

Annual Report shows DWC's assets continue to grow

Thank you to the West Coasters who attended the annual public meeting in Greymouth and roadshows in Hokitika, Franz Josef and Westport to release DWC's annual report. Trustees and staff welcome the opportunity to talk to the public about DWC's results for the financial year.

Despite financial uncertainty around the world DWC is proud to have achieved another year of steady returns, continuing to grow DWC assets. DWC ended the March 2011 financial year with total net assets of \$115.92m. This represented an increase of \$2.9m from the previous financial year's result of \$112.99m.

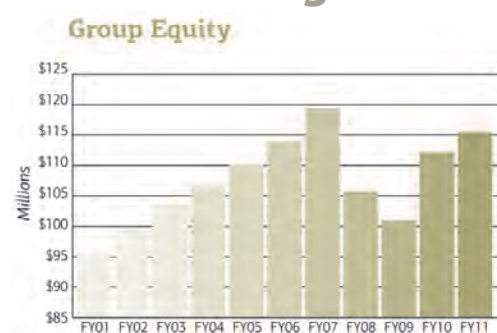
"This was a very strong result in a year of ongoing financial market uncertainty," says DWC CEO John Chang.

Total income of \$7.3m together with unrealised gains from investments of \$4.1m delivered total consolidated revenue of \$11.4m. DWC and Group ended the 2011 financial year with a surplus of \$4.1 million after total operating expenses but before Community Distributions and Projects. The net surplus was \$2.46 million.

DWC's Investment Fund is invested in New Zealand equities and bonds, and in offshore share markets. This is

important because the end-of-year retained earnings from investment activities determines the level of distribution funds available. While DWC takes measured risks when investing or lending from the Distribution Fund, when it comes to equity investment and bonds, DWC takes a conservative approach.

The total operating expenses for DWC were \$2.40m compared to

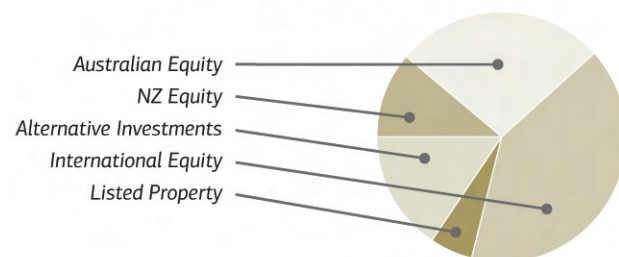


\$2.47m the year before. "This translates to a 17% decline in total operating expenses since 2009.

What is even more pleasing is that this was achieved without the loss of any key services or activities

that deliver economic benefits to West Coast communities," says Dr Chang.

Growth Asset Portfolio



LATEST FINANCIAL OVERVIEW

The continued economic downturn has seen a net loss for the month of July of \$1.65m. While DWC continues to track near budget on cash income and operating expenses the adverse variance is caused by unrealised losses on DWC's equity investments.

At 31 July 2011 DWC's total net assets stood at \$112.2m

compared to \$114.0m in June.

The lack of confidence in worldwide markets is affecting funds throughout New Zealand and the world.

Unless there is a significant improvement in the worldwide financial markets it is unlikely DWC will meet its budget for the 2011/12 financial year.

COMMUNITY GRANTS ANALYSIS

Around Brunner	6,000
Blackball Residents' Association	500
Blackball Workingmens Club	500
Buller Basketball	500
Buller's Best Craft Show	939
Buller Board Riders	2,000
Canterbury Earthquake Relief	100,000
Club Buller	2,609
Computers in Schools	99,235
Focus Farms	28,000
Glacier Country Tourism	4,000
Glacier Promotions Charitable Trust	870
Greymouth and Kumara Anglican Parish	10,000
Greymouth Golf Club 500 United Nations Youth	267
Greymouth Jockey Club	500
Haast Pass 50th Anniversary	1,000
Kumara Racing Club	1,000
Lake Kaniere Scenic Triathlon	600
LandSAR Westland District	1,778
Mokihinui-Lyell Backcountry Trust-Cycleway	750,000
New Coasters Inc	6,485
NZ Snow and Ice Research Group	870
Pike River Mine Tragedy	1,000,000
Quartzopolis Classic 2011	1,000
Reefton Golf Club - Golden Nugget	435
Ronald McDonald House	15,000
Ross Fireworks Festival	300
Source to Sea	15,000
South Westland Search and Rescue	10,000
Te Runanga o Ngati Waewae Inc	24,000
Tourism West Coast	83,200
West Coast Jet Boat Club	500
Westport Bowling Club	661
Westland Wilderness Trust-Cycleway	750,000
Whataroa Golf Club	300

Record community distribution



The Old Ghost Trail PHOTO: Phil Rossiter



Pupils from Blaketown School enjoy using their new computers.

PHOTO: Stuart Nimmo

suitable for families. It traverses rainforest, lakes, wetlands and the Southern Ocean, all with the spectacular back-drop of the Southern Alps. Buller's 160km Old Ghost Road trail is suited to intermediate and advanced riders and is a back country loop which follows an historic gold miners' route. Both are expected to open in late 2012.

\$1 million was allocated to the Pike River Distribution Fund. A committee has been established to administer the Fund which will distribute an agreed amount in grants each year to the community.

Particular account will be taken of the need to stimulate and develop business activity on the West Coast, including activities that support the coal mining industry. The Fund can also provide education opportunities to those affected by the disaster either directly or indirectly.

A further \$2.8 million has been provided through grants, donations, CEO discretionary funding or DWC-led projects.

This includes \$100,000 to eleven West Coast primary schools to purchase one hundred new computers, digital and video cameras, digital microscopes and data projectors as part of the West Coast ICT 'Computers in Schools' project. DWC believes education is an important part of economic development and students should

have access to modern and efficient computers.

Other West Coast organisations to benefit from grants include the Whataroa, Greymouth and Buller Golf Clubs, Te Runanga o Ngati Waewae, New Coasters Inc, South Westland Search and Rescue and the Haast Pass 50th anniversary.

This record distribution is in addition to the \$1.2 million DWC gave through the Major District Initiative project. Each district has access to \$400,000 per annum until March 2022. This funding is used to develop major community assets like Westport's Solid Energy Centre, Hokitika's Boys' Brigade Hall and Greymouth's West Coast Theatre Trust.

Two projects that have had support from DWC's Major Regional Initiative project have also opened in the last financial year. The Denniston Experience showcases early New Zealand industrial heritage and stories of hardship surrounding early coal mining. It will provide employment and protect heritage values and artefacts in the area.

Iconic Shantytown has relocated its gift shop, renovated its tea rooms and opened a new holographic theatre with the help of the MRI project. The Princess Theatre is New Zealand's first holographic theatre and tells the story of the West Coast's first policeman, Thomas Brougham.

COMMENT FROM THE CHAIR

On 31 August, on behalf of my fellow Trustees, Advisory Body members and the management, I had the pleasure of hosting DWC's 2011 Annual Public Meeting at the Kingsgate Hotel, Greymouth. We also hosted similar Annual Reporting sessions in Franz Josef, Hokitika and Westport on the following days.

I would like to take this opportunity to sincerely thank each and every one of you who took the time and the effort to come and join us, listening to some of the milestones and achievements we've made during the 2011 Financial Year.

I was delighted to report that even in such a difficult investment environment DWC not only managed to successfully achieve budget (that is before Community Grants), we also managed to grow the total net assets to \$115.5m. Trustees also distributed a record \$5.3m to

the West Coast community in the form of project funding and grants. This is not including the subsequent \$6m extraordinary distribution that was made to the three district councils back in July 2011. Such level of distribution will have significant positive stimulus impact to the West Coast economy and will undoubtedly bring benefits to the whole of the West Coast community.

Going forward it is time for the DWC team to continue to work hard, concentrate on things that matter and what we are good at... but above all other things, continue to build up the fund in a sustainable and responsible manner for the benefit of this and the next generation of Coasters.

John Sturgeon

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