



1 November 2004

Barry Harris
Chief Executive
Greater Wellington Regional Council
PO Box 11-646
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Wellington Regional Council
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FILE REF	GM 05/03/02
Doc No.	233201
Referred to	B. Harris
Date	3/11
	B. Torrey

Dear Barry

re: CentrePort Limited Statement of Corporate Intent (SCI) for 2004/05

Our SCI letter of 30 September 2004 noted that some issues raised by the Regional Council (your letter of 30 August refers) may appear not to have been addressed in CentrePort's 2004/05 SCI. This letter provides greater clarity on CentrePort's response to the five issues raised by the Council as follows:

The shareholders wish to review the appropriateness of the \$3.6 million fixed dividend as part of the annual SCI process.	CentrePort agrees with the shareholder comment. The consultation process of the Port Companies Act 1988 provides for shareholders to review (annually) the contents of the SCI including the amount of the dividend. Therefore, because legislation enables the annual review of dividends we did not consider the SCI needed amendment.
The shareholder would like to see both the interim and final dividend paid to shareholders prior to 30 June 2004 each year.	The SCI (reflecting accepted commercial practice) provides for the final dividend to be paid to shareholders on 30 September each year. This means the dividend is paid after completion of the audited year end financial statements. We will continue to pass the final dividend resolution at the June Board meeting thereby enabling shareholders to recognise the final dividend as income in their financial statements.

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<p>The shareholder would like clause 5.4(a) adjusted to clarify the current level of compliance.</p>	<p>We agree and mended Clause 5.4(a) of the SCI as follows:</p> <p>“Maintain the <i>tertiary</i> level of compliance with the ACC Workplace Safety Management Practices Programme and comply with the AS/NZS 4801: Occupational Health and Safety Management Systems”.</p> <p>Currently Centreport achieves <i>tertiary</i> level compliance with the ACC Workplace Safety Management Practices Programme to the highest level possible.</p>
<p>The shareholder would like this clause linked with the satisfaction by CentrePort of the solvency test, as being the only inhibitor to paying \$3.6 million in dividends.</p>	<p>CentrePort did not amend the SCI to incorporate this request. Clause 6.1 in the SCI states:</p> <p>“The Company policy on the provision of the net profits to be distributed to shareholders (<i>after deductions</i> for taxes and interest) will be reviewed by the Board of the Company from year to year, according to the circumstances as they may exist, the cashflows generated by the Company and the successful achievements of the commercial objectives of the Company.</p> <p>The expectation is that the dividend will be \$3.6 million per annum. The dividend performance measure will be set in consultation with shareholders on a rolling three yearly basis”.</p> <p>Centreport believes the current wording is appropriate and that in addition to the solvency test the dividend must be reviewed in light of the profitability and the future cashflow needs of the Company.</p>
<p>The shareholders would like a new clause added to require Centreport to advise shareholders in a timely manner of all significant new business developments and initiatives</p>	<p>CentrePort believes this amendment is not necessary given the reporting requirements contained in clause 11 of the SCI. Under clause 11 we formally consult with the shareholder every six months consult with council officers every three months and promptly advise the Shareholder on all sensitive issues <i>affecting</i> the Company. We use these meetings to advise Shareholders of significant new business developments and initiatives.</p>

If you have any further queries please contact our Finance Business Manager Will Gorrie or myself.

Yours sincerely



pp Nigel Gould
Chairman

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