

ORION GROUP LIMITED

Orion Group Limited is a national energy network management company in which the Christchurch City Council has an 87.6% shareholding through Christchurch City Holdings Limited.

STATEMENT OF OBJECTIVES AND SERVICE PERFORMANCE

| Objectives for 1999/00 | Performance Indicators | Actual | Target |
|---|---|-------------------------------------|---------------------------------------|
| 1. Achieve projected overall financial performance. | 1.1 Net after tax profit to average owners' equity (based on revalued ordinary owners' equity of \$380 million) for year ending 31 March 2000, at least | 9.5% | 7.9% |
| | 1.2 Dividend payments for year ending 31 March 2000 | | |
| | - Total | \$28.0M | \$24.0M |
| | - CCHL Share | \$24.5M | \$21.0M |
| | 1.3 Interest payments on subordinated optional convertible notes paid | \$9.985M over 4 quarterly due dates | On time in full |
| | 1.4 Return capital to shareholders | \$76.0M October 1999 | Amounts agreed according to timetable |

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2000

| | GROUP ACTUAL 2000 \$000's | GROUP ESTIMATE 2000 \$000'S | GROUP ACTUAL 1999 \$000's |
|---|------------------------------------|--------------------------------------|------------------------------------|
| OPERATING REVENUES | <u>272,903</u> | <u>246,000</u> | <u>316,126</u> |
| Operating Surplus Before Taxation | 55,209 | 47,471 | 100,819 |
| Less Taxation Expense & Subvention Payment | <u>(25,073)</u> | <u>(14,796)</u> | <u>(16,258)</u> |
| OPERATING SURPLUS AFTER TAXATION | 30,136 | 32,675 | 84,561 |
| Less Tax paid Net Surplus Attributable to Minority Shareholders of Subsidiary Companies | - | (2,830) | (7,597) |
| Less Associates Losses/Plus Associate Profits | <u>295</u> | <u>250</u> | <u>(1,170)</u> |
| NET SURPLUS - PARENT COMPANY SHAREHOLDERS | <u>\$30,431</u> | <u>\$30,095</u> | <u>\$75,794</u> |