

MEDIA RELEASE

17 May 2010

Chairman's Monthly Release –May 2010

FINANCIAL OVERVIEW

DWC has finished the year ahead of budget delivering a surplus of \$9.3 million for the 12 months to 31 March 2010 against a budget of \$4.1 million for the year. This figure is unaudited and may differ on completion of the audit.

The Trust's equity at 31 March 2010 stood at circa \$112 million.

The Board has almost completed its clean up of the investments that contributed to significant losses over 2008 and 2009. This has included the sale of the former Hukawai Glacier Centre in Franz Josef to Richard Benton of the International Antarctic Centre. This should have very positive spin-offs for Franz as Mr Benton creates a world class tourist attraction in the Glacier region which can be fed into from his other tourist operations off the Coast.

Trustees have revised their risk profile to better protect the Distribution Fund. This change will require discipline to ensure sound logic and a recognition of risk is applied when considering distribution applications.

Trustees are also looking to implement a reserving model over the next 1 – 2 years to ensure the protection and growth of the Trust Fund for the benefit of both current and future West Coasters.

As the fund builds it will grow the amount of money that can be reinvested back into the community via distributions or community grants.

Trustees and staff continue to be focused on:

- a) Income from the investment fund;
- b) Distribution fund advances and investments aimed at assisting West Coast business and the general community;
- c) Ensuring DWC's cost structure is appropriate for the nature of its business and delivering value for money.

Investment Fund

The Investment Fund is managed with independent advisors and, as at 31 March 2010, totalled \$103 million with the following asset allocation:

New Zealand Equity	4.22%
Australian Equity	10.63%
International Equity	14.00%

Australasian Listed Property	3.42%
Alternative Investments	5.12%
New Zealand Fixed Interest	55.42%
Floating Deposits	00.00%
Term Deposits	6.12%
Non Term Deposits	0.07%
On Call Cash Accounts Misc	0.37%

April again saw world markets volatile and unpredictable. Our view remains very cautious on the world outlook and we feel the risk profile has increased, while in New Zealand the upturn in commodity prices is good news for our exporters.

Distribution Fund

The income from the Investment Fund is transferred to the Distribution Fund which is used to promote the objects of the Deed. The funds available for distribution are approx \$12.2 million.

This Distribution Fund is controlled by Trustees with all distributions over \$100,000 requiring a positive recommendation from the Advisory Body before approval by Trustees.

This is your Trust and the funds are available for sustainable projects that will promote employment and economic benefits.

POLICY

Reviewed and Issued at the 3rd of May Trustee Meeting

Trustees and management continue to work on DWC's operating environment and internal control systems. One aspect of this work was the review of the Advisory Body structure. The term of Advisory Body members is based on a rotational model and there are currently 3 members' terms due to expire on 30 June 2010. As a result of the review of the structure, the quantum of Advisory Body members has been reduced from 5 to 4 which will leave 2 vacancies come 30 June 2010. Expressions of interest for these vacancies will be advertised in the near future.

The following internal projects have also been completed in the past 2 months:

- Holding Company structure review completed
- Portfolio Risk Management guidelines adopted
- Risk Register adopted
- Finance and Administration policy revised
- Consultant Engagement Policy adopted
- Treasury Policy review completed

Future Work

A key area of work for Trustees over the next year is completing its review of all of its governing policies.

End

For further information, contact Tony Williams, Chair, DWC, ph 021 348 150