



Auckland Regional  
Holdings

**2008 Auckland Regional Holdings (ARH) Annual Report**  
**Satisfactory result for Auckland Regional Holdings in challenging year**  
**13 November 2008**

At Auckland Regional Holdings' annual public meeting today the chair, Judith Bassett, said that a challenging trading year and economic uncertainty impacted on ARH's total portfolio and tested its strategy. "However, ARH weathered recent pressures quite well."

Mrs Bassett said that ARH provided \$141 million to the Auckland Regional Council (ARC) in the year ended 30 June 2008. "That is the highest level of distributions to date. Since inception in 2004, ARH has provided \$387 million to the ARC, mainly for transport and stormwater programmes."

She said that ARH's long-term Auckland waterfront investment property (18 hectares in the Wynyard Precinct) retained its capital value of \$183 million over the 12 months period and its diversified financial assets portfolio held capital value at \$299 million.

Auckland Regional Holdings achieved a net trading profit before write-downs of \$51 million for the year ended June 30 2008. Mrs Bassett said that the performance was influenced by the slump in world capital markets which affected ARH's global equity investments which are 10% of the total ARH portfolio.

Over the four years since inception, Auckland Regional Holdings has achieved a gross average return of 7.8% p.a. on its total portfolio.

The total market value of ARH's portfolio at 30 June was \$1.23 billion, \$219 million less than a year earlier. The main reasons for the decrease were the record distributions to the ARC and a \$92 million write-down in the fair value estimate of ARH's major asset, Ports of Auckland Limited (POAL). This \$92 million write-down equates to a valuation decline of approximately 15%.

With the POAL write-down, ARH recorded a net loss of \$41 million for the year in accounting terms.

Judith Bassett said: "Ports of Auckland has had a tough trading year. Nevertheless, the overall increase in value to ARH of POAL since it acquired 100% ownership in 2005 has been \$120 million."

"It has been widely recognised that structural changes are needed in this sector and this needs careful management. We have many times expressed the view that there is strong merit in port rationalisation for the good of New Zealand."

Judith Bassett said that ARH is a long-term investor. ARH's investment objectives and strategy are to generate optimal returns for the Auckland region within acceptable risk levels over 30-year time horizon. It is also required to ensure that the capital base of its portfolio is sustainable.

*Ends*

**Note to editors**

Auckland Regional Holdings (ARH) is a council-controlled, statutory investment management organisation. ARH's objectives are to act in long-term interests and for the benefit of the Auckland region, and to manage its assets prudently. ARH's investment returns are used by the Auckland Regional Council to fund transport and stormwater programmes in the Auckland region.

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