

## **Q & As regarding the POAL/ARH land transfer and the establishment of a specialist management company**

### **1. What is the land deal all about ?**

The legal title to about 18 hectares of land in the Western precinct (Wynyard Point, the Western Reclamation and land, wharves and water rights around the America's Cup bases) is to be transferred from Ports of Auckland Ltd to Auckland Regional Holdings. In addition, land currently owned by America's Cup Village Ltd will be transferred or leased to ARH. This is the bulk of the land to be redeveloped as the Wynyard Quarter waterfront project. This ARH land comprises about half of the total area of Wynyard Quarter – the balance being owned by the private company Viaduct Harbour Holdings Ltd

### **2. How much is the land worth and how was it paid ?**

The property portfolio has a book value of \$300 million. As Auckland Regional Holdings is the 100% owner of POAL this was essentially an internal transfer. It will be done as a special dividend.

### **3. What impact does that have on POALs balance sheet ?**

Naturally, it decreases assets on the POAL balance sheet . In December 2005, POAL adopted a long-term capital structure. POAL will review its debt levels to maintain this long-term capital structure.

### **4. What does this land deal mean for the Wynyard Quarter project ?**

The transfer of this land, and the leasing to ARH of the ACVL land, wharves and waterspace, is a significant milestone in the development of the project, in that it marks the transition from the planning and developing design concepts to being in a position to begin implementing the project.

### **5. Why do you want to create the specialist management company ?**

The complexity of managing this land can not be underestimated. The management company will be an agent for ARH to manage the daily operations of this land which includes highly specialised, technical management of existing tenancies for a range of business on sites with different characteristics. In addition, the management and leasing of land as the redevelopment begins is a specialist discipline which requires appropriately qualified, experienced and specialist expertise.

### **6. What is happening regarding opening up Queen Wharf ?**

POAL reassesses its use of Queens Wharf from time to time with the intention that it will be released from current uses when feasible. Queens Wharf forms an important role in the supply chain servicing a large volume of imports and exports.

The recent gain of additional container volumes to Auckland through the reconfiguration of some shipping line services brings forward the need to again assess the ports' current and future capacity. These considerations potentially impact on POAL's plans to release Queens Wharf from being a customs bonded facility serving ships and cargo.

Amongst the techniques to increase the ports' capacity are methods that intensify the use of the Bledisloe to Ferguson area and may free up Queens Wharf after implementation of those techniques.

An aspect of the use of Queens Wharf which is misunderstood by many is that it is not an area where cars are 'parked' or 'stored'. The area is a formal Customs Bonded area from which any cargo can only exit after a process in law of gaining clearance from Customs, MAF and from other involved parties such as the shipping company. POAL would welcome the 'dwell time' of cargoes at the seaport being reduced and, in fact, has introduced numerous means of doing so. POAL continues to investigate ways of further reducing dwell times.