



Auckland Regional
Holdings

22 April 2009
Information Sheet on Half Year Report to 31 Dec 2008

Auckland Regional Holdings delivers \$64 million to ARC despite tough times

The six months ended December 2008 has been the most difficult and volatile period to date for Auckland Regional Holdings (ARH) and has impacted across all asset classes on the value of, and revenue from, its investment portfolio.

ARH's net loss after tax for the six months was \$68.8 million. This included a \$45.7 million non-cash write-down in the value of ARH's investment property and a net unrealised loss of \$37.2 million in global equities in its Diversified Financial Assets Portfolio.

ARH's total investment portfolio stood at \$1.1 billion at the end of the period. It has achieved a 5.8% gross annualised return on investment in the four-and-a-half years since inception.

Distributions to the Auckland Regional Council (ARC) for the six-month period totalled \$64.1 million, bringing ARH's total distributions to the ARC since inception to \$455 million.

At 31 December 2008, \$169.4 million was held in ARH's New Zealand short-term cash portfolio, of which a further \$75.1 million is expected to be distributed to the ARC for the six-month period to 30 June 2009.

Positive cash returns above budget were obtained for the six months from Ports of Auckland Limited (POAL) the New Zealand short-term cash portfolio and a net profit from leasing investment properties within Wynyard Quarter.

The fair value estimate of ARH's investment property within the Wynyard Quarter was written down by \$45.7 million (to \$175.7 million), in accordance with an independent valuation which reflected market economics at December 2008.

ARH is confident about the long-term success of its 18-hectare landholding within Wynyard Quarter. Current economic conditions will not affect its commitment and ability to deliver (with its co-investor, the Auckland City Council) the public works and infrastructure to lay the foundation for this outstanding waterfront development which has the potential to advance the city's and the region's international standing.

The valuation and total return on the overall investment portfolio for the six-month period ended 31 December 2008 are summarised below to indicate economic performance of the portfolio.



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ARH Investment Portfolio Valuation and Returns

At 31 December 2008	NZ Equity– Non-listed (POAL)	NZ Property¹	Diversified Financial Assets (DFA)	NZ Short- Term Cash	Total Investment Portfolio
Total investments at market value (as per the financial statements)	\$495.7m	\$177.9m	\$261.6m	\$169.4m	\$1,104.6m
Total gross return for the 6-month period ²	1.5%	(18.3%)	(12.4%)	4.6%	(4.6%)
Annualised gross return since inception on 1 July 2004					5.8%

Note to editors

Auckland Regional Holdings, a statutory, council-controlled organisation focused on investment management, was established with the long-term intention of generating income to assist with funding the Auckland region's transport and stormwater expenditure requirements. The ARC is the sole direct economic beneficiary of ARH's distributions. Section 34 of the Act requires that at least 85% of ARH's funding to the ARC, whether of income or capital, must be used by the ARC for transport or stormwater programmes in the Auckland region.

For more information please contact:

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¹ Investment property was only included in ARH's investment portfolio from 1 April 2007.

² Returns are not annualised