

Christchurch City Holdings Ltd still considering LPC options

“Christchurch City Holdings Ltd (CCHL) is continuing to consider its options following the release of the Target Company Statement issued by the independent directors of Lyttelton Port Company Ltd (LPC)”, says CCHL board chair Paddy Austin.

CCHL received the information yesterday (Monday).

“We are talking with Hutchison Port Holdings Ltd (HPH) and their advisors about what options are available to CCHL and whether HPH will be included in those options,” Dr Austin says. “Until we’ve finished our investigations of the various options, we cannot say what course we will take.”

“What we can say, however, is that we are surprised and concerned that the independent advisor has attributed value to a strategic alliance with Hutchison Port Holdings when it is only available to CCHL, if CCHL obtains 100 per cent of LPC. It is not available to the minority shareholders.

“The \$2.10 price offered by CCHL is fair as it falls within the range of \$2.05 to \$2.35 attributed to the shares in LPC on a standalone fair value basis, by the independent advisor. This is the appropriate valuation by which to evaluate the CCHL offer,” she says.

“CCHL considers it is conceptually inappropriate to include an unsubstantiated strategic premium in the share value.

“Shareholders now examining the CCHL takeover offer and related information from LPC need to be very clear about this point and that an alliance with any other port operator will not be supported by CCHL. Such an alliance is therefore not an option being considered,” Dr Austin says.

- More information about CCHL -- Christchurch City Council’s wholly owned investment arm – is on its website, at www.ccc.govt.nz/ChristchurchCityHoldings

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