

**CCHL ups LPC offer to \$2.20,
goes unconditional**

News release
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Christchurch City Holdings Ltd and Hutchison Port Holdings Ltd have put their proposal for Lyttelton Port Company Ltd on hold.

This is while CCHL proceeds with its takeover of LPC, and considers options on dealing with the issue of Port Otago Ltd's potential blocking stake of 10.1% in LPC.

With the support of LPC's independent directors, CCHL this afternoon announced a new, unconditional offer to LPC shareholders of \$2.20 per share.

LPC directors are recommending acceptance of the \$2.20 offer, which is 26% above LPC's share price the day before the original offer of \$2.10 was made, and 2 cents above the yesterday's closing price (Tuesday).

The independent directors are warning LPC shareholders of future threats to LPC's share price.

They say the delay in the proposed transaction with HPH, together with the possibility of another port making a similar agreement, would increase the competitive threat to LPC.

"Both of these factors may result in the market price of LPC's shares falling – potentially to a level significantly below the increased offer price of \$2.20," say these LPC directors.

Waiving of the 90% condition means that CCHL will pay LPC shareholders within seven days of receipt of their acceptance forms. LPC shareholders who have already accepted the \$2.10 offer will get the \$2.20.

Partnership with HPH

"In terms of the agreements between CCHL and HPH, the privatisation of LPC cannot now proceed as originally planned " said the Chief Executive of CCHL Bob Lineham.

“HPH have therefore agreed to withdraw and that CCHL can go it alone as it sees fit, and we will be seeking to resume the relationship with HPH once CCHL has completed the current offer.

“As many commentators and analysts are warning, the New Zealand port industry faces inevitable rationalisation, and we believe that HPH is the best partner to ensure that the Port of Lyttelton can succeed in this very competitive environment.

“We remain convinced that the Port needs a strong international partner in order to strengthen its future.

“Once the takeover has proceeded to the next stage, we expect to progress further discussions with HPH, who we are convinced are still the best independent partner to secure the long-term benefits of a strong Lyttelton Port for the economy of the region.

Port Otago

“We have had some unsatisfactory discussions with Port Otago and have so far been unable to determine what their intentions are.

“While we are open to sensible proposals, we are not about to enter into any arrangements with Port Otago which risk the future of Lyttelton.

“We have therefore decided to give other LPC shareholders the certainty of \$2.20 until 12 April when the offer will close,” said Mr Lineham.

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