

MEDIA RELEASE

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CHRISTCHURCH CITY HOLDINGS RELEASE 2014 ANNUAL REVIEW AND REPORT

Christchurch City Holdings Limited (CCHL) has today released its Annual Review and Report for the year to June 2014.

CCHL paid an ordinary dividend to Christchurch City Council of \$52 million which exceeded the budgeted \$46 million in CCHL's Statement of Intent (Sol).

The company's 2014 group profit for the year was \$402.6 million. This is significantly higher than the \$70.7m recorded in the previous financial year. However, CCHL's Chairman Bruce Irvine said that "while this compares favourably with the \$58.2 million forecast in last year's Sol, there were a number of one-off factors- in particular Lyttelton Port Company's recognition of insurance revenues – that make a direct comparison difficult."

If these factors are adjusted for a normalised underlying profit before tax for the group, it equates to \$87.8 million, an improvement by some \$14.0 million from 2013, and is \$8.4 million higher than the Sol.

The report contains positive news regarding City Care Ltd's underlying pre-tax profit (\$14 million improvement) as it returned to normal levels of earnings after a poor year in 2013. Orion also reported an \$8 million improvement on the previous year. Partially offsetting these was a reduction in Lyttelton Port's underlying profit before tax, mainly reflecting a \$3.9 million increase in various earthquake-related net costs. Additionally there was a \$3 million increase in Enable Services Ltd's loss, however this was expected as the broadband rollout ramps up.

Mr Irvine says the CCHL group remains ready to assist its 100% shareholder Christchurch City Council as it addresses the multitude of challenges in rebuilding Christchurch.

“During the year we have assisted the Council with its review of asset ownership and look forward to working with the Council as they receive feedback and consider choices around selling assets or improving returns from assets and work through the formal Long Term Plan consultation process,” he said.

The review also summarises CCHL’s involvement with the District Energy System. Current indications are that the project is likely to proceed, which should enable significant financial and environmental benefits to be realised by the participants and the city.

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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 infrastructure, maintenance and services (City Care Ltd and Eco Central Ltd).