



LOOKING FORWARD

OCTOBER 2017

lpc Lyttelton
Port of
Christchurch

**READY NOW TO
MEET CANTERBURY'S
INCREASING FREIGHT
DEMANDS.**



CONTENTS

International Trade Gateway	5
LPC – Financially Secure and Growing	7
Key Facts	8
Lyttelton Port Container Exports	9
Facilitating a Growing Economy	11
Responsive to Customer Needs	13
Far-reaching Shipping Services	15
Superior facilities	17
Inland Port Innovation	19
Te Ana Marina underway	20
Welcoming Cruise Customers	23
Home Safe	25
Healthy Harbour	27
Community Connections	29
Future Focused	31

www.lpc.co.nz

TRADE GATEWAY MARKET FOCUSED SUPERIOR FACILITIES



LYTTELTON PORT OF CHRISTCHURCH IS THE MOST SIGNIFICANT PORT IN THE SOUTH ISLAND OF NEW ZEALAND. OUR PURPOSE IS SIMPLE: WE EXIST TO FACILITATE TRADE IN CANTERBURY AND THE SOUTH ISLAND.

In one of the most exciting stages of development in our history, we have rebuilt our Port after the 2011 earthquakes and enhanced our services ready to meet Canterbury's increasing freight demands.

"We are working on all aspects of our business to continually improve, and to ensure we can meet the requirements of future exports and imports. At the same time we are ensuring that we remain competitive at an Australasian level."

Lyttelton Port of Christchurch,
Chief Executive,
Peter Davie



INTERNATIONAL TRADE GATEWAY

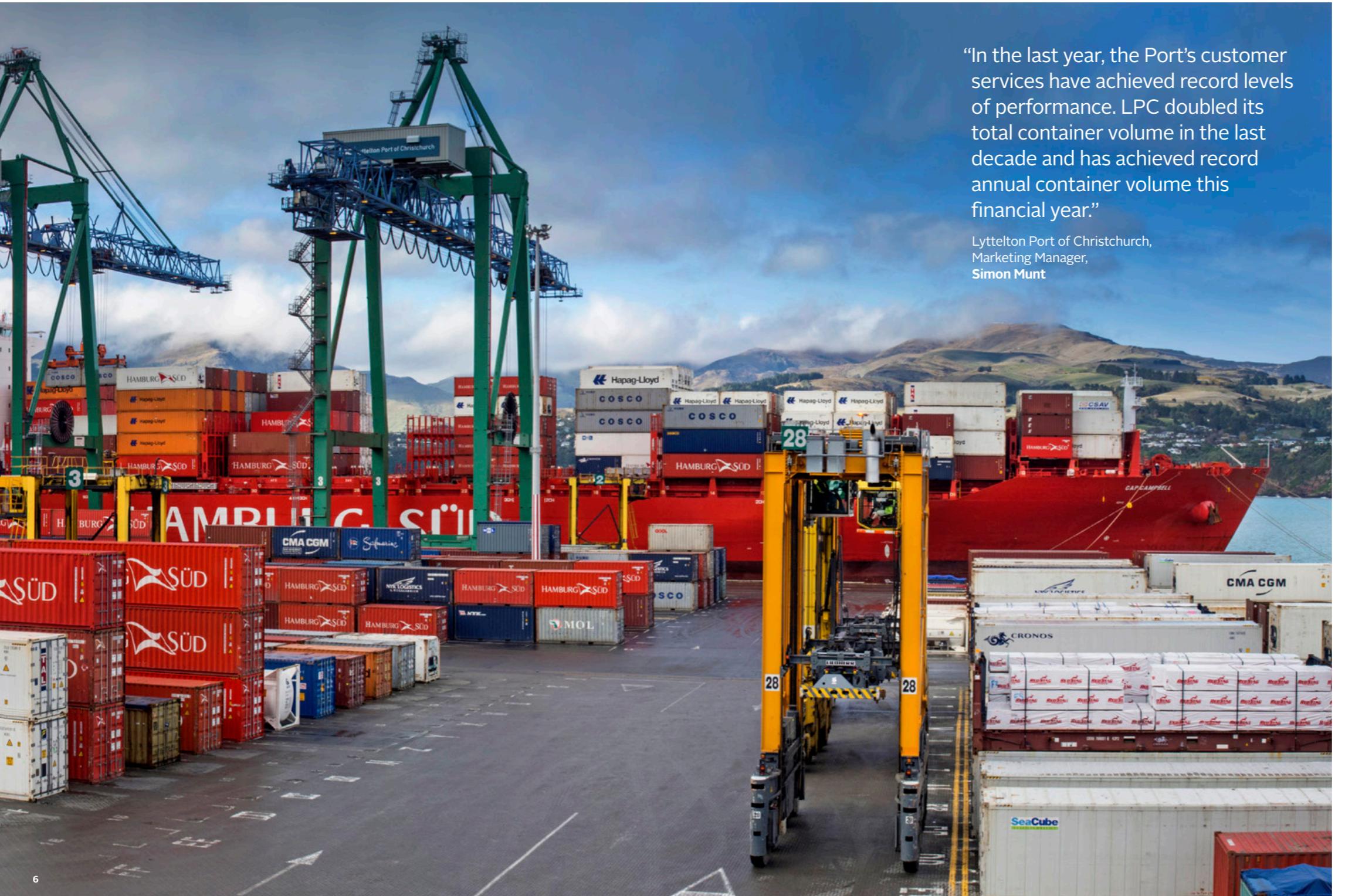


During the past five years Lyttelton Port of Christchurch has made major investments in infrastructure, enhanced its high-performing operations and improved market-leading exporter and importer services and support.

- Record breaking container volume in the year to June 2017 – broke the 400,000 TEUs threshold
- Record imports and exports
- Manage 52 per cent of full containers of the South Island's total import/exports
- Volume growth forecast to increase at greater than GDP levels throughout the next 30 years
- Even mix of imports and exports coming and going from the Port – \$4.8 billion of exports and \$4.2 billion of imports each year
- Our position as the gateway for South Island trade consolidated

The Government has set a goal to double primary industry exports from \$32 billion in June 2012 to \$64 billion by 2025. Lyttelton Port's redevelopment and investment programme, driven by the reinstatement of earthquake damaged infrastructure and the development of new infrastructure, means the company is ready for this growth.

The Government's goal is particularly significant for Lyttelton as we are New Zealand's second largest export port.



"In the last year, the Port's customer services have achieved record levels of performance. LPC doubled its total container volume in the last decade and has achieved record annual container volume this financial year."

Lyttelton Port of Christchurch,
Marketing Manager,
Simon Munt

LPC – FINANCIALLY SECURE AND GROWING

<http://www.lpc.co.nz/wp-content/uploads/2017/09/LPC-FINANCE-REPORT-2017.pdf>

2017

Revenue

\$114.4m

Net profit after tax

\$14.4m

Declared dividend

\$8.0m

Shareholders' equity

\$478.4m

2016

Revenue

\$105.7m

Net profit after tax

\$-59.8m*

Declared dividend

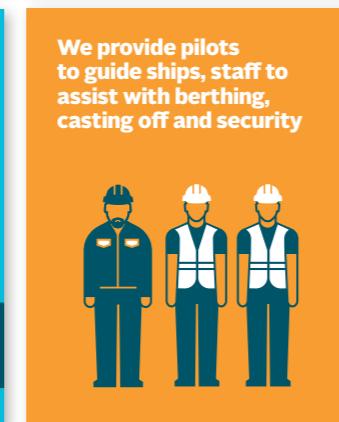
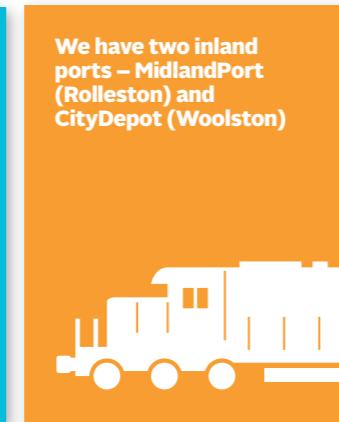
\$4.2m

Shareholders' equity

\$469.1m

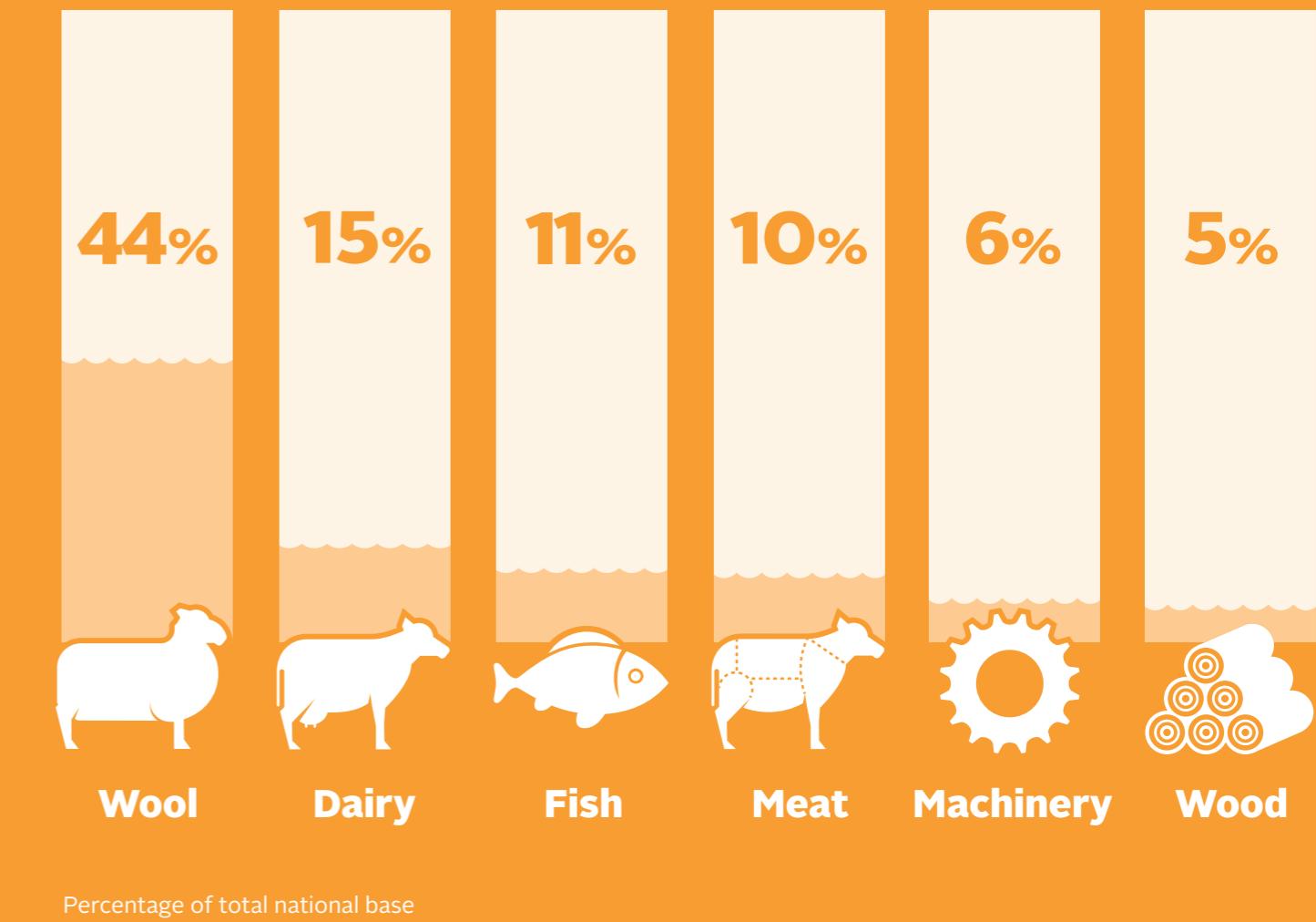
*Note: One-off costs impacted profit after tax, the biggest being an impairment of \$99.5 million

KEY FACTS



LYTTELTON PORT CONTAINER EXPORTS

(July 2016 to June 2017)





"We are developing a Port capable of handling ongoing growth while providing excellent customer service and high performing operations."

Lyttelton Port of Christchurch,
Chair,
Trevor Burt

FACILITATING A GROWING ECONOMY



Canterbury is one of New Zealand's most exciting and accessible places to do business – from its prominent agriculture and manufacturing sectors, to its construction, IT and new economy ventures that flourish in the region.

- Agriculture, forestry, fishing and manufacturing generate an estimated 99,840 jobs or 35 per cent of the total employment in Canterbury
- These industries underpin much of the region's economic activity. The agricultural sector alone contributing \$1.5 billion to Canterbury's GDP, and this continues to grow

- Agribusiness and crop diversification will be further enabled by the large public and private investment in irrigation projects such as Central Plains Water, set to increase agricultural output by \$264m per year

We are a key contributor to the economic drivers of the Canterbury (and South Island) regional economy, which in turn underpins much of the economic activity within Greater Christchurch.

RESPONSIVE TO CUSTOMER NEEDS

It's quite simple – we are here to make sure our customers' cargo moves through our Port and Inland Ports as efficiently as possible.

Having the right facilities and capacity to continue to attract major international shipping lines gives the region's exporters and importers direct access to competitive freight networks and cost-effective access to markets and goods.

- Strong import trade and export trade balance which is beneficial for our customers
 - Significant growth in import volumes reflects the continued move towards coastal shipping for domestic cargos
 - Continuing trend towards larger ships calling at ports and the potential for a move towards fewer ports in New Zealand
 - 88 per cent increase in full export container volume, while full import container volumes have increased even faster with 128 per cent growth during the decade
 - Obtained resource consent to deepen our channel to enable larger ships to enter Lyttelton Harbour safely. There is currently an appeal process underway relating to this consent. Economic analysis reveals that by being able to service these larger vessels, freight costs for Lyttelton customers are estimated to decrease by more than 10 per cent
- Ensuring we have the facilities to service bigger ships means our customers don't have to pay for feeder services. We are well placed to act as the South Island's primary freight hub.





FAR-REACHING SHIPPING SERVICES



14X

Container shipping lines



9X

Shipping services

"Because of our comprehensive shipping services we have unmatched access to worldwide markets for South Island exporters."

Lyttelton Port of Christchurch,
Marketing Manager,
Simon Munt

Photo by LPC Reefer Care Officer Keith McMecking

Our extensive shipping services are a vital link for national and international shipping. Currently 14 container shipping lines and nine shipping services provide direct connections all over the globe.



SUPERIOR FACILITIES



A major investment programme is underway, encompassing 20 large projects. On completion, Lyttelton Port of Christchurch will have the South Island's best facilities for exporters and importers.

- Redevelopment programme moving Port operations to the east away from the community, onto land being reclaimed in Te Awaparahi Bay
- Reclamation will see us triple our land space for the growing container trade
- Lyttelton Port is building Te Ana Marina, providing the public with access to the waterfront, and is upgrading and rebuilding container berths and Inner Harbour jetties

- Our Inland Port, MidlandPort, continues to provide unprecedented connectivity for South Island trade with a rail connection between Lyttelton and the growing town of Rolleston

These developments are creating a thriving Port for the future.

"MidlandPort supports better supply chain efficiency, particularly for Central Canterbury importers and exporters."

Lyttelton Port of Christchurch,
MidlandPort General Manager,
Sean Bradley



INLAND PORT INNOVATION



MidlandPort will service the increasing freight requirements of mid-Canterbury.

- MidlandPort offers direct access to Lyttelton Port's waterside operations.
- Efficiencies at MidlandPort include the direct access to international markets through the 14 shipping lines and nine shipping services that call at Lyttelton Port
- The rail line has removed about 80 trucks a day from the road route and provides efficient transportation for the increasing agricultural production grown throughout the Canterbury Plains

- MidlandPort has had a positive impact on improving freight transport efficiency in the South Island and will support Canterbury's long-term trade growth

LPC continues to invest in CityDepot located at Woolston which has a dedicated rail siding and handles the majority (70 per cent) of empty containers in Christchurch. It can store and maintain up to 10,000 TEUs and remains a crucial part of our Christchurch supply chain.

TE ANA MARINA UNDERWAY

"Christchurch will finally have what all other major New Zealand cities have – a fully serviced, walk-on marina."

Lyttelton Port of Christchurch,
Chief Executive,
Peter Davie



"The cruise ship berth represents a massive investment in the future of Christchurch and the wider region."

Christchurch Mayor,
Lianne Dalziel



WELCOMING CRUISE CUSTOMERS

Through Lyttelton Port the South Island will welcome some of the world's largest cruise ships and their many passengers to the Port's new custom-built \$56 million cruise ship berth. The berth is an extension on the Port's Cashin Quay at Gladstone Pier.

- Construction of an international cruise ship berth will have a positive impact on the local and regional economy, and is important to the overall recovery of Christchurch. However the timing of the berth construction could be affected by the appeal of our channel deepening resource consent and the issue of noise impacts on dolphins.

- We also know that cruising is the fastest growing sector in tourism

Cruise New Zealand's economic analysis showed that during the 2014-2015 year, the cruise sector brought \$436 million in value-added revenue to the New Zealand economy, and is forecast to grow to \$543 million next season.

Of critical importance to us is ensuring that all our people, including our customers, suppliers, contractors and Port users get home safely each day.

- Enjoyed improvement in traditional performance indicators including Total Recordable Injury Frequency Rate (TRIFR)
- Recognise that a world-class safety performance is only achieved through an embedded safety culture with effective management of risk
- Our focus is on risk-based lead indicators that include the adoption and effective utilisation of risk management tools such as Job Safety Analysis (JSA) and Safe Work Method Statement (SWMS)

- Setting foundations for a globally-accredited safety management system based on the international standards OHSAS 18001

We are focused on managing critical risks across the Port and ensuring our systems meet international standards.



HEALTHY HARBOUR



During the past decade the environmental management of Port and harbour operations has taken on a higher profile, as we work proactively to ensure our operations do not adversely impact our environment.

- We consider the Port to be part of the fabric of the harbour and we have an obligation to ensure the harbour environment is thriving and healthy now and in the future
- One of our most important environmental initiatives is the Whakaraupō / Lyttelton Harbour Catchment Management Plan. We are working in collaboration with Te Hapū o Ngāti Wheke, Te Rūnanga o Ngāi Tahu, Environment Canterbury and Christchurch City Council to create an action plan for managing and restoring the cultural and ecological health of Lyttelton Harbour/ Whakaraupō
- The Whakaraupō Catchment Management Plan will develop initiatives and outcomes that will bring about long-term improvements to the harbour environment
- For more information about the project, go to: healthyharbour.org.nz

We value our relationship with Te Hapū o Ngāti Wheke and Te Rūnanga o Koukourārata. We have established the Manwhenua Advisory Group, which meets monthly to implement a shared vision for healthy Lyttelton Harbour/ Whakaraupō.

"LPC has partnered with the Banks Peninsula Conservation Trust and the local community to establish the Lyttelton Port Saddle Masterplan, which covers 17 hectares of LPC land. The land will be used for community recreational use, ecological restoration and environmental education opportunities."

Lyttelton Port of Christchurch,
Environmental Manager,
Kim Kelleher



COMMUNITY CONNECTIONS



While job creation and economic growth is essential to a vibrant community, we are acutely aware the majority of our operations occur within a small community – the Lyttelton Harbour Basin.

Lyttelton Port has been located in the heart of Lyttelton's township since it was established in 1849.

- Eight years ago Port Liaison Committee was established as a link between the community and the Port. Today, the Committee plays an increasingly important role, providing us feedback on a variety of broader issues relating to Port and community interactions

- Each week we staff an information booth, Port Talk, in Lyttelton where people can come and ask us questions, and feedback on work we are undertaking

- One of our most popular community initiatives is our free monthly boat tours of the Port

- Our regular community newspaper LPC Update, goes into 10,000 homes in the Harbour Basin, and we sponsor many community initiatives

We recognise that our success is not based solely on our business achievements, but also by the positive role we play in community engagement.



“Staff inspecting our new head office Waterfront House. This building will for the first time house operations, administration and management. It will also create opportunities to reconfigure our gate to create more efficient truck receival and deliveries.”

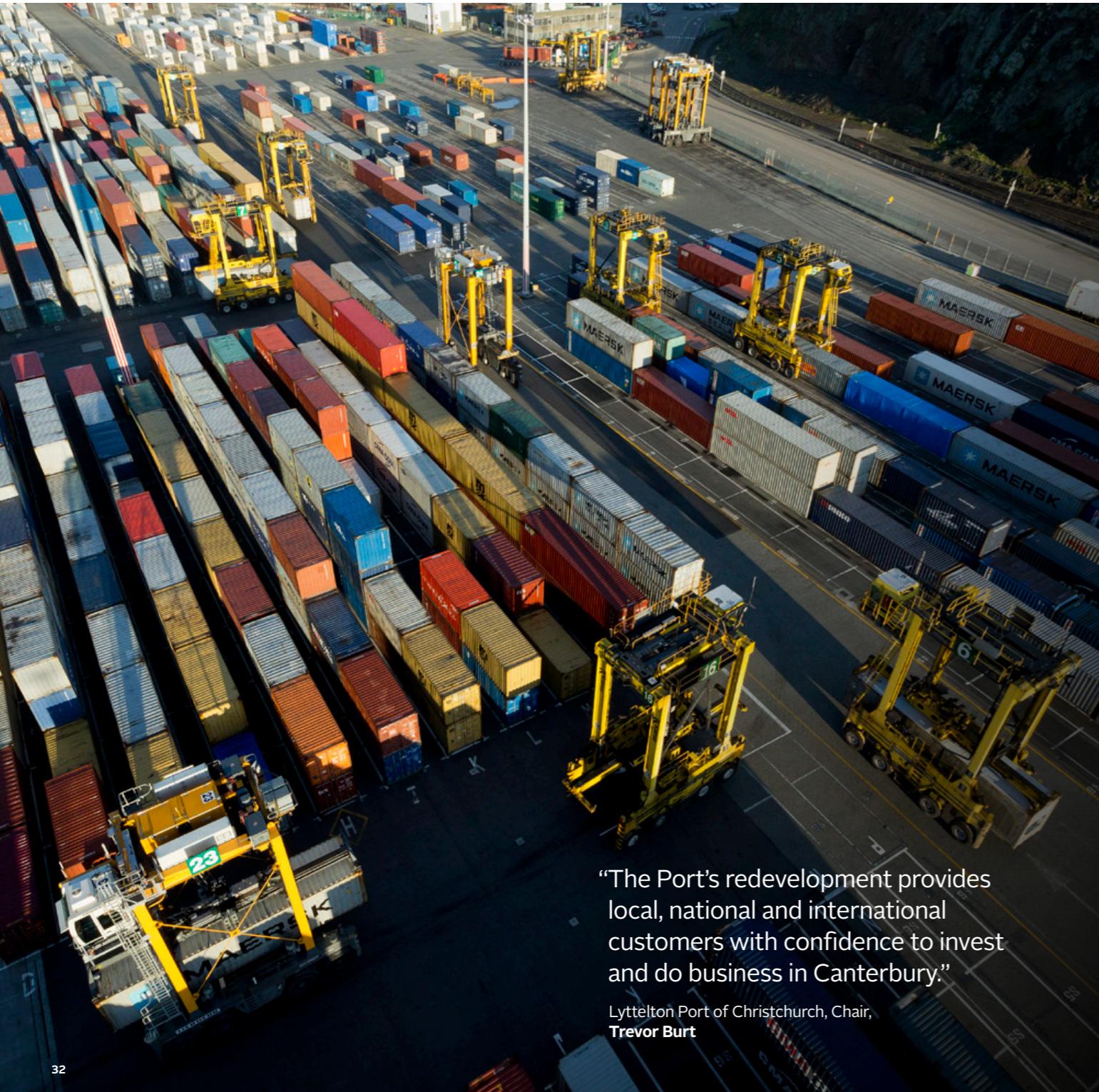
Lyttelton Port of Christchurch, Chief Executive,
Peter Davie

FUTURE FOCUSED

OUR PORT MET THE UNPRECEDENTED SEISMIC CHALLENGES AT THE START OF THE DECADE, INCLUDING COMMENCING SPECIFIC RECOVERY PROJECTS. LYTTELTON PORT IS READY AND ABLE TO MEET THE EXISTING AND FORECAST FUTURE GROWTH IN FREIGHT VOLUMES AND THE DIVERSE NEEDS OF OUR CUSTOMERS.

We have our eyes firmly fixed on the future. Lyttelton Port will continue to implement new areas of innovation within the freight system to drive down costs and improve services and efficiencies for our customers. We have a long-term consented development plan that allows us to grow during the next 30 years.

We are ready now. We look forward to welcoming you to Lyttelton Port.



“The Port’s redevelopment provides local, national and international customers with confidence to invest and do business in Canterbury.”

Lyttelton Port of Christchurch, Chair,
Trevor Burt



41 Chapmans Road, Hillsborough
Christchurch, New Zealand 8022

Postal address:
Private Bag 501, Lyttelton 8841,
New Zealand

Phone: (+64 3) 328 8198
Email: allreceptionists@lpc.co.nz
www.lpc.co.nz



