

MEDIA RELEASE

21 November 2008

Offer for shares in Lyttelton Port Company Ltd

Christchurch City Holdings Ltd (CCHL) is today making a cash offer of \$2.75 for a limited number of shares in the listed Lyttelton Port Company Ltd (LPC).

The Offer of \$2.75 per share is for up to 2.536 million shares (or 2.48%) in LPC on a first-come, first-served basis.

The Offer price is 50 cents or 22.2% above the market price of LPC shares as at the close of business on Wednesday 19 November 2008.

CCHL's offer is limited to acquiring a maximum of 5,000 shares per LPC shareholder except where that leaves a shareholder with less than 5,000 shares. In that case those remaining shares can be sold into the Offer.

The Offer will close immediately the 2.536 million shares have been acquired, or at 5pm on Friday 28 November 2008, whichever is the earlier.

The Offer is restricted because of previous LPC share-buying activity by CCHL which means CCHL is limited in what it's permitted to acquire in terms of the "creep" provisions of the Takeovers Code.

CCHL - the investment arm of the Christchurch City Council - already owns 75.68% of the issued capital of LPC, so if the current Offer is successful, its holding would increase to 78.16%.

"This Offer provides a further opportunity for LPC's shareholders to sell shares at a premium, prior to any moves being made towards causing the delisting of LPC from the New Zealand Stock Exchange (NZX)," said the Chief Executive of CCHL Mr Bob Lineham.

"When a company's shares are delisted, experience shows that the share price drops" said Mr Lineham.

Because of the Offer's limited nature, CCHL is urging LPC shareholders to act promptly in contacting their NZX Primary Market Participant (sharebroker) or financial advisor

For LPC shareholders who are not clients of an NZX Primary Market Participant (sharebroker) or who do not have a financial advisor, CCHL has appointed Hamilton Hindin Greene Limited (HHG) of Christchurch to act on its behalf to deal with those shareholders.

Backgrounding the reasons for the Offer and why CCHL wished to see LPC delisted, Mr Lineham reminded shareholders that at the time of its Takeover Offer for LPC in 2006, CCHL had said it wanted to see LPC delisted.

“CCHL holds in excess of 75% of the issued capital of LPC and has a responsibility, on behalf of the City of Christchurch, to ensure that strategic assets are protected.

“Unfortunately, because of the listed status of LPC, CCHL is unable to receive confidential strategic information on the port, or participate in key decisions without CCHL being prevented from buying and selling LPC shares, and this is unsatisfactory” said Mr Lineham.

If LPC was delisted, CCHL could receive the same confidential strategic information and participate in key decisions as it does with its other subsidiary companies.

Also, Mr Lineham said “any proposal to cause LPC to delist is not inconsistent with the recent announcement that LPC and Port Otago Limited are exploring a possible merger of their respective operating and commercial activities”.

On the issue of CCHL making a full Takeover Offer for LPC under the Takeovers Code for all of LPC’s shares it did not own, Mr Lineham confirmed that CCHL had considered this.

“At the time of the 2006 takeover offer, Port Otago Ltd acquired a stake of over 15% in LPC which was sufficient to block any takeover, if it wished.

“Given the presence of this shareholding, CCHL considers that making a takeover offer is not appropriate at this time,” said Mr Lineham.

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For further information contact:

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