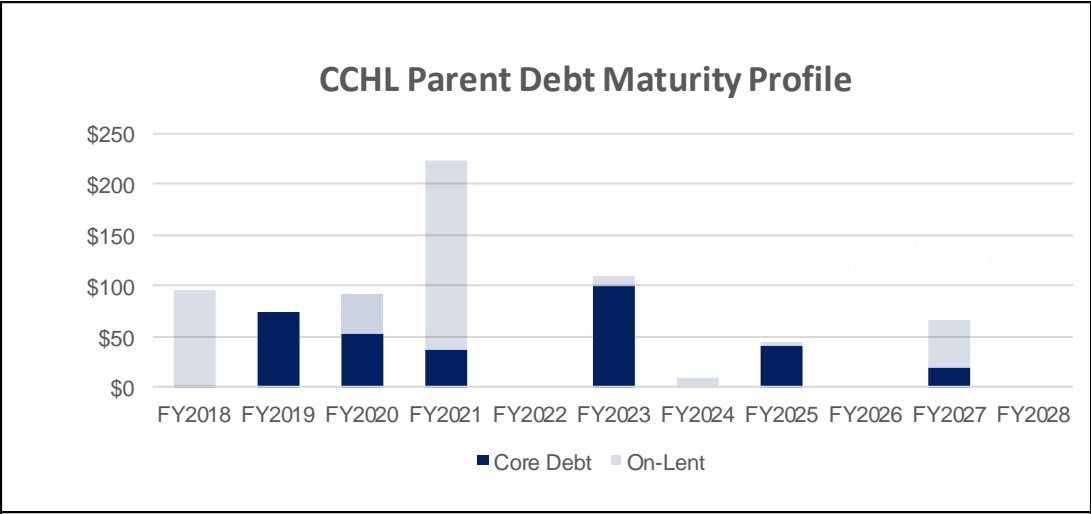


CCHL has significant forecast headroom against its lending covenants



# CCHL Financial Overview

## CCHL Parent Existing Debt Profile – As at date of Product Disclosure Statement



CCHL Debt - Current	\$m
On-lent	390.70
Core Debt	326.10
<b>Total Current Debt</b>	<b>716.80</b>

<sup>1</sup> On-lent debt relates to:

- Subordinated debt to Enable Services Ltd \$261.4m.
- Subordinated debt to EcoCentral Ltd \$2m.
- Crown Infrastructure Partners Ltd (CIP) Facility Drawdown \$127.3m –To fund ESL’s purchase of CIP’s shares in ENL and the on-going build of the network, CCHL entered into a loan agreement with CIP for an interest free facility of up to \$161.5m which is repayable in May 2021.



# Funding Approach

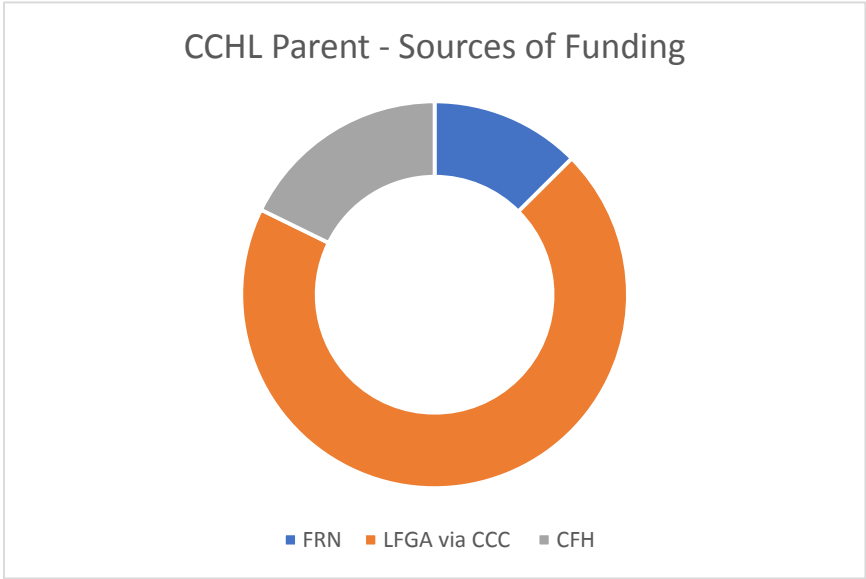
CCHL is seeking to broaden its funding sources and lengthen its debt maturity profile

## Current Funding and Facilities

Source	Drawn	Facility
LGFA Funding via CCC	\$499.5 million	n/a
FRN Bonds (MTN)	\$90.0 million	\$250.0 million
CP Bonds	Nil	\$100.0 million
Crown Infrastructure Partners	\$127.3 million	\$161.5 million
Standby Bank Facilities	Nil	\$100.0 million

## Targeted Platform

- Key strategic objectives for CCHL funding platform include:
  - Increased diversification.
  - Lengthen and balance debt maturity profile.
  - Further development of CCHL name in credit markets.



## Domestic Bond Programme

CCHL's preferred funding strategy to achieve a balance between:

- Diversification of funding sources.
- Lengthen tenor and spread maturity profile.
- Build a curve to be a repeat issuer in the domestic market.
- Minimise cost of funding.



## Key Credit Highlights

- High quality portfolio assets:
  - Unique portfolio consisting of some of the regions largest businesses.
  - Approximately 95% of the portfolio is comprised of infrastructure assets.
  - Key subsidiaries (CIAL, Orion, Enable, LPC) have recently made significant reinvestment within their business.
- Dedicated holding company with long-term strategy and public mandate.
- Explicit structural support and credit enhancement provided by CCC via issued and uncalled capital.
- Conservative financial management.
- Diversified assets and revenue base.
- Issuer credit rating of A+ / Stable (S&P, reaffirmed December 2016).

## CCHL Summary

- Christchurch is New Zealand's second largest city, and has an exciting future underpinned by unprecedented investment following recent earthquakes. Approximately \$30 billion has been invested to date on the rebuild and revitalisation of the city.
- CCHL is an investment holding company with a unique portfolio of premium infrastructure assets, providing a diversified asset exposure and earnings profile.
- Long-term credit rating A+ from Standard and Poor's.
- Rating is supported by the quality of the asset portfolio, high-quality governance framework and executive leadership, and the strength of ultimate CCC ownership.
- Established track record of resilient and stable earnings profile.
- Total parent assets of \$2.9 billion (total group assets of \$3.6 billion).

