

MEDIA RELEASE

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CHRISTCHURCH CITY HOLDINGS CEO ANNOUNCES RETIREMENT IN 2015

Christchurch City Holdings Limited (CCHL) CEO Bob Lineham has announced his intention to retire in 2015.

The CCHL board will accept his resignation once the new structure of CCHL is defined, then the search for a new CEO will commence.

At today's AGM, Bruce Irvine, CCHL chair said "Bob has agreed to stay on until the new structure of CCHL is better understood and a new CEO is appointed. His enormous contribution made over more than 20 years will be appropriately acknowledged in 2015."

CCHL continues to assist the Council with its review of asset ownership, as it considers choices around changes in its asset holdings to meet funding needs as it works through the preparation of its Long Term Plan for consultation with the public early next year.

At the AGM, Bruce Irvine summarised CCHL's annual results as announced in October. This includes that 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.

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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).