



THE GREATER MARSDEN POINT AREA



Marsden
MARITIME HOLDINGS LTD



Northport
LIMITED



MANAGEMENT



MARSDEN MARITIME HOLDINGS LTD

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NORTHPORT LTD

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Shares in **Marsden Maritime Holding Ltd (MMH)** were listed on the New Zealand Stock Exchange in 1992. Northland Regional Council currently holds 53.61% of the share capital, and Ports of Auckland Ltd holds 19.9%. The balance of shares is held by members of the public (26.49%).

MMH's Board of Directors is elected by the shareholders to supervise the management of the Company and its associates in the best interests of all stakeholders.

The MMH Board has six members. Under the Company's constitution, one-third of the directors retire by rotation each year.

Two of MMH's appointed directors sit on the Board of **Northport Ltd**. The Port of Tauranga - MMH's partners in Northport - also appoint two directors to that Board.

As a designated port company and council organisation, Marsden Maritime Holdings* is deemed a strategic asset of the Northland Regional Council, as provided for in section 5 of the Local Government Act 2002. Section 6(4) of the same Act, however, provides that MMH is not a "council-controlled" organisation.

As a designated port company subject to provisions of the Public Audit Act 2001, MMH's auditors are appointed by the Office of the Auditor-General. The Company has 41,300,651 ordinary shares on issue.

Its Annual Shareholders' Meeting is held in October each year and dividends are typically paid in March and November each year.

The Company has a 30 June balance date.

*Known as Northland Port Corporation (NZ) Ltd prior to August 2014



WHO WE ARE

MARSDEN MARITIME HOLDINGS LTD (MMH)

MMH is a designated port company, formed under the Port Companies Act 1988, which required the then harbour boards to establish companies to manage the commercial activities and port-related assets of the Boards. In Northland's case, the local Harbour Board's assets included substantial land-holdings at Marsden Point, where MMH now has its offices.

MMH owns approximately 190ha of land, including the Marsden Cove Marina. Some 185ha is available for development with the flexibility to provide lot sizes to suit. The land is zoned by the District Council for either heavy industrial or business use.

Examples for potential uses on this land include (but are not limited to) additional dry bulk storage (fertiliser, coal, woodchip, logs); bulk liquid storage (chemicals, tallow, bitumen, etc); containers – empty storage yards, de-vanning and distribution, repairs and pre-tripping facilities; car storage and pre-delivery inspection facilities; manufacturing, processing, warehousing, marshalling services, and commercial and other business activities.

The Company currently operates a dairy farm operation on a portion of its land-holdings.

NORTHPORT LIMITED

In 1999, in a 50/50 joint venture with Port of Tauranga Ltd, MMH formed associate company Northport Ltd and developed a new cargo terminal at Marsden Point. The port has been operating since 2002.

A natural deep water commercial port facility situated at the entrance to Whangarei Harbour, Northport is the nearest multi-purpose port to Auckland (just over 75 nautical miles to Ports of Auckland), and the closest port to the majority of New Zealand's international markets. In the financial year ending 30 June 2016, there were 259 ship calls and the port handled c. 3.4 million revenue tonnes of cargo.

MARSDEN COVE MARINA

In 2014, MMH purchased the freehold title of Marsden Cove Marina, including title to the seabed, 230 vessel berths and an associated modern commercial complex.

Facilities are currently in development to lift vessels from the marina waters (haul-out) and to transport them to a new boatyard nearby for maintenance and/or storage (hardstand).

MMH is a stakeholder in Marsden Cove Canals Management Ltd, which administers the waterways within the overall Marsden Cove canal development.

BUSINESS FACILITATION

In the last three years, MMH has facilitated the establishment of the following enterprises at Marsden Point:

Log Debarker - Eastland Port has established Northland Debarking Ltd on a 1.1ha site near Northport providing debarking and anti-sap stain treatment facilities to log exporters in the Northland region.

Sawmill - Resource Enterprises Ltd has established a new sawmill located on a 2ha site adjacent to Northport. REL converts industrial grade logs into flitches (square slabs of timber cut from the tree trunk) which are typically exported to the Middle East. In time the mill is expected to employ around 20 people under full production and have an estimated economic impact of approximately \$20 million pa.

Bulk warehouse - MMH has recently completed construction of a 4,200m² warehouse which has been leased to a major international bulk commodities trading entity.



MARSDEN MARITIME HOLDINGS LTD

FINANCIAL

	<u>2016</u>
	<u>\$m</u>
Trading Surplus	8.459
Fair Value Movements & Other Non-Cash Items	3.609
Taxation	<u>-0.006</u>
NET SURPLUS	12.062
Property Assets	82.893
Investment in Northport (50%)	45.681
Other Assets	2.181
TOTAL ASSETS	130.755
Less:	
Bank Debt	4.195
Other Liabilities	<u>0.787</u>
TOTAL LIABILITIES	4.982
NET ASSETS	125.773
Dividends Paid (cents per share)	13.25



OWNERSHIP

Marsden Maritime Holdings Ltd
 53.61% Northland Regional Council
 19.90% Ports of Auckland Ltd
 26.49% other Shareholders

Northport Ltd
 50% Marsden Maritime Holdings Ltd
 50% Port of Tauranga Ltd

North Tugz Ltd
 50% Northport Ltd
 50% Ports of Auckland Ltd

FLOWCHART NOTES

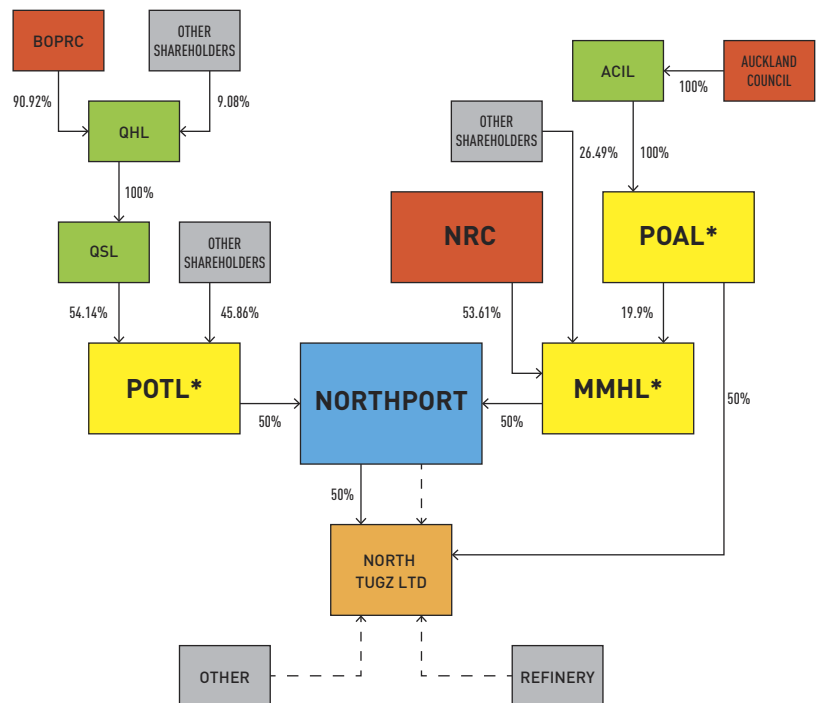
—————> Ownership (in whole or part)
 - - - - -> Customer relationship

Abbreviations

BOPRC = Bay of Plenty Regional Council
 QHL = Quayside Holdings Ltd
 QSL = Quayside Securities Ltd
 ACIL = Auckland Council Investments Ltd
 POTL = Port of Tauranga Ltd
 MMHL = Marsden Maritime Holdings Ltd
 POAL = Ports of Auckland Ltd
 NRC = Northland Regional Council

Percentages shown indicate how much the parent entity owns of the connected entity.
 Not all minor shareholders are shown.

* Designated port companies



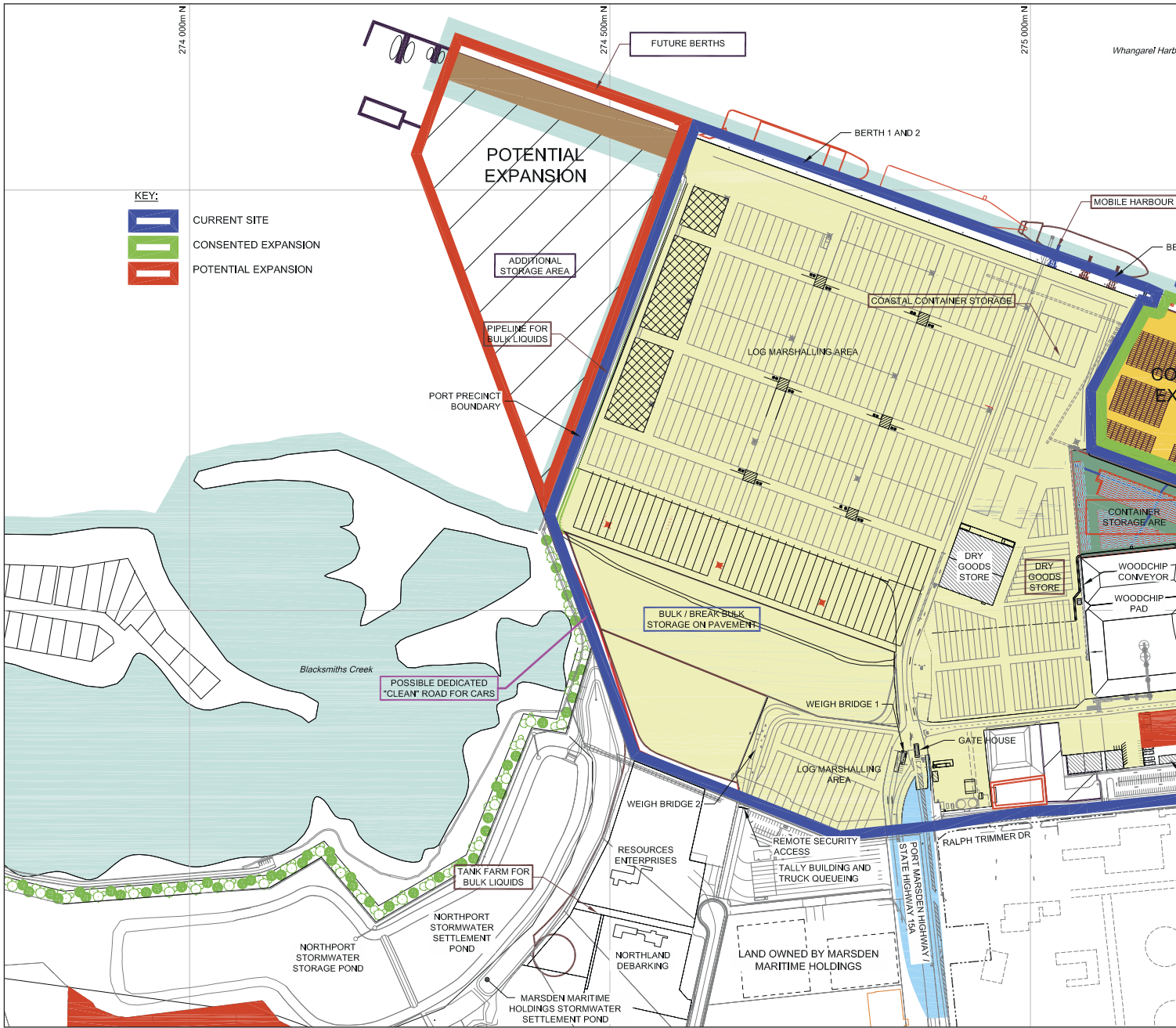
MMH LAND HOLDINGS AT MARSDEN POINT

Legend

- Northport
- Industrial Subdivision
- Future Industrial/Commercial Development
- Marsden Cove Marina Complex

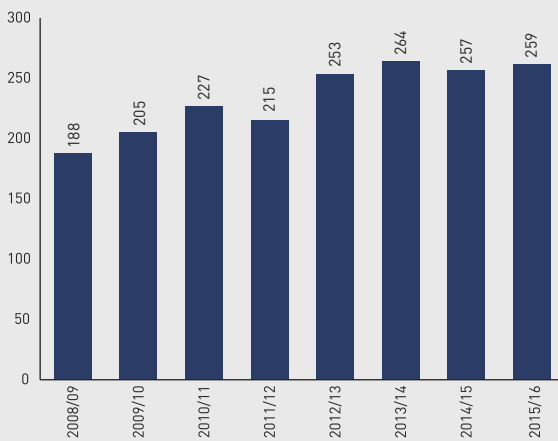


NORTHPORT - CURRENT & POTENTIAL EXPANSION

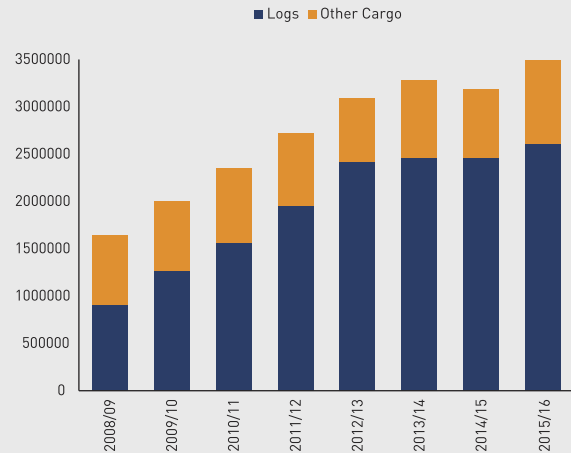


NORTHPORT STATISTICS

Ship Calls (number)

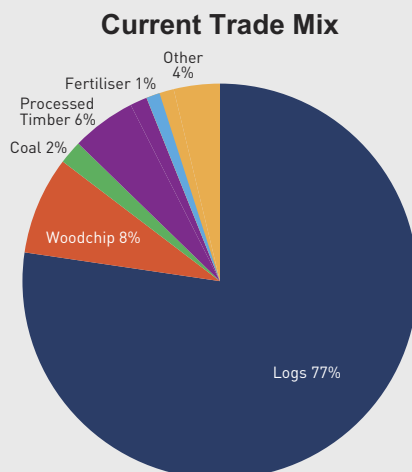
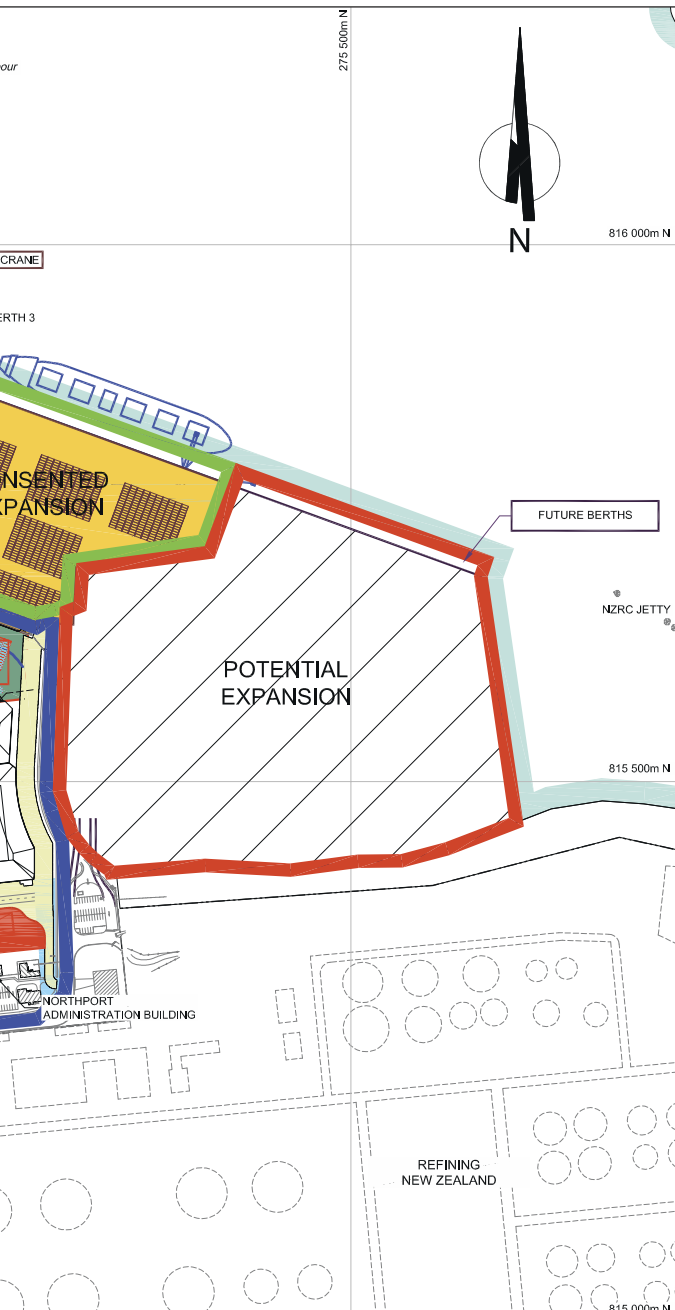


Cargo Volumes (tonnes)



- A natural deep-water port, located at the entrance to the Whangarei Harbour, with a maximum depth alongside of 14.5 metres at low water.
- Current port footprint of 48 hectares with 570 metres berth-face capability (e.g. able to accommodate 3 x 180 metres vessels).
- Consents held for an additional 270 metres of berth-face at 14.5 metres depth, plus a further 2.3 hectares of reclamation.
- Potential to increase overall footprint to 70 hectares with 1.4 kilometres of berth-face and minimum 14.5 metres depth. This provides flexibility to handle 7 x 185 metre vessels, 6 x 215 metre vessels, or other combinations as may be required.
- Port footprint backed by some 185 hectares of port and commercial-zoned land.
- Operating since 2002, a flexible multi-purpose dry cargo facility with extensive storage areas.
- Harbour mobile crane purchased to handle Northland's container volume (estimated at 35,000 TEUs pa*). Ability to commission further cranes as required.
- Just under 100 kilometres via the State Highway network to Johnstone's Tunnels, at the top of Auckland's Northern Motorway.
- Northport's marine service provider, North Tugz, currently handles some of the largest ships entering New Zealand waters.
- Strong financial base and ability to self-fund future development.

*TEUs = Twenty-Foot Equivalent Units, the international unit used to measure container cargo-carrying capacity. One TEU is equal to a standard 20' long x 8' tall container.





NATIONALLY SIGNIFICANT INDUSTRIES

NORTHPORT

Northport is a natural deep water commercial port situated at the entrance to Whangarei Harbour, making it the northernmost multi-purpose port in New Zealand, and the closest port to the majority of New Zealand's international markets.

Initially built as a forestry port, the facility has been used primarily to date for the export of Northland's forest products. However, the terminal's multi-purpose facility caters for a wide range of cargoes and their associated vessel types, including logs, woodchip, veneer, coal, kiwifruit, cement and fertiliser.

It has recently added a mobile container crane, and has scope to host cruise ship calls. Currently operating on 48ha with 570 metres of berth, Northport has capacity to expand to 70ha and up to 1.4 kilometres of berth. In the financial year ending 30 June 2016, there were 259 ship calls and the port handled some 3.4 million revenue tonnes of cargo. The port and ancillary operations support close to 300 employment positions.

The Government's Te Tai Tokerau Economic Action Plan recognises the importance of Northport's capacity to support economic development, both locally and beyond the region.

REFINING NZ

New Zealand's only refinery of oil products and one of the most modern refineries in the world sits alongside Northport. It processes a wide range of crude oil types imported from key offshore markets as well as Taranaki, producing premium and regular motor gasoline, automotive and marine diesel, aviation and lighting kerosene, fuel oils and bitumens for the New Zealand market. Almost 50% of its production travels via a purpose-built pipeline from Marsden Point to Wiri in South Auckland for storage and subsequent distribution by road. The balance is transported by coastal tanker to destinations throughout New Zealand. It recently had a major upgrade with the construction of a continuous catalyst regeneration unit, which will lift petrol production to around 13 million barrels a year while reducing CO² emissions. The Refinery employs just over 300 people.

ANCILLARY BUSINESSES

There is a broad range of supporting industries in the area, including Air Liquide, BOC, Carter Holt Harvey, Marsden Industrial Solutions, North Sawn Lumber, Opus, and SPI Industrial Engineering. The National Institute of Water and Atmospheric (NIWA) research facility, the Bream Bay Aquaculture Park, is at Ruakaka. Approximately 220 people are employed across the above industries.



ROADING

State Highway 15A provides a high quality 8-kilometre link to the Greater Marsden Point Area (GMPA) from State Highway 1, New Zealand's primary arterial route. From there, Whangarei's southern industrial area is approximately 20 kilometres north, and to the south, Auckland's Northern motorway is just under 100 kilometres away.

Population growth in the north and west of Auckland will increase demand for goods and services, which is likely to prompt suppliers to use northern transport routes to fulfill them.

The government is therefore placing strong emphasis on developing the state highway network between Auckland and Whangarei. This is occurring in three stages:

- Planning the route between Puhoi and Warkworth is already underway with construction expected to be completed by 2020
- Completion of Warkworth to Wellsford by 2025
- Completion of Wellsford to Whangarei by 2030

AIR LINKS

The regional Whangarei Airport is just over 40 kilometres north and GMPA could well be considered an option for relocation of that airport, which has insufficient space for expansion on its present site. Auckland International Airport is just under 160 kilometres south, via the country's State Highway network.

COMMUNICATIONS AND DATA

Fibre optic cable is installed in the area, soon to be complemented by the Hawaiki Data Cable coming

ashore nearby at Mangawhai. Due to be completed in 2018, it will add another 30 terabits per second of data transmission capacity, markedly increasing capacity for New Zealand.

WATER AND WASTE

Existing infrastructure for water and waste treatment services at GMPA have been designed to accommodate the development capacity of zoned land without the need to await infrastructure upgrades.

ELECTRICITY

220kv reticulation lines supply Marsden Point from the national grid before being distributed via 11kv and 400v lines. Approximately 80% of power is sourced from renewable sources. Planned upgrades to geothermal electricity generation at Ngawha will add to the security of regional supply.

RAIL

A 16-kilometre rail link corridor from the North Auckland line at Oakleigh to Marsden Point has been under consideration for many years. A designation of the required lands is in place and construction is dependent on growth of the region's freight movements.

FORESTRY PRODUCTS

About 3 million tonnes of logs are currently handled and/or processed annually in the area. These are predominantly exported through Northport.





GREATER MARSDEN POINT AREA

The Greater Marsden Point Area (GMPA) lies 30 kilometres southeast of Whangarei City and just under 100 kilometres from Auckland's Northern Motorway. It forms the south-eastern tip of the entrance to the Whangarei Harbour on the east coast of Northland.

GMPA extends from One Tree Point within the Whangarei Harbour, to just south of the Ruakaka township on the coast, a total land area of some 2,500 hectares.

The area is recognised for being home to two significant assets of infrastructure – Northport, a purpose built cargo port, and Refining NZ, the country's only oil refinery.

GMPA falls within the Whangarei District Council local authority.

NATURAL ENVIRONMENT

GMPA is distinctive for its Pacific coastline, where Bream Bay extends for 22 kilometers of white-sand beach. The Bay includes native reserve islands - the Hen and Chicken Islands and Sail Rock. West of the "Point", the area extends into the sheltered waters of Whangarei Harbour.

In comparison with the wider District environment, the lands of GMPA are unusually flat and open terrain, in stark contrast to the towering tree-covered cliffs of Mount Manaia, which rise 403 metres above sea level just across the Harbour on the northern entrance. Easy access to beaches and recreational fishing grounds, with a climate of warm summers and mild winters, make the area a popular holiday spot and ideal residential location.

ITS PEOPLE

Whangarei District is home to nearly 80,000 people, over half the Northland region's total population. Whangarei City is the District's largest urban area, with a population of some 55,000. Tangata whenua – the people of the land - are the Patuharakeke hapu whose rohe - area - stretches on the seaward side from a point at the north of Mangawhai Heads to the entrance of the Mangapai River just south of Whangarei.

At the 2013 Census, the Marsden Point-Ruakaka Census Area Unit was home to approximately 3,600 people, with the majority living in one of three residential settlements:

- One Tree Point - c. 1,000
- Marsden Cove - c. 500
- Ruakaka - c. 1,900

The population swells over summer months with visitors who either own holiday homes or stay at one of several motels and camping grounds in the area.

A range of housing options exists throughout the area. According to Quotable Value's e-valuer estimate of July 2016, the median house price in Ruakaka was \$444,150 and at One Tree Point, \$584,500

According to the 2013 Census, there were 1,450 paid employees within the following industries:

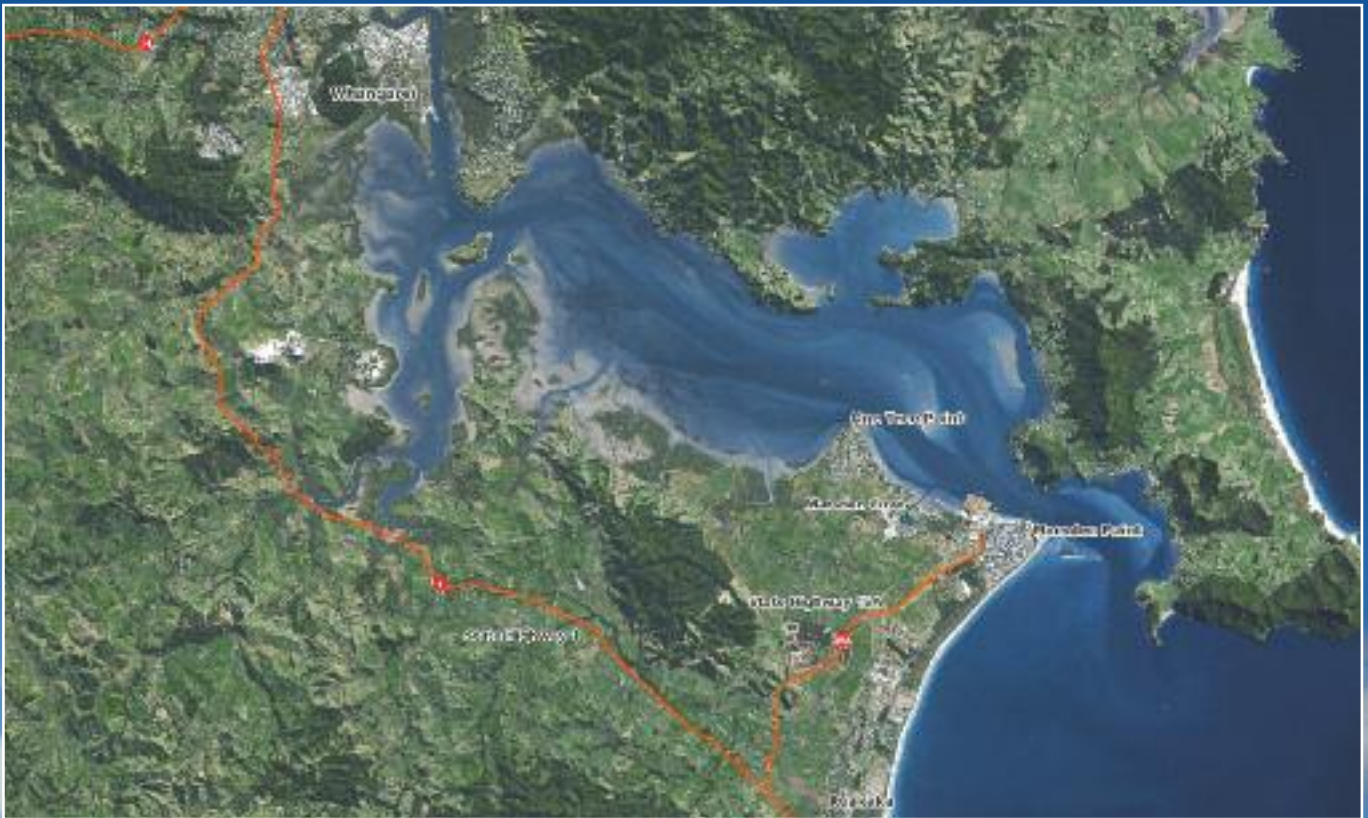
- 46.2% in manufacturing
- 11.7% in construction
- 9.7% in transport, postal and warehousing
- 6.2% in professional, scientific and technical roles
- 5.9% in education and training

POPULATION PROJECTION

Statistics NZ estimates that in about 30 years, the population in the Marsden Point-Ruakaka Census area unit may grow to between 6,140 (low projection) to 7,840 (high). However, the Whangarei District Council has estimated that the total population carrying capacity of the various existing, planned, and proposed residential environments in GMPA - some 700 hectares when fully developed - is about 34,500.

LAND USE FOR BUSINESS

Marsden Maritime Holdings Ltd has ample available land zoned for industrial and commercial use. The availability of land in GMPA means the cost to purchase or lease here is typically much lower than in densely occupied urban industrial areas elsewhere. Infrastructure is in place to cater for the uptake of zoned land.



RECREATION/LIFESTYLES

Marsden Cove – Just three kilometres from the Whangarei Harbour entrance, Hopper Developments Ltd has created a marine village of waterfront and canal residential properties. A popular boat ramp provides access to the Whangarei Harbour and coastline. Marsden Maritime Holdings Ltd owns the marina therein and a complex of retail shops, commercial premises and café. It is in the process of developing facilities to lift vessels from the marina waters (haul-out) and transport them to a new adjacent boatyard for maintenance and/or storage (hardstand).

Ruakaka – The largest of the area's townships includes an established commercial centre with supermarket, council office, library, medical and dental care, and cafés, lying close to expansive Bream Bay, a prime destination for walking, swimming, fishing, and surfing. The Ruakaka Racecourse is to the south of the township. Nearby Bream Bay College caters for about 450 students through Years 7-15.

One Tree Point – is largely a residential and holiday home community of modern dwellings, looking over the Whangarei Harbour to Mt Manaia, one of Northland's most distinctive natural features.

POTENTIAL GROWTH OPPORTUNITIES

The refinery, Northport, existing industrial activity and favourable zoning, plus established residential communities and infrastructure in GMPA provide excellent opportunities for growth. There is ample scope and flexibility for the introduction of a wide range of businesses such as:

- Commodity import/export and distribution
- Warehousing and specialised storage
- General manufacturing
- Container and vehicle handling
- Assembly/re-packing services
- Labour hire/employment services
- Goods and services for the increasing numbers of employees and local residents

Positioned just under 100 kilometres from Auckland's Northern motorway, GMPA is the logical alternative and attractive option to Auckland, where pressures on development and infrastructure, and an increasing population, put a premium on land and industrial premises.



REGISTERED OFFICES

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