

MEDIA RELEASE

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CCHL companies perform strongly amid earthquake disruption

Christchurch City Holdings Ltd (CCHL) half year results to 31 December 2010 highlight the ability of Christchurch City Council's strategic assets to weather these uncertain times and continue to perform strongly.

Operating revenue for the Group – made up of Orion New Zealand Ltd, Christchurch International Airport Ltd (CIAL), Red Bus Ltd, Lyttelton Port Company Ltd (LPC), Enable Networks and City Care Ltd – increased by \$19.3 million to \$306.7 million compared with the previous equivalent period. Orion, CIAL, LPC and City Care all improved their trading profit against 2009 figures.

“Christchurch has been hit by unprecedented events in the last few months. My thoughts go out to all those within the CCHL group and the city who have been affected by the most recent earthquake,” said CCHL Chief Executive Bob Lineham.

The latest CCHL results cover a period that included the first earthquake, but not the February one.

“To have a number of CCHL companies return improved trading profit despite the huge disruption of the September earthquake demonstrates the resilience of the people within these companies, and represents an excellent result for the business and for Christchurch,” said Lineham.

The net profit of the group for the first half of 2010 was \$24.1 million, compared with \$38.6 million for the same period in 2009.

“Most of the fall in net profit will be offset in the near future by insurance payments for damage to assets relating to the September earthquake,” said Lineham.

LPC increased its trading profit but also recorded a net loss because of a \$16.2 million post-tax asset write-off following the earthquake. Insurance payments for the damage to these assets are expected in the coming months and have not been reflected in the half-year result.

CCHL is still assessing the impact of the February 2011 earthquake on the group's asset base and its future dividend capacity.

“CCHL group companies and the people that work for them have responded superbly to the latest earthquake and have made an invaluable contribution to the City's response efforts,” said Lineham.

“Having strong companies managing the likes of our electricity network, airport, shipping port and infrastructure maintenance is vital in situations like the one we find ourselves in and for the future success of the city.”

“This half-year result demonstrates how well managed these strategic assets are and I am confident CCHL companies will continue to perform well in the emerging environment as well.”

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About Christchurch City Holdings Ltd

Christchurch City Holdings Limited is the 100% owned infrastructure investment arm of Christchurch City Council. It is the majority shareholder of Orion Group, Christchurch International Airport Limited, Lyttelton Port Company Limited, Christchurch City Networks Limited, Red Bus Limited and City Care limited. It also monitors on behalf of the Council the Council's investments in the Vbase group of companies.