

What's happening at LPC

This issue of the LPC Update covers many of our developments and initiatives this year.

Over summer, LPC helped sponsor a range of community activities in the harbour basin which we hope residents and visitors enjoyed. We have also come on board as a sponsor of the Mainland Tactix netball team. This sponsorship has allowed us to provide hundreds of free tickets to the Tactix at-home games to staff, the Lyttelton Netball Club and the Lyttelton Primary School. The tickets have been snapped up and there has been great support for the team.

Progress in Port developments, including the Port Lyttelton Plan, feature in this issue, along with details of our recent significant trade increase and the development of our new Inland Port site at Rolleston.

If you want to have a chat with us, we are at Port Talk on the corner of Oxford and London streets every Friday from 11am to 1pm.

You can also find our latest news on the LPC website: www.lpc.co.nz

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- Improvements to Lyttelton Port log storage area
- Port Lyttelton Plan progress
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- Reclamation progress
- \$1.5 million new plant at LPC's CityDepot



“The main pile driving finishes this month, while driving the smaller 12 metre long piles will be completed by the end of July.”

Good start on Port rebuild

The 266 metre Lars Maersk container vessel occupying the new berth at Lyttelton Port's Cashin Quay 2 wharf, while the Pacifica's Spirit of Endurance is berthed beside it.

Most Lyttelton wharves were damaged in the earthquakes, but one of the most important facilities – Cashin Quay 2 wharf – is almost half rebuilt.

The first 57 metre section was finished earlier this year, providing a second container vessel berth at the wharf. The entire 230 metre long wharf structure will be completed by the end of the year, increasing capacity for the Container Terminal, boosting the number of berths available and providing increased efficiency.

The main pile driving finishes this month, while driving the smaller 12 metre long piles will be completed by the end of July. The Port is grateful to the local harbour communities for their patience during the project and the focus on keeping project sound at an appropriate level will continue.

Other rebuild progress includes: the reclamation being extended to over 8 hectares, completion of the empty container storage area at the Container Terminal and the resealing of the log storage yard in front of Norwich Quay.

The Port needs to be rebuilt and reconfigured so it can cater for Canterbury's freight demands now and in the future. This is a huge \$1 billion redevelopment that will take 10-20 years. The starting point was the development of the Port Lyttelton Plan (PLP), LPC's 30 year vision for the Port, which proposes the Port moves a significant part of its operations east, supported by a 37 hectare reclamation. Moving east would mean operational activities could be shifted from parts of the western Inner Harbour, allowing public access with the development of

Dampier Bay as an engaging place for everyone and a marina.

The community was consulted and its feedback provided to Environment Canterbury (ECan), which has prepared a preliminary draft Lyttelton Port Recovery Plan and is now inviting comments and submissions from the public. Submitters will also have the opportunity to present their views at a hearing in June.

Submissions and formal presentations will be taken into consideration, in the resulting draft Lyttelton Port Recovery Plan. The draft Plan will be presented to the Minister for Canterbury Earthquake Recovery in August this year. The Minister will publicly notify the draft Plan, invite written comments from the public and then make a decision.

Highlights – for the six months ended 31 December 2014

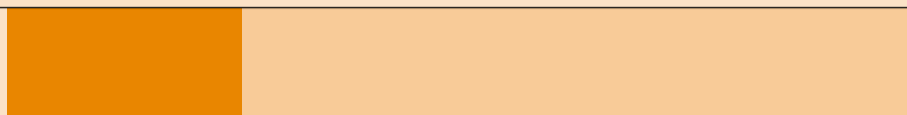
CONTAINER VOLUMES UP

3%



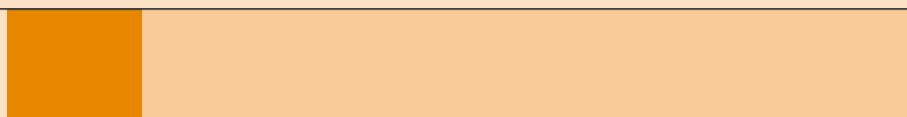
CAR IMPORTS UP

23.5%



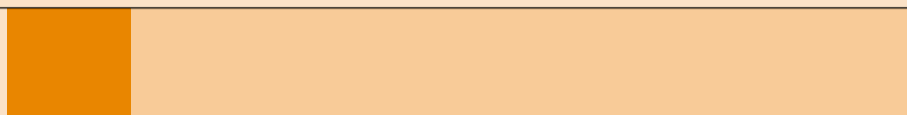
GRAIN IMPORTS UP

13.5%



FERTILISER IMPORTS UP

12.4%



LOGS UP

2.6%



\$20.5 MILLION DIVIDENDS PAID

OCTOBER 2014

Significant trade increase

LPC achieved a significant increase in trade for the six months ended 31 December 2014, with container volumes up 3%, driven by strong import growth of 9%.

The Port continues to achieve volume growth ahead of expectation.

While full export volumes have declined slightly, they are still better than anticipated. Export volume reduced because of Kotahi now using PrimePort for the majority of Fonterra Clondeboyne volume but the growth in other export volume has helped offset this.

Increases in car, fertiliser, grain and log imports offset the predicted downturn in coal, to achieve positive growth for non-containerised volumes.

Highlights – for the six months ended 31 December 2014:

- Container volumes up 3%: 191,359 20 foot equivalent container units (TEUs) compared to 185,748 TEUs for 2013.
- Car imports were 23.5% higher than 2013.
- Grain imports were 13.5% higher than 2013.
- Fertiliser imports were 12.4% higher than 2013.

- Log exports were 2.6% higher than 2013.

- \$20.5 million dividends paid October 2014.

Earnings before interest, taxation, depreciation, and amortisation were up 1.3% to \$15.9 million. Dividends of \$20.5 million (20 cents per share) were paid in October 2014 to LPC's shareholders.

Improvements to Lyttelton Port log storage area

A project is underway to reseal the Lyttelton Port 15,000 square metre log storage area in front of Norwich Quay.

The resealing started at the end of February and will provide the log-yard with an all-weather surface. When the project is completed, it will also result in reduced dust and run-off into the harbour.

The log-yard upgrade is being undertaken in three stages. The project is expected to be finished about the end of June, but it could take longer, depending on weather.

LPC is trying to minimise noise and any dust during the yard resealing. When the project is complete, it will provide significant environmental improvements in the logging yard and for residents near the area.

The area is interesting from an archaeological perspective as it was once the original Lyttelton waterfront and some pre-1900 features remain in situ beneath the pavements. Ōhinehou (now Lyttelton) is noted as the place where an early 18th century Ngāi Tahu war party fought and defeated the resident mana whenua Ngāti Mamoe so the area has both a rich European and Maori history.

If any archaeological features are discovered during the works LPC is well prepared with an archaeologist and an Iwi Cultural Monitor from Te Hapū o Ngāti Wheke (Rāpaki) on site during the works.



Cultural Monitor Riki Pitama from Ngāti Wheke recited a whakawaatea (blessing) on the log storage area when the project began.



Helping capture the moment

Families with children attending Kidsfirst Lyttelton can now see photos of how the day went at the kindergarten.

LPC has provided a new camera for teachers to capture the milestones in a child's development. Some LPC staff and their families live close to the kindergarten and have children attending.

The children are enjoying learning to use the camera and providing a uniquely personal perspective to share with their families. The camera is robust and can handle the enthusiasm of the little ones who use it.

Kidsfirst Lyttelton pupils (left to right) Silvi Withell, Ivy O'Meagher, Ceanna Adams and Libby Jones using the new camera.

Community consultation about proposed Port development



LPC's consultation for its Port Lyttelton Plan (PLP), the vision for the Port development for the next 30 years, finished late last year and all the feedback was provided to Environment Canterbury (ECan) as part of the information package relating to the Port's post-earthquake redevelopment plans.

LPC's vision for the rebuild and enhancement of the Port is to allow it to cater for Canterbury's growing freight requirements. Container volumes have been rising steadily at about 10% a year and are expected to double within a decade and then double again by 2041.

The PLP was the starting point for a large series of effects assessments

and an extensive communications and engagement process, along with the preparation of proposed changes to regulatory documents. These formed the basis of the information LPC provided to ECan.

The complete information package of technical reports provided by LPC to ECan is available on the LPC website. Summaries have also been prepared and will be on the website soon.

Hard copies of the information package have been provided to the Lyttelton and Diamond Harbour communities and are available at the community libraries, the Lyttelton Information Centre, Port Talk in London Street Lyttelton and at LPC reception at 41 Chapmans Road, Hillsborough.

Local councillor Andrew Turner receives the Information Package on behalf of the Lyttelton community from LPC Environmental Manager Kim Kelleher.



Artist's impression of potential for Dampier Bay

Dampier Bay development

The majority of feedback received about the future of Dampier Bay, during the Port Lyttelton Plan consultation process, supported its development. Comments on the use of the area included suggestions for a promenade, playground, restaurant, bar, accommodation, chandlers, fish market, events, green space, trees and walkways/cycleways.

LPC has high level plans for the area but land development is not LPC's core business. After commercial feedback has been considered, LPC will be better able to assess the potential for the commercial development of Dampier Bay and update the community on progress.



“It is not for the faint-hearted and the temperament and skills needed to climb the ranks sort out those who are suitable for the job.”

Marine Pilot has the best of both worlds

Finlay Laird climbing on board a vessel from the Pilot launch.



Finlay on the Bridge advising the crew how to approach Lyttelton Port.

For LPC Marine Pilot, Finlay Laird, working at Lyttelton Port allows him to live and work where he loves best.

Maritime life is in Finlay's blood. He's a Lyttelton lad, the son of a ship's carpenter, and one of six LPC Marine Pilots who meet large ships at the head of the harbour, climb a rope ladder to board them and then join the ship's Captain on the bridge to advise how to approach Lyttelton Port.

Finlay, or one of the other Marine Pilots, can be seen in the bright orange pilot boat 'Canterbury' chugging across the water each day to the harbour heads.

He has spent over 30 years in a career on the sea. In 1982 he started sea life as a Deck Cadet and over the next 15 years he climbed the ranks to First Officer and acquired his Master's Ticket.

“I did my ticket while my friends were in other countries doing their OE. My job took me all round New Zealand, Australia, Japan and the Pacific Islands.”

Having seen so many different places and ports, Finlay knew exactly where he wanted to settle when it was time to return to work on terra firma.

In 1997 he moved to a land based role at Lyttelton Port. This coincided with the birth of his daughter.

“I know exactly how long it's been since I moved back to land by the age of my daughter – she's 16 now. Being around

to see her grow into the young woman she is today has been a major perk of being based on land. A lot of the men I worked with at sea had families back on land they really missed – it made things tough.”

The working life of a Marine Pilot is immensely satisfying yet challenging, a combination Finlay thrives on. Marine Pilots bring enormous skill to the job, built up from years of observation and experience.

“It is not for the faint-hearted and the temperament and skills needed to climb the ranks sort out those who are suitable for the job.”

It's not just technical skills that count in this demanding role.

“You need to know the harbour inside out and also have the understanding of how different vessels fare in different conditions. As a Marine Pilot, your role is to guide the Captain of the ship and his crew to safely approach and depart from your port under any conditions – with or without navigational aids.”

A Marine Pilot needs to be calm, methodical and thorough, but flexible enough to deal with ever changing conditions, different ships' crews and handling the wide range of vessels.

“The harbour is never the same two days running and no two ships are the same, so there are a lot of variables to consider. A Marine Pilot needs the wisdom and experience to handle the unexpected and be able to lead others to get the job done.

“It takes much more than a Pilot to bring a ship into Port – it's a real team effort. The Pilot is in constant communication with the Captain, who guides his crew, the Tug boat crew who pull the ship into berth and the linesmen who tie the vessel to the wharf.”

There are many reasons why Finlay loves his job.

“I am happy to be based at Lyttelton not only because it's where I'm from, but a lot of ports are ugly and industrial looking. Lyttelton Harbour is beautiful and seeing the harbour every day is probably the best thing about the job.”

Thinking of becoming a Marine Pilot for the Port?

The first step in becoming a Marine Pilot is to obtain a Diploma in Nautical Science from the New Zealand Maritime School. The training is a mixture of practical sea time onboard foreign going vessels, and study ashore at the Auckland Campus. On completion you can be employed by global shipping companies. In the course of your sea going career you can obtain the qualifications, experience and skills required for LPC to employ you and be trained as a Marine Pilot.

Looking forward to Sumner Road repair

LPC is looking forward to preparations getting underway to repair the earthquake-damaged Evans Pass section of Sumner Road between Lyttelton and the Summit Road.

“Reopening the road will add to Lyttelton and Christchurch’s resilience and will support Canterbury’s recovery.”

“It is vital this road is restored,” said LPC Chief Executive Peter Davie. “Since shortly after the February 2011 earthquake we have encouraged those responsible for the repair to reopen it quickly. It is an important route, especially if the Lyttelton Tunnel is temporarily closed for any reason.”

The 2.6 kilometre road is an alternative route out of Lyttelton in emergencies and for Port vehicles

and freight services unable to use the Lyttelton Tunnel.

“Reopening the road will add to Lyttelton and Christchurch’s resilience and will support Canterbury’s recovery.”

The Horizontal Infrastructure Governance Group, which is responsible for coordinating the rebuild of earthquake-damaged Council infrastructure, recently agreed a scope of works and allocated funding to

enable work to proceed to reopen the Evans Pass section of Sumner Road.

The Group has agreed a repair plan and the necessary funding that should see work start later this year and the road reopen in late 2017 or early 2018.

The agreed scope includes work above the road to remove unstable rock and reshaping the land to reduce the risk of rock fall onto the road below.

Development of Rolleston Inland Port site

LPC’s new Inland Port at Rolleston is scheduled to be fully operational with a rail service early next year.

Design, planning and development work is in progress to facilitate a non-rail based service commencing in mid-2015.

This follows LPC finalising the purchase of a 27 hectare site in Jones Road, Rolleston, for the development last December.

The Company’s new site will be able to receive and deliver import and export containers, provide container storage and repairs, and transfer containers between trucks and trains.

Rolleston has excellent road and rail connections, providing a direct link to

the 14 shipping lines and nine shipping services that call at Lyttelton. It is also strategically located adjacent to the main south rail line that connects to the Lyttelton Container Terminal and CityDepot.

The Rolleston Inland Port will provide significantly improved supply chain efficiency, particularly for central Canterbury importers and exporters, and reduce the number of container trucks moving through Christchurch city to Lyttelton. The inland operation will also support and strengthen Lyttelton Port’s role as a vital link in international trade routes and in the global transport network.

Safety update

LPC’s focus on health and safety includes participation in, and support for, a national approach to safety standards by ports in New Zealand.

The National Ports forum, which includes the Chief Executives of New Zealand ports, is considering how best to achieve health and safety standardisation, establish agreed rules and responsibilities, jointly agree safe ship protocols, staff induction, and accident and incident reporting.

As well, LPC has a renewed focus on risk management, critical policies and procedures, the communications structure and incident reporting.

There is a major focus internally on training staff in health and safety. Staff Health and Safety Representatives have training in identifying hazards, assessing

risk, accident investigation and report writing.

A wide range of staff across the Company have completed Incident Causation Analysis Methodology (ICAM) courses which help ensure the root causes of incidents are determined and addressed.

As well, Safety Representatives across the Port meet regularly and any issues are escalated each month to a forum which includes an LPC Board member for resolution and feedback.

The aim is to support operating in the safest way and ensure everyone is safety aware and alert.

LPC wants everyone working at the Port – including staff, suppliers, customers and contractors – to go home safe.

Fast facts

1st

Lyttelton is the largest port and Container Terminal in the South Island.

2nd

Lyttelton is New Zealand’s second largest export port.

23.9%

Last year the Port exported by value, 23.9% of New Zealand’s dairy products.

376,000

376,000 20-foot equivalent units of containerised cargo went through the port in the last financial year (ending 30 June 2014).

10%

Container volumes are rising 10% a year.

x2

Container volumes are expected to double in a decade and double again by 2041.

500+

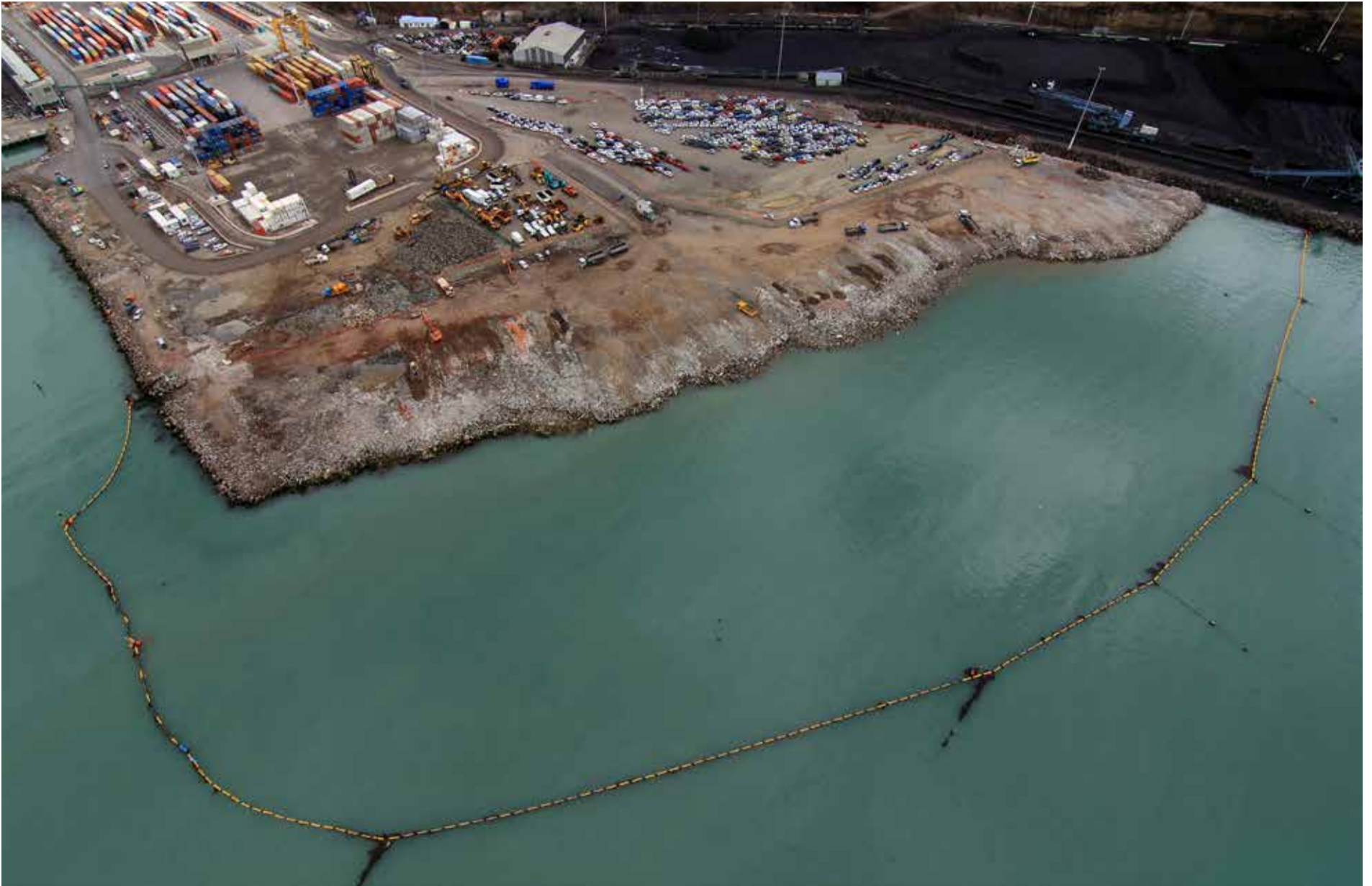
Permanent staff are employed by LPC.

24/7

The Port operates 24/7, 365 days a year.

Reclamation progress

The reclamation has now reached over 8.4 hectares. This photo was taken in March.



\$1.5 million new plant at LPC's CityDepot



LPC's Inland Port in Woolston, CityDepot, recently added three top-of-the line empty container handlers (fork hoists) to its fleet, an investment of \$1.5 million.

The new container handlers complement four other container handlers that arrived last year, taking the total fleet to 15.

The new machines are expected to operate faster and more smoothly, helping to increase productivity and Port performance.

The Swedish machines are amongst the latest models in New Zealand, with new technology that produces better

cargo-handling rates and higher lifting capacity. This will mean improved efficiency with less downtime for maintenance.

CityDepot is a 17 hectare site providing off-wharf support to the Port six kilometres away. The 57 staff based at CityDepot provide waterfront operations, including container handling to road and rail, container repairs and container storage.



LPC University Scholarship for young achiever

Florjan Camlek, is the recipient of the Lyttelton Port of Christchurch (LPC) Directors' – University of Canterbury (UC) Scholarship for 2015.

17 year old Florjan is the third recipient of the annual scholarship open to children of LPC employees. He is the son of LPC Container Controller Domen Camlek based at the CityDepot site in Woolston.

Originally from Slovenia, Florjan was awarded the scholarship based on his achievements, NCEA results and exceptional attitude towards his future.

“When we arrived in New Zealand I had never had a conversation in English,” said Florjan. One of the main reasons his parents decided to move to New Zealand was to seek better education for their children and now, only four and a half years later, Florjan is enrolled to start a Bachelor of Science in Chemistry.

Initially Florjan planned only to study a Bachelors degree but with the help of the scholarship, he thinks he will continue studying.

“The scholarship has given me a boost of confidence in my abilities so I might end up doing my Masters – or even a PhD.”

The annual \$10,000 scholarship is funded by both LPC and the Board of Directors themselves and will help financially support Florjan for his first year of study.

Open Day at Port for Chinese icebreaker

The Chinese community taking part in the official welcome for the vessel and crew.

More than 700 people toured the Xuě Lóng, China's icebreaker and polar research vessel, during an Open Day and Civic Welcome for the vessel at Lyttelton Port earlier this year.

Ross Sea region. The icebreaker had been supporting scientific research on climate change, surveying a potential site for prospective bases and positioning fuel depots for science supported by Antarctica New Zealand.

particularly through Antarctic cooperation in logistics and science.

LPC has a strong relationship with China while Lyttelton has a long history with Antarctica, particularly as a New Zealand base for expeditions.

The vessel was at Lyttelton to refuel and transfer cargo after having travelled through the Southern Ocean from the

The visit signalled the overall strengthening of the relationship between New Zealand and China,

Go the Mainland Tactix!

LPC is a new sponsor of the Mainland Tactix netball team in the ANZ Championship this year.

Lyttelton Netball Club Chairperson, Linda Falwasser, says the Tactix are inspirational for the club's players.

The free tickets to the games were snapped up and there has been great support for the team.

As well as supporting the team, the sponsorship has allowed LPC to provide hundreds of free tickets to the Tactix at-home games to staff, the Lyttelton Netball Club and the Lyttelton Primary School.

“Being able to take the girls to live games and watch the sport at such an elite level has really opened their eyes. We've also had some of the Tactix players take the girls for training and skills sessions and that was a real treat.”

Tactix Captain, former Silver Fern Anna Thompson, says “the support for the team is very encouraging and helps us go into each game with new energy and enthusiasm.”

Diamond Harbour summer series



The Live at the Point and the exhibition of Sculpture on the Point summer series held in Diamond Harbour had another successful summer. The Live at the Point Sunday sessions drew in people from near and far with a total of more than 2,500 attending. This year well-known artists including Sam Mahon, Hannah Kidd, Tim Wraight and Graham Bennett showcased their sculptures throughout the summer for public viewing. LPC is proud to have been a continuing sponsor of the summer series.