

LYTTELTON PORT COMPANY LIMITED

Nature and Scope

Lyttelton Port Company Limited will continue to be involved in providing land, facilities, plant and labour for the receiving, delivery, stockpiling, stacking and shipment of a wide range of products.

The Company owns land and facilities necessary to maintain the Company's commercial assets.

The Company provides facilities associated with the repair and servicing of vessels.

Relationship to the Council

Lyttelton Port Company Limited is a company established under the Port Companies Act 1988. The Christchurch City Council holds 65.63% of shares through Christchurch City Holdings Limited. In July 1996 it was listed on the New Zealand Stock Exchange with 30.4% now held by the public.

The Company operates commercially at arm's length from the Council, and public information about the company is limited to that information which is available to all shareholders in accordance with the listing rules of the New Zealand Stock Exchange.

The Council exercises influence on the company by holding the majority of shares, which enables it to control the appointment of directors to the board. Although a Statement of Corporate Intent is no longer required under the Port Companies Act, such a document is prepared annually in accordance with the constitution of the company, at the request of the Council.

The Council's interest in this Company is in accordance with its Strategic Objective F4 (see page 26).

Overall Service Objective

1. To provide outstanding, innovative and profitable port services, emphasising quality and excellence in everything that is done by:

- Contributing to the increase in shareholder wealth;
- Protecting and growing its share of port services in target markets;
- Being responsive to customers' needs and continually adding value to their business;
- Practising a continuous improvement cycle that will ensure cost competitiveness of port services;
- Continuously improving the safety of our work environment;
- Recognising employees' contribution to the company's success and to acknowledge them in a fair and equitable way;
- Minimising any adverse effects of port activities and facilities on the environment;
- Being a responsible corporate citizen in the community, while facilitating economic development for the benefit of the region.

Lyttelton Port Company recognises it has an important role to play in promoting the economic performance and development of Canterbury, and the wider target markets it serves. It aims to be the best company at satisfying the requirement of stakeholders for efficient port services.

Objectives for 2000/01

2. Achieve projected financial performance
3. Achieve projected port throughput.

Performance Indicators

2.1 The dividend policy is to pay approximately 50% of tax paid profit (after extraordinary items).

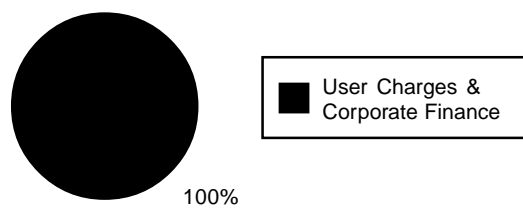
3.1 Port throughput of:

• Lyttelton Container Terminal (TEUs)	121,000
• Other International Containers (TEUs)	14,000
• Fuel (tonnes)	1,015,000*
• Coal (tonnes)	1,385,000*
• Cars (units)	41,000
• Other Cargo (tonnes)	1,180,000

* Twenty foot equivalents

(The above figures are based on 1999/00 forecasts and represent anticipated volumes.)

Sources of Funding



Loading containers at the Lyttelton Port Company's Container Terminal.