

MEDIA RELEASE

14 October 2010

Chairman's Monthly Release –October 2010

FINANCIAL OVERVIEW

2011 Financial Year to Date

The Trust's equity at 31 August 2010 stood at circa \$112.5 million. The year to date result as at the end of August 2010 was an unrealised loss of \$1.2m, having come back \$1.6m since the end of July. However, following a significant upward movement in values during September, I expect the remaining loss in value to be extinguished by 30 September 2010.

I have continued to highlight in each monthly report Trustees' nervousness around international markets and nothing has changed to shift this sentiment. World markets have been and remain extremely volatile and we expect severe swings in equities to continue for many months. As such, we have held our exposure to the equity markets at a conservative level with 64.4% of the fund in cash and bonds at 31 August 2010.

The Trust is a longer term investor and our advisors are confident that a further turnaround in markets will occur later in the year.

Your Trustees are conscious of their obligations to protect the Fund to meet the needs of both current and future generations of West Coasters. Saving to offset the impact of inflation will be key in fulfilling this.

INVESTMENT FUND

At the 31 August 2010 DWC had 64.4% invested in fixed interest and cash deposits, maintaining the Trustees' conservative investment strategy.

The Investment portfolio is managed with independent advisors and as at 31 August 2010 totalled \$100 million with the following asset allocation:

New Zealand Equity	4.3%
Australian Equity	9.45%
International Equity	13.45%
Australasian Listed Property	2.1%
Alternative Investments	5.55%
New Zealand Fixed Interest	55.93%
Term Deposits	8.65%
On Call Cash Accounts Misc	0.58%

DISTRIBUTION FUND

The income from the Investment Fund is transferred to the Distribution Fund which is used to promote the objects of the Deed. At 31 August 2010, funds available for distribution were circa \$11 million.

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

DWC TRUSTEE APPOINTMENT

The Month of October saw three Trustees seeking re-election in the tri annual elections. The position of Council Appointee, jointly appointed by each of the four West Coast councils, has been advertised, to be followed by a process to consider applicants and make an appointment per the requirements of the Trust Deed.

I have decided not to reapply for the position due to the increase in my other business commitments.

During the past 4 years, the last 18 months as Chairman, I have enjoyed working with the Board and believe Trustees and Executive have worked very hard. DWC has been able to weather the recession and through its conservative investment strategies, has been able to maintain a strong balance sheet. Thank you to all Trustees and staff of DWC.

What level of risk is acceptable for an organisation needing to cater for both present and future generations of West Coasters (a requirement of the Trust Deed) will always be a challenge. While DWC has made mistakes, the organisation has added significant value to all Districts and the West Coast region.

I wish the new Board all the best as it contemplates how it will cater for future generations while at the same time maintaining an acceptable level of risk to allow the fund to grow at no less than the rate of inflation.

Thank you and regards.

Tony Williams

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