

16. LYTTTELTON PORT COMPANY SHARE ACQUISITION



General Manager responsible:	Director of Strategic Investment
Officer responsible:	Director of Strategic Investment
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PURPOSE OF REPORT

1. To approve the sale to Christchurch City Holdings Limited of Lyttelton Port Company shares held by the Council following the dissolution of the Banks Peninsula District Council.

EXECUTIVE SUMMARY

2. The Banks Peninsula District Council had an investment in Lyttelton Port Company of 80,000 shares and following dissolution of that Council these are now held by the Christchurch City Council, and need to be added to the holding by Christchurch City Holdings Limited.
3. Christchurch City Holdings Limited is due to issue its takeover offer on 13 March 2006 and has to notify the beneficial holding of these shares since CCHL is 100% owned by the Council.
4. The most straightforward way for this to be notified is for the shares to be acquired by CCHL prior to 13 March 2006 so that the full holding is held in one place prior to the takeover commencing. This is considered to be a machinery transaction but time is of the essence.
5. CCHL will pay the Council the offer price of \$2.10 for these shares and enter into an agreement to increase the consideration if there is any increase in the bid price under the current offer.

FINANCIAL AND LEGAL CONSIDERATIONS

6. This transfer is to a wholly owned Council entity and does not in any way alter the control of this Council.

STAFF RECOMMENDATION

It is recommended that the Council approve the sale of 80,000 shares in the Lyttelton Port Company to Christchurch City Holding Limited on the basis outlined in this report.