

Report to the Policy and Finance Committee
from Greg Schollum, Chief Financial Officer

CentrePort Ltd – Half Year Report

1. Purpose

To receive the half year report from CentrePort Ltd (see **Attachment 1**).

2. Background

The Port Company's half year results are already in the public arena and the Chairman and Chief Executive of CentrePort Ltd provided a briefing to the Directors of Port Investments Ltd and Councillors on 29 February 2000.

3. Comment

As Councillors are aware, the Port Company has recorded a very good first half year's result (unaudited) with a net profit after tax of \$4.35 million compared with \$2.94 million for the same period last year (up 48%).

This result reflects changes made in recent years to operating cost structures at the Port and from increased throughput across the wharves.

The Port Company Directors have also foreshadowed a full year result for the year to 30 June 2000 which will be better than last year (1998/99 Net profit after tax \$6.3 million).

CentrePort Directors are proposing an interim dividend of \$1,873,000 be paid to shareholders (WRC's share = \$1,440,769 which would be paid to Port Investments Ltd).

The Port Company balance sheet at 31 December 1999 looks strong with a debt:equity ratio of 28:72. This represents a low level of debt for the company compared with the past few years but is expected to increase in future years with the company's future capital expenditure programme.

4. **Communications**

The positive results have already been well reported.

5. **Recommendation**

That the report be received and the contents noted.

GREG SCHOLLUM
Chief Financial Officer

Attachment 1: CentrePort Ltd – Half Year Report