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Media statement

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**Auckland Regional
Holdings**

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REGIONAL INVESTMENT MANAGER SEEKS ALL PORT COMPANY SHARES

Auckland Regional Holdings (ARH) has made a \$169.6 million offer to lift its shareholding in publicly listed Ports of Auckland (POAL) from 80% to 100%.

The offer to POAL shareholders is \$8 a share, a premium of 24% over yesterday's New Zealand Exchange closing price.

ARH is a special statutory entity and a council controlled organisation. ARH has an independent Board of directors, and is accountable to the Auckland Regional Council (ARC).

On behalf of the ARC group, ARH is the investment manager of a pool of funds, and is charged with generating returns that are invested back into the region's transport and stormwater needs.

Chair of ARH, Mrs Judith Bassett, said the initiative was good for the region.

“We see Ports of Auckland as a strategic long-term investment.

“The company is well managed and operates in a unique market segment that will always be vital to the Auckland region's economy.

“Under ARH's 100% ownership all POAL land will remain in public ownership, and this will assist in the integrated development of the total waterfront area for port operations and public use.

“As a shareholder, ARH can focus on the evolution of land use not used for ongoing port operations for the benefit of the Auckland region and the public, and we are sure other civic entities will want to work with us to achieve this goal.”

Mrs Bassett said ARH would fund the purchase from its capital reserves.

“Within the context of financial market language, we expect the takeover offer to be seen as ‘friendly’ by Ports’ directors and senior management.”

If ARH is successful with its offer, Ports of Auckland would be delisted from the NZ Exchange. However, under the provisions of the Port Companies Act, it would continue as a commercially independent operation under its own separate board and management.

“For POAL it would be a case of business as usual under new ownership,” Mrs Bassett said.

“ARH has no desire or statutory ability to become involved in the day-to-day operations of POAL on a commercial basis. We will leave that to its board and management.

“In New Zealand all port companies have a majority to 100% ownership by local authorities, and it will be important to us that POAL remains market competitive and is benchmarked against world best practice.

“Our focus is on providing the ARC with a minimum of \$750 million in funds over the next 10 years to invest in regional infrastructure, and an efficiently operating POAL will play a key role in enabling us to achieve this.”

Mrs Bassett said the mandate under which ARH operates requires it to manage its assets for the long-term benefit of the Auckland Region.

“As a result, our investment time horizon is between 20 and 50 years, which is much longer than most shareholders.”

ARH delivered notification of its intention to make a takeover offer to the Ports of Auckland and the New Zealand Exchange’s Takeover Panel at today.

Ports of Auckland shareholders should expect to receive the offer in the next 30 days.

PricewaterhouseCoopers and Bell Gully are advising ARH in relation to this acquisition.

For further information please contact

Judith Bassett 021 190 2937

Peter Casey, Chief Operating Officer, ARH 0-9-366 9556 021 750 756

Donna Baker 021 391 299

Note

ARH

At March 31, 2005 ARH investment funds were valued at \$1.3 billion, comprising

- 80% of Ports of Auckland
- America’s Cup Village Ltd
- Northern Disposal Systems Ltd
- Portfolio Investments

Ports of Auckland

For the six months ending 31 December 2004 POAL made an after tax profit of \$21.5 million, paid out \$16 million in fully imputed dividends (15 cents a share) and had assets of \$388.2 million.

For the financial year ending 30 June 2004 POAL made an after tax profit of \$57.2 million (\$44.3 million excluding unusual items) and paid out \$27 million in fully imputed dividends (25.5 cents a share).

AUCKLAND REGIONAL HOLDINGS (ARH)

ARH is a special statutory entity and a council controlled organisation. ARH has an independent Board of directors, and is accountable to the Auckland Regional Council. A primary function of ARH is to be responsible for owning and managing regional assets in a prudent manner.

Its mandate is to manage the assets under its control prudently, and to act in the long-term interests of the Auckland Region.

Its primary function is to generate returns from the assets held. These returns are made available to the Auckland Regional Council for investment in regional infrastructure, primarily transport and water quality programmes.

ARH was formed in July 2004 by an Act of Parliament, and inherited the investment assets formerly owned by Infrastructure Auckland.

Annually the ARC approves ARH's 10 year plan of funds it will make available to ARC. The current plan calls for ARH to make a minimum of \$750 million available to ARC over the next decade.

ARH's current portfolio of assets is valued at \$1.3 billion and consists of

- 80% of Ports of Auckland
- America's Cup Village Limited
- Northern Disposal Systems
- Portfolio of Investments

ARH is controlled by a highly qualified, independent four-person board appointed by the ARC. This Board is

Chair Judith Bassett
Directors Peter Hubscher, Joce Jesson and Susan Paterson

The Chief Operating Officer of ARH is Peter Casey.

ARH has a staff of 4.

PORTS OF AUCKLAND

Ports of Auckland is New Zealand's largest maritime gateway for trade.

The port handles 43% of New Zealand's total container trade and 56% of the North Island's container trade. 68% of imports by value and 33% of exports by value go through the port. It is the country's most balanced port - full import containers represent 57% and full export containers represent 43% of all full containers passing through the port.

New Zealand's biggest and busiest port operation, Ports of Auckland has 540 employees and is open for business 24 hours a day, seven days a week. It provides shipping links to 207 ports in 73 countries and offers more regular ship calls and services than any other New Zealand port.

Ports of Auckland is a public company. Its shares are listed on the New Zealand Exchange. Eighty percent of its shares are owned by Auckland Regional Holdings. The remaining 20% of shares are owned by a mix of large and small shareholders, and are freely traded on the New Zealand Stock Exchange.

Chairman	Neville Darrow
Chief Executive	Geoff Vazey

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