cchl CHRISTCHURCH CITY HOLDINGS LIMITED

Media Release

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Christchurch City Holdings Limited releases 2012 Annual Review and Report

Christchurch City Holdings Limited has released its Annual Review and Report for the year to June 2012.

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 Networks Ltd) and infrastructure, maintenance and services (City Care Ltd and Eco Central Ltd).

The CCHL 2012 group profit for the year was $97.3 million, compared with $77.3 million in the 2011 financial year.

CCHL's Chairman Bruce Irvine said "there were a number of one-off factors in both years, in particular earthquake impacts, that make a simple comparison of 2011 and 2012 results difficult".

The report contains positive news regarding Lyttelton Port Company which reported strong improvements in trading, with record container and coal volumes, and City Care Ltd which has continued its very strong post-earthquake performance.

The Annual Report shows normalised profit before tax for the year reduced by almost $12 million from the last financial year. A contributing factor to this was the significant increase in Christchurch International Airport Ltd's interest and depreciation costs following completion of the main stages of the terminal expansion. These costs were always expected to occur and the project has been widely acknowledged in the community as being a great success.

Mr Irvine says the CCHL group has continued its recovery from the Canterbury earthquakes, with some companies experiencing very strong demand for their services, but others dealing with a fall-off in volumes.

"Overall the group is in good heart and in strong financial shape. More important than the immediate financial return to the group, is the continued focus on rebuilding the region's

infrastructure so that the people of Christchurch and Canterbury can have confidence that they have reliable infrastructure available to facilitate their own future investment decisions," he said.

In the Report, the CCHL Board makes a special mention of the role that good governance has in the ongoing success of the group. "CCHL remains committed to the ownership and monitoring role entrusted to it by its shareholder, Christchurch City Council".

The report notes that the quality of governance within the group is recognised by the business community and that the Board is delighted at the number and calibre of the directors who have made themselves available to serve the group.

During the year, CCHL paid $27.4 million in ordinary dividends and $8 million in special dividends to the Christchurch City Council.

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Christchurch City Holdings Limited is the 100% owned infrastructure investment arm of Christchurch City Council. It is the majority shareholder of Orion New Zealand Limited, Christchurch International Airport Limited, Lyttelton Port Company Limited, Enable Services Limited, Red Bus Limited, EcoCentral Limited and City Care Limited.