

19 December 2013

MEDIA RELEASE

PORT SETTLES WITH INSURERS

As advised at the Company's annual meeting, Lyttelton Port Company Limited (LPC) and its insurers (Vero, NZI and QBE) have entered into a mediation process. The outcome of that process is that all the various claims of the Company against its three insurers under the Company's material damage, business interruption and contract works insurance policies, arising out of the September 2010, February 2011 and June 2011 earthquakes, have been settled with the insurers.

The settlements involve the payment in aggregate by the three insurers of \$438.3 million plus GST (being a gross amount of \$450 million less deductibles of \$11.7 million) in full and final settlement of the claims. The Company has already received payments from its insurers of \$55.6 million, so that the total amount remaining to be paid by the insurers in respect of all of the claims will be \$382.7 million plus GST. Payment will be made in full by 28 February 2014.

All of the sums received will be expended over time in the rebuilding and reinstatement of Lyttelton Port's facilities. Approximately \$66 million has already been expended. The Port has flexibility on how and when assets will be reinstated.

There remains one outstanding matter with a third party that may result in the Company making an additional recovery. The Company is not in a position to provide further details at this time.

Chairman Trevor Burt thanked the insurers for participating in a constructive mediation process. Mr Burt said "Both parties are satisfied with the outcome, coming 3 ½ years after the first earthquake in September 2010, and recognising the complexity of the claims. This enables LPC to rebuild the Port, with freedom to optimise facilities for the future".

LPC is looking to put in place contract works insurance cover (including earthquake cover) for the rebuild programme. Work is progressing on the rebuild of Cashin Quay 2 and the Company expects to be able to fully insure this asset (including for earthquake) when the reinstatement is completed. It is anticipated that as the overall programme progresses, all assets will be able to be fully insured.

-Ends-

For further information contact:

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