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MEDIA RELEASE

STRONG TRADING RESULT HIGHLIGHT OF FIRST SIX MONTHS FOR LYTTELTON PORT OF CHRISTCHURCH

In announcing the half year result for Lyttelton Port of Christchurch (LPC), Chairman Mr Rodger Fisher stated that despite the challenging post-earthquake conditions he was delighted to advise that the company had experienced a very strong start to the year, with the trading result for the period significantly ahead of the same period last year.

The company is experiencing strong growth in containers in the current year, with volumes for the six months being 10% up on the same period last year. Coal volumes are 47.5% above the comparative six month period and General Cargo volumes have also increased across a number of trades.

Mr Fisher commented that "Revenues for the six months to 31 December 2010 of \$47.4 million are 12.6% above the same period last year, and the trading Net Profit after Tax has increased a significant 66.7% to \$6.1 million. We are pleased that we have been able, with minimal loss of revenue, to operate safely and meet the increased demand from our customers following the 7.1 magnitude earthquake on 4 September 2010."

Chief Executive Peter Davie stated that "In our General Cargo trades, log exports have continued at the strong levels reached in the year to 30 June 2010, with a 2.7% growth in volume in the six months to 31 December 2010. Motor vehicle imports have grown by a substantial 24.6% in the period, reflecting the recovery of the new and used vehicle market.

Mr Davie continued "We have seen an 11% uplift in dry bulk tonnage over the six month period to 31 December 2010. Bulk fuel volumes have offset this increase, with a 6% reduction in the same period."

Operating expenditures are tracking in line with revenues, after allowing for the urgent temporary repair works that have been undertaken on our wharf and harbour structures since the earthquake, as these costs have been largely offset by insurance recoveries received to date. This has resulted in earnings before interest, taxation, depreciation and amortisation being \$17.3 million for the first half of the 2011 year, an increase of 31.6% on the previous year."

Following the earthquake, the company embarked on a process of quantifying the extensive damage to the port's assets. This process is still continuing. However, complying with International Financial Reporting Standards has resulted in an asset write-off of \$22.6 million to 31 December 2010. There is a resulting impact on both depreciation and taxation expense, and following these one-off adjustments, the Net Loss after Tax for the six months to 31 December 2010 is \$10.1 million.

A reconciliation between the reported loss and the trading profit for the period is provided in the table below.

	\$ millions
Reported Net Loss after Tax in Statutory Accounts	(10.1)
<i>add</i> Revenue loss (net of tax)	0.1
<i>add</i> Excess of earthquake costs over insurance proceeds received to date (net of tax)	0.3
<i>less</i> Depreciation written back on assets written off	(0.4)
<i>add</i> carrying value of assets written off due to the 4 September earthquake	22.6
<i>less</i> tax adjustments on assets written off	(6.4)
Trading Net Profit after Tax	6.1

LPC carries insurance cover for restoring and reinstating assets to current standards as a result of events like the recent earthquakes, along with business interruption insurance. LPC continues to work closely with its insurers assessing the damage to its assets from the September 2010 earthquake, determining the appropriate steps for their restoration or reinstatement and to finalise its claim. LPC will be commencing discussions with its insurers in relation to the further damage sustained as a result of the 22 February 2011 earthquake. It expects finalisation of these matters will take some time.

Peter Davie said "Due to the current situation following the recent earthquake, the impact on the full year profit is extremely difficult to forecast at this time." However it is pleasing to report that the port is partly operational again, with fuel, food and medical supplies being unloaded within 96 hours of the 22 February 2011 earthquake.

The Directors have resolved to defer the payment of dividends until further insurance proceeds are received. Mr Fisher stated "It is prudent that we defer the interim dividend as the assessment of damage is still in progress, and we are unclear at present what the total financial impact will be."

Mr Fisher concluded "We will continue to keep the market informed on our progress in the rebuild of the port".

FINANCIAL RESULTS

The table below summarises the earnings comparison and NPAT for the last six months compared to the same period last year. These figures have been prepared in accordance with International Financial Reporting Standards (IFRS)

	Six months to 31 Dec 2010	Six months to 31 Dec 2009	Change	Year to 30 June 2010
	(\$,000)	(\$,000)	(%)	(\$,000)
Revenue	47,387	42,085	12.6%	87,327
Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA)	17,332	13,168	31.6%	29,241
Earnings Before Interest and Taxation (EBIT)	10,736	7,282	47.4%	17,296
Net Profit After Taxation (NPAT) before the impact of the Earthquake	6,131	3,677	66.7%	9,008
Earthquake Impacts	(16,226)	-	-	-
Net Profit After Taxation (NPAT)	(10,095)	3,677	(374.5%)	9,008
Total Assets	223,763	231,879	(3.5%)	232,507
Shareholders' Equity (percentage)	54.1%	56.4%	(4.1%)	57.6
Earnings Per Share (cents)	(9.9)	3.6	(375.0%)	8.8

Net Asset Backing Per Share (dollars)	1.18	1.28	(7.5%)	1.31
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KEY TRADE RESULTS

The table below summarises key trade figure data for the six month period to 31 December 2010.

	Six months to Dec 2010	Six months to Dec 2009	Change (%)
Total containers (TEU's)	147,600	134,200	10.0
Bulk Fuel (tonnes)	492,300	523,800	(6.0)
Coal Exports (tonnes)	1,261,800	855,200	47.5
Dry Bulk (tonnes)	306,400	276,000	11.0
Log (tonnes)	134,400	130,800	2.7
Motor Vehicles (units)	15,200	12,200	24.6
Other tonnes	314,200	353,200	(11.0)
Ship Visits	490	572	(14.3)

-Ends-

For further information contact:

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