Christchurch City Holdings Limited

July 2018—December 2018

A WHOLLY OWNED SUBSIDIARY *of* CHRISTCHURCH CITY COUNCIL

Interim Report 2019

Contents

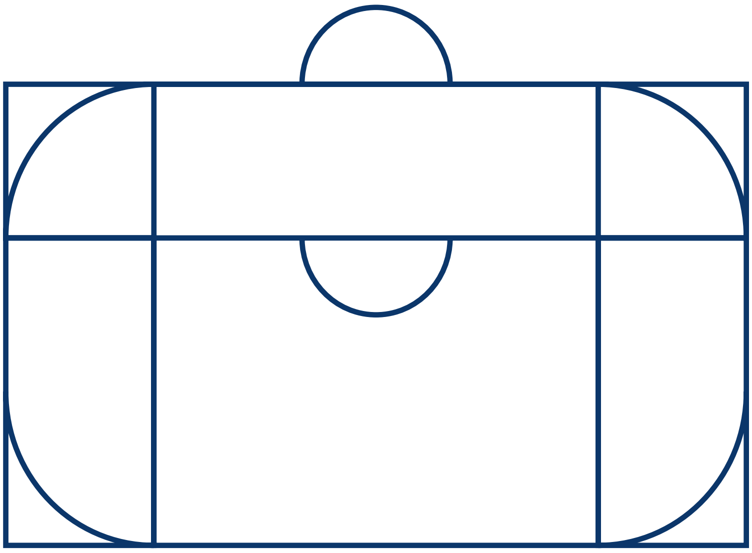
Group Structure

Christchurch City Holdings Ltd (CCHL) is the commercial and investment arm of Christchurch City Council (the Council). It was incorporated on 12 May 1993 to act as the holding company for the Council's commercial investments. As a result, it is a council controlled organisation under the Local Government Act 2002.

The company is responsible for managing the Council's investment in eight fully or partly-owned trading companies – Orion New Zealand Ltd, Christchurch International Airport Ltd, Lyttelton Port Company Ltd, Enable Services Ltd, City Care Ltd, Red Bus Ltd, EcoCentral Ltd and Development Christchurch Ltd. Six of these are 100% owned, the other two are majority owned by CCHL, being Orion (10.725% owned by Selwyn District Council) and Christchurch International Airport (25% owned by the Crown).

Chair/Chief Executive's Review

Attached are the unaudited interim financial statements of the CCHL group for the six months ended 31 December 2018.



Group
The group recorded a net profit after tax (NPAT) for the six months ended 31 December 2018 of $56.7 million, compared with $50.7 million in the equivalent period last year. The result is reflective of continued year on year growth from the airport, and our fibre company moving to a NPAT positive position for the first time, as connections to the network continue to increase. These positive results are coupled with continued difficult trading conditions for our smaller contracting companies.

Sustainability and Environmental Leadership
The publicly owned group recognises its leadership role in moving Christchurch and Canterbury towards a sustainable future, through their own business practises and that of supporting its owners as they move towards a carbon neutral future. Over the past year, most of the group have introduced new sustainability frameworks, setting goals and targets for its contribution to the economic and social growth of the Christchurch community and reducing the environmental impact of their businesses. In 2019 we are already seeing the implementation of some of these initiatives, and whilst all our companies are at different stages of their sustainability journey, and some face more economic challenges than others, we are proud of the focus and development the companies have shown in this area.

Further information on the individual company results is provided below.

Parent Company
The parent company recorded a net profit for the six months of $36.1m compared to a $39.3m for the same period last year. The result has been impacted by finance costs relating to the additional debt raised to fund the capital release to our shareholder, Christchurch City Council. In addition, revenue is down compared to the equivalent period last year which saw special dividends received from Orion and LPC and no dividends from Citycare this year.

FY19 will see the final $140m of CCHL's $440m capital release commitment paid to our shareholder. To fund this commitment in 2017 CCHL established a new bond programme in the New Zealand debt capital market by issuing a fixed rate 5 year bond. This year CCHL completed another successful bond offer raising $150m with a 6 year fixed rate bond maturing in November 2024. Both of these issues have been listed on the NZX Debt market(NZDX), providing liquidity for bondholders and a stronger platform to support CCHL's ongoing bond programme.

In December Standard & Poors (S&P) reaffirmed CCHL's credit rating at A+ but upgraded its outlook to positive.

Electricity Network
Orion New Zealand Ltd (Orion) recorded a half-year after tax profit of $29m compared to $30.7m for the equivalent period last year. Whilst slightly down on target, Orion continues to provide strong support to its shareholders in the form of dividend payments.

Orion is in its final year of its five year customised price quality path, so is preparing itself to move back to the default price path for FY21 following an interim rollover year.

Work continues on Orion's resilience programme, with two significant projects currently underway, including the installation of an 11kv cable through the Lyttelton road tunnel, and the upgrade of the network for the Springston community.

Orion continues to grow its network welcoming 1,900 new customers this year, with total connections at 202,900.

Orion is working with key customers as part of its sustainability journey, partnering with Synlait as it installs New Zealand's first large-scale electrode boiler. To be commissioned in early 2019, the move from a coal fired boiler to electricity is part of Synlait's sustainability strategy, and leads the way for the industry to contribute to a lower emissions future for New Zealand.

Orion paid dividends of $23.7m to CCHL during the period.

Airport

Christchurch International Airport Ltd (CIAL) recorded a half-year after tax profit of $24.3m compared with $19.3m in the equivalent period last year. This reflects some growth in aeronautical revenue but mostly from non-aeronautical revenue being $5.5m ahead of the same period last year reflecting strong income streams coming from the commercial portfolio.

International and domestic passenger numbers both improved over the previous period, but the main growth was in international with a 2.9% increase. This reflects Christchurch continuing to attract the international visitors, which is supported by the announcement by Air NZ that they will operate a 5 times weekly seasonal service between Christchurch and Singapore.

Development of the company's property portfolio continues, with the noticeable progress on the development of the Bunnings site in Harvard Park, and the further development in the agri-business precinct. CIAL continues to work closely with the contractor on the construction of the Novotel Christchurch Airport Hotel expected to be complete later this year.

CIAL was an early adopter of the sustainability programme for the group, and that progress was recently acknowledged again with CIAL being recognised as a "stormwater superhero" by a local Zone committee. CIAL also continues to reduce their carbon footprint as they phase out the fossil fuel vehicles from their own fleet.

CIAL paid dividends of $17.2m to CCHL during the period.

Port

Lyttelton Port Company Ltd (LPC) recorded a half-year after tax profit of $6.3m compared with $8.7m in the equivalent period last year. Container volumes were down compared to last year, primarily due to fewer coastal import containers and scheduling issues faced by Ports of Auckland impacting the national supply chain. On the positive side, the period saw the arrival of the biggest container vessel at 5,900 TEU, taking advantage of the newly created channel depth. Previously the largest vessels to call at Lyttelton was 4,500 TEU.

Construction of the new $67 million Cruise Berth has started, and piling began in December. The Berth will be New Zealand's first-ever purpose built Cruise facility, and will be able to accommodate the world's largest Cruise vessels.

The Port continues to implement the Lyttleton Port Recovery Plan approved in November 2015. The official opening of Te Ana Marina is a strong reflection of the commitment of LPC to working with the community to regenerate part of the inner harbour as a vibrant community focused destination.

Midland Port, in Rolleston, continues to grow as customers take advantage of the efficiencies this inland port offers, and the benefit of taking trucks off Christchurch roads.

LPC is working to integrate sustainability through their business, with the development of a sustainability strategy and implementation plan.

LPC paid dividends of $4.9m to CCHL during the period.

Fibre Network

Enable Services Ltd (ESL) recorded a half-year after tax profit of $0.9m, compared with $(3.7)m loss in the equivalent period last year. This is the first time ESL has recorded a NPAT surplus, a reflection on increased connection numbers which continue to track ahead of expectations as this company moves its full focus to asset management and customer service.

Enable now has 50 percent of the fixed broadband market within its greater Christchurch coverage area. A new sustainability framework developed this year will set goals and targets for its contribution to the economic and social growth of the Christchurch community and reducing the environmental impact of its business.

Customer service continues to be a significant focus, with online tools that make it easier for customers to make the move to fibre broadband.

Contracting

City Care Ltd (Citycare) recorded a half-year profit after tax for the period of $0.6m, compared with $0.7m in the equivalent period last year. This result is disappointing but reflective of the very competitive tender market that Citycare works in.

Focus on innovation has led Citycare to sign a partnership deal with a Christchurch-based IoT sensor device design and manufacturing business (PiP IoT), which includes exclusive NZ distribution of their fit-for-purpose sensor devices, enabling Citycare to provide its customers with (near) real-time asset intelligence

In addition, Citycare has updated its Sustainability Charter and Framework, aligning it with the 7 of the 17 UN Sustainable Development Goals (SDGs) where they are confident that the business can drive the most positive sustainability leadership.

Transport

Red Bus Ltd (Red Bus) recorded a half-year loss after tax for the period of $198k, compared with $44k profit in the equivalent period last year. This loss is not directly linked to trading results but reflective of the investment being made by the company to reposition itself for the upcoming urban contract tenders.

In November 2018, CCHL appointed four new Directors to the Board with the skill set required to address the opportunity created through all new urban contracts coming up for tender in 2019.

With a mandate to take this community owned asset and reshape how the people of Christchurch see and use Public transport, the Red Bus Board and team have an exciting challenge ahead, supported by its owner.

The Environment Canterbury Regional Passenger Transport Plan (RPTP) was finalised prior to Christmas. The RPTP proposes significant long term investment in growing Christchurch passenger transport, adopting new technology and a strong customer centric approach. With this, all new Urban contracts will be up for tender in 2019. This offers a significant opportunity for Red Bus to increase its share in the public transport market.

As part of its sustainability journey, Red Bus are focussed and committed to getting more people on buses, and know they need to work closely with their community and partners to achieve this. The delivery of its first 3 fully electric buses will happen in the next three months, a key driver to ensure a sustainable future for Red Bus and its community.

Recycling

EcoCentral Ltd (EcoCentral) recorded a half-year profit after tax for the period of $0.6m, compared with $0.9m in the equivalent period last year. An impressive result given the challenges that EcoCentral are facing, but reflective of a community owned asset supported by its ultimate owner and largest customer, Christchurch City Council.

The EcoDrops have responded well in a challenging environment and have worked hard to build strong relations with its customer base while increasing their competitiveness. This has proven effective in stabilising incoming refuse tonnes, resulting in a financial performance that was ahead of budget for the EcoDrops and only down slightly on the same period last year.

The EcoSort has had a promising start to the year, with the introduction of a processing fee and a focus on its product quality and customer relationships, ensuring it continues selling its recyclable paper and plastics with none going to landfill or being stored.

EcoCentral paid dividends of $0.25m to CCHL during the period.

Urban Development

Development Christchurch Ltd (DCL) recorded a half-year profit after tax for the period of $2.4m, compared with $2.2m in the equivalent period last year. DCL's core role is to provide the Council with the increased strategic capacity that arises from its commercial focus and commitment to engage effectively with developers, investors, businesses and other stakeholders.

The key focus on New Brighton has seen further work this year. With the beachside playground now open, resource consent for the hot pools development was granted in June 2018 and construction is expected to be underway in February/March 2019. Completion of this incredible community asset is expected within 12 months.

DCL continues to work closely with other key Christchurch rebuild partners namely, Otakaro and Regenerate Christchurch.

Acknowledgments

We would like to acknowledge the continued strong performance of the CCHL group companies over the period and we thank the respective subsidiary boards and management teams for their focus on a sustainable future for our city and region.

Jeremy Smith
Chair

Paul Munro
Chief Executive

Unaudited interim condensed financial statements

Directors' Responsibility Statement

These interim condensed financial statements are for Christchurch City Holdings Group (Group), a group made up of Christchurch City Holdings Ltd and the entities over which it has control or joint control.

Christchurch City Holdings Ltd is registered in New Zealand under the Companies Act 1993.

The directors are responsible for ensuring that the Group interim condensed financial statements present fairly in all material respects:

- The financial position as at 31 December 2018, and
- The financial performance and cash flows for the six month period ended 31 December 2018

The directors consider that the interim condensed financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgments and estimates, and comply with New Zealand equivalent to International Accounting Standard NZ IAS 34 as appropriate for profit-oriented entities.

The directors consider that proper accounting records have been kept, which enable, with reasonable accuracy, the determination of the financial position of the Group.

The directors have pleasure in presenting the interim condensed financial statements of the Christchurch City Holdings Group for the six months ended 31 December 2018.

The Board of Directors of Christchurch City Holdings Limited authorises these financial statements for issue on 25 February 2019.

For and on behalf of the Board

Jeremy Smith
Chair
Christchurch
25 February 2019

Alex Skinner
Director
Christchurch
25 February 2019

Condensed statement of financial position

As at 31 December 2018

	NOTE	UNAUDITED **31 DEC 2018** $'000	UNAUDITED **31 DEC 2017** $'000	AUDITED **30 JUN 2018** $'000
Non-current assets				
Investments in associates		156	858	639
Property, plant and equipment		3,405,700	2,977,184	3,285,126
Investment property		459,880	384,101	428,848
Loans and other financial assets		25,416	27,674	25,411
Intangible assets		40,360	60,457	37,015
Debtors, inventory and other assets		20,962	35,627	35,710
Total non-current assets		**3,952,474**	**3,485,901**	**3,812,749**
Current assets				
Cash and cash equivalents		18,098	94,283	11,590
Debtors, inventory and other assets		126,527	122,240	132,028
Loans and other financial assets		82,411	82,976	63,636
Total current assets		**227,036**	**299,499**	**207,254**
Total assets	**3**	**4,179,510**	**3,785,400**	**4,020,003**
Non-current liabilities				
Borrowings	8	1,494,626	1,223,256	1,341,671
Net deferred tax liabilities		343,158	310,543	347,351
Provisions and other liabilities		40,781	33,680	30,222
Total non-current liabilities		**1,878,565**	**1,567,479**	**1,719,244**
Current liabilities				
Borrowings	8	296,523	306,419	232,123
Creditors and other liabilities		106,047	90,982	109,990
Provisions and other liabilities		34,397	37,165	46,845
Current tax liabilities		4,276	4,786	1,744
Total current liabilities		**441,243**	**439,352**	**390,702**
Total liabilities	**3**	**2,319,808**	**2,006,831**	**2,109,946**
Net assets		**1,859,702**	**1,778,569**	**1,910,057**
Equity				
Capital and other equity instruments		81,784	71,435	81,784
Reserves		584,347	454,738	590,350
Retained earnings		869,563	977,277	913,530
Parent entity interest		1,535,694	1,503,450	1,585,664
Non-controlling interests		324,008	275,119	324,393
Total equity		**1,859,702**	**1,778,569**	**1,910,057**

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

Condensed statement of comprehensive income

For the six months ended 31 December 2018

	UNAUDITED **6 MONTHS 31 DEC 2018** $'000	UNAUDITED **6 MONTHS 31 DEC 2017** $'000	AUDITED **FULL YEAR 30 JUN 2018** $'000
Operating and other revenue	532,762	522,440	1,100,309
Operating and other expenses	353,803	356,428	726,336
Share of (losses)/profits of associates and joint arrangements	(484)	479	610
Earnings before interest, tax, depreciation and amortisation	**178,475**	**166,491**	**374,583**
Depreciation/amortisation and impairment	67,706	67,569	139,328
Earnings before interest and tax	**110,769**	**98,922**	**235,255**
Finance income	1,780	3,036	7,150
Finance costs	33,862	29,998	62,832
Net finance costs	**32,082**	**26,962**	**55,682**
Net profit before tax	**78,687**	**71,960**	**179,573**
Income tax expense	21,950	21,289	43,835
Net profit after tax	**56,737**	**50,671**	**135,738**
Profit for the year attributable to:			
Owners of the parent	47,757	42,547	107,725
Non-controlling interests	8,980	8,124	28,013
	56,737	**50,671**	**135,738**
Other comprehensive income			
Items that will not be recycled to profit or loss:			
Revaluation of assets	-	-	203,534
Items that may be recycled to profit or loss in future:			
Cash flow hedges	(6,628)	(1,845)	(2,478)
	(6,628)	(1,845)	201,056
Income tax (credit)/expense relating to other comprehensive income	122	21	(30,537)
Other comprehensive income for the period, net of tax	**(6,506)**	**(1,824)**	**170,519**
Total comprehensive income for the period, net of tax	**50,231**	**48,847**	**306,257**
Total comprehensive income attributable to:			
Owners of the parent	42,030	40,845	241,519
Non-controlling interests	8,201	8,002	64,738
	50,231	**48,847**	**306,257**

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

Statement of changes in equity

For the six months ended 31 December 2018

	SHARE CAPITAL $'000	ASSET REVALUATION RESERVE $'000	HEDGING RESERVE $'000	RETAINED EARNINGS $'000	ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT $'000	NON-CONTROLLING INTERESTS $'000
Opening Balance	**81,784**	**609,413**	**(19,063)**	**913,530**	**1,585,664**	**324,393**
NPAT				47,757	47,757	8,980
Other comprehensive income for the period			(6,003)	276	(5,727)	(779)
Dividends paid/payable				(92,000)	(92,000)	(8,586)
Issue of shares/other	-	-	-	-	-	-
Closing Balance	**81,784**	**609,413**	**(25,066)**	**869,563**	**1,535,694**	**324,008**

	UNAUDITED **6 MONTHS GROUP 31 DEC 2018** $'000	UNAUDITED **6 MONTHS GROUP 31 DEC 2017** $'000	AUDITED **FULL YEAR GROUP 30 JUN 2018** $'000
Opening Balance	**1,910,057**	**1,829,975**	**1,802,486**
NPAT	56,737	50,671	135,738
Other comprehensive income for the period	(6,506)	(1,824)	170,519
Dividends paid/payable	(100,586)	(100,253)	(208,408)
Issue of shares/other	-	-	9,722
Closing Balance	**1,859,702**	**1,778,569**	**1,910,057**

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

Condensed statement of cashflows

For the six months ended 31 December 2018

	NOTE	UNAUDITED **6 MONTHS 31 DEC 2018** $'000	UNAUDITED **6 MONTHS 31 DEC 2017** $'000	AUDITED **FULL YEAR 30 JUN 2018** $'000
Cash flows from operating activities				
Receipts from customers and other sources		533,625	531,759	1,041,262
Interest received		2,010	3,193	8,141
Payments to suppliers and employees		(376,678)	(371,739)	(730,066)
Interest and other finance costs paid		(33,057)	(29,765)	(63,988)
Income tax paid		(20,210)	(19,243)	(30,653)
Subvention payments		-	-	(8,986)
Net cash provided by operating activities	**4**	**105,690**	**114,205**	**215,710**
Cash flows from investing activities				
Proceeds from sale of investment securities		-	34,500	-
Advances made		(247)	(263)	(530)
Payment for property, plant and equipment	9b	(170,676)	(170,721)	(326,273)
Proceeds from sale of property, plant and equipment		1,143	3,535	3,946
Payment for intangible assets		(3,437)	(3,582)	(14,038)
Payment for goodwill		(1,035)	(1,136)	-
Payment for investment properties		(20,682)	(17,331)	(4,624)
Maturity of/(investment in) term deposits		(19,000)	-	54,000
Net cash used in investing activities		**(213,934)**	**(154,998)**	**(287,519)**
Cash flows from financing activities				
Proceeds from borrowing		350,816	344,655	441,315
Repayment of borrowings		(135,478)	(124,066)	(173,590)
Repayment of finance leases		-	-	(1,007)
Proceeds from issue of shares				10,349
Dividends paid - equity holders		(92,000)	(92,000)	(192,694)
Dividends paid - non-controlling interests		(8,586)	(8,253)	(15,714)
Net cash used in financing activities		**114,752**	**120,336**	**68,659**
Net increase in cash and cash equivalents		6,508	79,543	(3,150)
Cash and cash equivalents at start of period		11,590	14,740	14,740
Cash and cash equivalents at end of period		**18,098**	**94,283**	**11,590**

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

Notes to the condensed interim financial statements
For the six months ended 31 December 2018

1. Reporting Entity

Christchurch City Holdings Ltd (CCHL) is a wholly-owned subsidiary of Christchurch City Council, formed for the purpose of holding investments in trading subsidiary organisations. The company was incorporated on 12 May 1993, and commenced operations on 14 May 1993.

CCHL is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act. The reporting currency used in the preparation of these financial statements is New Zealand dollars.

CCHL is an issuer for the purposes of the Financial Markets Conduct Act 2013 as its issued debt securities are listed on the New Zealand Debt Exchange ("NZDX").

The unaudited condensed consolidated interim financial statements comprise CCHL, its subsidiaries ("the group") and the group's interest in associates and joint ventures.

The unaudited condensed consolidated interim financial statements of CCHL are for the six months ended 31 December 2018. The financial statements were authorised for issue by the CCHL Board of directors on 25 February 2019. The Board of Directors has the power to amend the financial statements after issue.

GROUP OWNERSHIP		SHAREHOLDERS			BALANCE DATE
Parent	**Business**				
Christchurch City Holdings Ltd	Holding Company	100%	Christchurch City Council		30 June
Subsidiaries		**CCHL %**	**NCI Holder**	**NCI %**	
Orion New Zealand Ltd	Electricity network	89.275%	Selwyn District Council	10.725%	31 March
Christchurch International Airport Ltd	Airport	75.0%	Minister of Finance	12.5%	30 June
			Minister for State-Owned Enterprises	12.5%	
Lyttelton Port Company Ltd	Port	100%			30 June
Enable Services Ltd	Broadband network	100%			30 June
City Care Ltd	Contracting	100%			30 June
Red Bus Ltd	Passenger transport	100%			30 June
EcoCentral Ltd	Waste recycling	100%			30 June
Development Christchurch	Urban Development Agency	100%			30 June

2. Basis of Preparation

The interim condensed consolidated financial statements for the six months ended 31 December 2018 are unaudited.

The interim condensed consolidated financial statements have been prepared in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) as appropriate for profit-oriented entities. The report should be read in conjunction with the audited financial statements for the year ended 30 June 2018.

The balance date of all subsidiary companies, other than Orion New Zealand Ltd which has a balance date of 31 March, is 30 June. The interim report therefore includes the results of Orion New Zealand Ltd for the six months to 30 September 2018, and the results of other subsidiaries for the six months to 31 December 2018.

Section 461(3) of the Financial Markets Conduct Act requires the reporting entity and all its subsidiaries to have the same balance date. As noted above, Orion New Zealand Ltd (Orion) and its subsidiary has a 31 March balance date. CCHL applied for and has received an exemption from this obligation from the Financial Markets Authority until 27 August 2023.

The accounting policies as published in the annual report for the year ended 30 June 2018 have been consistently applied in determining the earnings and cash flows for the six months ended 31 December 2018, and the financial position as at that date. The only change to this is the application of the following new standards effective from 1 July 2018:

NZ IFRS 15 Revenue from Contracts with Customers. The core principle of NZ IFRS 15 is that an entity recognises revenue to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group has adopted NZ IFRS 15 using the modified approach. The effect of adopting this standard has had minimum impact on the interim financial statements, and there has been no change to comparatives, or opening retained earnings due to the immaterial impact of the change in accounting treatment within the group.

NZ IFRS 9 Financial Instruments. NZ IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from NZ IAS 39 Financial Instruments: Recognition and Measurement, which NZ IFRS 9 replaces. The adoption of this accounting standard has not had a material impact on the interim financial statements.

Comparative figures for Inventory and creditors for the period ended 31 December 2017, in the Statement of Financial Position do not agree to the published 31 December 2017 interim financial statements due to reclassifications of construction contract work in progress and revenue in advance, both relating to Enable Services Limited. This did not impact the Net assets for the Group.

3. Segment Information

The reportable segments of the CCHL Group have been identified in accordance with NZ IFRS 8 'operating segments'. The Group's operating segments are identified on the basis of the nine significantly different businesses whose individual operating results are received on a quarterly basis by the Group chief operating decision maker (CCHL Board) to assess and monitor performance.

The nine reportable segments are as follows:

1) Orion New Zealand Ltd (Orion) – owns and operates the electricity distribution network in Christchurch and central Canterbury.
2) Christchurch International Airport Ltd (CIAL) – operates predominantly in the business of providing airport facilities and services to airline and airport users at Christchurch International Airport.
3) Lyttelton Port Company Ltd (LPC) – primarily involved in providing and managing port services and cargo handling facilities over three sites in the Canterbury region.
4) Enable Services Ltd (ESL)–owns and operates the ultra-fast broadband fibre network across greater Christchurch and parts of Waimakariri and Selwyn Districts.
5) City Care Ltd (Citycare) – provides construction, maintenance and management services in the infrastructure sector throughout New Zealand.
6) Red Bus Ltd (Red Bus) – provides transport services in the urban bus and tourism sector primarily in the Canterbury region.
7) EcoCentral Ltd (EcoCentral) – manages the processing of refuse and sorting of recycling throughout Canterbury.
8) Development Christchurch Ltd (DCL) – provides commercial and strategic support to Christchurch City Council to enable investment, development and regeneration activities for Christchurch City.
9) Christchurch City Holdings Ltd (Parent) – does not trade in its own right, its primary assets are its investments in and advances to its operating subsidiaries.

The group has no significant reliance on any one customer. All group assets are domiciled and operated in New Zealand. The Group's revenue from external customers by geographical location are not allocated to operating segments as they are not reported at group level.

Segment reporting explanation:

1. Revenue from external customers reflects the operating revenue of each separate segment excluding revenue earned from other group entities.
2. Segment profit/(loss) represents the actual profit/(loss) of each segment except the Parent which excludes dividends received from subsidiaries.
3. The Parent total non-current assets and total assets includes the investment held in subsidiaries and advances to subsidiaries, which is then eliminated for the group total.
4. Additions to non current assets in the Parent total relates to equity investments made in subsidiaries during the period, which is then eliminated for the group total.
5. Intra-group transactions between segments have been eliminated on consolidation and recognised in the 'eliminations' column.

Statement of segment information

3a. For the six months ended 31 December 2018 (unaudited)

	PARENT $'000	ORION $'000	CIAL $'000	LPC $'000	ESL $'000
Segment revenue	46,042	170,409	95,894	64,370	27,969
Inter-segment revenue	(46,042)	(627)	(35)	(3)	(2)
Revenue from external customers	**-**	**169,782**	**95,859**	**64,367**	**27,967**
Share of earnings of associate companies	-	-	-	-	-
Interest income	7,706	67	-	728	38
Interest expense	(15,924)	(5,565)	(11,657)	(355)	(6,960)
Depreciation and amortisation	(6)	(26,534)	(17,860)	(6,688)	(9,768)
Net realisations, revaluations and (impairments)	-	-	26	(103)	2
Taxation expense	2,766	(11,406)	(9,456)	(2,964)	(504)
Segment profit/(loss)	36,074	29,034	24,284	6,295	920
Investments in associates(accounted for by equity method)	-	-	-	-	-
Total non-current assets (excluding derivatives and deferred tax)	2,997,437	1,166,584	1,616,827	504,261	527,241
Total assets	3,099,147	1,189,018	1,640,285	536,133	538,370
Total liabilities	1,061,173	515,443	618,810	52,794	321,595
Additions to non-current assets	3,151	36,641	37,371	91,920	27,525

	CITY CARE $'000	RED BUS $'000	ECOCENTRAL $'000	DCL $'000	ELIMINATIONS $'000	TOTAL $'000
Segment revenue	151,477	10,235	17,920	4,624	(56,185)	532,755
Inter-segment revenue	(9,222)	-	(254)	-	56,185	0
Revenue from external customers	**142,255**	**10,235**	**17,666**	**4,624**	**0**	**532,755**
Share of earnings of associate companies	(484)	-	-	-	-	(484)
Interest income	67	7	28	29	(6,890)	1,780
Interest expense	(271)	-	(20)	-	6,890	(33,862)
Depreciation and amortisation	(4,501)	(1,348)	(977)	(24)	-	(67,706)
Net realisations, revaluations and (impairments)	-	67	15	-	-	7
Taxation expense	(212)	77	(249)	-	(2)	(21,950)
Segment profit/(loss)	556	(198)	641	2,409	(43,279)	56,737
Investments in associates(accounted for by equity method)	(344)	-	-	500		156
Total non-current assets (excluding derivatives and deferred tax)	51,137	38,505	8,840	10,992	(2,969,350)	3,952,474
Total assets	102,772	42,935	15,150	14,982	(2,999,282)	4,179,510
Total liabilities	47,159	5,062	6,266	603	(309,097)	2,319,808
Additions to non-current assets	1,604	213	306	-	(2,901)	195,830

Statement of segment information

3b. For the six months ended 31 December 2017 (unaudited)

	PARENT $'000	ORION $'000	CIAL $'000	LPC $'000	ESL $'000
Segment revenue	49,258	164,802	88,943	62,643	22,823
Inter-segment revenue	(49,258)	(2,085)	(13)	(5)	(2)
Revenue from external customers	**-**	**162,717**	**88,930**	**62,638**	**22,821**
Share of earnings of associate companies	-	-	-	-	-
Interest income	7,024	240	-	2,033	160
Interest expense	(13,283)	(5,074)	(11,492)	(12)	(6,500)
Depreciation and amortisation	(7)	(28,103)	(17,624)	(6,192)	(8,727)
Net realisations, revaluations and (impairments)	-	-	-	-	-
Taxation expense	1,899	(12,112)	(7,518)	(3,629)	720
Segment profit/(loss)	39,292	30,657	19,332	8,666	(3,661)
Investments in associates(accounted for by equity method)	-	-	-	-	-
Total non-current assets (excluding derivatives and deferred tax)	2,921,748	1,145,085	1,352,420	377,238	417,531
Total assets	3,005,886	1,164,631	1,373,751	506,574	466,566
Total liabilities	882,315	487,233	549,864	25,845	287,284
Additions to non-current assets	44,055	43,842	45,711	36,310	52,285

	CITY CARE $'000	RED BUS $'000	ECOCENTRAL $'000	DCL $'000	ELIMINATIONS $'000	TOTAL $'000
Segment revenue	150,575	10,319	18,023	7,258	(52,337)	522,307
Inter-segment revenue	(750)	-	(224)	-	52,337	-
Revenue from external customers	**149,825**	**10,319**	**17,799**	**7,258**	**-**	**522,307**
Share of earnings of associate companies	479	-	-	-	-	479
Interest income	9	1	34	43	(6,508)	3,036
Interest expense	(111)	(2)	(32)	-	6,508	(29,998)
Depreciation and amortisation	(4,600)	(1,371)	(906)	(39)	-	(67,569)
Net realisations, revaluations and (impairments)	-	8	125	-	-	133
Taxation expense	(291)	(17)	(341)	-	-	(21,289)
Segment profit/(loss)	707	44	876	2,117	(47,359)	50,671
Investments in associates(accounted for by equity method)	858	-	-	-		858
Total non-current assets (excluding derivatives and deferred tax)	53,594	40,761	9,988	2,240	(2,864,607)	3,455,998
Total assets	103,780	43,552	16,645	5,238	(2,901,223)	3,785,400
Total liabilities	47,185	5,554	7,696	684	(286,829)	2,006,831
Additions to non-current assets	8,362	464	1,000	77	(44,054)	188,052

Statement of segment information

3c. For the year ended 30 June 2018 (audited)

	PARENT $'000	ORION $'000	CIAL $'000	LPC $'000	ESL $'000
Segment revenue	88,653	321,883	182,630	122,101	48,474
Inter-segment revenue	(88,653)	(3,634)	(53)	(6)	(2)
Revenue from external customers	**-**	**318,249**	**182,577**	**122,095**	**48,472**
Share of earnings of associate companies	-	-	-	-	-
Interest income	15,189	122	246	4,286	201
Interest expense	(28,385)	(10,442)	(23,442)	(122)	(13,064)
Depreciation and amortisation	(135)	(55,500)	(35,128)	(13,030)	(18,489)
Net realisations, revaluations and (impairments)	1,337	308	53,742	72	-
Taxation expense	-	(20,734)	(22,111)	(5,909)	1,623
Segment profit/(loss)	72,857	53,300	88,737	12,216	(3,782)
Investments in associates(accounted for by equity method)	-	-	-	-	-
Total non-current assets (excluding derivatives and deferred tax)	2,977,486	1,155,660	1,597,884	407,690	511,702
Total assets	2,986,939	1,183,438	1,620,942	515,756	523,986
Total liabilities	887,750	512,397	597,664	33,496	311,034
Additions to non-current assets	63,347	80,589	84,935	72,400	84,088

	CITY CARE $'000	RED BUS $'000	ECOCENTRAL $'000	DCL $'000	ELIMINATIONS $'000	TOTAL $'000
Segment revenue	312,539	21,052	34,315	9,746	(98,042)	1,043,351
Inter-segment revenue	(5,164)	(1)	(529)	-	98,042	0
Revenue from external customers	**307,375**	**21,051**	**33,786**	**9,746**	**-**	**1,043,351**
Share of earnings of associate companies	(14)	-	-	624	-	610
Interest income	14	6	70	65	(13,049)	7,150
Interest expense	(365)	(2)	(59)	-	13,049	(62,832)
Depreciation and amortisation	(9,942)	(2,724)	(1,843)	(47)	(2,490)	(139,328)
Net realisations, revaluations and (impairments)	1,386	26	87	-	-	56,958
Taxation expense	148	(82)	(136)	(437)	3,803	(43,835)
Segment profit/(loss)	(445)	117	381	(303)	(87,340)	135,738
Investments in associates(accounted for by equity method)	139	-	-	500	-	639
Total non-current assets (excluding derivatives and deferred tax)	51,894	39,640	9,512	11,015	(2,950,285)	3,812,198
Total assets	114,689	43,602	14,069	12,683	(2,996,101)	4,020,003
Total liabilities	59,632	5,533	5,610	827	(303,997)	2,109,946
Additions to non-current assets	11,055	768	1,614	10,349	(64,210)	344,935

4. Reconciliation of profit for the period with operating cash flows

	UNAUDITED **6 MONTHS 31 DEC 2018** $'000	UNAUDITED **6 MONTHS 31 DEC 2017** $'000	AUDITED **FULL YEAR 30 JUN 2018** $'000
Profit for the period	**56,737**	**50,671**	**135,738**
Add/(less) non-cash items			
Depreciation, amortisation and impairment	67,706	67,569	139,328
(Gains)/losses in fair value of investment property	-	-	(53,701)
(Gains)/losses in fair value of derivative financial instruments	427	1,414	(1,529)
Share of associates' loss/(profit)	484	(479)	(610)
Net foreign exchange (gains)/losses	11	8	107
Deferred tax charged/(credited) to income	(3,367)	(315)	7,122
Other	(1512)	270	(2,403)
	63,749	**68,467**	**88,314**
Add/(less) items classified as investing or financial activities			
Gain on disposal of non-current assets	(271)	(408)	218
Movement in capital creditors/(debtors)	(25,806)	17,037	4,025
Other	135	126	310
	(25,942)	**16,755**	**4,553**
Add/(less) movement in working capital items			
Debtors, inventory and other current assets	5,187	(8,396)	(8,688)
Non-current receivables, prepayments and other	14,748	(269)	(7,024)
Creditors and other liabilities	(3,943)	(11,744)	3,952
Provisions and other liabilities	(1,619)	(2,615)	(4,267)
Current tax liabilities	5,298	6,936	(2,997)
Other current liabilities	(8,040)	(2,849)	6,129
Non-current provisions and other liabilities	(485)	(2,751)	-
Net changes in net assets and liabilities	**11,146**	**(21,688)**	**(12,895)**
Net cash from operating activities	**105,690**	**114,205**	**215,710**

5. Financial instruments

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — The fair value is calculated using quoted prices in active markets. Quoted market price represents the fair value determined based on quoted market prices in active markets as at the reporting date without any deduction for transaction costs.
- Level 2 — The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Financial instruments that use valuation techniques with only observable market inputs include interest rate swaps and foreign exchange contracts not traded on a recognised exchange.
- Level 3 — The fair value is estimated using inputs for the asset or liability that are not based on observable market data. The fair values of unlisted investments that do not have an active market are based on market data that is not observable.

31 DECEMBER 2018	FAIR VALUE $'000	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000
Financial assets measured at fair value				
Derivative financial instruments	11	11	-	-
USD loan	25,416	-	25,416	-
	25,427	**11**	**25,416**	**-**
Financial liabilities measured at fair value				
Fixed rate bonds	179,052	-	179,052	-
Derivative financial instruments	38,771	182	38,589	-
Loans from External parties	143,898	-	-	143,898
	361,721	182	217,641	143,898
Net assets/(liabilities) at fair value	**(336,294)**	**(171)**	**(192,225)**	**(143,898)**

FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE BUT FOR WHICH FAIR VALUES ARE DISCLOSED	FAIR VALUE $'000	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	CARRYING VALUE $'000
$150.0m bonds maturing 06 Dec 2022	153,485	153,485	-	-	150,000
$150.0m bonds maturing 27 Nov 2024	151,828	151,828	-	-	150,000
CCC loans maturing April 2024 till April 2027	78,100	-	78,100	-	70,000
CCC loans maturing May 2021 & April 2023	154,128	-	154,128	-	139,500
CCC loans maturing Jan & Feb 2019	85,037		85,037		85,000
	622,578	**305,313**	**317,265**	**-**	**594,500**

31 DECEMBER 2017	FAIR VALUE $'000	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000
Financial assets measured at fair value				
Derivative financial instruments	1,054	43	1,011	-
USD loan	24,612	-	24,612	-
	25,666	**43**	**25,623**	**-**
Financial liabilities measured at fair value				
Fixed rate bonds	76,354	-	76,354	-
Derivative financial instruments	32,182	124	32,058	-
Loans from External parties	134,784	-	-	134,784
	243,320	**124**	**108,412**	**134,784**
Net assets/(liabilities) at fair value	**(217,654)**	**(81)**	**(82,789)**	**(134,784)**

FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE BUT FOR WHICH FAIR VALUES ARE DISCLOSED	FAIR VALUE $'000	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	CARRYING VALUE $'000
$150.0m bonds maturing 06 Dec 2022	150,880	150,880	-	-	150,000
CCC loan maturing 15 May 2021	87,416	-	87,416	-	79,500
CCC loan maturing 15 April 2023	68,133	-	68,133	-	60,000
CCC loans maturing 15 April 2024-2027	76,478	-	76,478	-	70,000
CCC loans maturing Jan, Feb & March 2018	85,025	-	85,025	-	85,000
	467,932	**150,880**	**317,052**	**-**	**444,500**

30 JUNE 2018	FAIR VALUE $'000	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000
Financial assets measured at fair value				
Derivative financial instruments	811	-	811	-
USD loan	24,860	-	24,860	-
	25,671	**-**	**25,671**	**-**
Financial liabilities measured at fair value				
Fixed rate bonds	177,177	-	177,177	-
Derivative financial instruments	30,516	8	30,508	-
Loans from External parties	140,873	-	-	140,873
	348,566	**8**	**207,685**	**140,873**
Net assets/(liabilities) at fair value	**(322,895)**	**(8)**	**(182,014)**	**(140,873)**

FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE BUT FOR WHICH FAIR VALUES ARE DISCLOSED	FAIR VALUE $'000	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	CARRYING VALUE $'000
$150.0m bonds maturing 06 Dec 2022	151,970	151,970	-	-	150,000
CCC loan maturing 15 May 2021	86,476	-	86,476	-	79,500
CCC loan maturing 15 April 2023	67,699	-	67,699	-	60,000
CCC loans maturing 15 April 2024-2027	76,443	-	76,443	-	70,000
CCC loans maturing Jan, Feb & March 2018	85,023	-	85,023	-	85,000
Other - specify	-	-	-	-	-
	467,611	**151,970**	**315,641**	**-**	**444,500**

There were no transfers between fair value hierarchy levels during either the current or prior periods.

ANALYSIS OF MOVEMENTS IN LEVEL 3 ASSETS/(LIABILITIES)	TOTAL LEVEL 3 $'000
Closing carrying value 31 December 2017	**(134,784)**
Additons	(8,938)
Fair value movements (OCI)	2,849
Closing carrying value 30 June 2018	**(140,873)**
Additions	(2,901)
Fair value movements (OCI)	(124)
Closing carrying value 31 December 2018	**(143,898)**

In June 2016, CCHL entered into a Loan Facility Agreement with Crown Infrastructure Partners Ltd (CIP) (previously known as Crown Fibre Holdings Ltd) as part of the reorganisation of Enable Services Ltd (ESL). The loan is drawn down as network stages/premises are completed, and is used to subscribe in redeemable preference shares in ESL. It is secured by a charge over the assets of the Enable Group.

This interest free loan is held at fair value, where fair value is calculated using the current drawn balance and the loan's May 2021 maturity date, discounted by the CCHL parent company's current average cost of borrowing. As at 31 December 2018, the fair value was $143.9m, an increase of $0.12m for the period (2018: $1.3m). This fair value is sensitive to the discount rate: A discount rate which is 1.00% higher / (lower) would result in a fair value which is approximately $3.3 million lower/(higher) than the current carrying value.

6. Dividends

	UNAUDITED **6 MONTHS 31 DEC 2018** $'000	UNAUDITED **6 MONTHS 31 DEC 2017** $'000	AUDITED **FULL YEAR 30 JUN 2018** $'000
Fully paid ordinary shares	81,783	71,434	81,783
Partly paid redeemable preference shares	1	1	1
	81,784	**71,435**	**81,784**
Ordinary dividends	22,000	22,000	52,694
Special dividends	70,000	70,000	140,000
Total dividends declared on fully paid ordinary shares	**92,000**	**92,000**	**192,694**
Cents per share	257	362	539

There are no movements in shares during the period. CCHL has on issue:

- 35,730,528 fully paid ordinary shares to Christchurch City Council, carrying one vote per share and the right to dividends.
- $1,300,139,000 (2017: $1,300,139,000) of redeemable preference shares, paid up to $1,390, to Christchurch City Council. No further calls have been made on these shares. Dividends are only payable to the extent that the shares are paid up. CCHL may elect to redeem the whole or any part of the shares. The shares do not carry any right to conversion into ordinary shares in CCHL. The shares have no par value.

7. Impact of seasonality

There are no material seasonality impacts in the group.

8. Issues & repayments of debt & equity securities

	UNAUDITED **6 MONTHS 31 DEC 2018** $'000	UNAUDITED **6 MONTHS 31 DEC 2017** $'000	AUDITED **FULL YEAR 30 JUN 2018** $'000
Unsecured:			
Bonds and floating rate notes	618,955	416,222	517,062
Loans from external parties	463,055	464,500	396,700
Loans from related entities	553,500	488,500	488,500
Finance lease liabilities	11,734	12,669	12,211
	1,647,244	**1,381,891**	**1,414,473**
Secured:			
Loan from external parties	143,898	147,784	159,313
Finance lease liabilities	7	-	8
	143,905	**147,784**	**159,321**
Total current group borrowings	296,523	306,419	232,123
Total non current group borrowings	1,494,626	1,223,256	1,341,671
Total group borrowings	**1,791,149**	**1,529,675**	**1,573,794**

		UNAUDITED **6 MONTHS 31 DEC 2018** $'000	UNAUDITED **6 MONTHS 31 DEC 2017** $'000	AUDITED **FULL YEAR 30 JUN 2018** $'000
Christchurch City Holdings Ltd				
Nature of Debt	**Avg rate - Maturity**			
Retail Bond	3.4% Dec 2022	150,000	150,000	150,000
Retail Bond	3.58% Nov 2024	150,000	-	-
Floating Rate Notes	2.91% 2019-2020	40,000	90,000	90,000
Related Party Funding - Short Term	2.36% 2019	130,000	85,000	110,000
Related Party Funding - Long Term	4.38% 2020-2027	423,500	403,500	378,500
Total Related Party Funding		**553,500**	**488,500**	**488,500**
Crown Infrastructure Partners Ltd	Zero Interest 2021	152,897	134,784	149,996
Undrawn Bank Facility	Dec 2019-2020	100,000	100,000	100,000

Christchurch International Airport Ltd				
Nature of Debt	**Avg rate - Maturity**			
Bank Facility	4.9-5.3% 2019-2027	159,000	219,000	140,000
Bond Funding	4.1%-6.2% 2019-2027	275,000	175,000	275,000
Undrawn Bank Facility	2020-2021	61,000	76,000	80,000

Orion New Zealand Ltd				
Nature of Debt	**Avg rate - Maturity**			
Bank Loans	2.53% 2021	134,400	245,500	262,700
Undrawn Bank Facility	2022	75,600	44,500	47,300
USPP Facilities (fully drawn)	3.46% 2029	140,000		

In November 2018, Christchurch City Holdings Ltd made an offer of unsecured, unsubordinated, fixed rate 6 year bonds to the debt capital markets. In the offer, CCHL sought up to $100 million with the ability to accept oversubscriptions of up to $50 million at CCHL's discretion. Following a successful offer period, on the 27 November 2018, CCHL issued $150m of unsecured, unsubordinated fixed rate 6 year bonds, maturing on 27 November 2024. The bonds were quoted on the NZX Debt Market on the same day.

Further information in relation to the bond offer can be found in the Investor Centre available on CCHL's website.

9. Significant events & transactions

	UNAUDITED **6 MONTHS 31 DEC 2018** $'000	UNAUDITED **6 MONTHS 31 DEC 2017** $'000	AUDITED **FULL YEAR 30 JUN 2018** $'000
9a. Capital Commitments			
Property, plant & equipment	33,637	6,671	126,178
Electricity distribution network	14,009	14,735	18,923
UFB network	34,400	90,000	41,850
Investment Property	37,168	33,836	16,611
	119,214	**145,242**	**203,562**
9b. Acquisitions of Property/Plant and Equipment			
Additions	170,676	170,721	326,273

The acquisitions of property, plant and equipment reflects the capital programmes of Orion, the Port and the Airport.

9c. Contingent liabilities

The contingent liabilities of the group as disclosed in Note 18 of the annual report for the year ended 30 June 2018 are materially the same as at 31 December 2018, other than the following update:

Orion New Zealand Ltd
On 13 February 2017, two fires started on the Port Hills near Christchurch. The fires spread over 1,600 hectares on the Port Hills over several days.

On 30 January 2018, Fire and Emergency New Zealand:

- released its investigation reports into the causes of the fires, with an 'undetermined' cause for both
- stated that it believes that both fires were deliberately lit and that the matter is in the hands of the Police
- stated that its investigations are now closed and will only reopen if new evidence comes to light.

In June 2017, IAG Insurance on behalf of a number of its clients affected by the fires, filed a claim in the High Court alleging that the company's electricity network caused the fires. The company filed a statement of defence denying IAG's allegations and any liability. In October 2018, IAG filed an amended statement of claim. The company filed a statement of defence denying IAG's allegations and any liability. Orion insures for liability risks, in line with good industry practice.

10. Related Party Disclosures

	UNAUDITED **6 MONTHS** **31 DEC 2018** $'000	UNAUDITED **6 MONTHS** **31 DEC 2017** $'000	AUDITED **FULL YEAR** **30 JUN 2018** $'000
Dividends paid/payable to CCC	92,000	92,000	192,694
Interest paid to CCC	9,185	8,690	17,689
Services provided to CCC	51,673	56,296	122,660
Services provided by CCC (including rent and rates)	6,306	6,751	27,537
Net Loan Advances received from CCC	65,000	9,000	9,000

11. Events subsequent to balance date

There were no significant events subsequent to balance date requiring disclosure up to the date of authorisation of these financial statements.

12. NZX approvals

NZX has granted CCHL a waiver from NZX Listing Rule 5.2.3 to enable CCHL to apply for quotation on the NZX Debt Market even though the Bonds may not initially be held by at least 100 members of the public holding at least 25% of the Bonds issued. The waiver has been granted for a 6 month period from 27 November the date of quotation of the Bonds. The effect of the waiver from NZX Listing Rule 5.2.3 is that initially the Bonds may not be widely held and there may be reduced liquidity in the Bonds.

Investor Relations

Investor Centre
CCHL's website, www.cchl.co.nz, enables Bondholders to view information about the Group, including SoIs, annual reports for CCHL and its subsidiaries and announcements.

Bondholder Interest Payments
Interest is paid semi-annually in June and December (until December 22), and November and May (until November 24) each year, until redemption.

Registrar
Computershare Investor Services Limited is the registrar with responsibility for administering and maintaining the Bond Register. Computershare can be contacted directly:

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622

Telephone: +64 9 488 8777
Email: enquiry@computershare.co.nz

Managing your Bondholding Online
To view and update your bondholder details please visit www.investorcentre.com/nz.

Bondholder Distribution
In line with clause 10.4.5 of the NZX listing rules, the following table details the spread of bondholders within 2 months of the date of this report:

CCH020

Holding Range	Holder Count	Holding Quantity	Holding Quantity %
5,000 to 9,999	5	$32,000.00	0.02
10,000 to 49,999	17	$365,000.00	0.24
50,000 to 99,999	7	$465,000.00	0.31
100,000 to 499,999	7	$1,590,000.00	1.06
500,000 to 999,999	2	$1,094,000.00	0.73
1,000,000 to 9,999,999,999,999	5	$146,454,000.00	97.64
Total	**43**	**$150,000,000.00**	**100.00**

CCH010

Holding Range	Holder Count	Holding Quantity	Holding Quantity %
5,000 to 9,999	10	$52,000.00	0.03
10,000 to 49,999	114	$2,178,000.00	1.45
50,000 to 99,999	23	$1,345,000.00	0.9
100,000 to 499,999	16	$3,129,000.00	2.09
500,000 to 999,999	3	$1,576,000.00	1.05
1,000,000 to 9,999,999,999,999	8	$141,720,000.00	94.48
Total	**174**	**$150,000,000.00**	**100.00**

Orion New Zealand Ltd

Orion New Zealand Ltd (Orion) owns and operates the electricity distribution network between Waimakariri and Rakaia rivers and from the Canterbury coast to Arthur's Pass.

89.3%

Owned by Christchurch City Holdings Limited.

Orion, New Zealand's third largest electricity distribution business, recorded an unaudited post-tax profit for the six months to 30 September, 2018 of $29m. This was $1m below YTD budget and $1.7m below the equivalent period last year.

A mild winter and an absence of extreme weather events in the region has meant Orion's customers experienced a sustained level of service stability through the period, and this continued through spring and mid-summer. With reduced network volumes this has, however, contributed to the reduction in profit.

This is the final year of Orion's five-year customised price-quality path (CPP) and the company is readying itself for the Commerce Commission to re-set its pricing for FY21 to FY25, after an interim rollover year.

Orion is well underway with two major projects that support the resilience of its network.

Working with the NZ Transport Agency, Orion will install a new 11kV cable through the Lyttelton Road Tunnel, increasing the security of supply and resilience of its high voltage feed to Lyttelton. The new cable which will operate in tandem with the existing lines over the Port Hills, is expected to be installed in March 2019.

Orion's $1.5 million upgrade of its electricity network for the Springston community and wider area was substantially completed. Orion installed new equipment and replaced aging equipment in its Springston substation to create a more resilient and reliable power supply to service the growing communities across Springston, Rolleston, Leeston, Lincoln and as far as Banks Peninsula.

Orion upgraded the capacity at its substation in Dunsandel to power local dairy processor Synlait's installation of a new electrode boiler. Synlait is installing New Zealand's first large-scale electrode boiler in their upcoming $125 million advanced dairy liquids facility at Synlait Dunsandel. To be commissioned in early 2019, the move from a coal fired boiler to electricity is part of Synlait's sustainability strategy and leads the way for industry to contribute to a lower emissions future for New Zealand.

A barometer of regional growth, Orion continues to welcome a steady stream of new customers to its network, and customer numbers grew by 1,900 connections to 202,900 by 30 September 2018.

Christchurch International Airport Ltd

Christchurch International Airport Limited (CIAL) recognises the importance of its role as the primary gateway for the South Island.

75%

Owned by Christchurch City Holdings Limited.

Christchurch International Airport Limited's (CIAL) continued activation of its core strategies has delivered further growth in financial outcomes for the six months to 31 December 2018.

Total operating revenue for the period grew $7.0m (7.9%) compared to the same period last year.

This continued revenue growth has flowed through to an improved net surplus after tax of $24.3m, 25.6% ahead of last year. This has resulted in the Board declaring an interim dividend of $21.9m, also 25.6% up on last year.

Total passenger movements increased by 1.4% compared to the same period last year. This was softer than expected and reflects the softening domestic leisure travel segment and variability in the inbound tourism segment.

International arrivals led passenger growth, with a 2.9% increase compared to the same period last year, driven by strong performances from several of our international airline partners. The stand-out market remains China, growing 7.1% in the period.

In November, the Commerce Commission released its final summary and analysis report on CIAL's PSE3 pricing decision. Pleasingly, the final report highlighted target returns are reasonable and the company is not targeting excessive profits over the PSE3 pricing period.

The company's property team has continued activating its property development strategy spending around $37.4m on capital expenditure in the first six months of the FY19 financial year.

Part of the airport company's world-first partnership agreement with Alibaba Group saw it lead the New Zealand rollout of Alipay, a Chinese smartphone app and payment system of more than 800 million users. This was more successful than anticipated and will soon be followed by a South Island Travel Store on Fliggy, a leading Chinese travel service platform within Alibaba's digital ecosystem.

CIAL has continued to focus on the five key areas of its Sustainability Strategy – energy, waste, water, noise and carbon. Energy consumption is down around 3.2%, waste diversion rates are tracking positively, water usage remains constant, noise complaints are at very low levels, and carbon figures down around 7.5% due to mild weather and a phase out of fossil fuel vehicles from the company's fleet.

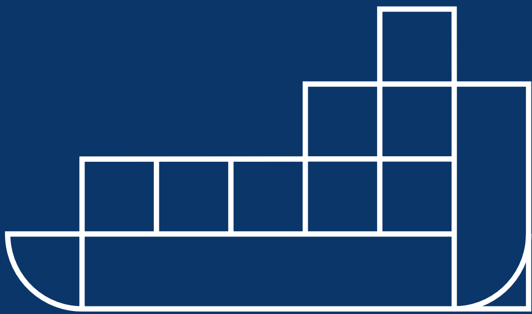
Christchurch Airport continues to be rated Australasia's best airport for customer service and amenities, rated by independent customer surveys carried out across all airports. It was the only New Zealand airport to win a World Airport Award in 2018.

Lyttelton Port Company Ltd

Lyttelton Port Company Ltd (LPC) is the South Island's largest Port and Container Terminal, and the third largest container Port in the country.

100%

Owned by Christchurch City Holdings Limited



Lyttelton Port is the South Island's biggest trade gateway, facilitating the movement of $5 billion of exports and $5 billion of imports every year. LPC are also New Zealand's second largest export hub, taking the region's goods to the world.

Revenue increased 2.75% compared to the same time last year, despite container volumes being down slightly during the period as a result of fewer coastal import containers and increased efficiencies resulting in a reduction in empty container movements. Export volumes remain strong, particularly in dairy, and they expect container volumes to improve again over the second half of the year.

LPC continued their development programme to ensure the Port continues to play its part supporting the South Island's export economy. A key part of this agenda is the channel deepening project, which finished its dredging work during the period, on time and under budget.

The dredging is the most important step in making Lyttelton accessible for the larger container vessels shipping lines now favour. Installation of new navigation aids to finish the channel will be completed in the second half of this financial year.

Construction of the new $67 million Cruise Berth has started, and piling began in December. The Berth will be New Zealand's first-ever purpose built Cruise facility, and will be able to accommodate the world's largest Cruise vessels.

LPC has worked extensively with experts to develop a Marine Mammal Management Plan for the project, which details how they will manage potential noise effects on marine mammals from the project, and outlines the monitoring and reporting requirements.

The wellbeing of their people also remains a key focus for LPC. Over the period they have conducted a consultative process to review their Health and Safety policy and framework, and improve their Fatigue Management systems. LPC have also introduced a new contractor management process, and introduced a number of controls to improve the way they manage their critical risks.

Over the period, LPC has been focused on integrating sustainability throughout their business operations. During the last six months, they have completed a 4 module workshop and begun development of a draft sustainability strategy and implementation plan.

LPC takes their role in the economic sustainability of Christchurch, Canterbury and the wider South Island seriously. They are committed to making sure they develop the Port to ensure that it is able to handle strong projected growth in export volumes, and their work over the period has continued to lay the foundations for a sustainable future.

Enable Services Ltd

Enable Services Ltd (ESL) is building and connecting local homes and businesses to a world-class fibre network. ESL owns the critical fibre infrastructure that is connecting our community with unlimited opportunity.

100%

Owned by Christchurch City Holdings Limited.

2019 is another year of significant growth for Enable as it manages high volumes of customers connecting to its world-class fibre broadband services.

At 31 December 2018, 89,572 customers were connected to fibre broadband – an increase of 12,422 customers since 1 July reflecting similar connection growth to the previous year. Enable now has ~50 percent of the fixed broadband market within its greater Christchurch coverage area.

The business successfully launched its largest ever systems enhancement, Customer Interaction Manager, in July. The new system has transformed how front-line staff engage with customers – empowering them to have better informed conversations and help customers more quickly – and has resulted in a record December net promoter score of 45. This demonstrates Enable's ongoing focus on continuously improving customer experience.

Enable continues to place caring for its people at the heart of the business and its current Total Recordable Injury Frequency Rate (TRIFR) is 1.5 per million hours worked. This is ahead of its 2019 target.

Enable's year to date revenue is $28.0m and EBITDA is $18.1m, both favourable to budget. Continued strong growth in revenue and tight cost controls have resulted in Enable continuing to improve financial performance.

Enable is committed to delivering value to its grWeater Christchurch community beyond its core role of maintaining and operating the city's fibre network infrastructure.

A new sustainability framework will set goals and targets for its contribution to the economic and social growth of the Christchurch community and reducing the environmental impact of its business. It will define more opportunities to positively impact the community alongside current partnership initiatives such as the Canterbury Employers' Chamber of Commerce's Enable Digital Event Series and Next Gen Leadership Series, and the local chapter of Future Leaders in Technology.

City Care Ltd

City Care Ltd (Citycare) is a leading provider of construction, maintenance and management services.

100%

Owned by Christchurch City Holdings Limited.

The sector-led business model Citycare Group moved to in 2017 is now well-understood both by their existing and prospective customers and a relentless commitment to improving profitability remains the primary focus for each Sector, through:

- smarter management and optimisation of water sector infrastructure assets, to ensure safe and sustainable water supply through Citycare Water;
- end-to-end construction and maintenance of public and private building and greenspace facilities through Citycare Property; and
- optimising roading, landscape and subdivision construction and maintenance through Citycare Civil.

Innovation and Disruptive Technologies

Citycare is committed to exploiting the growing convergence between OT (Operational Technology) and IT (Information Technology) and to demonstrate thought leadership through stimulating and supporting relevant and practical disruption opportunities that optimise assets or drive maintenance productivity benefits.

To this end, the Company has signed a partnership deal with a Christchurch-based IoT sensor device design and manufacturing business (PiP IoT), which includes exclusive NZ distribution of their fit-for-purpose sensor devices, enabling Citycare to provide its customers with (near) real-time asset intelligence. This is aligned to a growing wave of customer interest in Big Data and Artificial Intelligence (AI) technology and supports Citycare's continued investment in its EventManager job management platform and in empowering their people to share, develop and drive their own productivity enhancing ideas.

In 2018, Citycare Water was recognised as Winner of the Technical Poster Award winner for its depiction of 'IoT: The Real Deal'. The Technical Poster focused on the evolution and imminent explosion of IoT in the context of 'making improvements to ecosystems through prudent use of data' and its capacity to 'deliver significant positive benefits through unlocking previously inaccessible asset data'.

Sustainability and Environmental Leadership

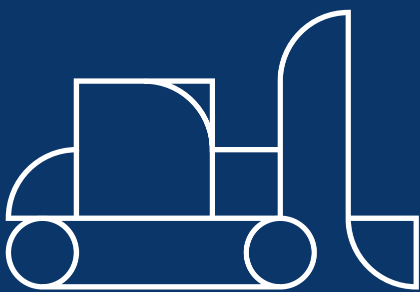
In 2018, Citycare updated its Sustainability Charter and Framework, aligning it with the 7 of the 17 UN Sustainable Development Goals (SDGs) where we are confident that the business can drive the most positive sustainability leadership.

This approach recognises the importance of the Economic Wellbeing of Citycare's customer relationships and the importance of an engaged and diverse workforce in the same vein as their ongoing commitment to climate action and responsible environmental consumption.

Last year, Citycare enjoyed strong traction against the SDG related to Sustainable Cities and Communities, through the realisation of their Community Guardians platform, a corporate social responsibility vehicle that moved Citycare away from a more traditional corporate sponsorship model, into an arena where it is facilitating and enabling community partnerships and action.

In 2018, the Community Guardians platform was recognised as the Winner NZRA Outstanding Community Recreation Programme with the judges particularly impressed by the scalability of the programme and how it could easily be adapted in communities throughout New Zealand.

We discover. We deliver. We care.



Red Bus Ltd

Red Bus operate urban and school bus routes within Christchurch city, and tourism and coach services across the South Island.

100%

Owned by Christchurch City Holdings Limited.

During the second half of 2018, Red Bus continued to benefit from its successful telematics programme through reduced fuel consumption and improved ride comfort. In the quarter to 31 December 2018, the company recorded its lowest ever telematics score and all drivers qualified for an incentive payment, a great credit to Red Bus drivers. Red Bus continues to lead the ECan urban mystery shopper results, measuring delivery to the Christchurch market.

In the initial presentation of their Long term plan, ECan signalled 5 routes being serviced by Red Bus to be cancelled. Following an alternate proposal by Red Bus, and strong support through public submissions, these measures were significantly altered with improvements to some routes being made. The changes to the routes in late October were smoothly implemented without any negative media commentary. This achievement was welcomed by ECan given recent experiences in other cities.

The ECan Regional Passenger Transport Plan (RPTP) was finalised prior to Christmas. The RPTP proposes significant long term investment in growing Christchurch passenger transport, adopting new technology and a strong customer centric approach. The RPTP recognises the key role that service providers have in the successful development and delivery of improved services. Red Bus fully supports this plan aimed at increasing patronage on public transport.

ECan is now advancing its Procurement Strategy ahead of the urban service tender programmed for 2019. Red Bus is allocating significant resource to be in the best position to respond to the urban tenders and increase its market share in Christchurch.

Red Travel tour group activity this season is on par with last year. Independent travellers have increased noticeably on Akaroa Shuttle services. Red Bus Charter continues to provide efficient transfers to schools, businesses and individuals looking to move within our region.

The lost time injury (LTI) frequency per million worked hours for the year to 31 December 2018 was 19.0 compared with 4.3 for the year to 31 December 2017. The injuries were predominantly the result of mis-stepping. The company is focusing on reducing such incidents, through regular communication and training. It is pleasing to note that the December quarter was LTI free.

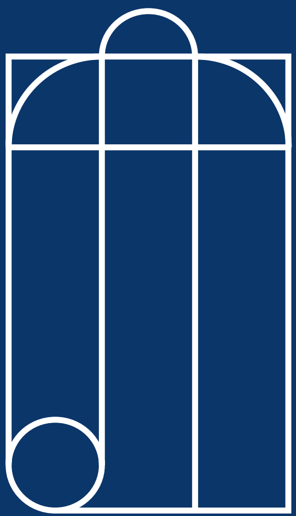
Changes to depot infrastructure are well under way in anticipation of the arrival of 3 fully electric buses in 2019. These buses will service the Christchurch City to Airport route and their arrival is eagerly anticipated. Significant improvements were made to the workshop area and driving surfaces of the depot.

EcoCentral Ltd

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

100%

Owned by Christchurch City Holdings Limited.



Financial Results

While EcoCentral continues to navigate its way through a challenging period in terms of the international markets for recyclable products, the six-month financial performance has been pleasing. The Company's net profit is ahead of budget expectations and represents a period of relative stability after a volatile previous period. This stability has been achieved through the introduction of a processing fee for comingled recycling product at the EcoSort, and also the implementation of new marketing initiatives at its EcoDrop refuse stations.

The EcoDrops have responded well in a challenging environment and have worked hard to build strong relations with its customer base while increasing its competitiveness. These initiatives have proven effective in stabilising incoming refuse tonnes, resulting in a financial performance that was ahead of budget for the EcoDrops and only down slightly on the same period last year.

The EcoSort has produced a positive financial performance. This has been consequent on the introduction of a processing fee and a focus on its product quality and customer relationships, ensuring it continues selling its recyclable paper and plastics with none going to landfill or being stored. Global trading of recycling commodities remains under pressure from highly competitive markets and weak prices. Given this trend is likely to continue, the Company has increased the amount of manual sorting to lift the quality of the recyclables, with the desire to maintain existing markets, while transitioning to alternative recycling processes. Work continues to explore and develop alternative recycling processes to ensure Canterbury remains leading edge into the future.

It is important that the community retain their confidence in the recycling being undertaken here in Canterbury, as it is done in an ethical manner and their continued attention to informed decisions about recycling enables these products to actually be recycled.

Although the colder winter months typically see a reduction in customer numbers, the EcoShop maintained strong patronage with regular queues each morning illustrating the popularity and novel addition the EcoShop is to Canterbury's recycling economy. Christmas and school holiday shopping produced a strong finish to the first six months trading.

Operational Performance Targets

Further investigations of potential commercially viable waste minimisation initiatives continue to be explored. EcoCentral is collaborating with the Christchurch City Council on a battery disposal trial that could remove a major volume of batteries from the waste stream, and with local plastic manufacturers exploring alternative options to current plastic processes.

Increasing levels of waste in the yellow bin recycling collections is becoming an issue. Recent media coverage of recycling being stockpiled or dumped has reduced public confidence in the recycling process and is adversely affecting the Company's ability to meet a key SOI waste target. However, this remains a key component of EcoCentral's waste minimisation strategy and the Company wishes to work closely with CCC to respond to the situation by increasing public education campaigns to counter this mindset.

Development Christchurch Ltd

Development Christchurch Ltd (DCL)'s objective is to accelerate development activities in Christchurch's built environment to achieve positive social outcomes that lead to a prosperous economy.

100%

Owned by Christchurch City Holdings Limited

As Christchurch City Council's urban development agency, DCL works on projects and activities that bring activity, life and investment to the city. DCL's work ranges from project implementation through the New Brighton Regeneration Project, through to supporting other suburban revitalisation efforts, managing investments on behalf of the city and working to identify and encourage private investors and developers to become part of the new, emerging Christchurch City.

DCL is on track to deliver against its targets for the financial year 2018/19. Key highlights for the year to date are:

New Brighton Regeneration

DCL is leading the New Brighton Regeneration Project – a series of activities and projects that aim to revitalise the seaside suburb. It includes two major, publicly funded projects (the beachside playground and hot pools development) along with the coordination of the revitalisation of the commercial centre, public realm projects, residential housing development and a series of momentum-building activities.

- The beachside playground is now open, while resource consent for the hot pools development was granted in June 2018 and construction is expected to be underway in February/March 2019. Work is expected to be completed within 12 months.
- DCL is supporting SCAPE Public Art in New Brighton.
- DCL is working with Council staff leading improvements to Marine Parade.
- DCL continues to work with private investors and developers with a focus on the revitalisation of the commercial centre.

Former Christchurch Convention Centre Site

DCL is seeking to work with developers on the prominent central city site of the former Convention Centre – known as Peterborough Central. DCL has reached out to local and international developers and is progressing this project with the aim of contributing to the goals of the city's Project 8011.

Christchurch Adventure Park (CAP)

DCL continues to work closely with the Port Hills Leisure Limited Board and management team in its role as investor.

Central City Action Plan

This is a priority for the city and DCL is supporting the Central City Action Plan at both a steering group and delivery level. This includes leading relevant components relating to commercial development, property intentions and supporting alternative development models that may be applicable.

Commercial advisory

DCL continues to provide numerous commercial and professional advisory services to Christchurch City Council on a wide range of issues.

Directory

Registered Office	Level 1, 151 Cambridge Terrace Christchurch
Directors	J Smith (Chair) V Buck G Campbell L Dalziel M Devine J Gough A Turner A Skinner
Management	Paul Munro (Chief Executive) Leah Scales (Chief Financial Officer) Noeline Halstead (Executive Officer) Steve Ballard (Senior Analyst)
Bankers	Westpac Institutional Bank, Auckland Bank of New Zealand, Christchurch ANZ New Zealand Ltd, Wellington
Auditors	Audit New Zealand (on behalf of the Controller and Auditor General) Christchurch
Ownership	100% owned by Christchurch City Council

Results for Announcement to the Market

Reporting period:
Six months to 31 December 2018

Previous reporting period:
Six months to 31 December 2017

	UNAUDITED **6 MONTHS 31 DEC 2018** $'000	UNAUDITED **6 MONTHS 31 DEC 2017** $'000	**PERCENTAGE CHANGE** %	AUDITED **FULL YEAR 30 JUN 2018** $'000
Revenue from ordinary activities	532,762	522,440	2%	1,100,309
Profit/(loss) from ordinary activities attributable to security holder	47,757	42,547	12%	107,725
Net profit/(loss) attributable to security holders	47,757	42,547	12%	107,725
Net tangible assets per listed bond *	**6.06**	**11.45**	–	**12.49**

	AMOUNT PER SECURITY	**IMPUTED AMOUNTW PER SECURITY**
Final Dividend	n/a	n/a
Record Date	Not Applicable	
Dividend Payment Date	Not Applicable	

*net tangible assets per listed bond dropped in the current period due to the issue of a new $150m Bond in November 2018, taking the total listed bonds to $300m, compared to the previous period of $150m.

Comments:
Christchurch City Holdings Ltd is an NZDX issuer

Christchurch City Holdings Ltd (CCHL) does not have equity securities listed on the NZX. CCHL only has two listed bonds on the NZDX:
— CCH010 $150m 5 year fixed rate bonds maturing December 2022
— CCH020 $150m 6 year fixed rate bonds maturing November 2024

Refer to the attached interim report for the commentary and financial statements of Christchurch City Holdings Ltd (Group), a group comprising Christchurch City Holdings Ltd and the entities over which it has control or joint control, for the six months ended 31 December 2018

The interim report for the six months ended 31 December 2018 is unaudited.

Control of entities gained or lost during the year
There were no changes in the entities the Group has control of during the period.

Details of Associates and Joint ventures
City Care Limited has an unincorporated joint venture agreement, City Care Limited John Fillmore Contracting Limited Joint Venture of which they have a 50/50 percentage. This joint venture is a strategic partnership to tender for relevant contracts.

Development Christchurch Ltd has an investment of 14.29% in associate Leisure Investments New Zealand Partnership. This associate runs the Christchurch Adventure Park.

These investments in associates and joint ventures are not deemed material to the Group.

Events after the reporting period
There are no material events after the reporting date which would require adjustment or disclosure by the Group.