Presentation to Analysts

PORT OF TAURANGA

NEW ZEALAND'S *Port for the Future*

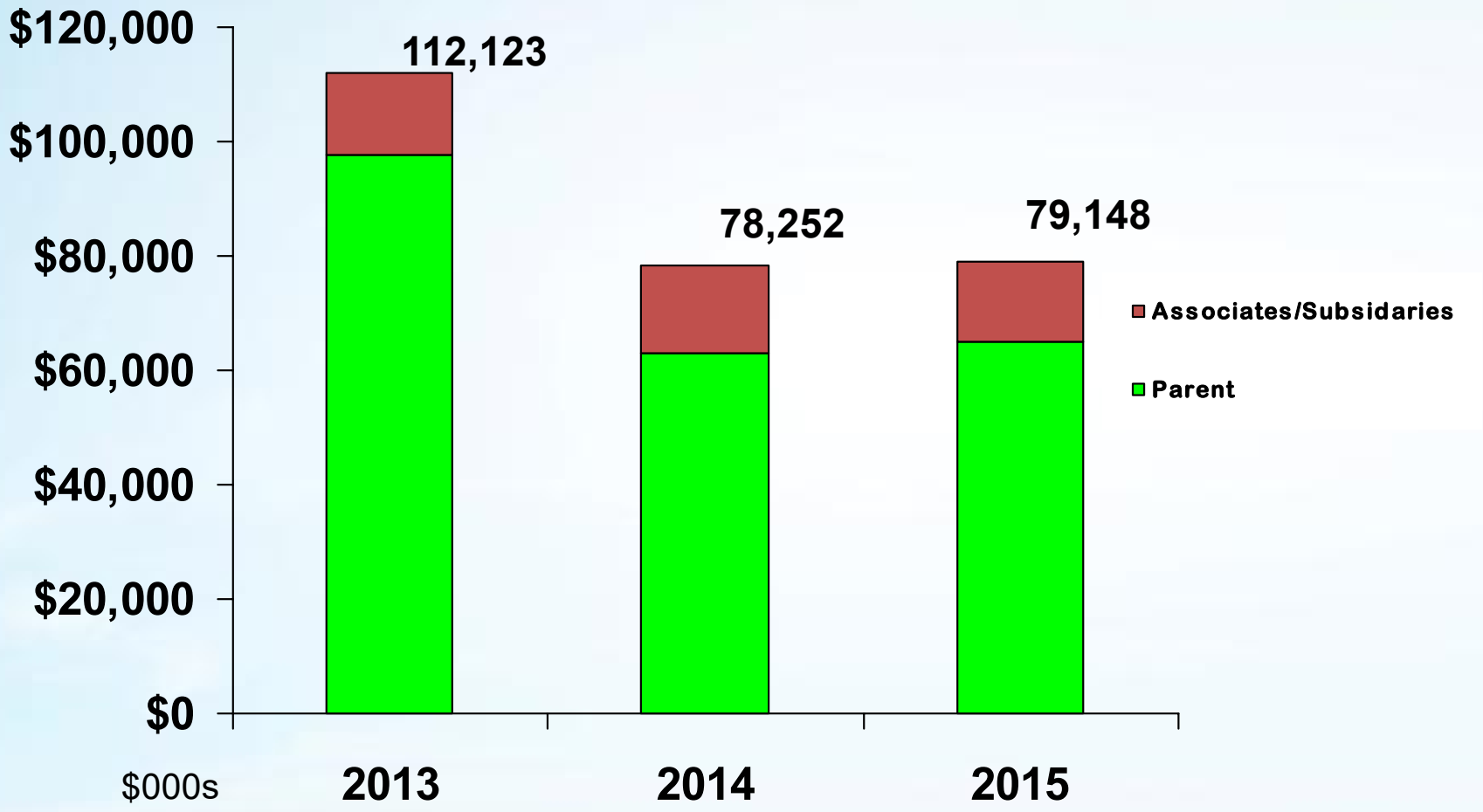
20 August 2015

2015 Result Highlights

- Parent NPAT up 2.9% to $64.7M
- Underlying Group NPAT up 1.0 % to $79.0M
- Group EBITDA up 1.7% to $145M
- Final dividend of 30 cents per share (total dividend for the year of 52 cps, up 4% on FY14)
- $54.3M invested in Capex in FY15
- Trade volumes of 20.179M tonnes up 2.2%
- Container volumes up 12% to 851,106 TEUs

PORT OF TAURANGA
NEW ZEALAND'S Port for the Future

Reported Group Profit After Tax



PORT OF TAURANGA
NEW ZEALAND'S
Port for the Future

Reported Profit Adjustments

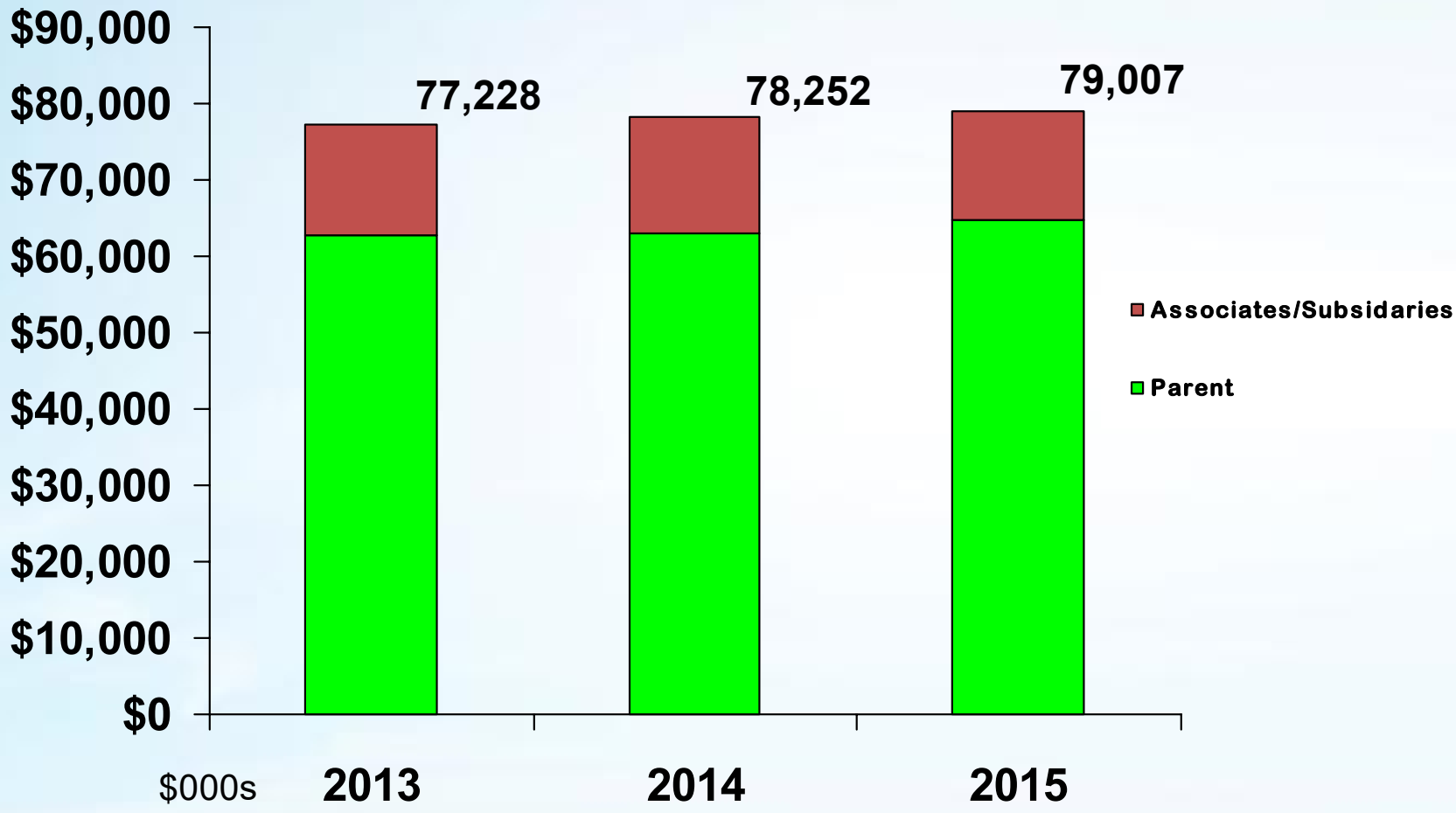
	2015 NZ$000	2014 NZ$000
Reported profit after tax	**79,148**	78,252
Disposal of investments		
Gain on sale of Subsidiaries to Coda	**(5,013)**	0
Fair value gain recognised on the sale of 49.9% shareholding in Timaru Container Terminal Limited	**(4,731)**	0
Loss on disposal of investment in MetroBox Limited and Cubic Transport Services Limited	**1,135**	0
Total	**(8,609)**	0
Profit and loss impact of revaluation of property, plant and equipment		
Impairment of property, plant and equipment on revaluation, net of tax	**1,579**	0
Total	**1,579**	0
Impairment of goodwill		
Impairment of goodwill in Quality Marshalling	**6,221**	0
Impairment of goodwill and MetroBox Limited	**668**	0
Total	**6,889**	0
Total underlying profit after tax	**79,007**	78,252

2015 Asset Revaluation

	$ million
Land	26.0
Buildings	3.3
Wharves/hardstanding	52.0
Channels	0.2
Total	**81.5**

The increase in asset value will result in an increase in depreciation of approximately $1.7 million from FY2016.

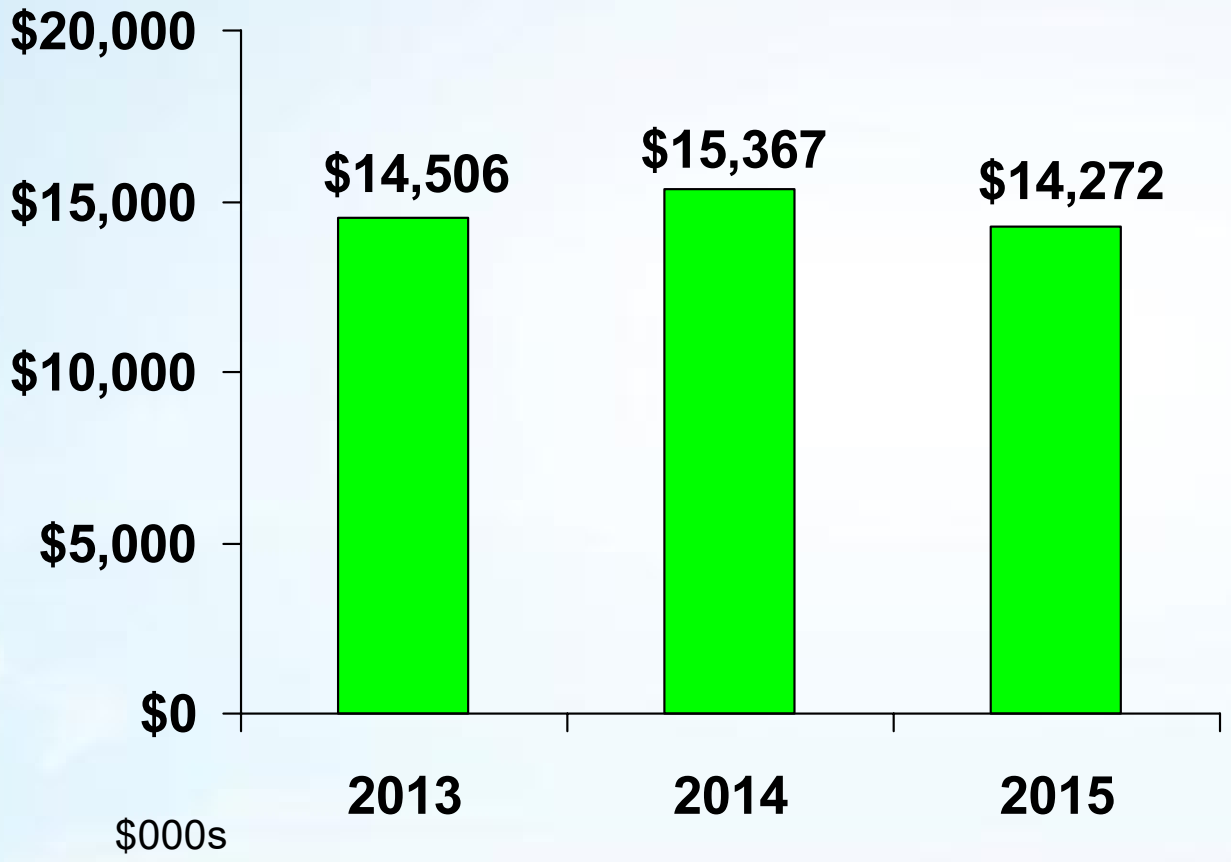
Underlying Group Profit After Tax



PORT OF TAURANGA

NEW ZEALAND'S Port for the Future

Subsidiaries / Associates NPAT



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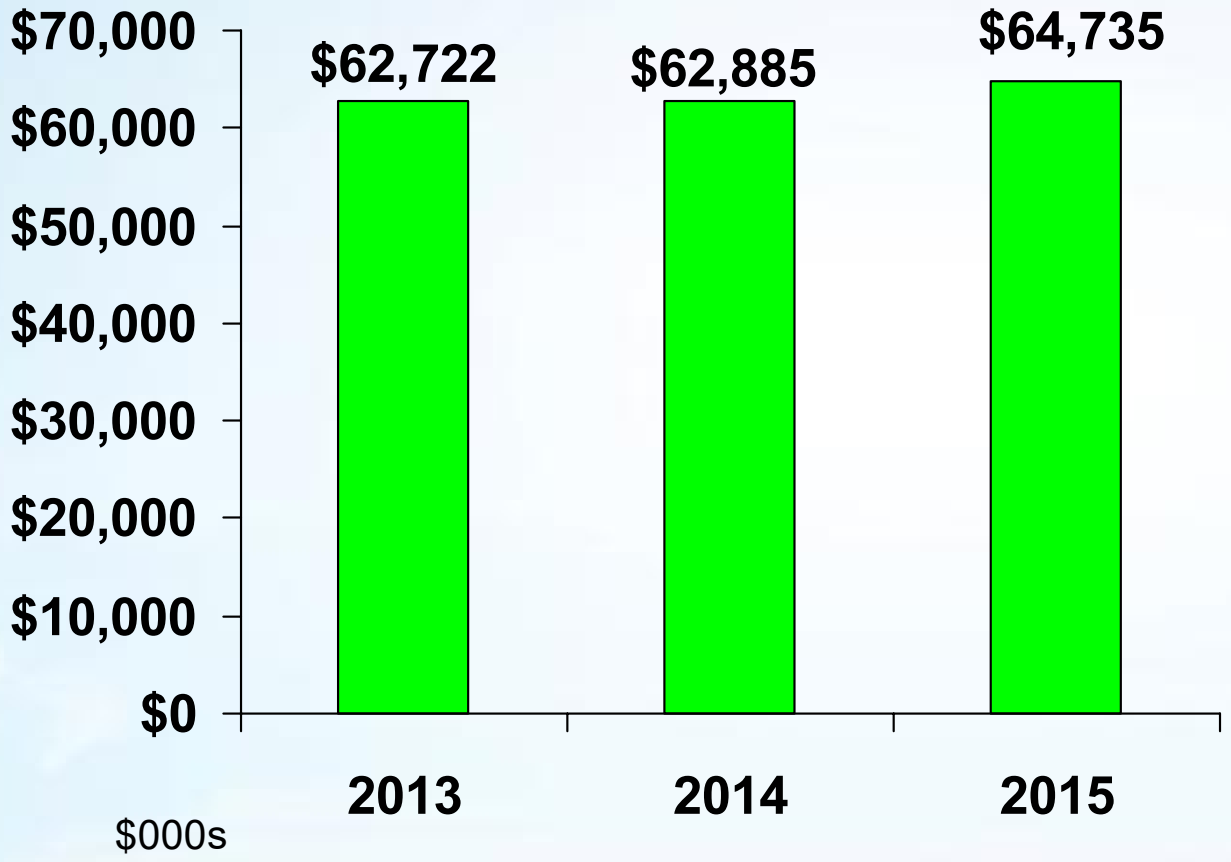
Parent Operating Surplus After Taxation



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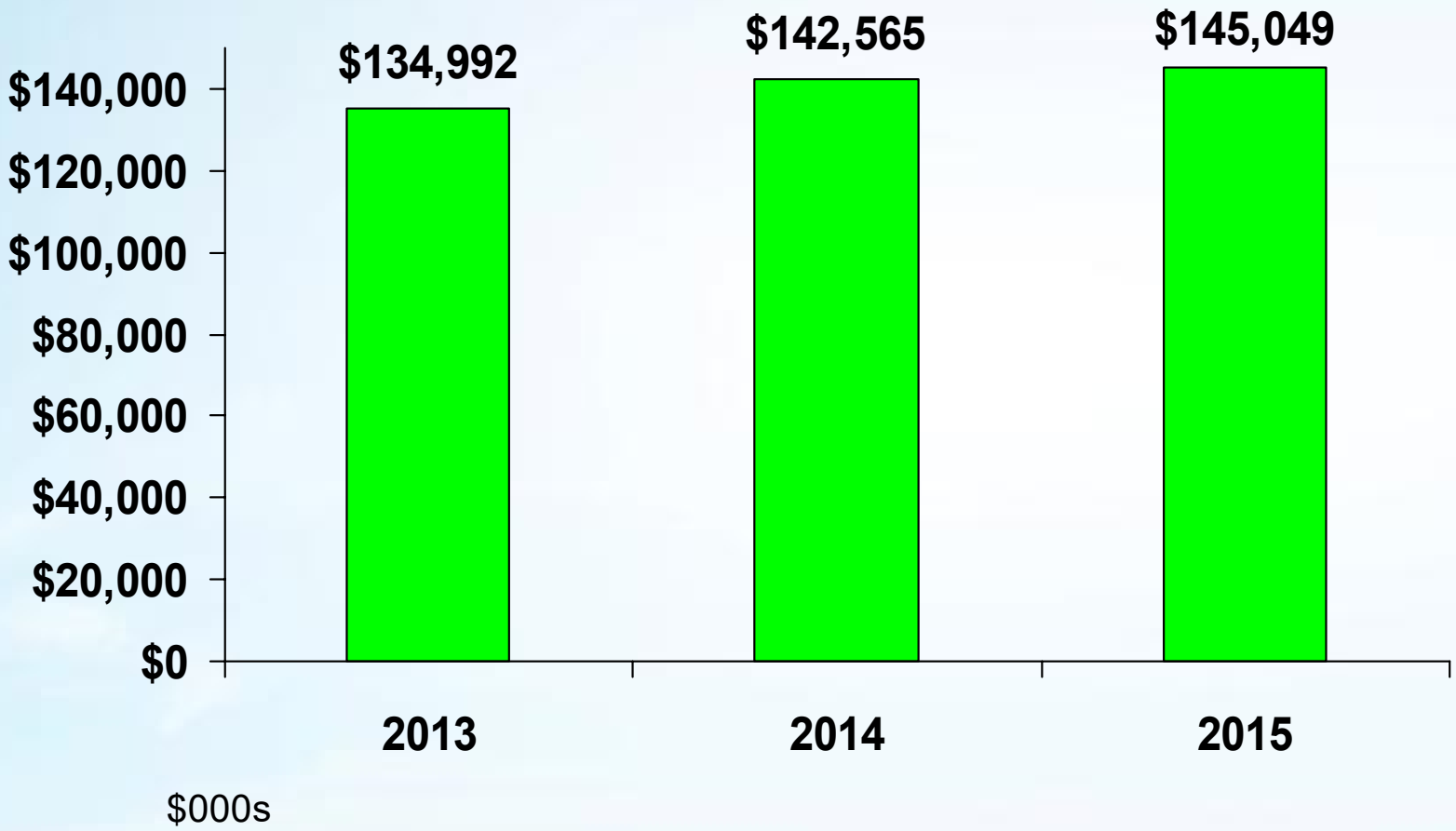
Group EBITDA



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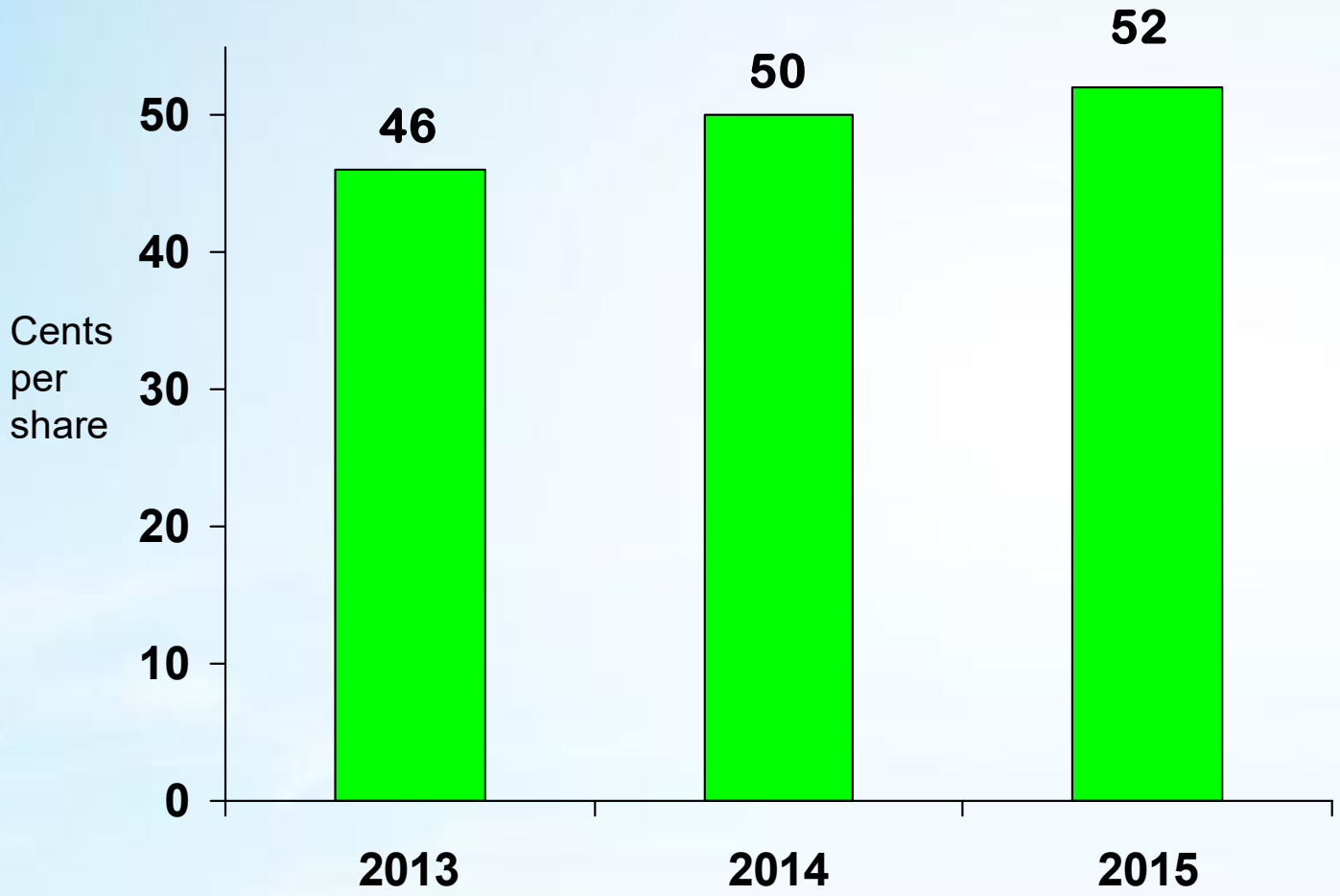
Total Dividend



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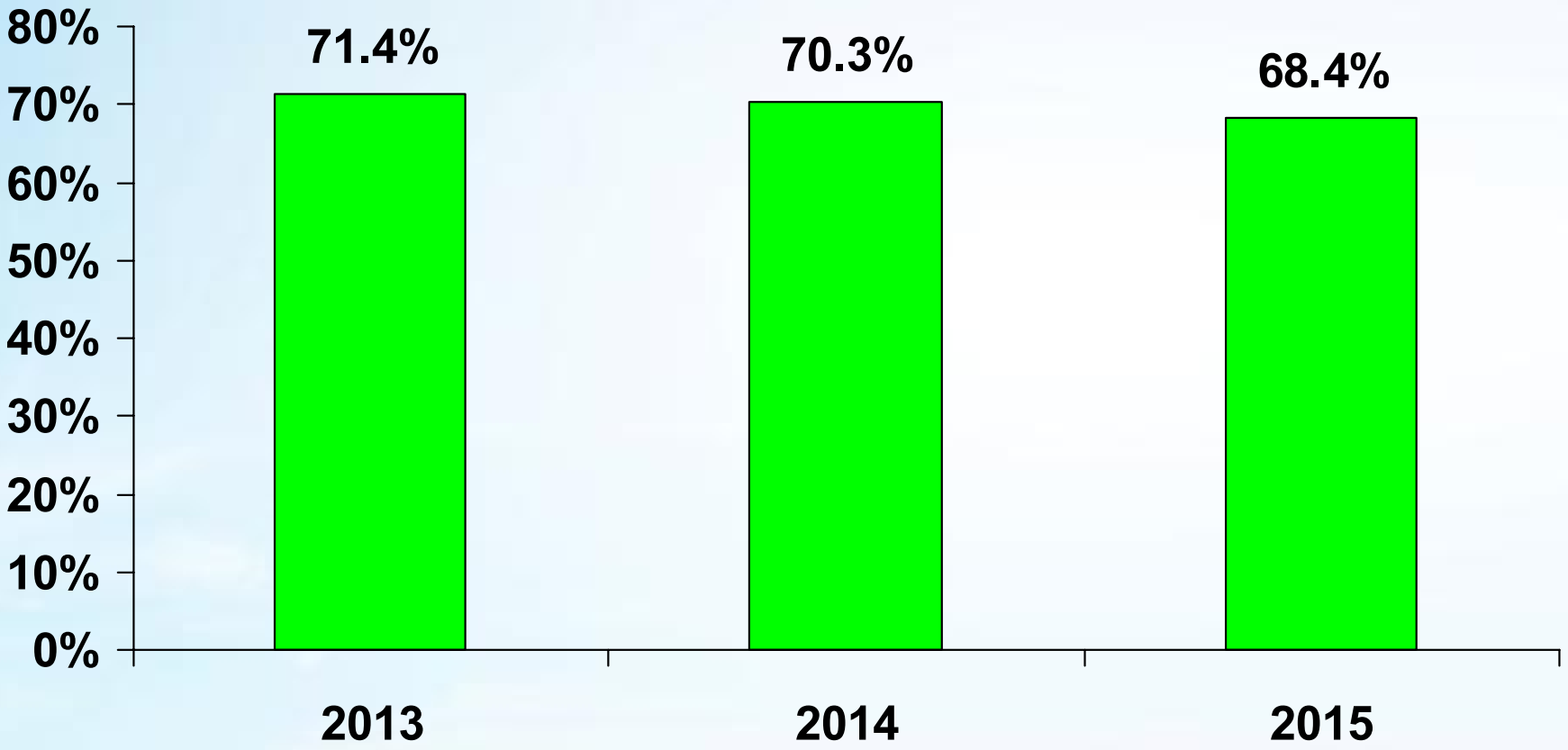
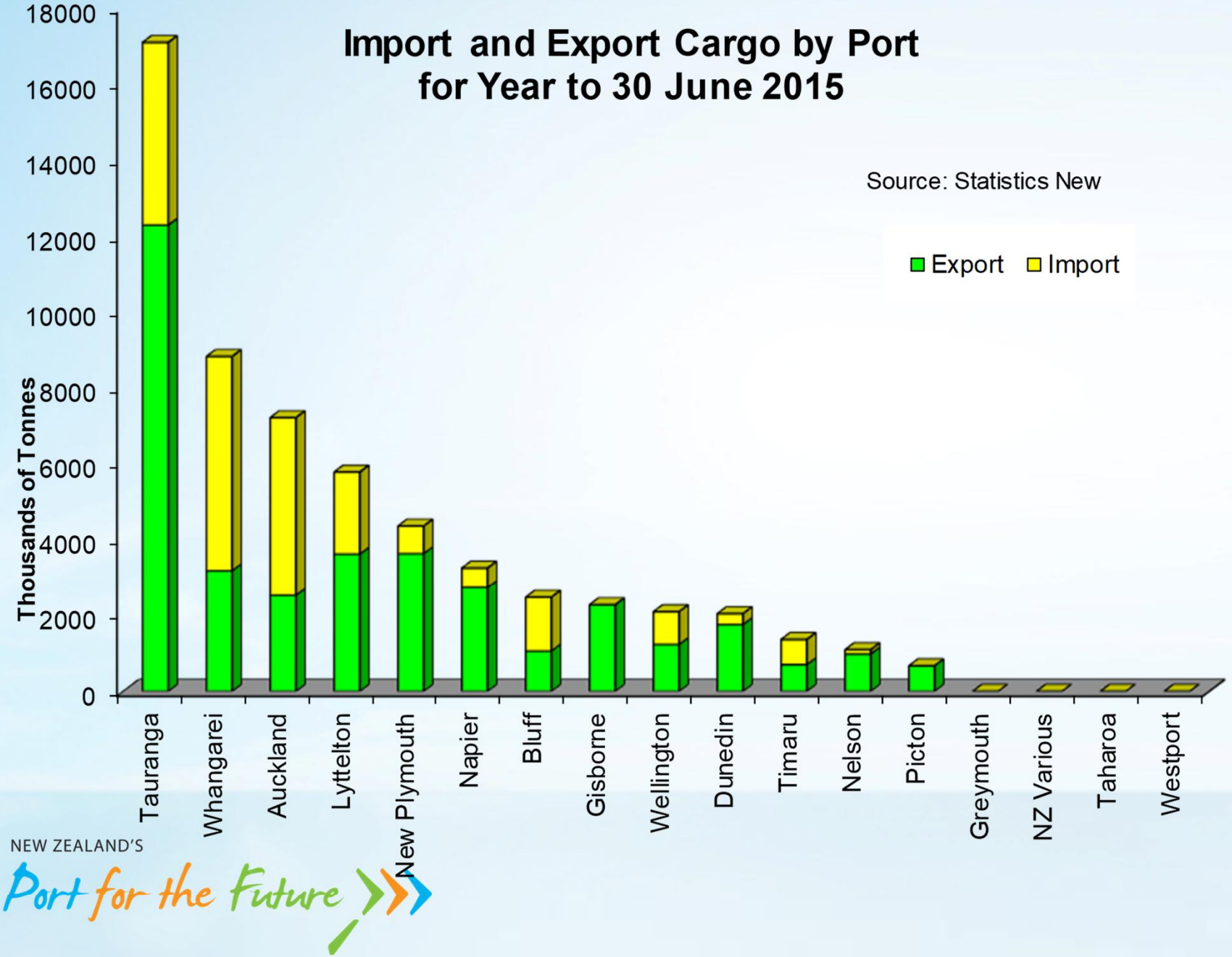
Shareholders' Equity



PORT OF TAURANGA
NEW ZEALAND'S
Port for the Future

New Zealand Import/Export Volume by Port

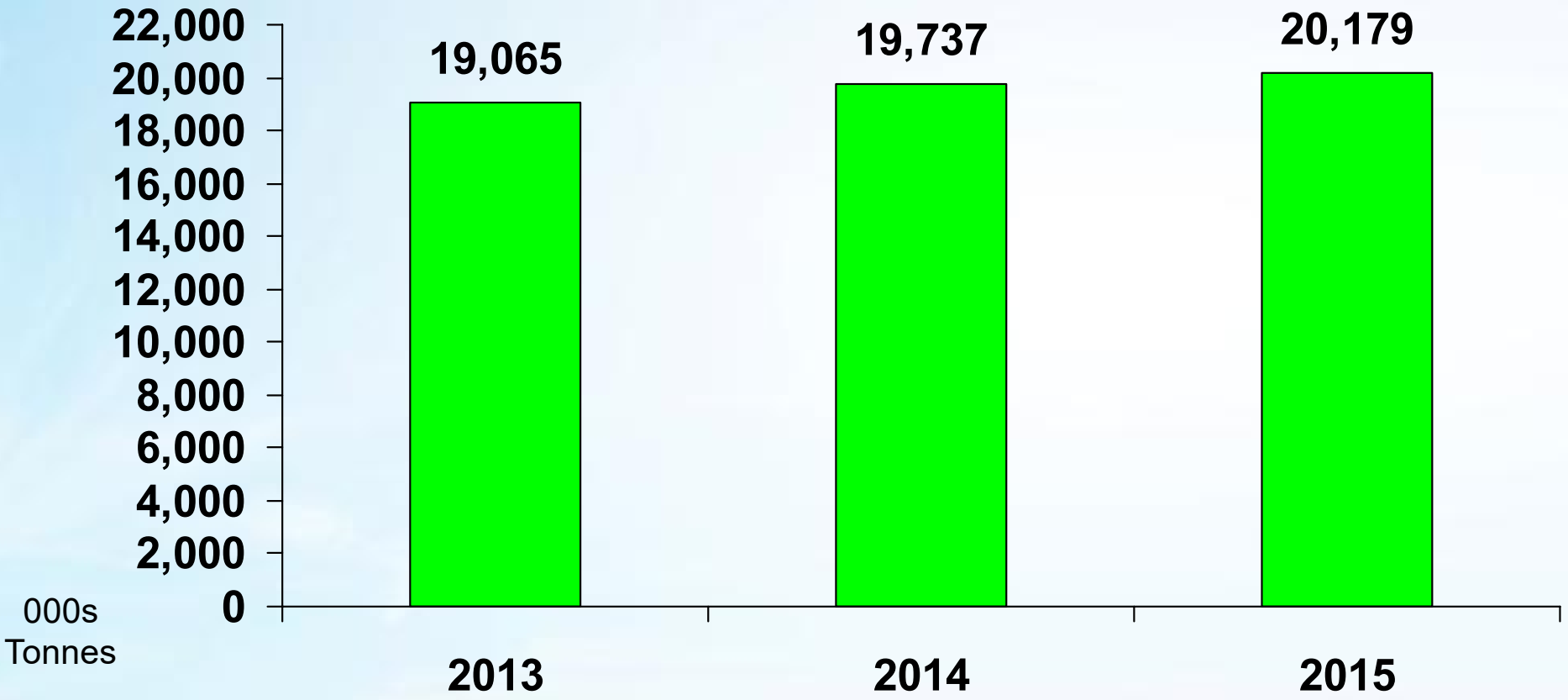


PORT OF TAURANGA

NEW ZEALAND'S

Port for the Future

Cargo Throughput



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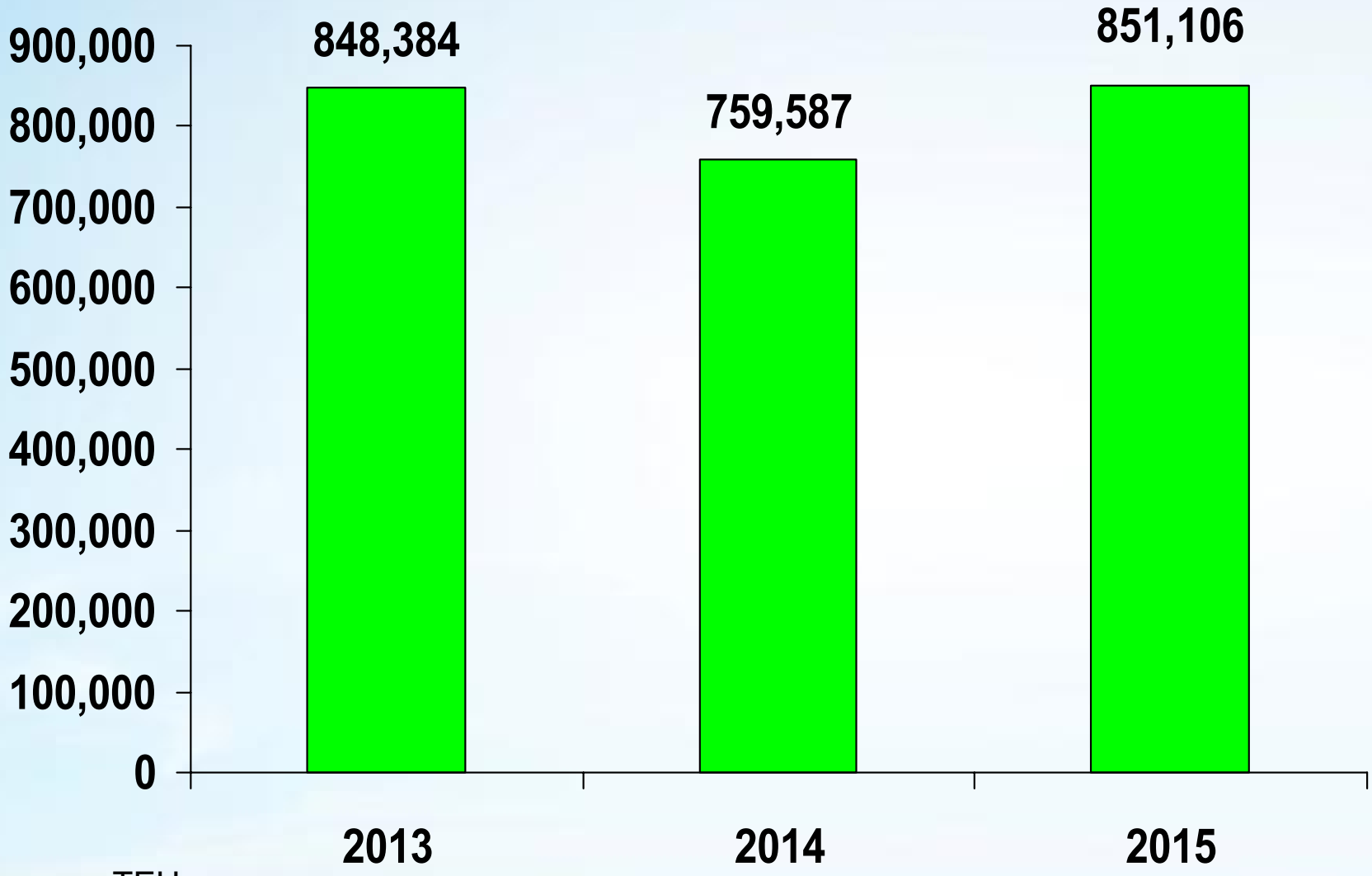
NEW ZEALAND'S
Port for the Future

Containers



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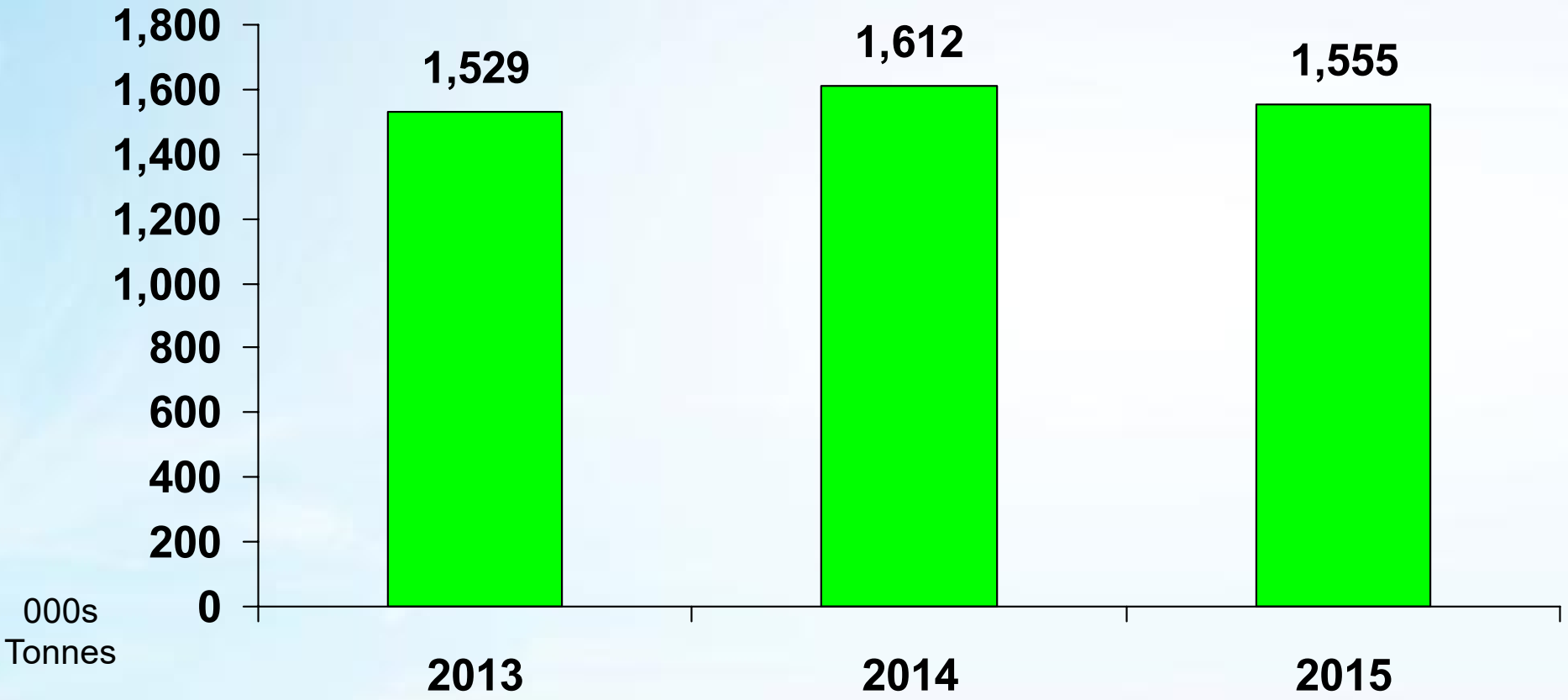
NEW ZEALAND'S Port for the Future

Ship Departures



PORT OF TAURANGA
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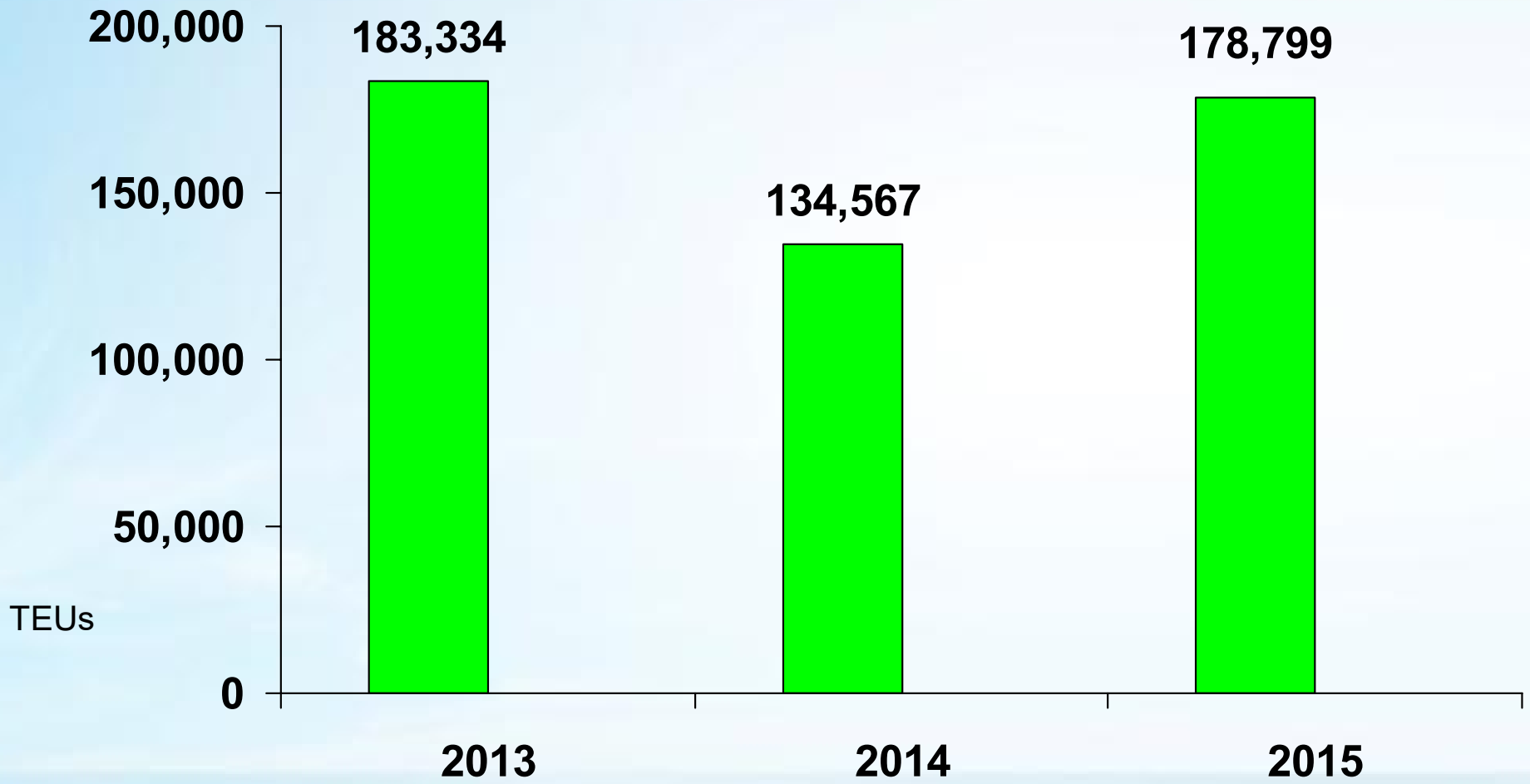
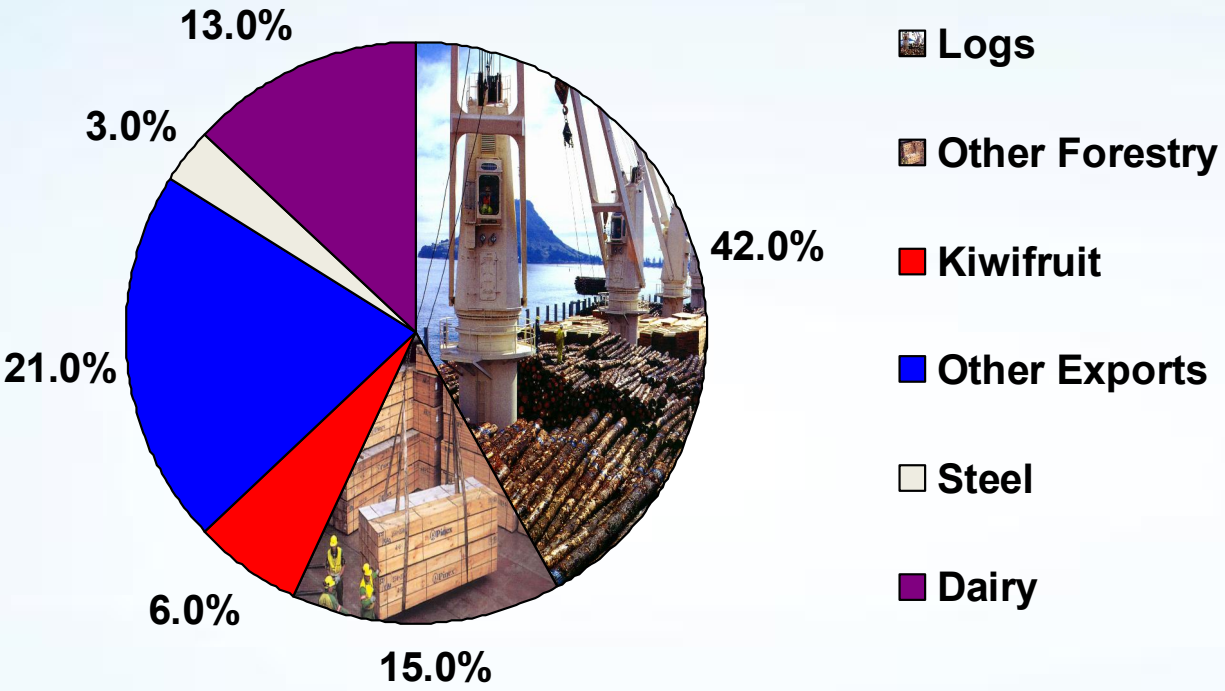
MetroPort Railed TEUs



PORT OF TAURANGA

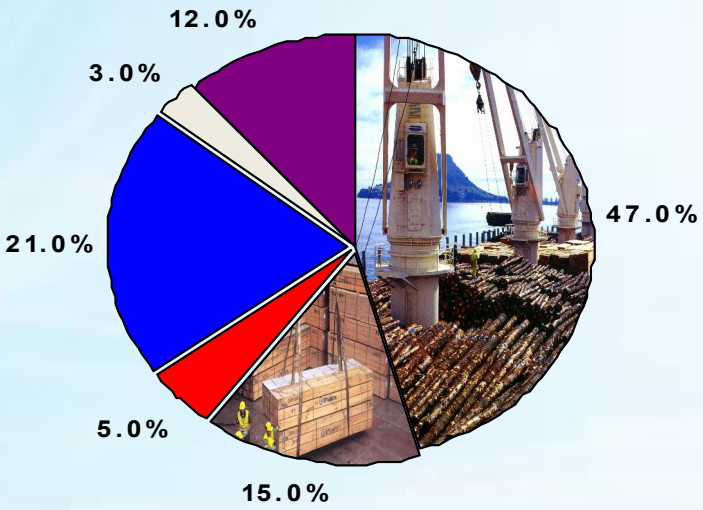
NEW ZEALAND'S Port for the Future

Year Ended June 2015
Exports – 13.3M Tonnes



2014 Exports

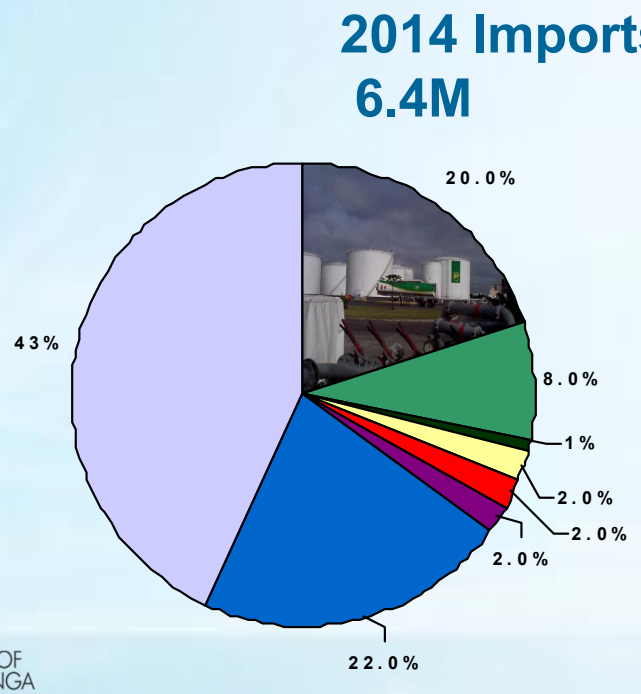
13.3M

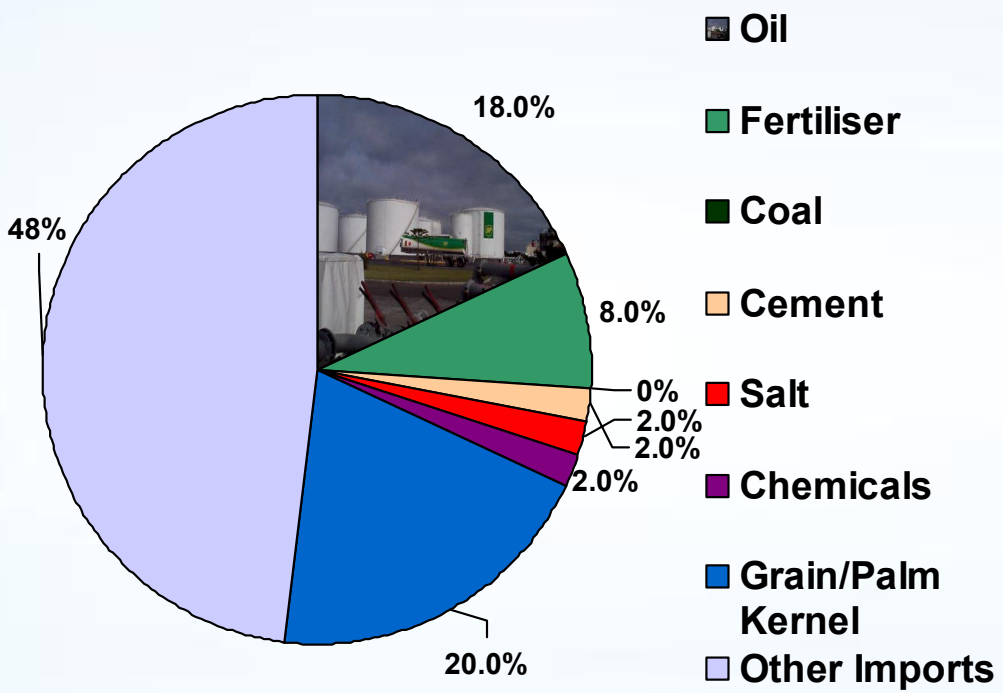


PORT OF TAURANGA

NEW ZEALAND'S *Port for the Future*

Year Ended June 2015
Imports – 6.9M Tonnes





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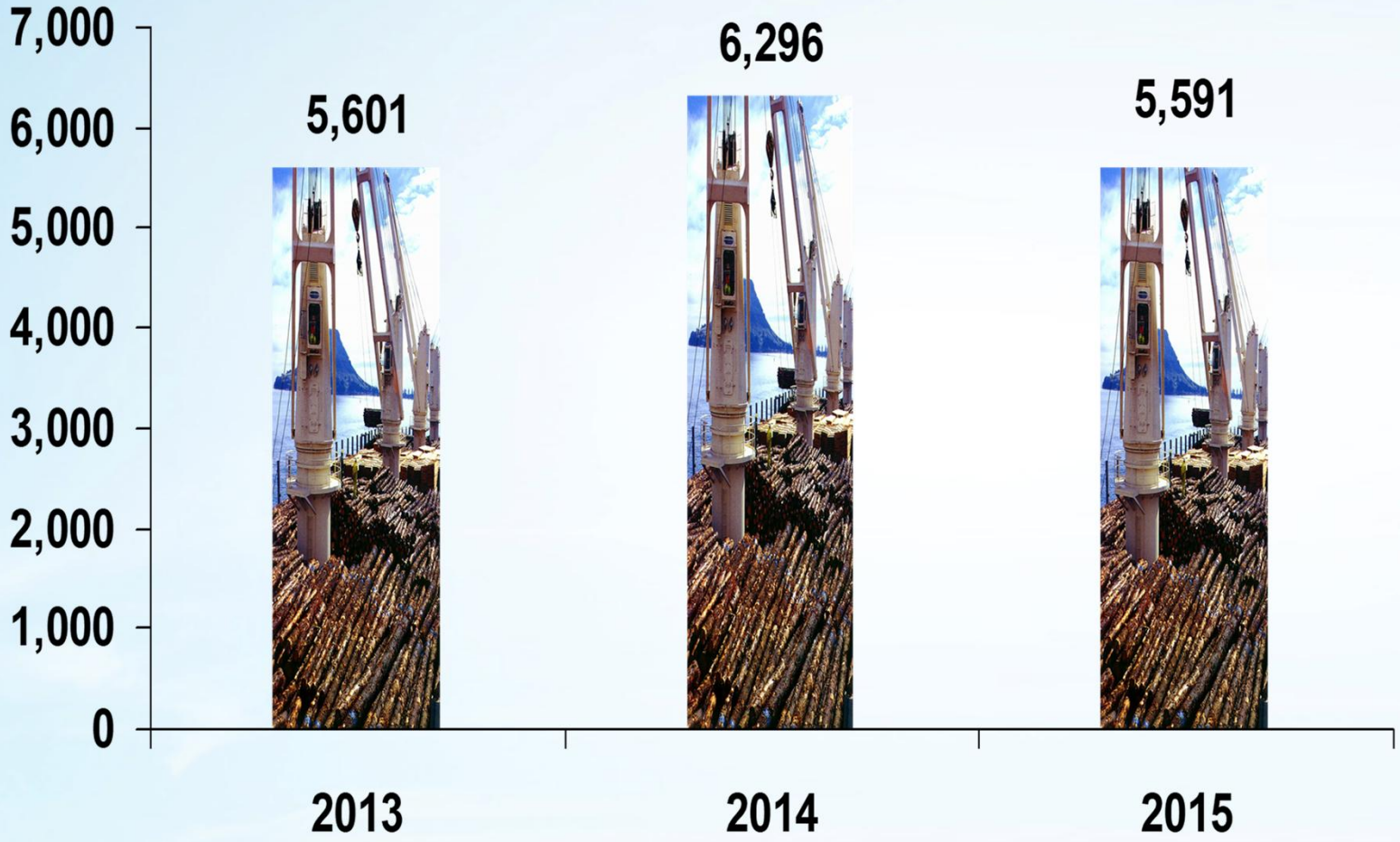
Logs



000s
JASM

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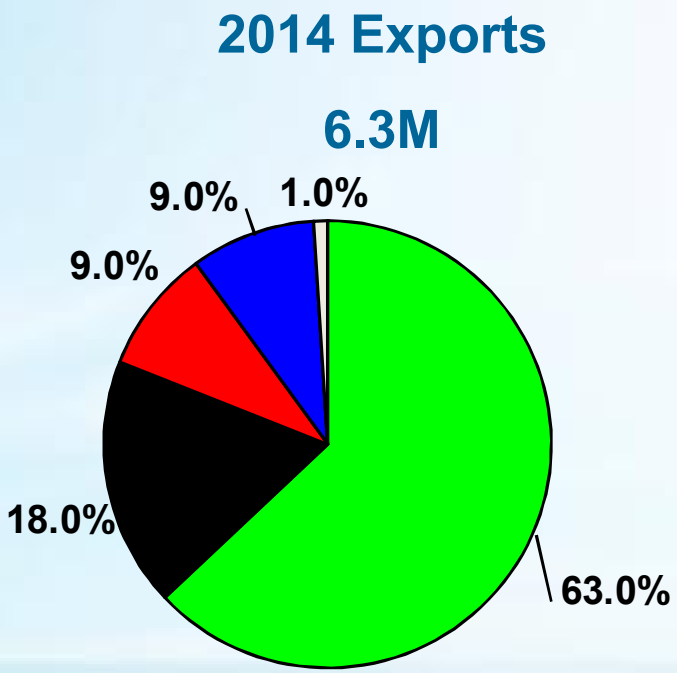
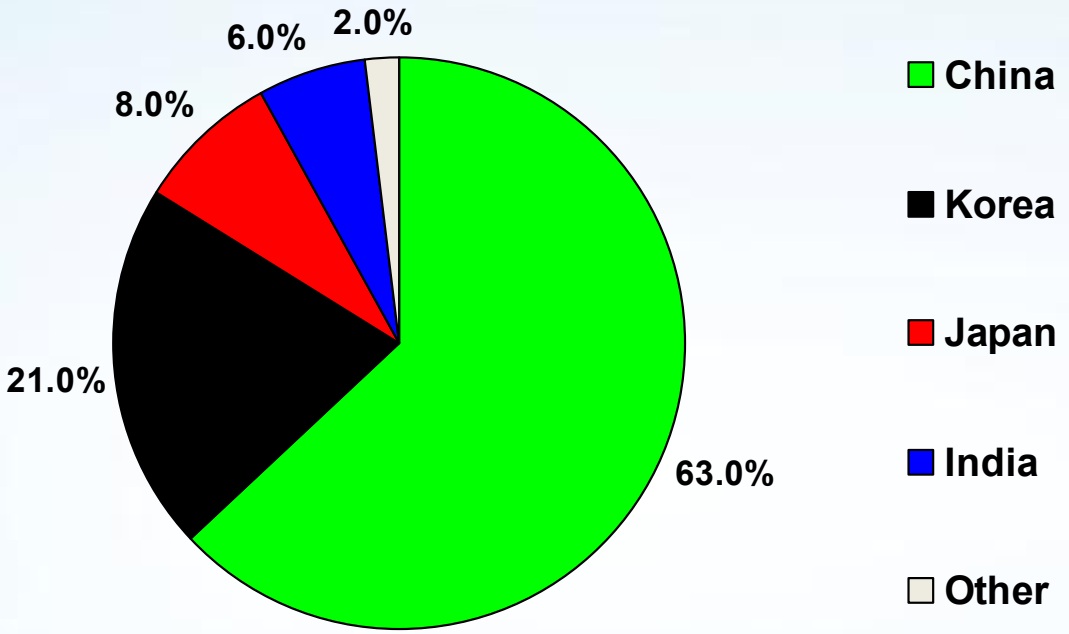
NEW ZEALAND'S
Port for the Future

Log Exports by Country





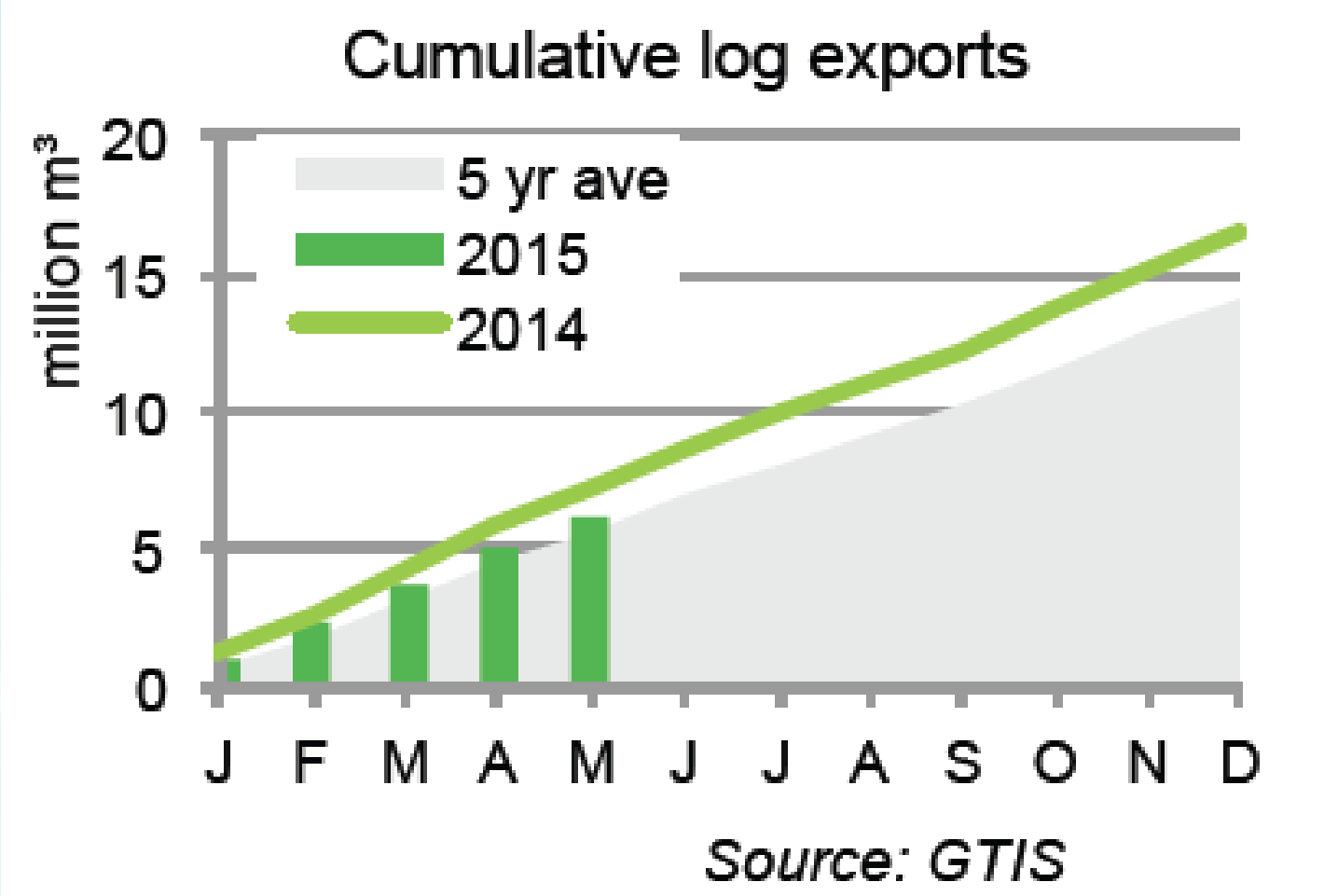
2015 Exports

5.6M

PORT OF TAURANGA

NEW ZEALAND'S Port for the Future

Cumulative Log Exports (Total New Zealand)



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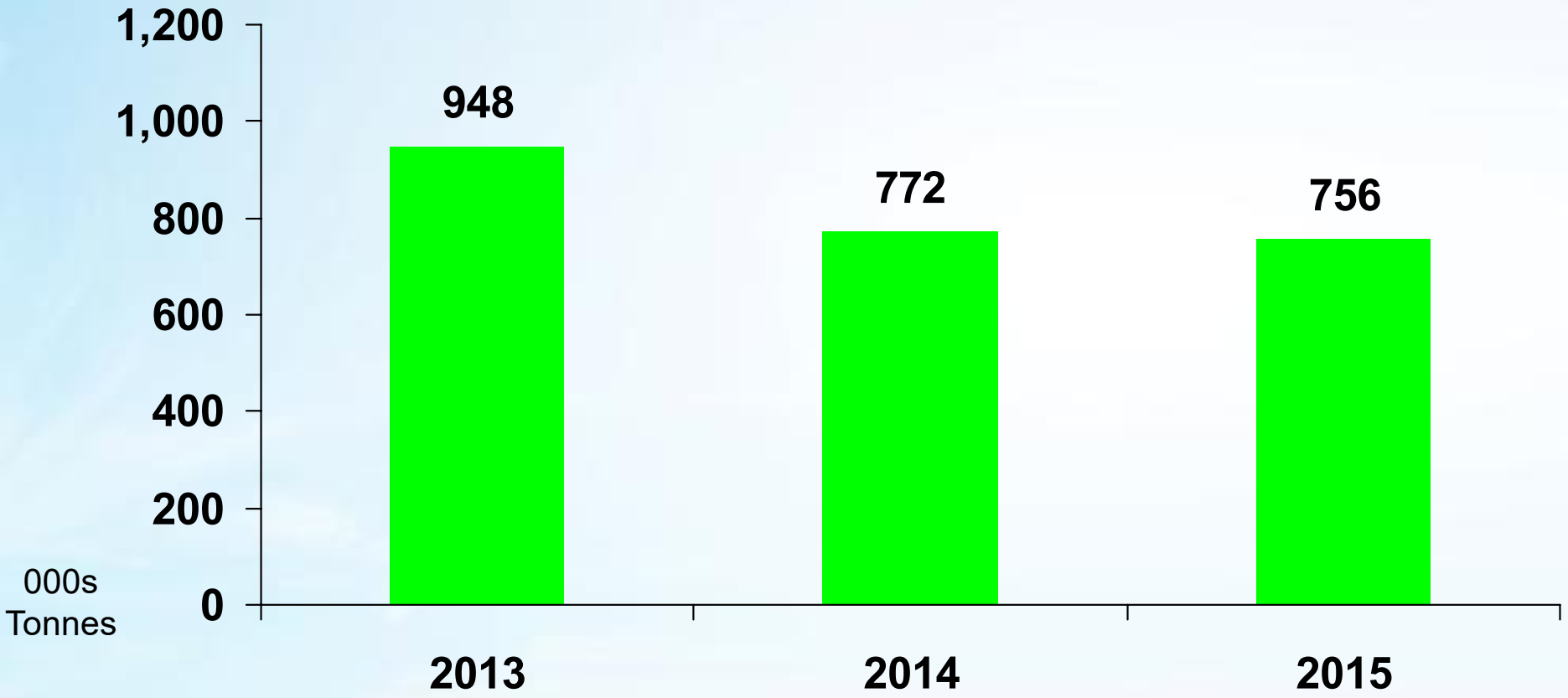
NEW ZEALAND'S
Port for the Future

Sawn Timber



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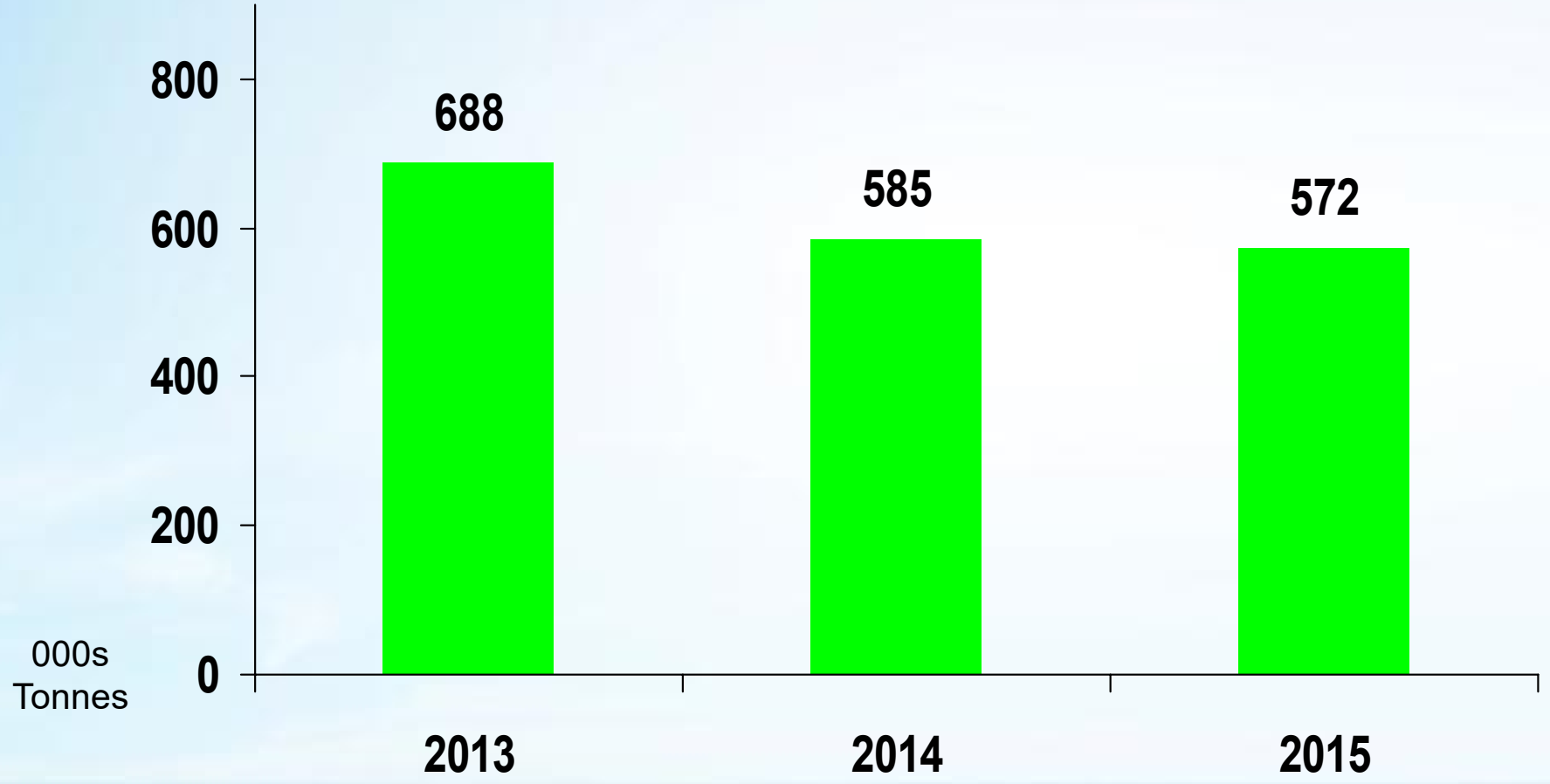
Paper Products



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NEW ZEALAND'S
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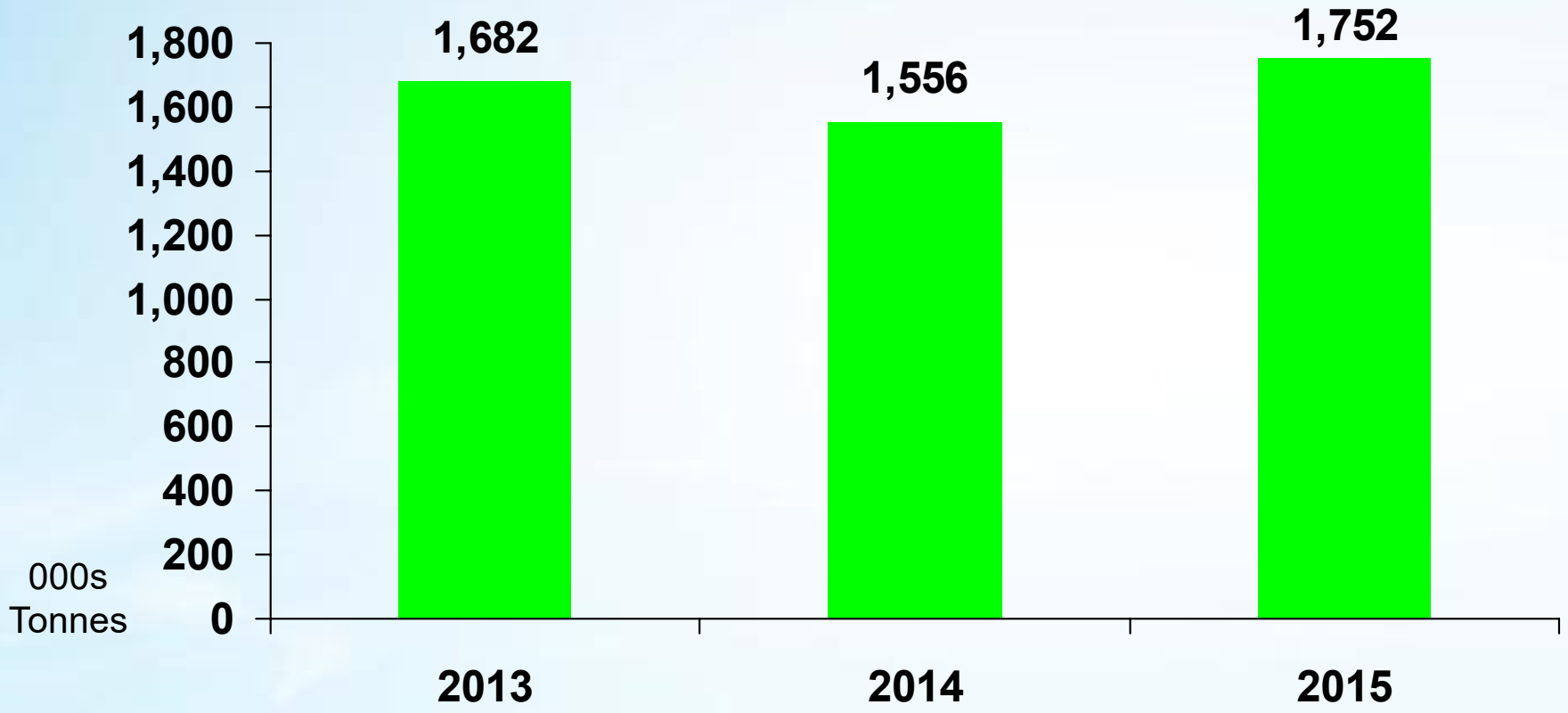
Dairy



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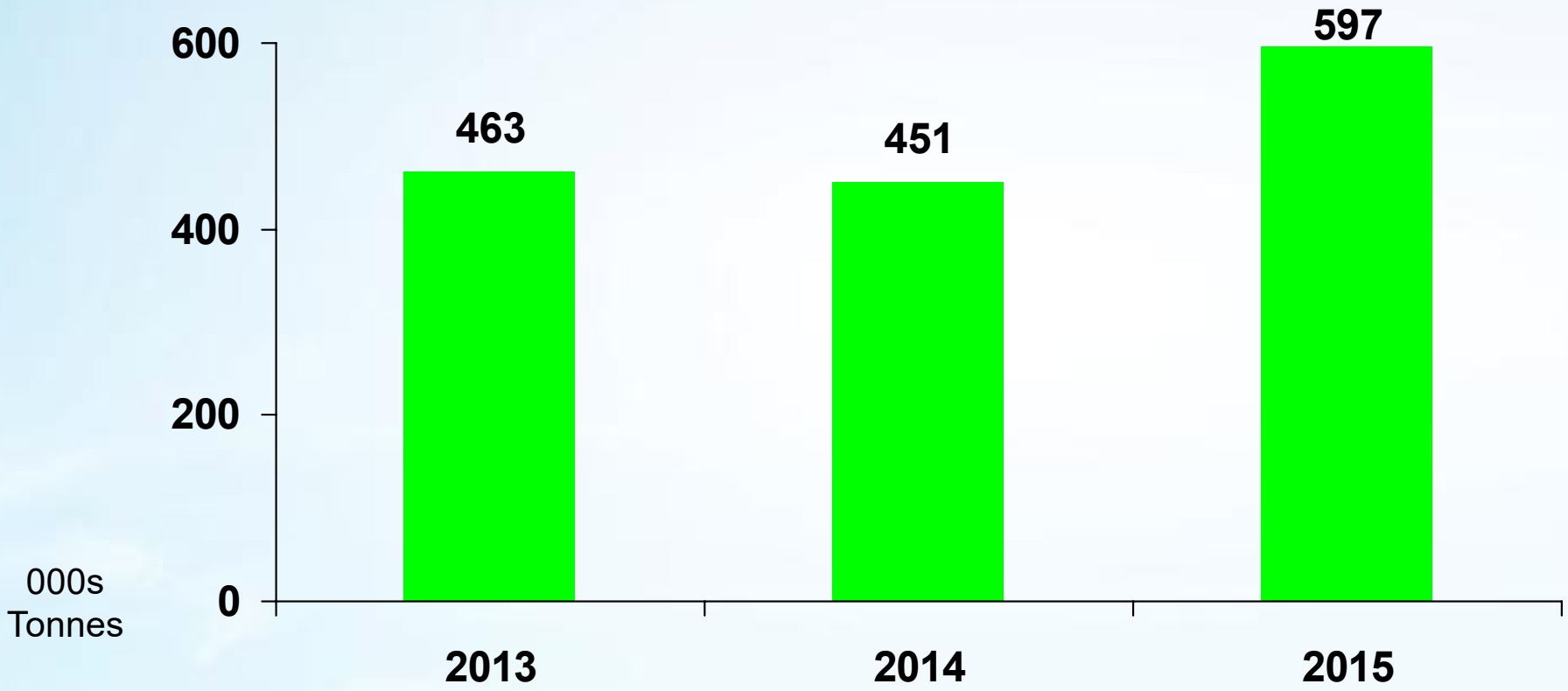
Meat



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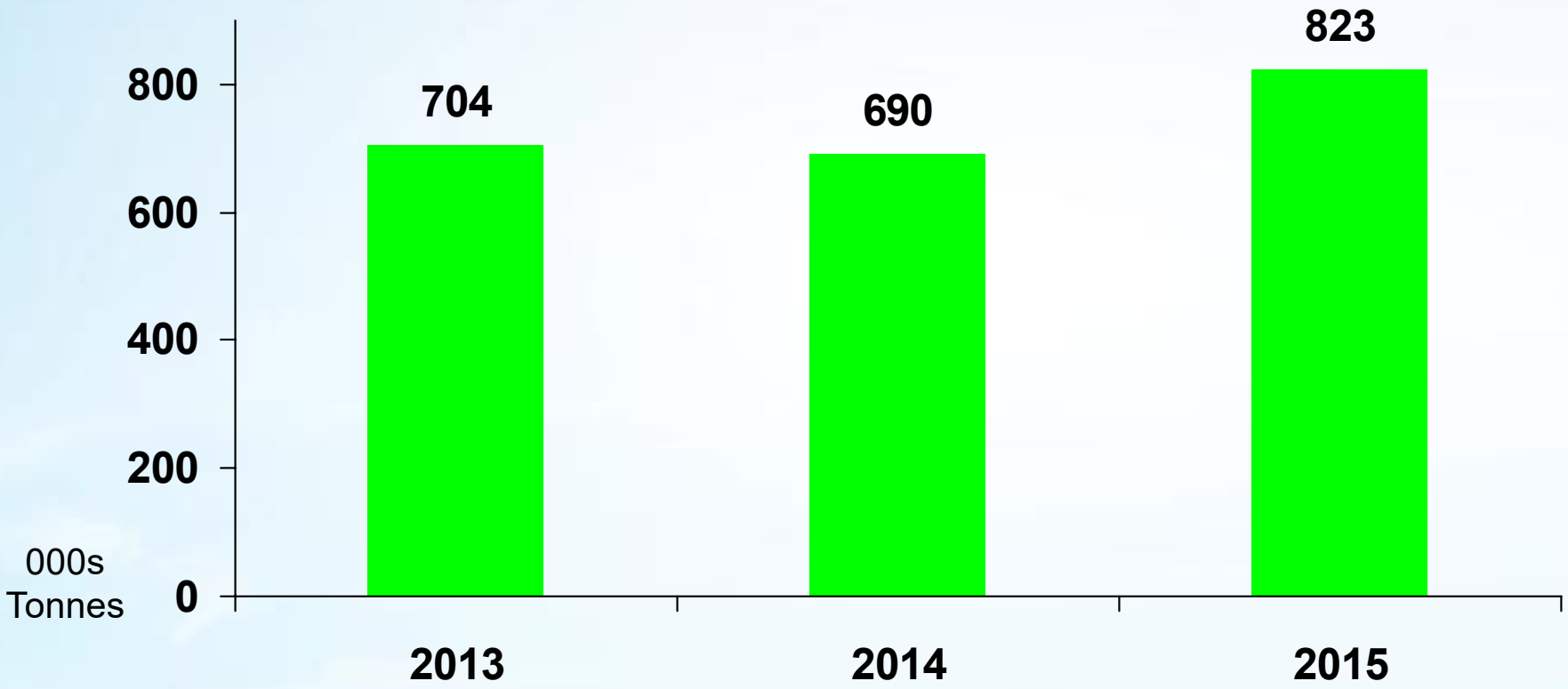
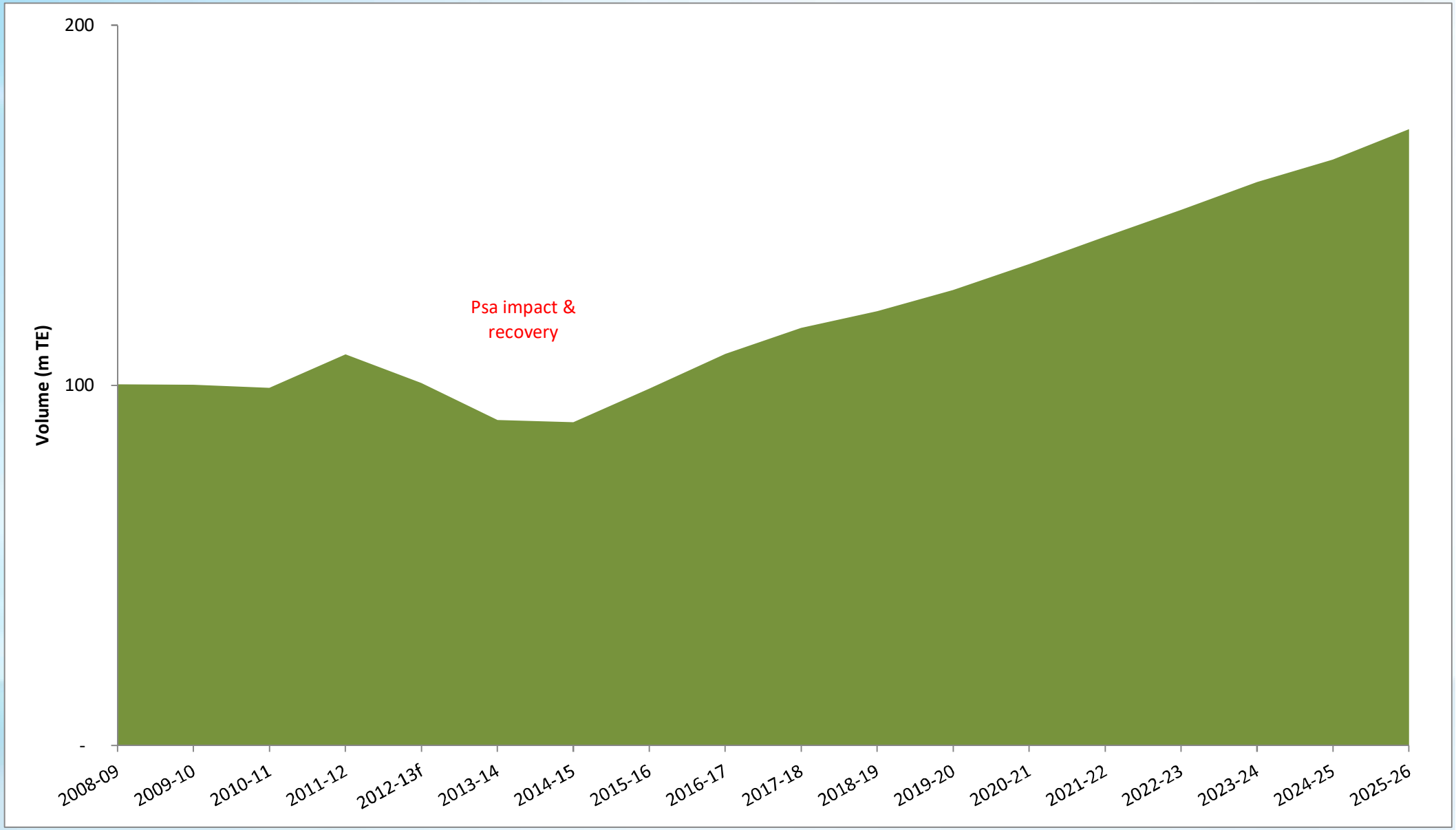
Kiwifruit

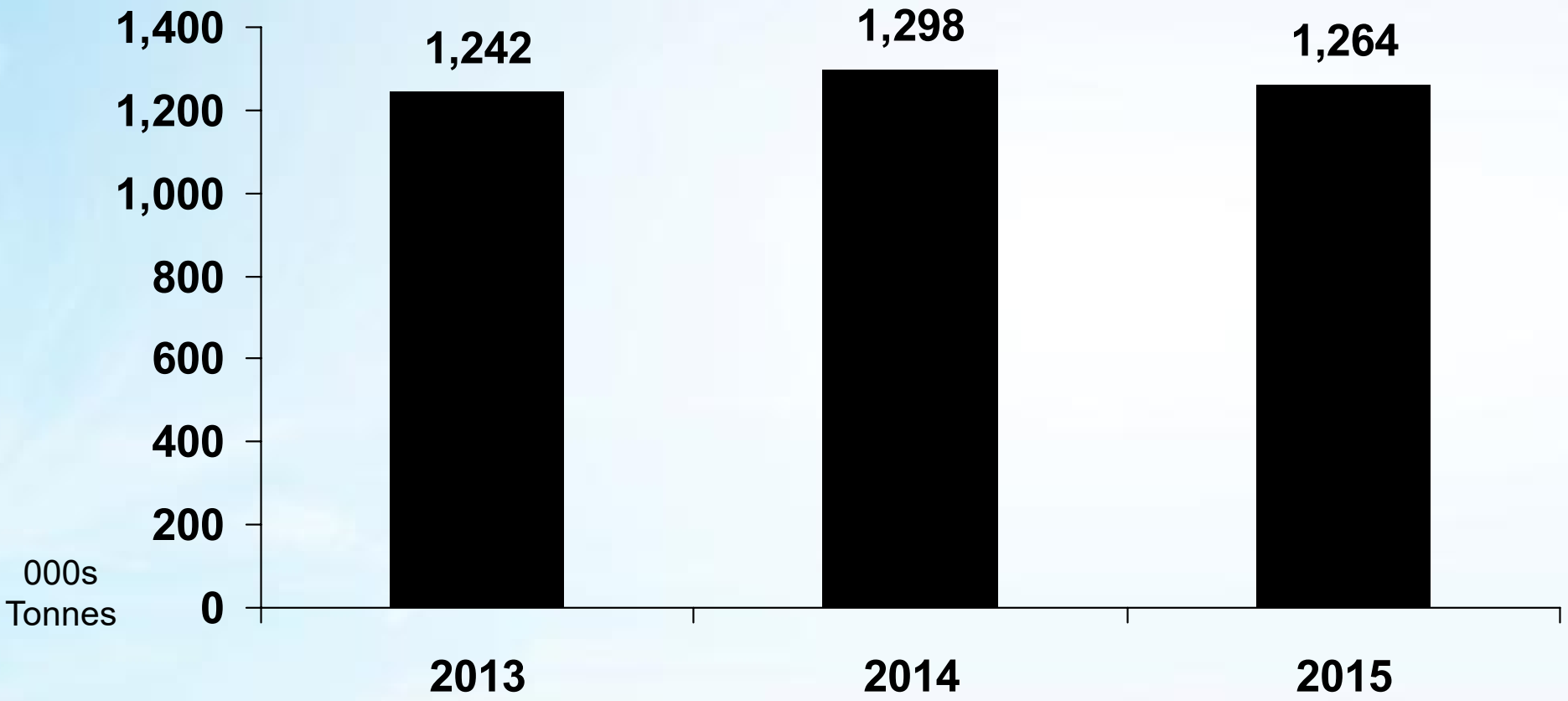


PORT OF TAURANGA
NEW ZEALAND'S
Port for the Future

Kiwifruit


200
100
-
Volume (m TE)
Psa impact &
recovery
2008-09
2009-10
2010-11
2011-12
2012-13f
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21
2021-22
2022-23
2023-24
2024-25
2025-26

Oil Products



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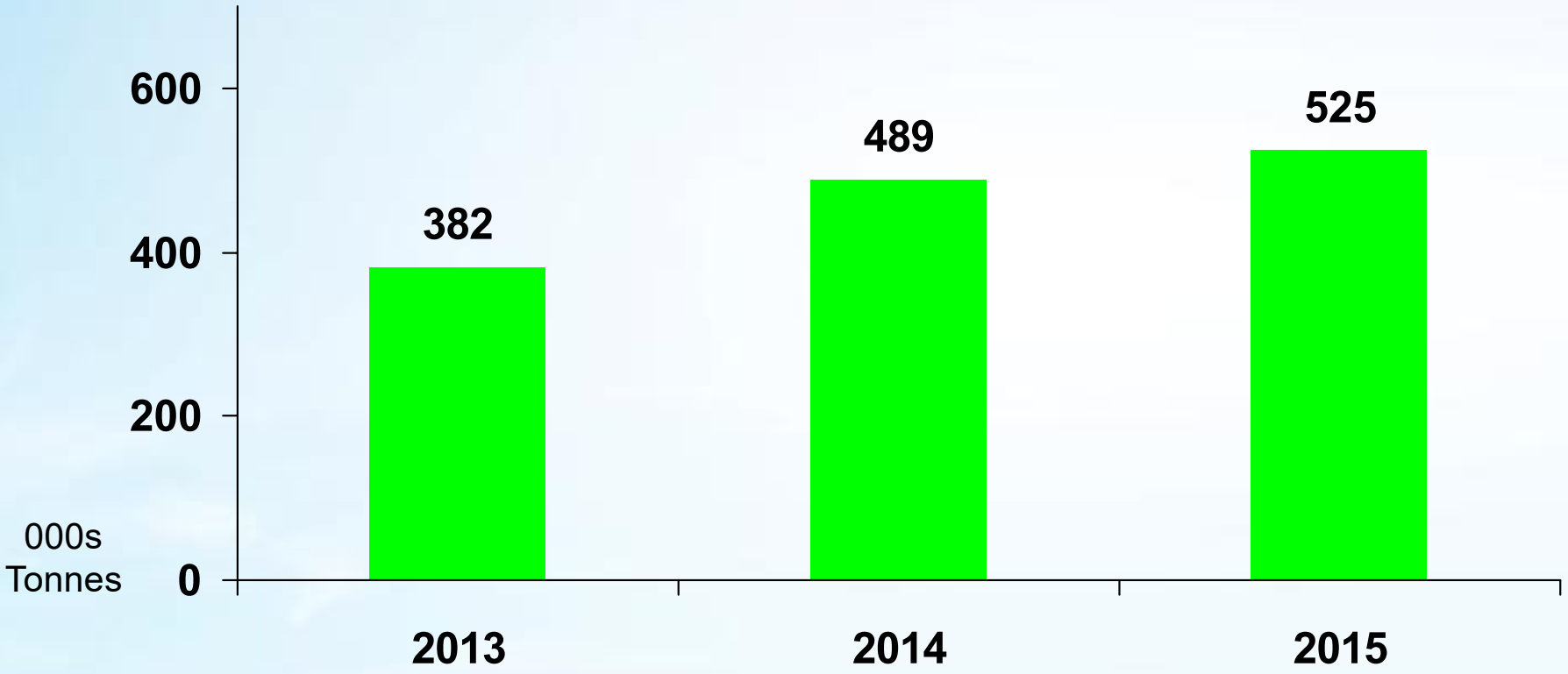
Fertiliser Bases



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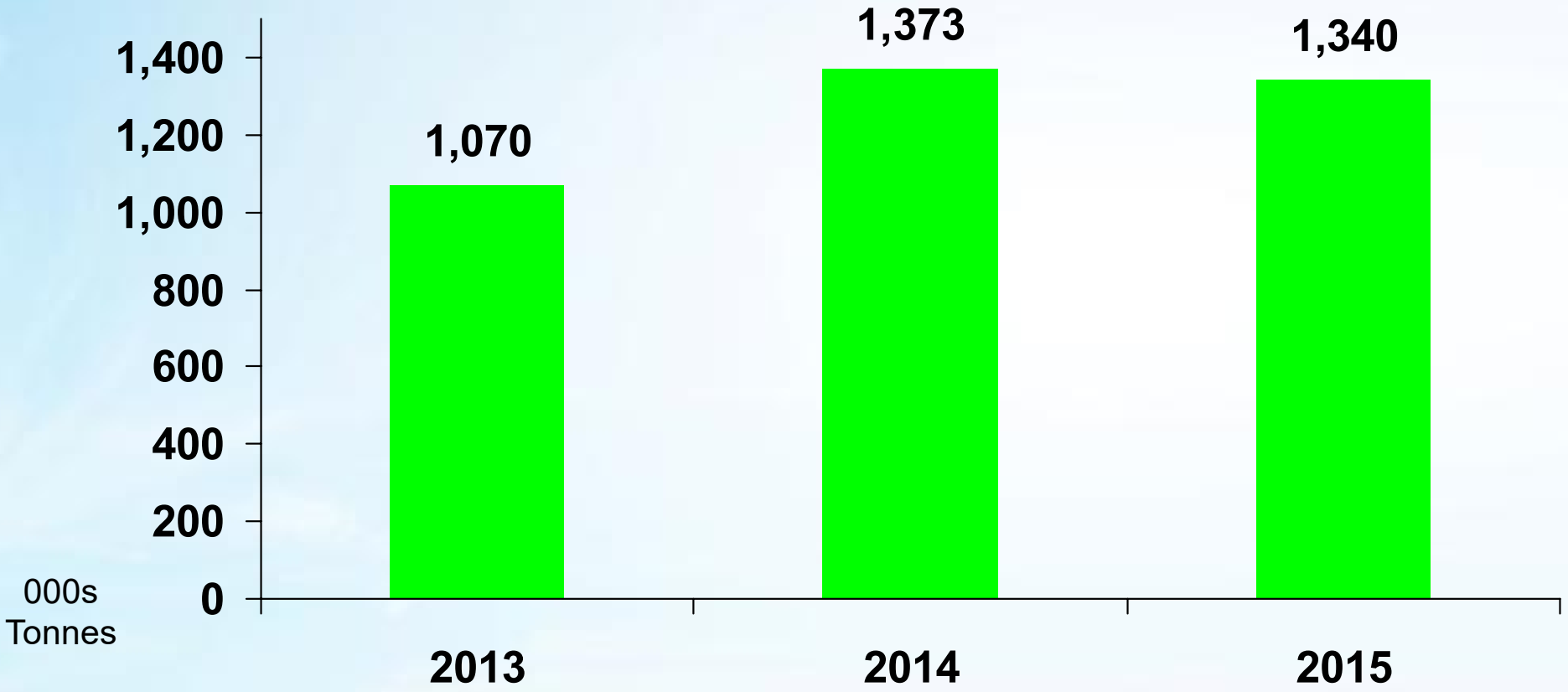
Grain & Dairy Food Supplements



PORT OF TAURANGA
NEW ZEALAND'S
Port for the Future

Subsidiaries / Associates

Northport

QM
QUALITY MARSHALLING

CODA

TIMARU
CONTAINER TERMINAL

PRIMEPORT
TIMARU

PORTCONNECT

PORT OF TAURANGA
NEW ZEALAND'S
Port for the Future

Northport

PORT OF TAURANGA

NEW ZEALAND'S

Port for the Future

Quality Marshalling

- NPAT of $631K
- Stevedoring of logs at Northport
- Load/unload trains at Tauranga Container Terminal
- Operating Plant and Labour at Timaru Container Limited
- Impairment of Goodwill of $6.2M

CODA

(Tapper Transport / Priority Logistics / MetroPack /MetroBox / Dairy Transport Logistics – Formed 1 May 2015)

DTL®

PORT OF TAURANGA

NEW ZEALAND'S *Port for the Future*

Coda LP

- Formed to drive down the landside cost of transporting containers to and from ports
- Moves over 5.5 Million tonnes and over 300,000 containers per annum
- At the peak, responsible for 900 road and rail movements per day
- Partners with over 60 prequalified logistics providers
- Large user of KiwiRail
- Operates a large intermodal freight hub at Savill Drive – Auckland

Coda TSF

Goods transported from Auckland to Palmerston North in TSF

TSF specifically designed to fit two pallets of milk powder high and fit through tunnels in KiwiRail network

TSF loaded with Milk Powder for return trip to Auckland (30% more utilisation)

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NEW ZEALAND'S
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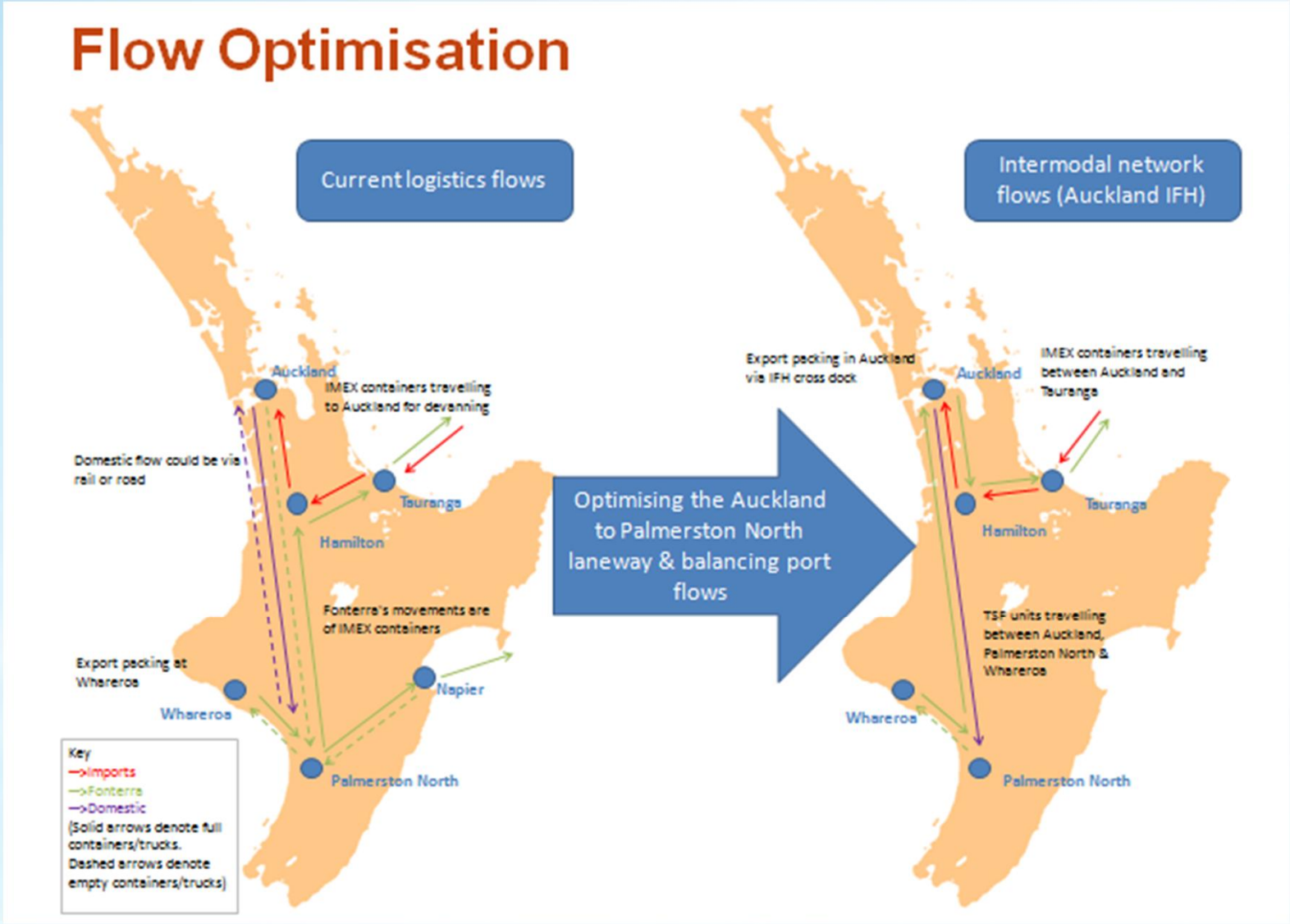
Auckland-Palmerston North Optimisation



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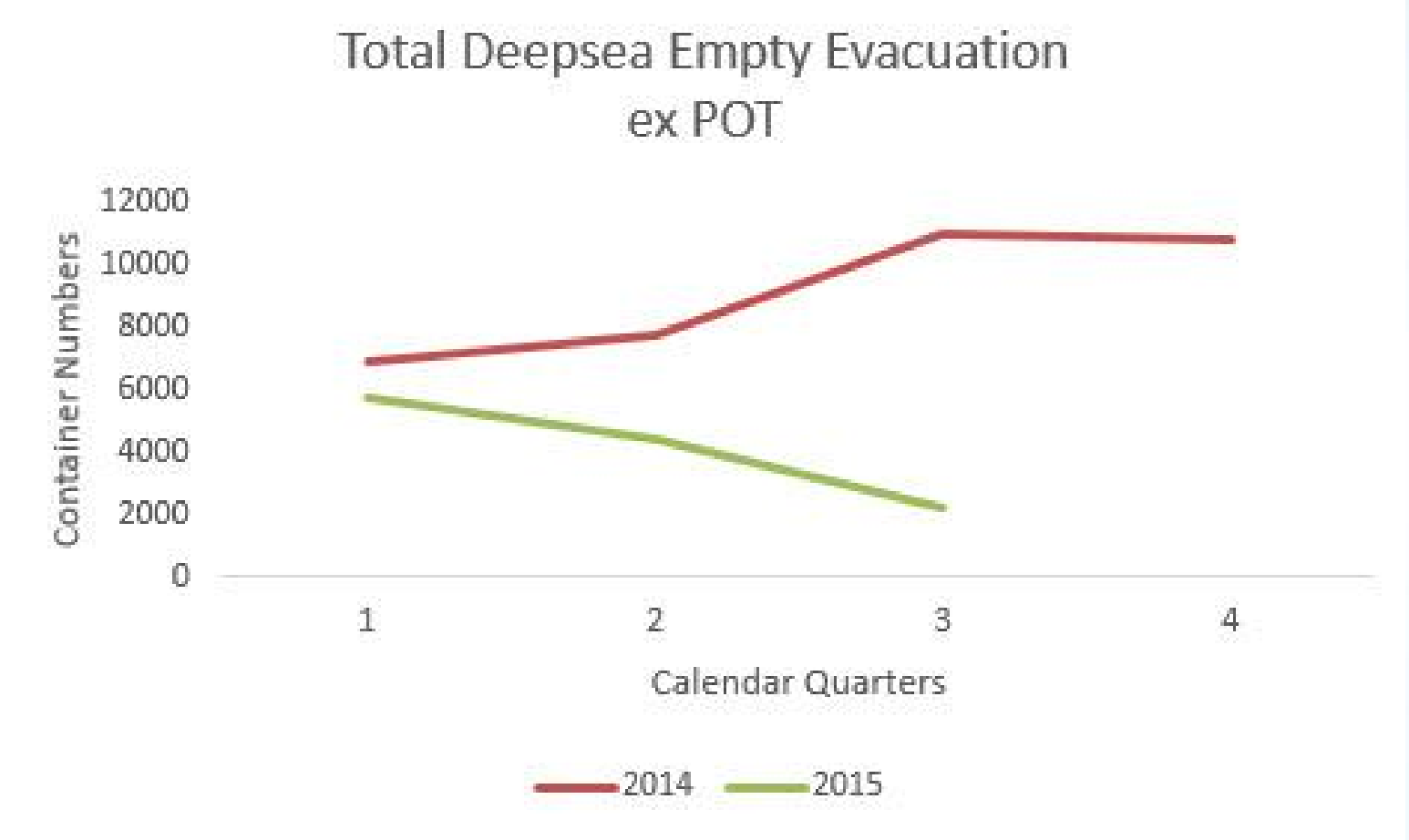
Empty Container Optimisation



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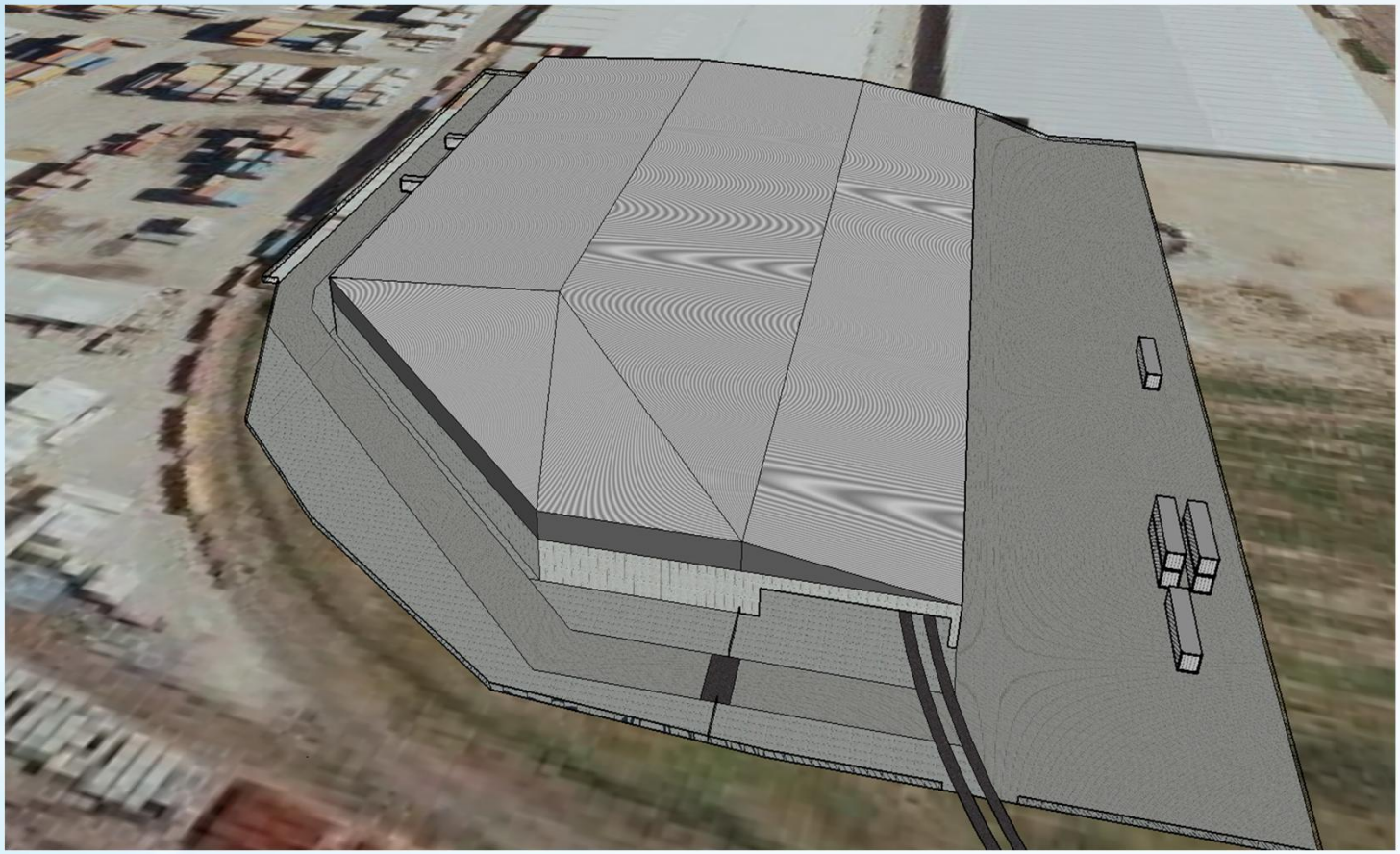
Savill Drive Phase 2 Approved



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NEW ZEALAND'S Port for the Future

PrimePort Timaru

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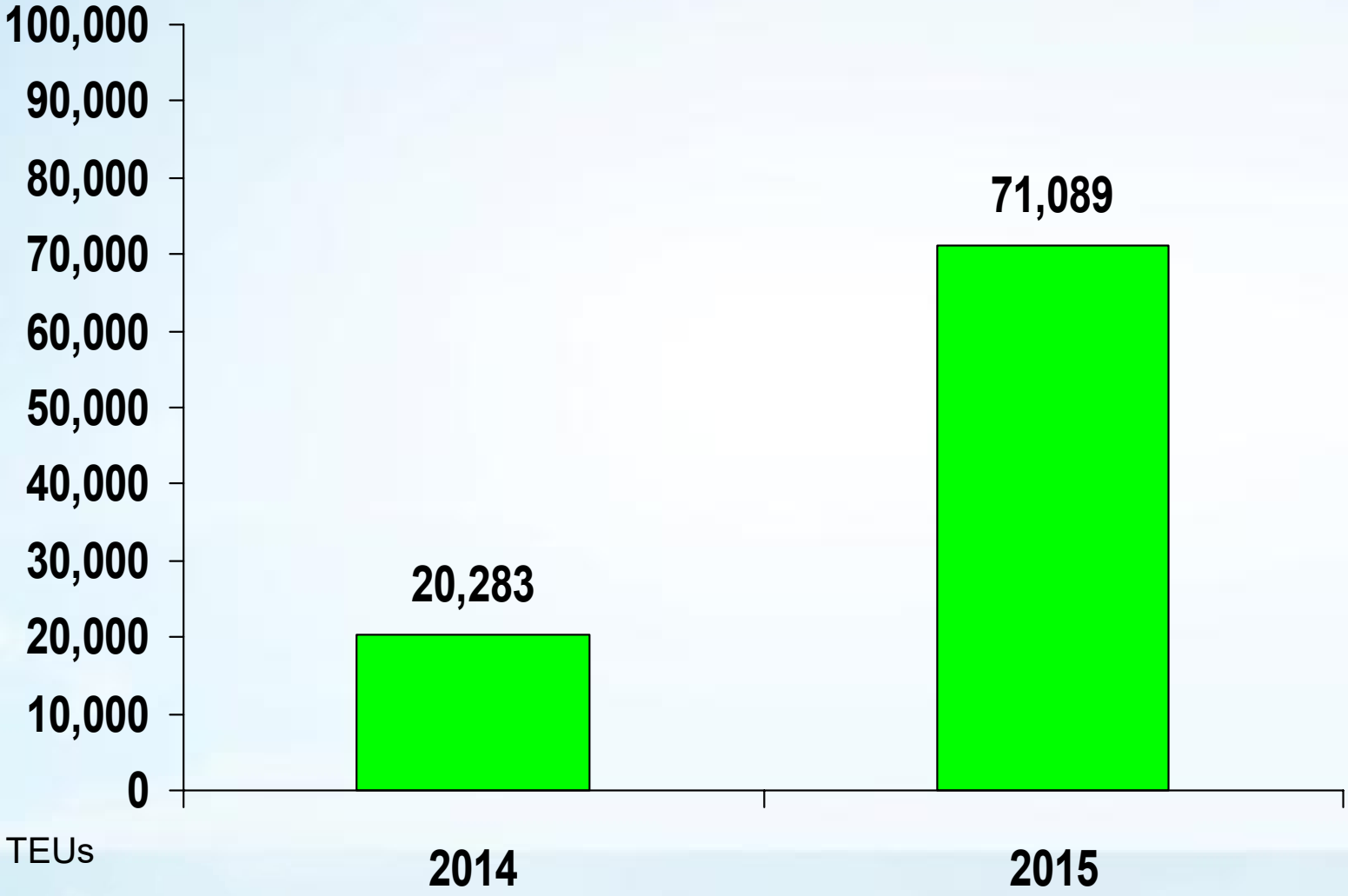
NEW ZEALAND'S Port for the Future

Timaru Container Terminal Containers



PORT OF TAURANGA
NEW ZEALAND'S
Port for the Future

Highlights

Improvement in Safety (LTIFR 2.9)

Return of Maersk Southern Star

PORT OF TAURANGA
NEW ZEALAND'S
Port for the Future

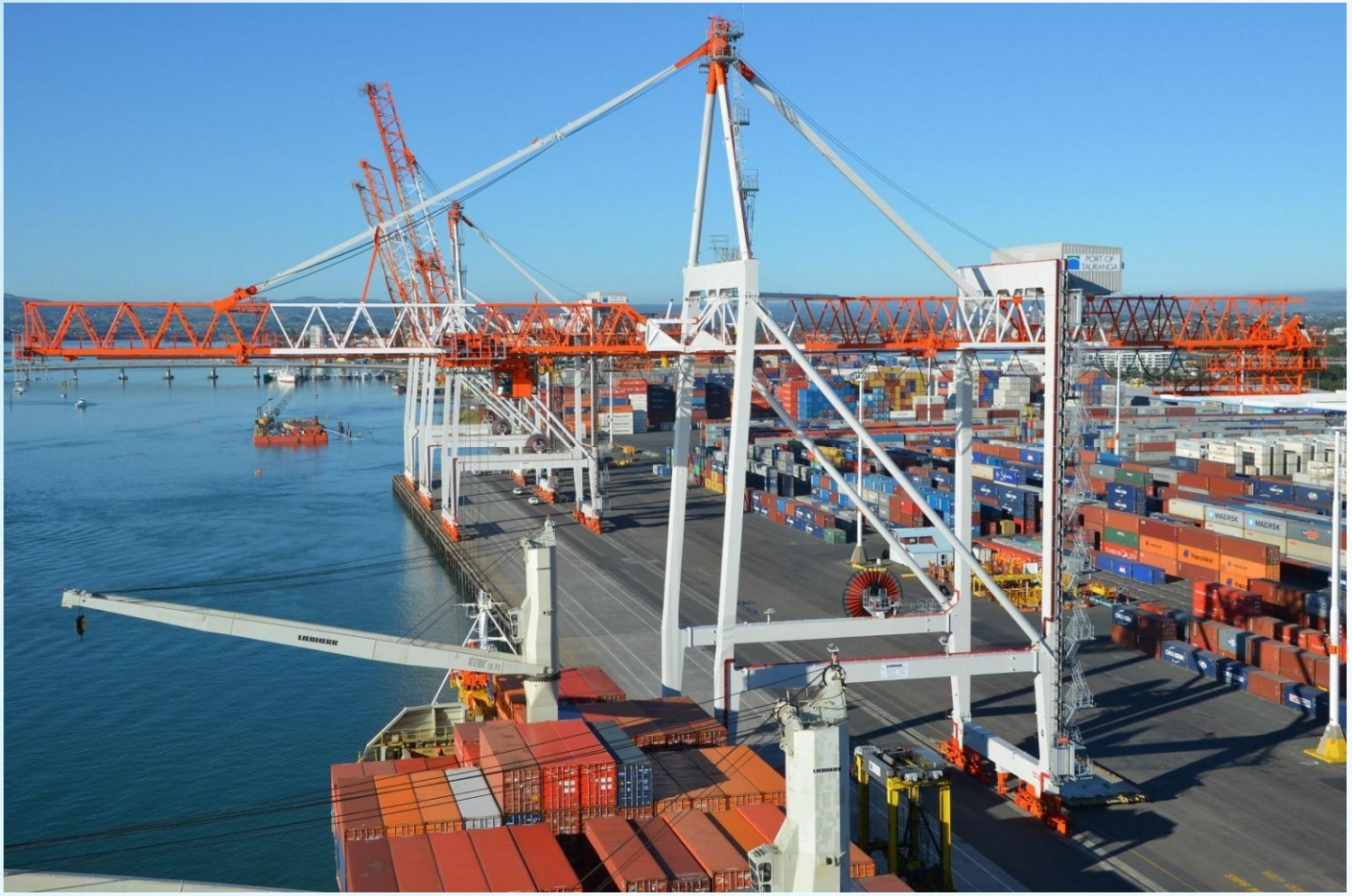
Container Volumes up 12% to 851,106 TEU's

PORT OF TAURANGA

NEW ZEALAND'S

Port for the Future

Board Approved Purchase of Two More Cranes



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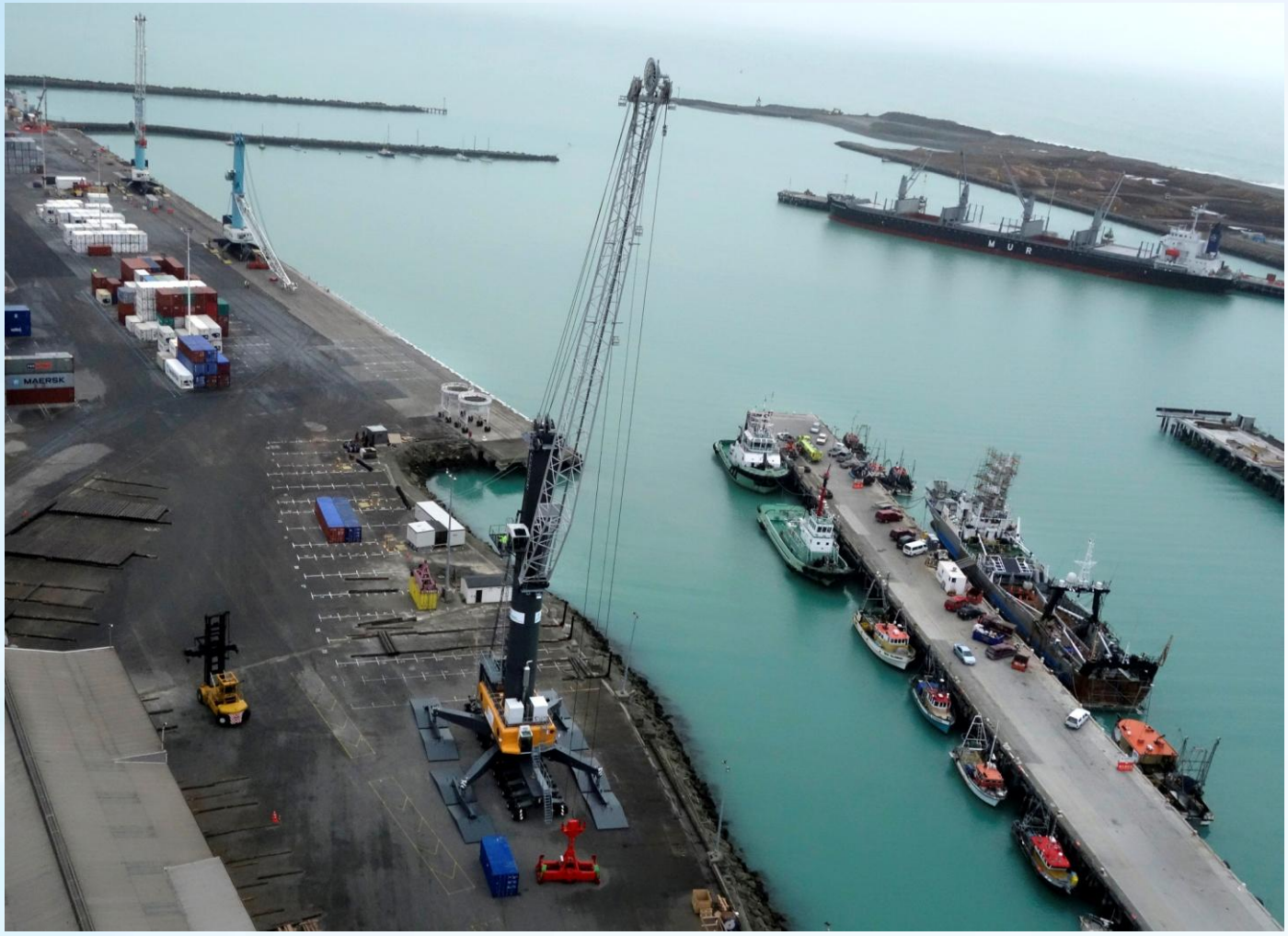
NEW ZEALAND'S

Port for the Future

New Harbour Mobile Crane in Timaru



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NEW ZEALAND'S

Port for the Future

Two New 74 Tonne Bollard Pull Tugs

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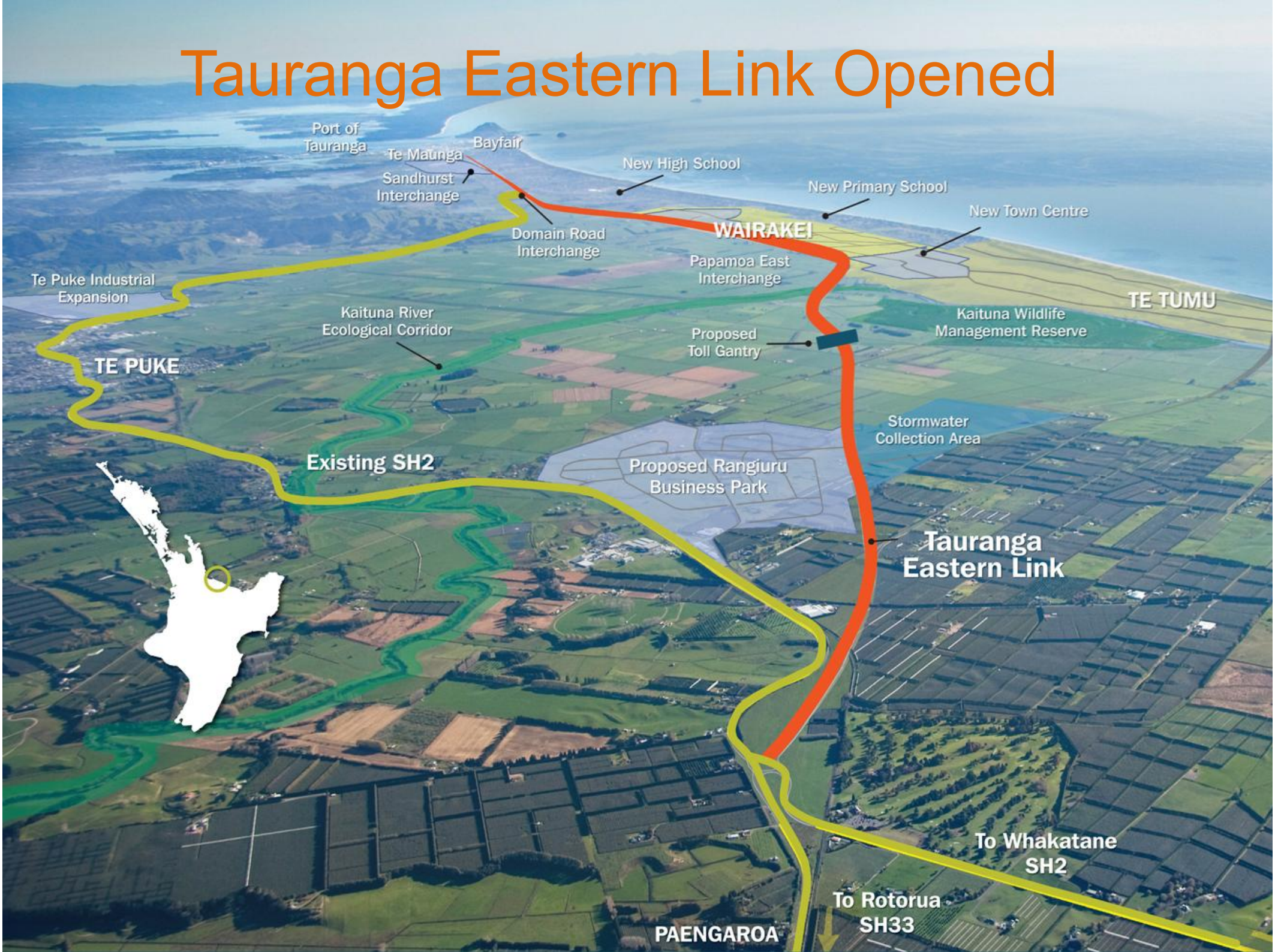
NEW ZEALAND'S

Port for the Future

Tauranga Eastern Link Opened



Dredging Contract Awarded

PORT OF TAURANGA

NEW ZEALAND'S

Port for the Future

MetroPort Christchurch Opened

PORT OF TAURANGA

NEW ZEALAND'S

Port for the Future

Trade Outlook 2015/2016

PORT OF TAURANGA

NEW ZEALAND'S Port for the Future

MetroPort Volumes

PORT OF TAURANGA

NEW ZEALAND'S

Port for the Future

Parent Capital Expenditure 2015-2018

Year ended 30 June	2015A $000	2016 $000	2017 $000	2018 $000	Total $000
Committed					
Maintenance capex	11,200	12,000	12,000	12,000	36,000
7th crane and straddle carriers	0	0	0	0	0
New Cranes and straddle carriers	800	14,000	23,000	6,000	43,000
New Tugs	15,800	1,000	0	0	1,000
Shed 12 Relocation		10,000	5,000	0	15,000
Property Purchases	14,500	0	0	0	0
Dredging (Stage 1)	600	30,000	10,000	0	40,000
Terminal/Rolleston Expansion	5,800	1,000	0	0	1,000
	48,700	68,000	50,000	18,000	136,000
Uncommitted					
Mount wharf replacement/Tanker Berth	0	0	12,000	18,000	30,000
Total	$48,700	$68,000	$62,000	$36,000	166,000

PORT OF TAURANGA

NEW ZEALAND'S Port for the Future

Automation

PORT OF TAURANGA

NEW ZEALAND'S

Port for the Future

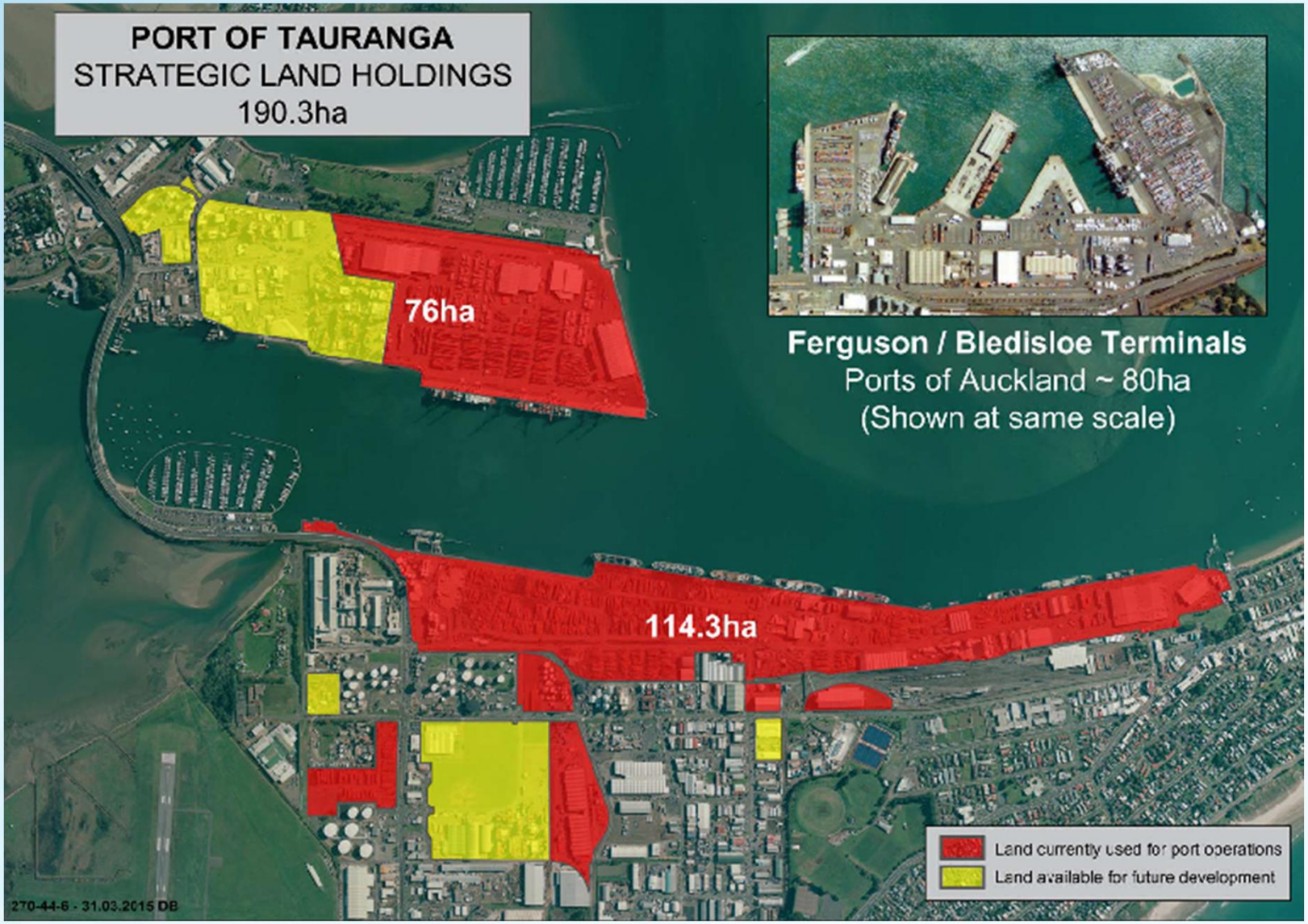
Automation

PORT OF TAURANGA

NEW ZEALAND'S

Port for the Future

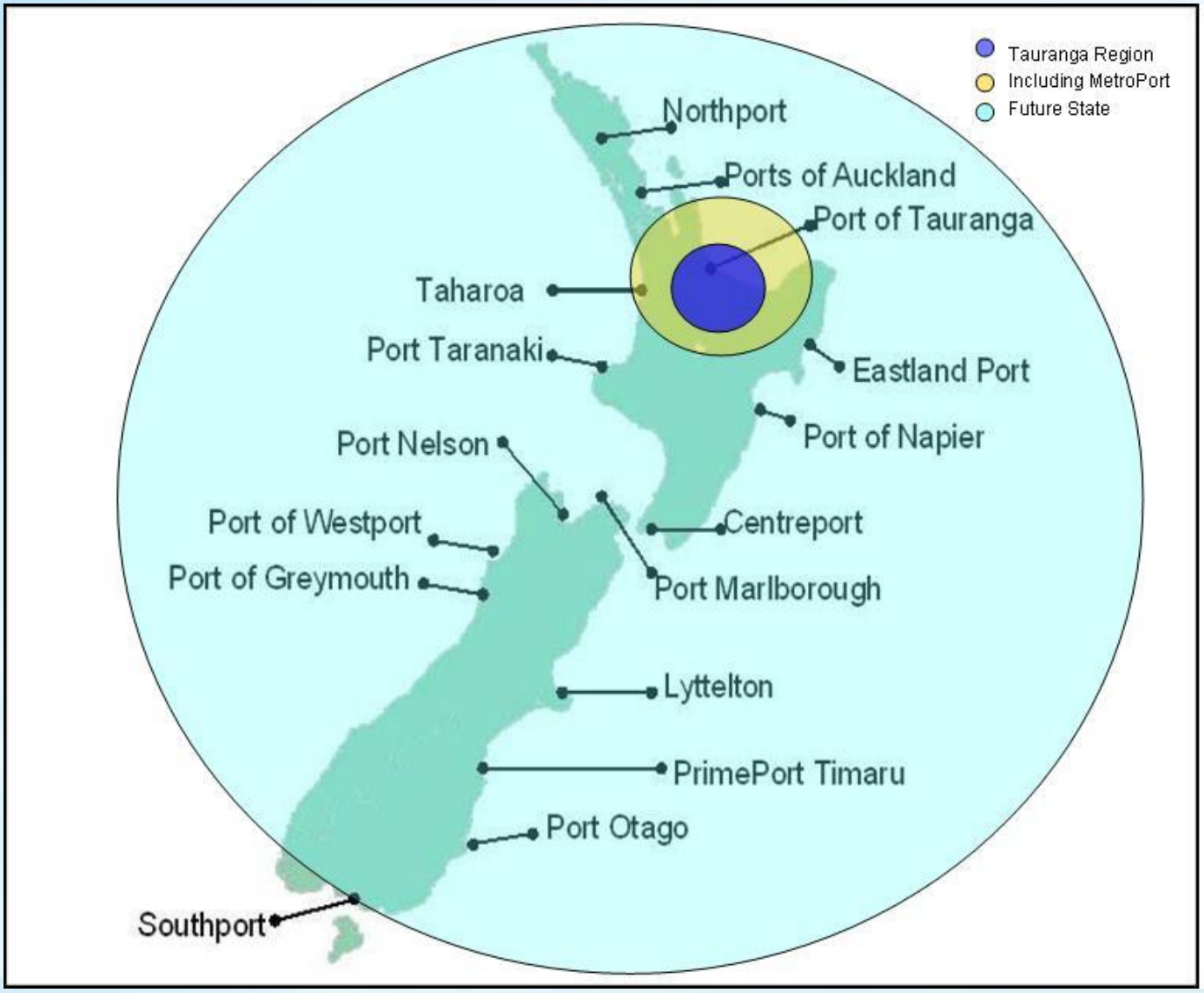
Significant Strategic Land Holdings



PORT OF TAURANGA

NEW ZEALAND'S *Port for the Future*

Redefining our Hinterland



PORT OF TAURANGA

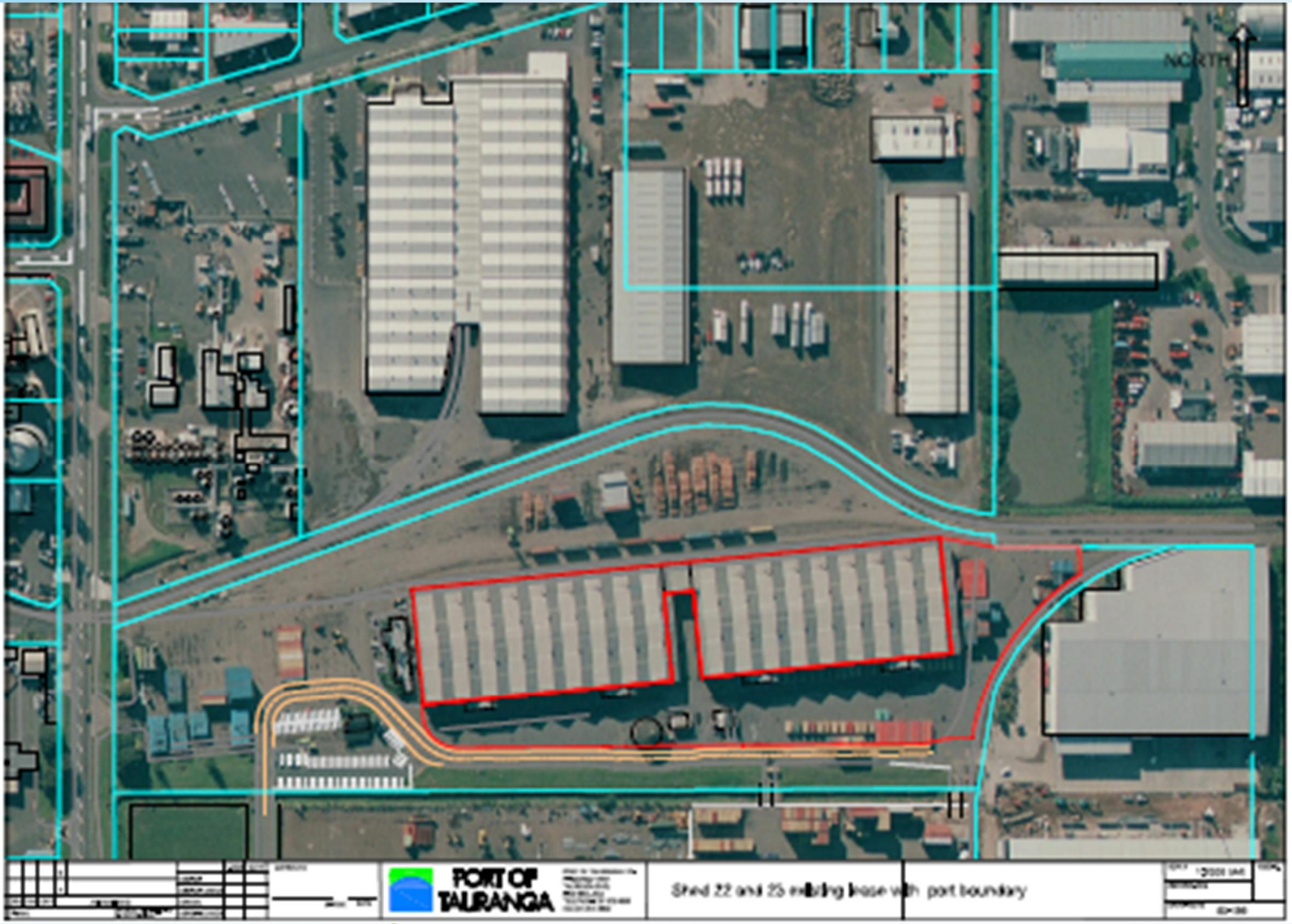
NEW ZEALAND'S Port for the Future

Port of Tauranga

PORT OF TAURANGA

NEW ZEALAND'S

Port for the Future

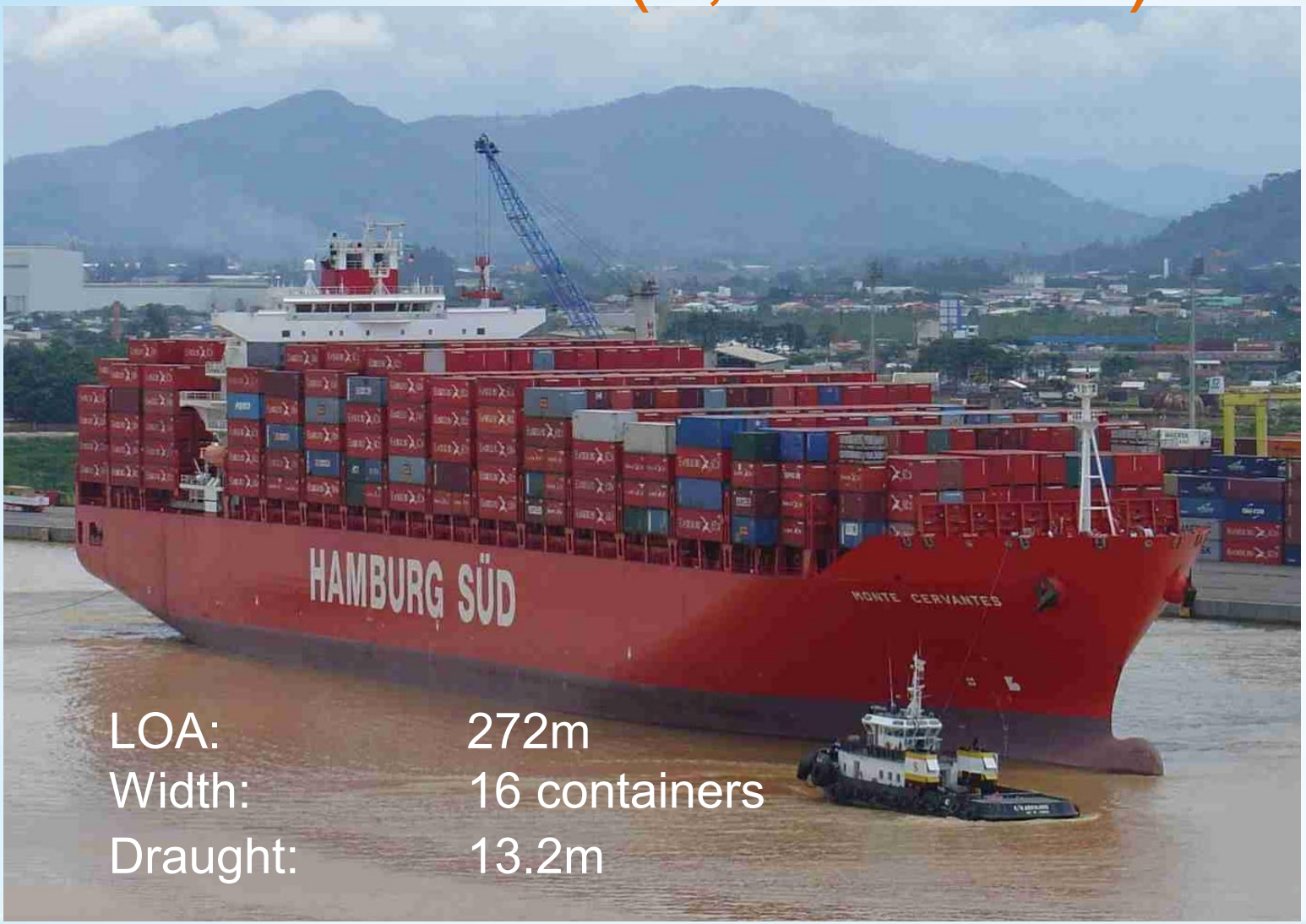

NORTH
PORT OF TAURANGA
Shed 22 and 25 m building lease with port boundary

CV65 Class (6,500 TEUs)

LOA:	309m
Width:	16 containers
Draught:	14.5m

PORT OF TAURANGA
NEW ZEALAND'S
Port for the Future

Monte Class (5,560 TEUs)



LOA:	272m
Width:	16 containers
Draught:	13.2m

PORT OF TAURANGA

NEW ZEALAND'S Port for the Future

Modal Comparison of Carbon Emissions

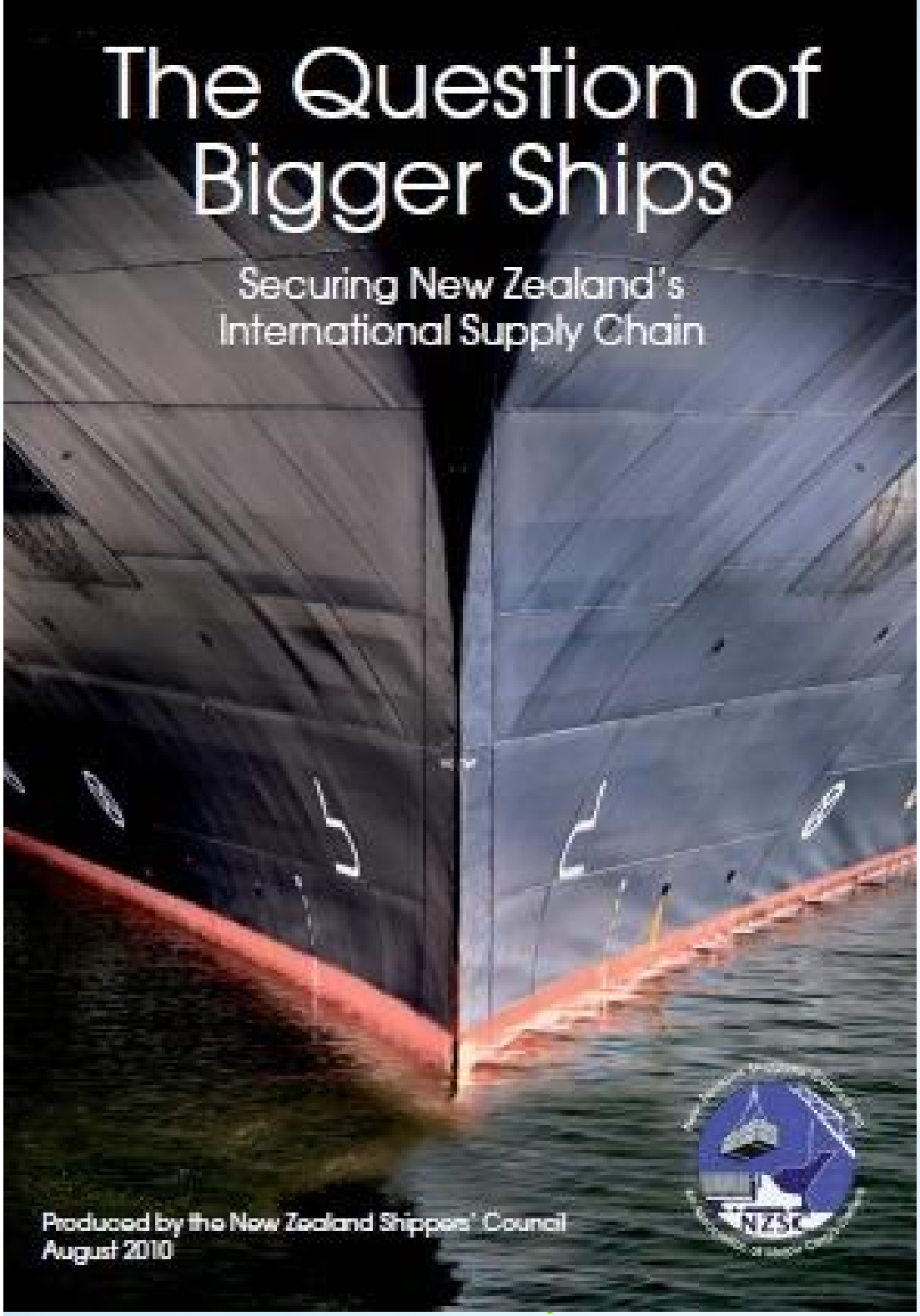
MODE	GRAMS OF CO_2 PER TONNE-KILOMETRE[13]
Road	123.1
Heavy duty road vehicles	92.0
Rail	22.8
Coastal shipping	13.9

Source: ECMT 2006. Data from EU15

Other Port Low Water Draughts

- Melbourne 14.0m LW
- Sydney 13.8m LW
- Brisbane 14.0m LW
- Perth 14.5m LW
- Auckland 11.4m LW
- Tauranga 11.7m LW (consented to 14.5m)
- Napier 10.6m LW
- Centreport 10.2m LW
- Lyttelton 10.6m LW
- Otago 11.8m LW (consented to 13.5m)

PORT OF TAURANGA
NEW ZEALAND'S
Port for the Future



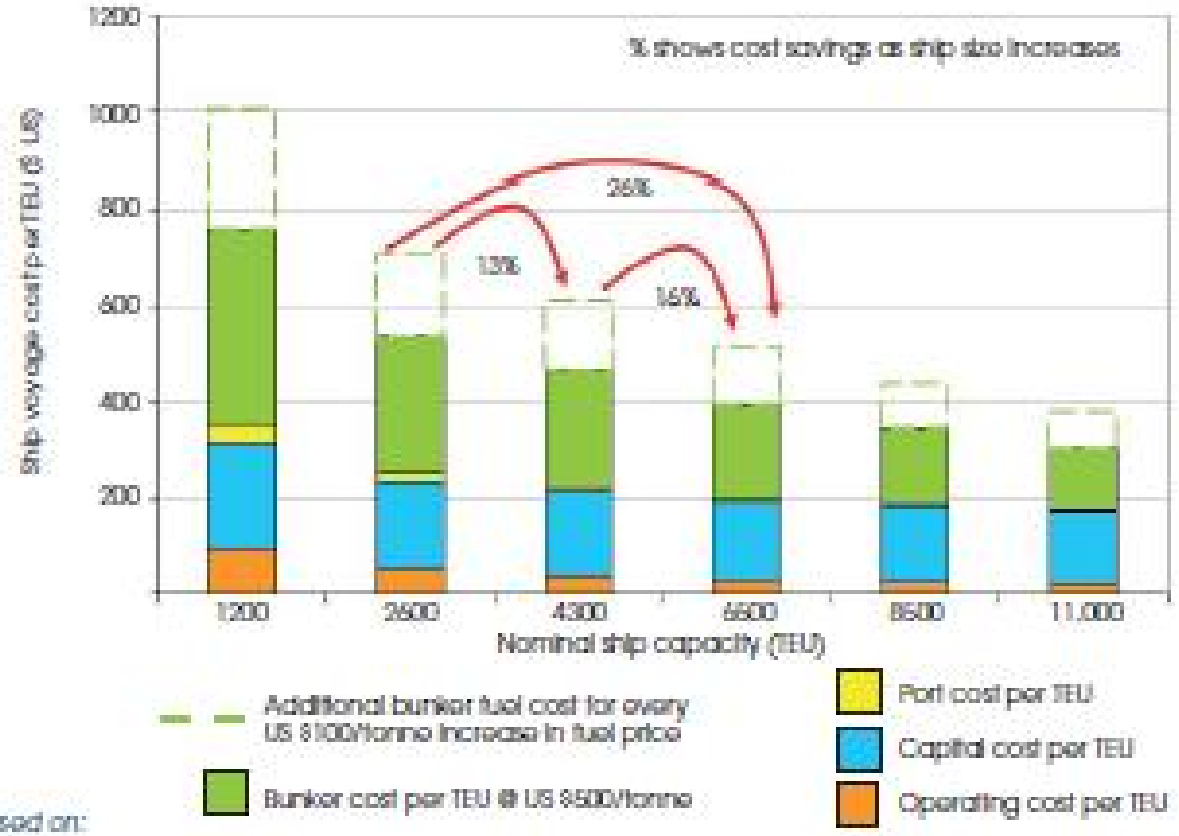
Shippers' Council Report

Recommends Tauranga to be North Island International Hub Port

Potential economic benefits to NZ Inc of $338 million pa

Cost Savings for Larger Vessels

Figure 2: Ship Voyage Cost per TEU for Various Ship Sizes for a Weekly New Zealand to Singapore Service



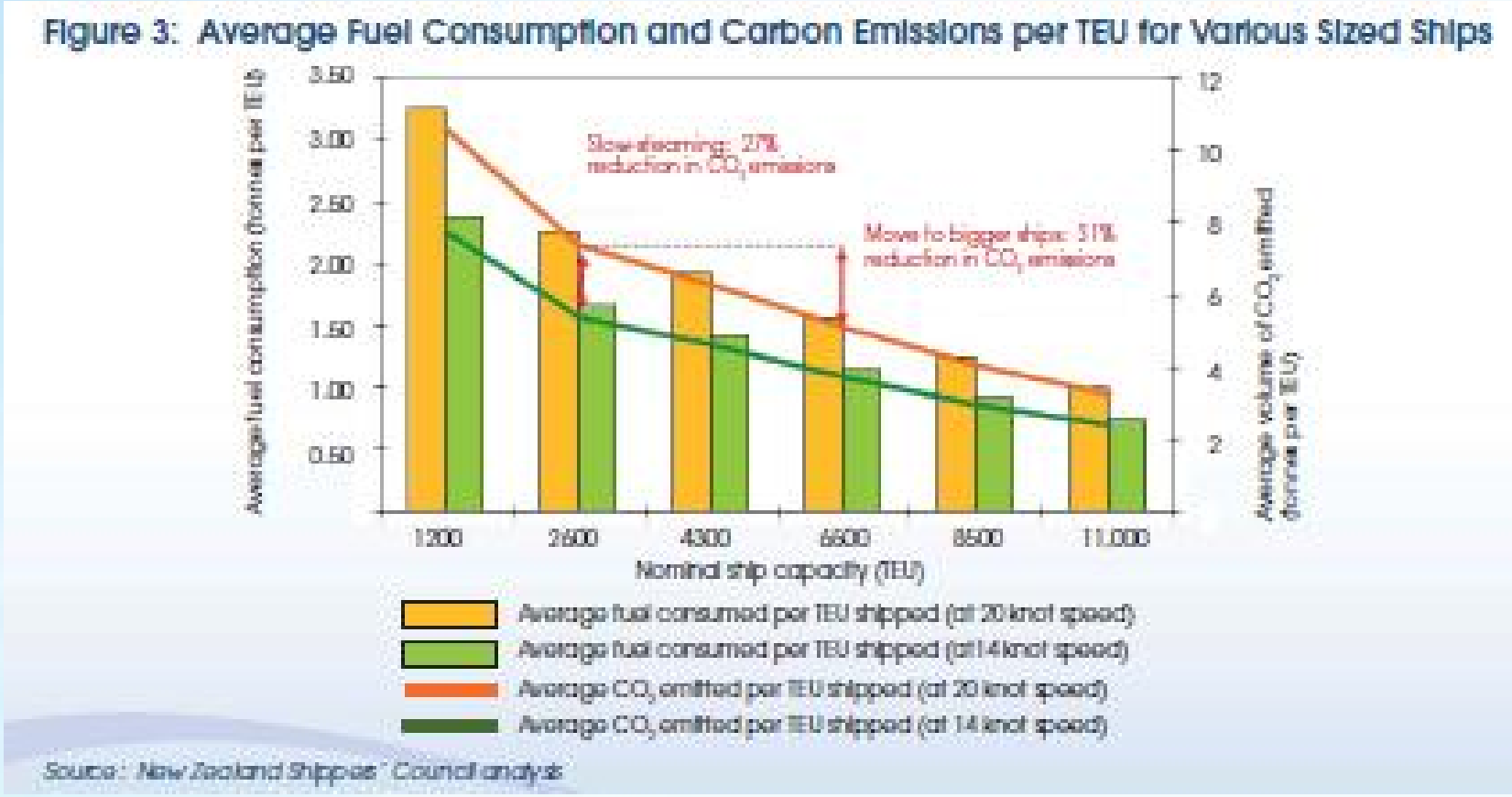
Analysis based on:

PORT OF TAURANGA

NEW ZEALAND'S Port for the Future

Lower Carbon Footprint of Larger Vessels

Figure 3: Average Fuel Consumption and Carbon Emissions per TEU for Various Sized Ships



Source: New Zealand Shipowners' Council analysis

PORT OF TAURANGA

NEW ZEALAND'S Port for the Future

Current Port Capacity

Current Ability to Handle Fully Loaded Ships

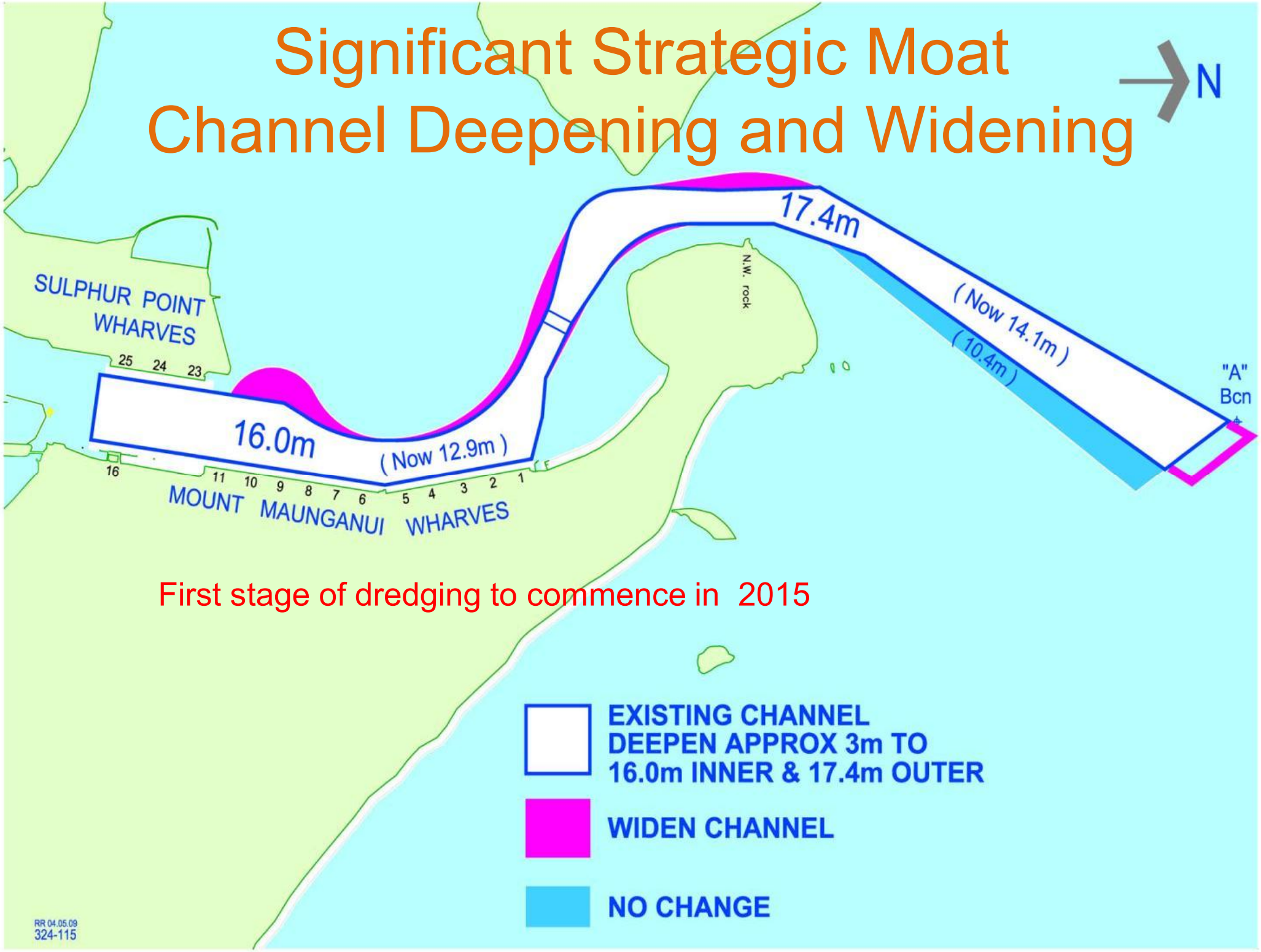
Ship Capacity	Ports of Auckland	Port of Tauranga	Lyttelton Port	Port Otago
4100 TEU ship (LOA 281m, max. draught 12.5m)	✓	✓	✓	✓
5000 TEU ship (LOA 294m, max. draught 12.8m)	X (yes if not fully-laden, evidenced by Maersk Detroit)	✓	X (yes if not fully-laden)	X (yes if not fully-laden, evidenced by Maersk Detroit)
6000 TEU ship (LOA 300m, max. draught 13.5m)	X	X	X	X
7000 TEU ship (LOA 300m, max. draught 14.5m)	X	X	X	X

Source: Ports' websites, and various publicly available port documents (eg port development plans, annual reports, operational manuals etc)

PORT OF TAURANGA

NEW ZEALAND'S *Port for the Future*

Significant Strategic Moat
Channel Deepening and Widening



First stage of dredging to commence in 2015

Terminal Capacity

Ports of Auckland Claim

- Port of Tauranga doesn't have the capacity

Facts

- In POAL's submission to Proposed Auckland Unitary Plan "*Port of Tauranga could therefore theoretically absorb Auckland cargo in the short and medium term, if POAL were constrained*."
- Utilising POAL's capacity calculations of 48,780 TEUs per ha, POTL has 3,512,160 TEU capacity (we currently handle 850,000 TEUs)

PORT OF TAURANGA
NEW ZEALAND'S Port for the Future

More Trucks on the Road

Ports of Auckland Claim

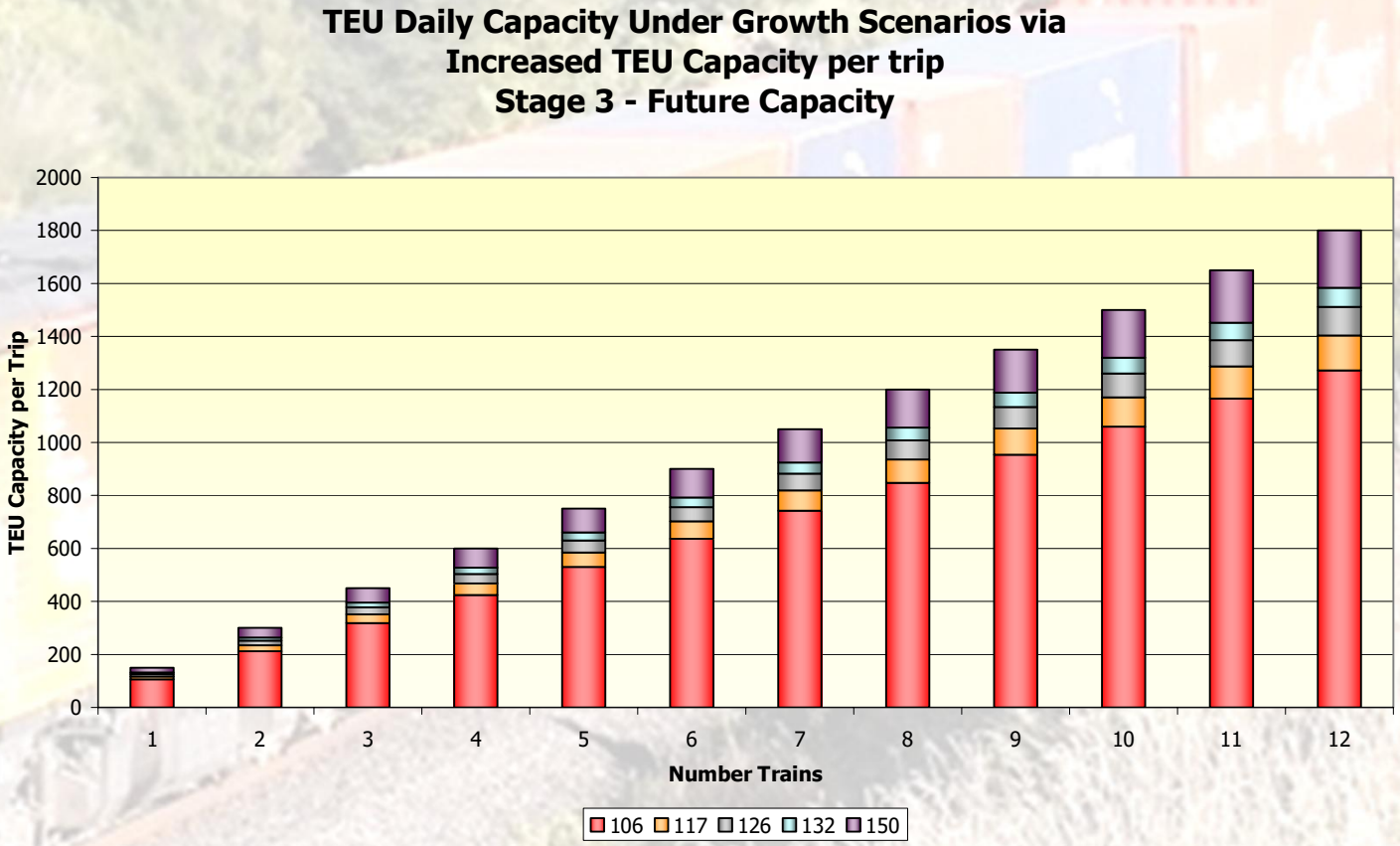
- *"Shipping your freight through far-away ports has lots of problems. Like thousands more trucks on the road and the need for significant investments in both infrastructure and port facilities"*
- *"Carbon emissions will increase"*

Facts

- 99% of containers imported or exported through MetroPort will be on trains to South Auckland, actually reducing truck movements through Auckland CBD
- POTL $350 million capital expansion programme to be big-ship capable - will be completed by FY17
- Total supply chain carbon emissions will decrease

PORT OF TAURANGA
NEW ZEALAND'S Port for the Future

MetroPort Rail Capacity Stage Three



Additional loops, redevelopment of terminals and rolling stock will be required.

Detailed planning required for optimal route transit times, terminal and track infrastructure, and equipment utilisation.

Rail Not Suitable

Ports of Auckland Claim

- *"Much of the cargo between Northport / Auckland and Port of Tauranga would not be suitable for rail (due to weight and dimension and cargo care limitations)"*

Facts

- With the exception of glass, we are not aware of any potential cargo that is not suitable for rail
- Rail is actually better suited to heavy cargo

PORT OF TAURANGA
NEW ZEALAND'S Port for the Future

Northport Does Not Have Capacity

Ports of Auckland Claim

- *"Northport would be required to expand the port across sensitive beach, residential, and marine areas"*

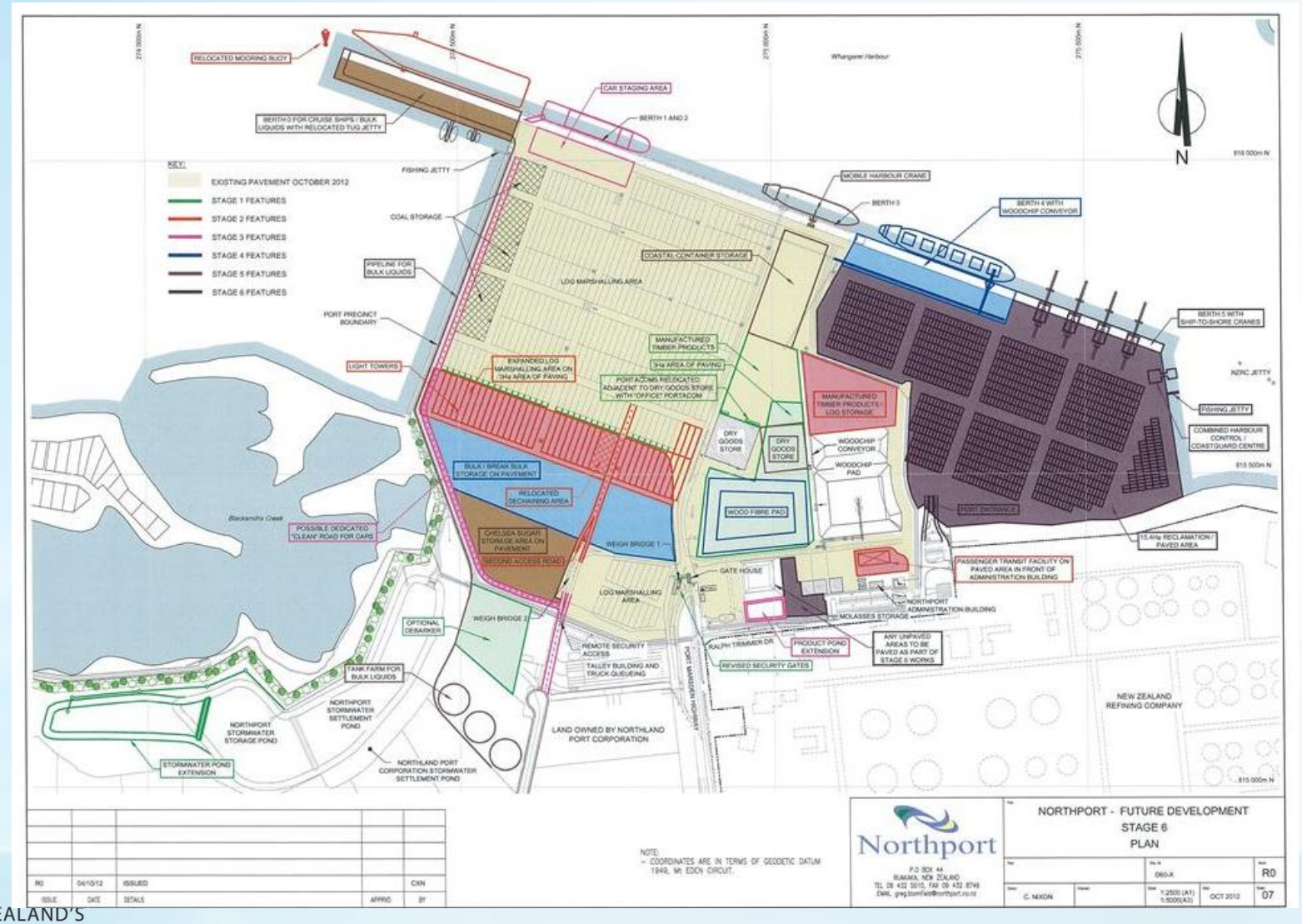
Figure 7: Potential Northport expansion required to replace the Port of Auckland's current and consented container terminal berthage

Facts

- The following confidential slides show Northport's expansion strategy
- Further comment should be sought from Sir John Goulter (current Northport Chairman)

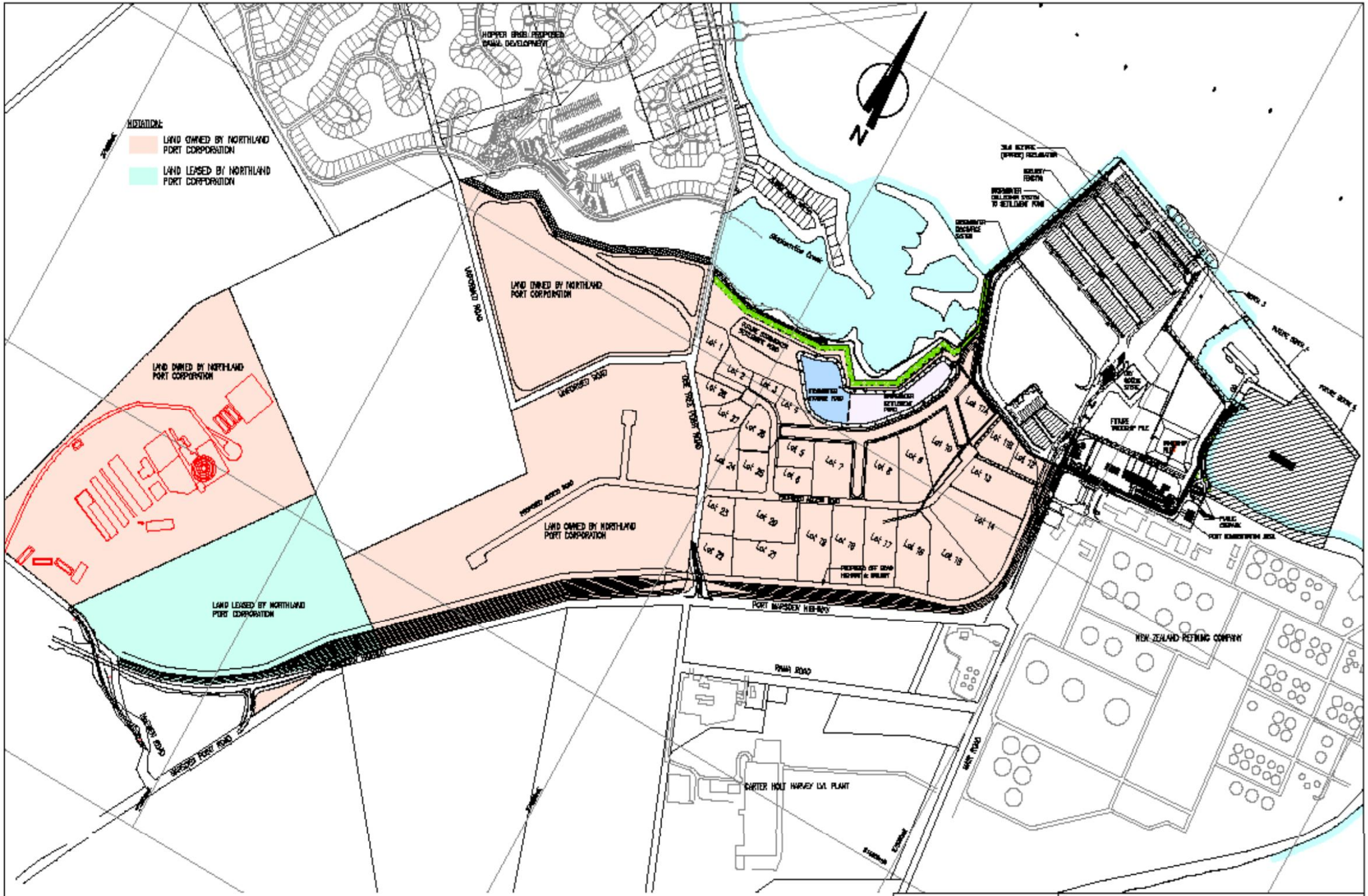
PORT OF TAURANGA
NEW ZEALAND'S
Port for the Future

Northport Ltd – 2013 Strategic Plans: 20-30 Years



PORT OF TAURANGA

NEW ZEALAND'S Port for the Future



C	23-08-07	BLOCK A LOTS ADDED, BOLSPINE ADDED, BERTH 5 ADDED		MTB
B	16-08-06	WARDS DETAILS UPDATED		MTB
A	15-08-04	LAND HATCHING REVISED		MTB
0	08-07-04	ISSUED		MTB
ISSUE	DATE	DETAILS	APPRD	BY

NOTE:
- COORDINATES ARE IN TERMS OF GEODETIC DATUM 1949, NT EDEN CIRCUIT.

Northport
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NORTHLAND PORT CORPORATION
MARSDEN POINT AND SURROUNDING AREA
GENERAL LAYOUT

File: c:\northp...dwg\D61-00-057 C.dwg		Dwg No: D61-00-057	Issue: C
Drawn: M BELL	Checked: MTB	Scales: 1:5000 (A1) 1:10000 (A3)	Date: AUG 2007	Sheet: 1