

28 October 2009

**MEDIA RELEASE**

**CCHL weathers downturn well**

The local infrastructure company Christchurch City Holdings Ltd (CCHL) has proved itself resilient to the effects of the global recession in the twelve months to 30 June 2009, according to CCHL's annual report released today.

The total value of the assets owned by CCHL on behalf of the Christchurch City Council and its ratepayers remained virtually steady at \$2.210 billion (\$2.218 billion in the previous year). Total equity was also virtually steady at \$1.41 billion (\$1.40 billion).

Despite a drop in CCHL's consolidated net profit to \$78.6 million from \$91.4 million, the company paid its budgeted dividend to the City Council of \$38 million, up \$3.5 million on the previous year.

When abnormal events are removed CCHL's net profit has remained in line with previous years.

The 2009 dividend to the City Council helped reduce the city's rates by over 15%.

CCHL's three largest investments are 89% of Orion New Zealand Ltd (electricity lines company), 75% of Christchurch International Airport Ltd, and 78% of Lyttelton Port Company Ltd which are valued in CCHL's books at a total of \$1.39 billion.

Other investments are 100% of Christchurch City Networks Ltd trading as Enable Networks (broadband network), 100% of Red Bus Ltd, 100% of City Care Ltd, and a 39% interest in Selwyn Plantation Board Ltd (farming and forestry). The total value of the investment in these companies is \$96.4 million.

Altogether, the turnover of the companies in the group increased from \$526 million to \$583 million.

CCHL also monitors the Council-owned company Vbase Ltd which operates AMI Stadium, the Christchurch Town Hall for the Performing Arts, the Convention Centre and the Westpac Arena.

“The underlying profitability of the investment group was broadly similar to the 2008 year,” said the chairman of CCHL Mr Bruce Irvine.

“This is a satisfactory outcome given the difficult trading conditions experienced by a number of group companies, as a result of the global recession,” said Mr Irvine.

CCHL does not itself trade, as its primary assets are investments in its subsidiary companies.

The company focuses on monitoring the performance of its subsidiaries and ensuring that a high standard of governance exists within the group.

“We value highly the positive relationship we have with our subsidiary companies and we appreciate the high quality of decision making which is contributing to the continued strength of the group” said Mr Irvine.

A major success during the year was the rapid progress of one of CCHL’s newer companies Enable Networks.

Enable Networks was nurtured into existence in 2007 by CCHL to install and operate an open access fibre optic network in and around the city.

The company has made significant progress with building this network and to date has installed 112 kilometres of the network throughout the city.

“CCHL will continue to pursue infrastructure investment opportunities that are consistent with the needs of the city and region,” said Mr Irvine.

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**For further comment contact:**

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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 Group, Christchurch International Airport Limited, Lyttelton Port Company Limited, Enable 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.