



PORTS OF AUCKLAND

THE NUMBERS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

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CONDENSED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008 (UNAUDITED)

	Notes	Consolidated	
		31 December 2008 \$'000	Restated 31 December 2007 \$'000
Revenue from services		88,399	85,243
Cost of providing services		(48,765)	(44,850)
Gross margin on services		39,634	40,393
Other income		1,874	2,019
Expenses, excluding finance costs		(13,020)	(12,456)
Finance costs		(15,221)	(14,018)
Share of profit from associates and joint ventures		905	1,167
Profit before income tax		14,172	17,105
Income tax expense		(4,915)	(4,534)
Profit attributable to shareholders of Ports of Auckland Limited		9,257	12,571

The above condensed income statement should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2008 (UNAUDITED)

	Notes	31 December 2008 \$'000	Restated 31 December 2007 \$'000	Audited Year 30 June 2008 \$'000
Assets				
Current assets				
Cash and cash equivalents		6,312	–	448
Receivables and prepayments		19,094	18,792	16,178
Inventories		2,203	2,080	1,997
Current tax receivables		673	–	1,741
Derivative financial instruments		19	206	408
		28,301	21,078	20,772
Noncurrent assets classified as held for sale		–	3,050	–
Total current assets		28,301	24,128	20,772
Noncurrent assets				
Property, plant and equipment		740,501	657,887	745,050
Investment properties		25,398	25,925	25,398
Intangible assets		3,118	2,518	2,337
Investments accounted for using the equity method		5,524	6,122	5,998
Available-for-sale financial assets		23,359	30,280	23,791
Derivative financial instruments		–	9,074	3,893
Total noncurrent assets		797,900	731,806	806,467
Total assets		826,201	755,934	827,239
Liabilities				
Current liabilities				
Payables		16,109	14,122	15,950
Current tax liabilities		–	516	–
Provisions		8,408	8,210	8,434
Interest bearing liabilities		105,500	2,588	440
Derivative financial instruments		1,365	68	–
Total current liabilities		131,382	25,504	24,824
Noncurrent liabilities				
Interest bearing liabilities		250,000	360,266	355,375
Derivative financial instruments		17,274	–	–
Provisions		1,647	1,683	1,663
Deferred tax liabilities		41,211	43,058	47,271
Total noncurrent liabilities		310,132	405,007	404,309
Total liabilities		441,514	430,511	429,133
Net assets		384,687	325,423	398,106
Equity				
Contributed equity		106,005	106,005	106,005
Reserves	4(a)	67,609	9,422	83,095
Retained earnings	4	211,073	209,996	209,006
		384,687	325,423	398,106
Total equity		384,687	325,423	398,106

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008 (UNAUDITED)

	Notes	Consolidated	
		31 December 2008 \$'000	Restated 31 December 2007 \$'000
Total equity at the beginning of the period – 1 July		398,106	323,883
Net gain from fair value adjustment on reclassified investment property	4	–	6,567
Total equity at the beginning of the period – Restated		398,106	330,450
Available-for-sale investments revaluation, net of tax	4	(303)	607
Cash flow hedges, net of tax	4	(15,183)	596
Net income recognised in equity		(15,486)	1,203
Profit for the period		9,257	12,571
Total recognised income and expense for the period		(6,229)	13,774
Dividends provided for or paid		(7,190)	(13,230)
In specie distribution		–	(5,571)
		(7,190)	(18,801)
Total equity at the end of the period		384,687	325,423

The comparative information has been restated to reflect the reclassification of two investment properties from property, plant and equipment to investment property and the associated changes in value through the income statement, balance sheet and retained earnings at the beginning of the year. The impact of this change has affected the statement of changes in equity as reflected above and property, plant and equipment, investment property and retained earnings (note 4).

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008 (UNAUDITED)

	Notes	Consolidated	
		31 December 2008 \$'000	Restated 31 December 2007 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		97,151	100,102
Payments to suppliers and employees (inclusive of goods and services tax)		(62,238)	(61,411)
		34,913	38,691
Dividends received		3,069	3,955
Interest received		90	157
Interest paid		(14,391)	(13,476)
Income taxes paid		(2,873)	(3,449)
Net cash flows from operating activities	9	20,808	25,878
Cash flows from investing activities			
Payments for property, plant and equipment		(6,216)	(26,109)
Payments for intangible assets		(1,165)	(389)
Proceeds from sale of property, plant and equipment		67	8,631
Net cash flows from investing activities		(7,314)	(17,867)
Cash flows from financing activities			
Proceeds from borrowings		-	5,000
Repayment of borrowings		-	(7,000)
Dividends paid to company's shareholders		(7,190)	(13,230)
Net cash flows from financing activities		(7,190)	(15,230)
Net increase / (decrease) in cash and cash equivalents		6,304	(7,219)
Cash and cash equivalents at the beginning of the period		8	4,631
Cash and cash equivalents at end of the period		6,312	(2,588)
Consisting of:			
Cash and cash equivalents		6312	-
Bank overdraft		-	(2,588)
Closing cash balance		6,312	(2,588)

The above condensed cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

1. GENERAL INFORMATION

Ports of Auckland Limited (the Parent) and its subsidiaries (together called the Group) owns and operates New Zealand's largest container port and is a major gateway for trade on the North Island's east coast, and the regional Port of Onehunga on the west coast. The company operations are in New Zealand only.

The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is Ports of Auckland Building, Sunderland Street, Auckland.

These condensed consolidated financial statements have been approved for issue by the Board of Directors on 16 February 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose condensed financial statements for the interim six month period ended 31 December 2008 have been prepared in accordance with generally accepted accounting practice in New Zealand, IAS 34 and NZ IAS 34 Interim Financial Reporting.

The accounting policies that materially affect the measurement of the Income Statement, Balance Sheet and the Cash Flow Statement have been applied on a basis consistent with those used in the audited financial statements for the year ended 30 June 2008 and the unaudited financial statements for the six months ended 31 December 2007.

These interim condensed financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the audited financial statements for the year ended 30 June 2008.

Changes in accounting policies

There have been no significant changes in accounting policies during the current period. Accounting policies have been applied on a basis consistent with the prior half year and annual financial statements.

Certain comparatives have been restated in order to conform to current year presentation. In accordance with NZ IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors the comparative information has been restated to reflect the reclassification of two property holdings from property, plant and equipment to investment property and the associated changes in value through the income statement. Reference should be made to note 4(a).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2008

3. SEGMENT INFORMATION**(a) Description of segments****Business segments**

The company is organised into the following divisions by product and service type.

Port Operations

Encompasses the movement of commercial vessels within the ports and operating the container terminals, conventional wharves, civil, mechanical and electrical maintenance and information processing services.

Other

Includes North Tugz Limited and United Containers Limited and the investment in Northland Port Corporation (NZ) Limited and other non-port operations. None of these activities constitutes a separately reportable segment.

Geographical segments

The company operates in one main geographical area: the greater Auckland area.

(b) Primary reporting format business segments

Six months ended 31 December 2008	Port Operations \$'000	Other \$'000	Total continuing operations \$'000	Inter-segment eliminations/ unallocated \$'000	Total \$'000
Total revenue and other income	87,961	3,217	91,178	–	91,178
Segment result	26,193	3,200	29,393	–	29,393
Finance costs					(15,221)
Profit before income tax					14,172
Income tax expense					(4,915)
Profit for the period					9,257

Six months ended 31 December 2007 (Restated)	Port Operations \$'000	Other \$'000	Total continuing operations \$'000	Inter-segment eliminations/ unallocated \$'000	Total \$'000
Total revenue and other income	85,251	3,178	88,429	–	88,429
Segment result	27,959	3,164	31,123	–	31,123
Finance costs					(14,018)
Profit before income tax					17,105
Income tax expense					(4,534)
Profit for the period					12,571

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2008

4. RESERVES AND RETAINED EARNINGS

	31 December 2008 \$'000	Restated 31 December 2007 \$'000
(a) Reserves		
Property, plant and equipment revaluation reserve	81,996	–
Available-for-sale investments revaluation reserve	(1,427)	3,417
Hedging reserve cash flow hedges	(12,960)	6,005
	67,609	9,422

Movements in retained earnings were as follows:

	31 December 2008 \$'000	Restated 31 December 2007 \$'000
Balance 1 July	209,006	209,659
Net gain from fair value adjustment on reclassified investment property	–	6,567
Balance 1 July – (Restated)	209,006	216,226
Net profit for the year	9,257	12,571
Dividends	(7,190)	(13,230)
In specie distribution	–	(5,571)
Closing balance	211,073	209,996

5. CONTINGENCIES**(a) Contingent liabilities**

The company has no contingent liabilities at 31 December 2008 (31 December 2007: \$Nil).

6. COMMITMENTS**(a) Capital commitments**

	31 December 2008 \$'000	31 December 2007 \$'000	30 June 2008 \$'000
Commitments at the end of the period not provided for in the financial statements	10,312	13,381	8,257

(b) Lease commitments: Group as lessee*(i) Operating leases*

	31 December 2008 \$'000	31 December 2007 \$'000	30 June 2008 \$'000
Commitments for minimum lease payments in relation to noncancellable operating leases are payable as follows:			
Within one year	–	47	190
Later than one year but not later than five years	–	–	214
	–	47	404

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2008

7. EARNINGS PER SHARE

	Consolidated	
	31 December 2008 Cents	Restated 31 December 2007 Cents
Earnings per share for profit attributable to the shareholders of Ports of Auckland Limited		
Basic and diluted earnings per share	8.7	11.9

8. RELATED PARTY TRANSACTIONS**(a) Directors**

The names of persons who were directors of the company at any time during the interim financial period are as follows:

G J Judd, P V Hubscher, J C Lindsay, S M Paterson, E J Hobbs, R H Gower and J B Madsen.

9. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	31 December 2008 \$'000	Restated 31 December 2007 \$'000
Profit for the period	9,257	12,571
Depreciation and amortisation	10,583	9,032
Movements in associates and joint ventures	474	1,143
Fair value movements in derivatives	861	(536)
Movements in borrowings allocated to interest paid	125	110
Net gain on sale of property, plant and equipment	(24)	(210)
Change in operating assets and liabilities		
(Increase) / decrease in receivables and prepayments	(2,916)	3,396
(Increase) / decrease in other operating assets	(206)	2
Increase / (decrease) in creditors and provisions	133	(2,573)
Increase in provision for income taxes payable	1,068	1,651
Increase / (decrease) in provision for deferred income tax	946	(566)
Decrease in other provisions	(16)	(17)
Capital items included in working capital movements	523	1,875
Net cash inflow from operating activities	20,808	25,878

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