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**3 November 2009**

FOR IMMEDIATE RELEASE

ATTENTION: CHIEF REPORTERS  
CIVIC REPORTERS

### **Holdco Annual Report released**

Invercargill City Holdings Limited (Holdco), a wholly owned subsidiary of the Invercargill City Council, today released its Annual Report for 2008-2009.

Holdco Chairman, Norman Elder said that the Holdco Group had an after tax profit of \$4,774,000 for the year ended June 2009.

“From this profit, the Directors of Holdco are pleased to announce that they will pay an increased dividend to the Invercargill City Council of \$2.4 million – which will be used by the Council to offset the rates draw.”

Mr Elder said that Holdco and its subsidiary companies were well managed and the prudent stewardship by Directors was reflected in the total assets of the Group growing to \$134 million dollars.

Holdco's subsidiary companies also produced pleasing results, he said. These were:

*Electricity Invercargill Limited*, which had a profit of \$6.439 million for the year ended March 2009.

*Invercargill Airport Limited*, which had a profit of \$119,000 for year ended June 2009.

*Invercargill City Forests Limited*, which had a loss of \$839,000 (\$300,000 of this loss was due to a decrease in the revaluation of the tree stocks, and the remaining \$539,000 was the operational costs of the Forestry Company). The Forestry Company intends to start harvesting soon, with the first dividend expected in 2012.

*Bond Contracts Limited* (which was part of Holdco until June 2009). Invercargill City Holdings Limited sold its shares in Bond Contracts Limited for \$769,000 more than its cost, which was a pleasing result.

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However, the Annual Report shows that the Invercargill City Holdings Group made a \$640,000 loss on the sale of these shares. This is due to the accounting requirements of recognising the profit/loss of Bond Contracts Limited each year and should not detract from the hard work put in by the Holdco Directors in negotiating a profitable sale.”

“The Holdco Directors are all local people, who live in Invercargill and work hard to maximise the dividends to Council to help subsidise rates. However, they are also mindful that they need to balance this with the need to protect the ratepayers’ assets for the long term.” Mr Elder said.

**NOTE:** The Directors of Holdco are:

Mr Norman Elder (Chairman)

Mr Cam McCulloch (Deputy Chairman)

Mr Mervyn Cook

Mr Alan Dennis

Mr Lindsay Thomas

ENDS.

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