

Media Release

14 November 2005

Auckland Regional Holdings' First Annual Public Meeting

Auckland Regional Holdings (ARH) concluded its first public annual meeting this afternoon.

Judith Bassett, Chair of ARH said the organisation has had a successful first year of operation.

"In its first year, ARH has generated a net operating surplus of \$77million and achieved a 13% economic return on its \$1.4billion asset base. This will greatly assist the region by making some initial progress to address the historical under-investment in the regional public transport network," Judith Bassett said.

"This year the ARH Board has also developed policies to ensure that its stewardship of regional assets provides the lasting benefit to the Auckland region that Parliament intended."

In June the ARH Board adopted a ten-year Long-Term Funding Plan 2005 - 2015 that forecasts distributions to the Auckland Regional Council (ARC) of \$1billion.

"The ARH board believes this level of distributions is attainable. Total funding to the ARC by ARH over the next four years is expected to be \$613 million."

ARH's policy is to assure the long-term revenue-generating capacity of its investment base. ARH's purchase of the 20% of Ports of Auckland Limited (POAL) shares it did not already own was an important long-term investment decision which will assist with ongoing generation of strong returns.

"Auckland Regional Holdings is proud to have acquired this strategic asset and looks forward to the growth and enhancement of POAL's core business over time."

Judith Bassett said POAL was a key economic driver in the region.

"The long-term success of POAL is vital for the region, both for its financial returns and for the material economic impact this logistics business has on the wider Auckland region."

The ARH Board has drawn attention to the need for increased long-term sustainable funding for the ARC Group to enable regional community infrastructure needs to be met. Short-term financial pressures on the Auckland region are significant.



Auckland Regional
Holdings

Level 3, 21 Pitt Street
PO Box 105 048
AUCKLAND CITY
Telephone: 09 303 9460
Fax: 09 303 9461

"ARH's initial high level of distributions to the ARC cannot be maintained if we want to conserve the region's investments to supply the sustained revenue for the long term, and to constrain the call on ratepayers. ARH funds will materially assist the ARC Group, but will not solve the funding challenges.

"The region's long-term needs must be addressed by long-term dependable funding sources," Judith Bassett said.

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For further information, please contact:

Peter Casey, Chief Operating Officer, ARH, on 09 303 9464 or 021 750 756.