



**Auckland Regional  
Holdings**

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## **Media Release**

18<sup>th</sup> October 2006

### **Investment returns fund \$90 million infrastructure**

Key transport and stormwater infrastructure initiatives in the Auckland region are being completed thanks to a \$90 million injection of funds from Auckland Regional Holdings.

Auckland Regional Holdings (ARH), which is part of the Auckland Regional Council (ARC) Group, is the statutory investment management entity charged with managing its assets for the benefit of the Auckland region.

It reported to the ARC Finance Committee today (Wed Oct 18<sup>th</sup>) a 10.6% return on assets for the 2005/06 financial year, with its asset base growing by \$39 million to \$1.42 billion.

ARH Chair Mrs Judith Bassett says ARH plays a key role in helping fund critical regional infrastructure programmes through astute management of its assets. The distribution of \$90 million to the ARC is part of that role.

“Since its inception in 2004, ARH has produced a cumulative return on its assets of 12.9% and has distributed \$167 million to the ARC for regional infrastructure programmes,” says Mrs Bassett.

“The practical reality of this investment for the people of the Auckland region is improved passenger transport services, such as the North Shore busway and upgraded railway stations and services, and improved water quality through projects such as the separation of stormwater and sewage systems.”

Mrs Bassett says ARH is well-placed to continue providing long-term funding – more than \$1 billion – to the ARC for transport and stormwater infrastructure for the next decade and beyond.

She says the Auckland region’s success at all levels, economically, culturally, socially and in maintaining the quality of the environment, is a key part of New Zealand’s wider long-term success.

“Auckland Regional Holdings – through its financial contributions to the region’s critical infrastructure and its discipline of acting in the best interests of the Auckland region – is playing a vital role in achieving this outcome,” says Mrs Bassett.

She says the ARH result is pleasing, given the difficulties and uncertainties in the ports sector from which ARH derives a significant part of its investment income through its 100% ownership of Ports of Auckland Ltd (POAL).

In addition to POAL, ARH’s assets include a managed treasury portfolio and ownership of America’s Cup Village Ltd which is part of the Wynyard Quarter waterfront redevelopment.

Highlights of the 2005/06 financial year include:

- successfully acquiring the remaining 20% of share in Ports of Auckland Ltd that ARH did not already own
- receiving from POAL a special dividend of \$120 million over and above ordinary dividends
- since the special dividend, the value of ARH’s investment in POAL has increased by almost \$50 million
- increasing ARH’s assets by \$39 million to \$1.42 billion
- distributing \$30 million to the ARC
- distributing \$60 million to the ARC as part of ARH’s obligation to meet commitments by the former Infrastructure Auckland to local territorial authorities transport and stormwater programmes
- significant progress on the Auckland Waterfront redevelopment project, and
- a major review of ARH ‘s investment framework and development of long-term investment objectives

Operationally, ARH is now well-placed to restructure its investment portfolio to better reflect a more diversified strategy to enable improved returns on its assets. This will maintain long-term distributions to the ARC.

Work is now well advanced for ARH to take the lead in managing the waterfront’s Wynyard Quarter waterfront redevelopment project. This project, the biggest urban redevelopment in New Zealand, is a critical long-term project which reflects the two objectives of Auckland Regional Holdings.

By creating a world-class waterfront development which takes into account the wishes of the public for open space and access to the waterfront and finding the right balance of uses and activities to provide the environment that Aucklanders want on the waterfront, ARH is meeting its objective of “acting in the best interests of the Auckland region”.

Equally, says Mrs Bassett, by ensuring the re-development is managed profitably and optimising the long-term benefits of such an important regional investment, ARH is also meeting its objective of “managing its assets prudently”.

**ENDS**

**MEDIA NOTE FOR FURTHER INFORMATION:**

ARH Chair, Judith Bassett, and Chief Operating Officer, Peter Casey, are both overseas on ARH business this week. Should you require any further information on this press release, or ARH's Annual Results, could you please contact me in the first instance. I will arrange for either Judith or another director to be available to you for comment:

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