

MEDIA RELEASE

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CHRISTCHURCH CITY HOLDINGS CREDIT RATING REMAINS STRONG

The CEO of Christchurch City Holdings Limited, Bob Lineham, has advised that the credit rating of CCHL remains very strong in spite of the announcement earlier this week that Standard and Poors have put the company on credit watch.

It is normal practice for Standard and Poors to take such action when there is uncertainty as it gives them time to properly revise the situation. Standard and Poors have a routine visit scheduled for October and by then the full situation will be presented to them said Mr Lineham.

Mr Lineham commented that reports from the subsidiary operating companies had indicated that either damage was minor in relation to the size of the company operations and would have minimal impact on their results or was fully covered by insurance. This together with the strong balance sheet of CCHL means that the position is very sustainable he said.

The current credit rating of CCHL is AA+ which is at the top of the AA category. All levels of the AA category are defined by Standard and Poors as having "very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree."

The public and investors can be assured that CCHL and its subsidiaries are in a strong position to continue their high levels of service in the community, said Mr Lineham.

-Ends-

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, 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.