



**NORTHLAND PORT CORPORATION (NZ) LTD**

**INTERIM REPORT 2002**

**FINANCIAL SUMMARY**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2002

Year Ended 31 March '02 \$M		Six Months Ended		Change %
		30 Sept '02 \$M	30 Sept '01 \$M	
18.68	Revenue	6.88	10.36	(33.64)
5.04	Surplus After Tax	2.38	1.64	45.30
46.07	Total Assets	43.55	46.17	(5.66)
42.78	Shareholders' Funds	42.05	42.91	(1.98)
92.87%	Shareholders' Equity	96.56%	92.94%	3.62
11.00	Dividend Per Share (cents)	4.00*	3.50	14.29
20.00	Special Dividend Per Share (cents)	5.00*	20.00	(75.00)
12.85	Total Dividends	3.73	9.75	(61.70)
103.16	Net Asset Backing Per Share (cents)	101.40	103.45	(1.98)
12.16	Earnings Per Share (cents)	5.74	3.95	45.30
11.17%	Return on Average Shareholders' Funds (Annualised)	11.22%	7.25%	3.97

\* These values include the proposed dividends totalling 9c per share. This is consistent with prior year treatment but due to the introduction of FRS-5 the accounting treatment now differs.

**DIRECTORY****Registered Office**

Northland Port Corporation (NZ) Ltd  
49-53 James Street  
P O Box 848  
Whangarei  
New Zealand  
Telephone 0-9-438 1279  
Facsimile 0-9-438 7067

**Share Registrar**

Computershare Investor Services Ltd  
Private Bag 92119  
Auckland 1030  
New Zealand

**Auditors**

Controller and Auditor General  
Under contract by Ernst & Young

**Bankers**

ASB Bank  
Bank of New Zealand

**Solicitors**

Jones Young  
Phillips Fox  
Webb Ross Johnson

**Directors**

Mike Daniel, Chairman  
Jim Hardie, Deputy Chairman  
Robert Cooper  
Michael Gross  
Peter Hill  
Rod McKay

**Executive Staff**

General Manager  
Jim Smellie  
Finance Manager  
Graham Wallace  
Marine Superintendent  
Rod Fraser  
Special Projects Manager  
John Palmer

**Subsidiary Company**

NPC Corporate Services Ltd  
P O Box 848  
Whangarei  
New Zealand  
Telephone 0-9-438 1279  
Facsimile 0-9-438 7067

**Associate Companies**

Northland Stevedoring Services Ltd  
P O Box 1646  
Whangarei  
New Zealand  
Telephone 0-9-438 8209  
Facsimile 0-9-430 1289

North Port Coolstores (1989) Ltd  
P O Box 10131  
Te Mai  
Whangarei  
New Zealand  
Telephone 0-9-438 2683  
Facsimile 0-9-438 6812

Sea-Tow Ltd  
P O Box 34434  
Birkenhead  
Auckland 1310  
New Zealand  
Telephone 0-9-480 6760  
Facsimile 0-9-480 6554

Northport Ltd  
P O Box 848  
Whangarei  
New Zealand  
Telephone 0-9-438 1279  
Facsimile 0-9-438 7067

Northport Operating Ltd  
P O Box 848  
Whangarei  
New Zealand  
Telephone 0-9-438 1279  
Facsimile 0-9-438 7067

Northport Services Ltd  
P O Box 848  
Whangarei  
New Zealand  
Telephone 0-9-438 1279  
Facsimile 0-9-438 7067

## CHAIRMAN'S REPORT

Tax paid profit for the six months was \$2.38 million an improvement of \$742,000 or 45% on the corresponding previous period.

### TRADING

Effective 1 July 2002 core port trading activities transferred over to Northport Ltd coinciding with the commissioning of the new port. Despite this the operating surplus of \$3.0 million was an excellent result reflecting very high cargo volumes.

### ASSOCIATE COMPANIES AND JOINT VENTURES

#### Sea-Tow Ltd

Despite encouraging signs for new contract work the period was a disappointing one for us and our partners Adsteam. The recent letting of a substantial term contract for the use of one of our large tug and barges is most encouraging and should contribute to a more satisfactory second half result.

#### North Port Coolstores (1989) Ltd and Northland Stevedoring Services Ltd

These two entities continue to perform well reflecting the high levels of cargo and sound management.

#### Northport Ltd

On the 12th October, the new port at Marsden Point was opened by the Prime Minister having been operational since late July.

The project was completed on time and within budget which is a tribute to our project staff and the main contractors Fletcher Construction and Heron Dredging.

Over the next few months all log exports will be from Northport as the log business migration from Port Whangarei is completed.

Woodchip export is predicted to commence from Northport by July next year with a progressive migration of the remaining trades occurring over the next few years.

It is pleasing to report that Northport Ltd is operating ahead of budget with encouraging prospects for the balance of the year.

#### Marsden Cove Ltd

The Joint Venture with Hopper Developments Ltd for the creation of a marina and waterways development on land not required for port-related development is soon to make application for Resource Consent.

### DIVIDEND

As previously announced an interim ordinary dividend of 4.0 cents per share and a special of 5.0 cents per share are payable in late November.

The 5.0 cent special dividend is a continuation of Directors' policy to repay capital not required to maintain or improve returns on shareholders' funds.

### OUTLOOK FOR SECOND HALF

Your company's main earning streams are now from the 50% owned Associates Northport Ltd, Sea-Tow and North Port Coolstores together with the operating joint ventures Northport Services and Northland Stevedoring Services.

In addition we continue to rationalise remaining assets no longer required and to enhance the value of our substantial land holdings both at Port Whangarei and abutting the new port at Marsden Point.

Present indications are we should see a profit in excess of \$4.5 million for the 15 month period ending 30 June 2003.



**Mike Daniel**  
CHAIRMAN

**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2002

Year Ended 31 March '02 \$000			Six Months Ended 30 Sept '02 \$000	30 Sept '01 \$000
	<b>Revenue</b>			
16,554	Operating Revenue	5,895		9,151
1,434	Interest	515		776
234	Dividends	250		225
460	Other	218		212
<u>18,682</u>	<b>Total Revenue</b>		<b>6,878</b>	<u>10,364</u>
	<b>Expenditure</b>			
569	Depreciation	257		293
6	Interest	3		5
492	Lease Costs	246		257
255	Severance Payments	40		248
10,434	Operating Expenses	3,328		6,969
<u>11,756</u>	<b>Total Expenditure</b>		<b>3,874</b>	<u>7,772</u>
6,926	<b>Net Surplus/(Deficit) From Operations</b>		<b>3,004</b>	2,592
30	Gain on Sale of Assets		696	–
<u>6,956</u>	<b>Net Surplus/(Deficit) Before Taxation</b>		<b>3,700</b>	<u>2,592</u>
1,984	Taxation Expense/(Credit)		974	781
<u>4,972</u>	<b>Net Surplus After Tax Before Associated Companies</b>		<b>2,726</b>	<u>1,811</u>
70	Plus Share of Associate Companies' (Deficit)/Surplus After Taxation		(346)	(173)
<u>\$5,042</u>	<b>NET SURPLUS</b>		<b>\$2,380</b>	<u>\$1,638</u>

**CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2002

Year Ended 31 March '02 \$000			Six Months Ended 30 Sept '02 \$000	30 Sept '01 \$000
47,489	<b>Equity at Beginning of Period</b>		<b>42,785</b>	47,489
5,042	Net Surplus		2,380	1,638
(9,746)	Distributions to owners		(3,111)	(6,221)
<u>\$42,785</u>	<b>EQUITY AT END OF PERIOD</b>		<b>\$42,054</b>	<u>\$42,905</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 30 SEPTEMBER 2002

As at 31 March '02 \$000		As at 30 Sept '02 \$000	As at 30 Sept '01 \$000
	<b>Equity</b>		
10,461	Subscribed Equity	10,461	10,461
32,324	Accumulated Surplus	31,593	32,444
42,785		<b>42,054</b>	42,905
	<b>Current Liabilities</b>		
–	Bank Overdraft	–	133
3,285	Creditors & Accrued Expenses	1,083	3,127
–	Provision for Taxation	417	–
3,285		<b>1,500</b>	3,260
\$46,070		<b>\$43,554</b>	\$46,165
	<b>Non-Current Assets</b>		
13,584	Fixed Assets	13,393	13,754
7,946	Investments in Associated Companies	12,840	4,603
364	Other Investments	366	358
1,756	Advances	1,565	2,963
319	Deferred Tax Asset	193	360
23,969		<b>28,357</b>	22,038
	<b>Current Assets</b>		
19,002	Cash & Deposits	13,655	19,498
2,573	Trade Debtors & Prepayments	1,471	3,200
420	Taxation Refundable	–	1,313
106	Stores & Materials	71	116
22,101		<b>15,197</b>	24,127
\$46,070		<b>\$43,554</b>	\$46,165

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2002

Year Ended 31 March '02 \$000		Six Months Ended 30 Sept '02 \$000	30 Sept '01 \$000
<b>Cash Flows from Operating Activities</b>			
Cash was provided from:			
16,854	Cash from Customers	7,419	8,522
234	Proceeds from Dividends	250	225
1,143	Proceeds from Interest Received	274	534
18,231		7,943	9,281
Cash was applied to:			
(11,897)	Cash paid to Suppliers & Employees	(3,929)	(8,302)
(6)	Interest	(3)	(7)
(362)	Taxes paid	(10)	(93)
(12,265)		(3,942)	(8,402)
5,966	<b>Net Cash Inflow (Outflow) from Operating Activities</b>	<b>4,001</b>	<b>879</b>
<b>Cash Flows from Investing Activities</b>			
Cash was provided from:			
30	Proceeds from Sale of Assets	1,452	–
–	Advance Repaid by Associate Company	–	448
3,303	Proceeds from Advances Repaid	191	1,648
3,333		1,643	2,096
Cash was applied to:			
(410)	Purchase of Assets	(128)	(348)
(3,143)	Purchase of Shares/Equity Contributions	(7,752)	(43)
(3,553)		(7,880)	(391)
(220)	<b>Net Cash Inflow (Outflow) from Investing Activities</b>	<b>(6,237)</b>	<b>1,705</b>
<b>Cash Flows from Financing Activities</b>			
Cash was applied to:			
(9,746)	Dividends Paid	(3,111)	(6,221)
(9,746)	<b>Net Cash Inflow (Outflow) from Financing Activities</b>	<b>(3,111)</b>	<b>(6,221)</b>
(4,002)	<b>Net Increase (Decrease) in Cash Held</b>	<b>(5,347)</b>	<b>(3,637)</b>
23,002	<b>Add Opening Cash Balance</b>	<b>19,002</b>	<b>23,002</b>
\$19,002	<b>CLOSING CASH BALANCE</b>	<b>\$13,655</b>	<b>\$19,365</b>

**CONSOLIDATED OPERATING CASH FLOW RECONCILIATION**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2002

Year Ended 31 March '02 \$000		Six Months Ended 30 Sept '02 \$000	30 Sept '01 \$000
4,972	Net Surplus after tax before share of Associated Companies	2,726	1,811
	Add/(Subtract) Non-Cash Items:		
569	Depreciation	257	293
4	Doubtful/Bad Debts	–	(1)
(6)	Non-Cash Bonus Dividend Received	–	–
959	Movement in Deferred Tax Asset	126	917
1,526		383	1,209
	Plus/(Less):		
(459)	Movement in Debtors	1,103	(1,154)
(46)	Movement in Prepayments	(2)	27
128	Movement in Stores and Materials	36	118
663	Movement in Provision for Taxation	838	(230)
(745)	Movement in Creditors & Accrued Expenses	(2,202)	(902)
(459)		(227)	(2,141)
(43)	Non-Operating items included in working capital movements above	1,815	–
	Less Items classified as investing activities:		
(30)	Gain on Sale of Assets	(696)	–
\$5,966	<b>NET CASH FLOWS FROM OPERATIONS</b>	<b>\$4,001</b>	<b>\$879</b>



**NORTHLAND PORT CORPORATION (NZ) LTD**

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These unaudited interim financial statements have been prepared in accordance with the accounting policies as stated in the published financial statements of 31 March 2002.