



# Eastern Bay Energy Trust

Presentation of 6 month Results

16 December 2008

# Return for 6 Months - DEL

		<b>Consolidated</b>	
<b>Revenue</b>		4,735,646	
<b>Expenses</b>		4,667,154	
<b>Net Revenue Surplus</b>		68,492	
Add	Unrealised increase in Comvita Shares	70,125	(Based on share value of \$1.52 at 30/09/08)
	Unrealised Gain on Properties	218,477	(Based on 7.5% net yield)
<b>Total Surplus – Revenue and Capital</b>		357,094	

# Return for 6 Months - DEL

- Total Return (revenue and capital) was \$357,094
- Required Return to achieve 9% was \$337,622

# DEL's Investments

- Energy Options Limited
- Comvita Limited
- Opotiki Packing & Coolstorage Limited
- OTK Orchards Limited
- DEL Property Investments Limited
- Eco Finance Limited

# Energy Options Limited

- Purchased in 2003 for \$120,000
- To take advantage of surplus on retrofit work EBET was paying for
- Purchased Hawkes Bay business in 2007 for \$450,000 partly funded by vendor finance
- Estimated current value is \$1,500,000
- Still being recorded in Financials at cost

# Energy Options Limited

- Total Turnover for 2008/09 likely to exceed \$9,000,000 (2007/08 \$4,604,852)
- Only 11% of turnover comes from work within Eastern Bay
- Only 5% of turnover comes from grants from EBET
- Currently employs 68 people – 35 in Eastern Bay

# Comvita Limited

- Own 1,001,780 shares which equates to 3.4% of the issued capital of Comvita and 2% of EBET total Trust Fund
- Paid average price of \$3.13
- Shares rose to peak of \$4.05 over the following months (April 2007)
- Fell to low of \$1.45 (March 2008)
- At 30 September 2008 were trading at \$1.52

# Comvita Limited

- Believe Comvita have good management and governance and will improve
- Will be helped by drop in exchange rate – 80% of their sales are export
- Obtain much of their raw material from Eastern Bay

# OPAC Limited

- Private company so shares are not actively traded
- Own 147,489 shares which we paid \$4 each for. This equates to 3.4% of issued capital of OPAC and 0.8% of EBET total Trust Fund
- Receive regular dividends – last year 16c per share (after tax)
- Good management and governance

# OPAC Limited

- No shares traded in recent times
- Value likely to have increased
- Still recorded at cost in Financials so no gain taken up

# OTK Orchards Limited

- Investment in Gold kiwifruit development in Te Kaha and Omaio
- Private Company
- DEL owns 568,000 shares which is 20% of company – gives us ability to have Board representation – 0.8% of EBET total Trust Fund
- Further investors paying premium of 10c per share
- Continues to be recorded at cost in Financials

# OTK Orchards Limited

- Anticipated return of 13.14%pa after tax over 30 years (based on average OGR of \$73,750/ha per year)
- Very good returns are being achieved from Te Kaha Gold orchards
- OTK in early stages – 4 to 5 years to full production
- Developments are JV's with Maori land owners
- Making considerable contribution to economic growth on coast – and new customers for HEDL

# OTK Orchards Limited

- 2007 Gold harvest:

	Zespri	Te Kaha
OGR - average per ha	\$45,250	\$76,544

- 2008 Gold harvest:

	Zespri	Te Kaha
OGR - average per ha	\$59,348	\$82,077

- For 2007 3 of the Te Kaha orchards were ranked 1<sup>st</sup> 2<sup>nd</sup> and 4<sup>th</sup> in the top 5 Gold orchards in New Zealand. The best orchard had OGR of \$93,946 (Te Kaha 2B).

# DEL Property Investments Limited

- Own two commercial properties in Whakatane
- 13 Pohutu Street
- 5 Richardson Street
- Total cost (including completed fitout of Richardson Street) is \$1,348,123
- Based on 7.5% net yield current value is \$1,566,600

# Eco Finance Limited

- Set up to provide consumer finance for sales by Parkwood and Energy Options
- Due to demise of Parkwood have decided to discontinue

# Parkwood

- Receivership still not yet complete
- Total provision for writedown included in results at 30 September is \$2,873,531 net of tax benefits
  - Loan from EBET to Parkwood \$1,250,000
  - Loan and Capital from DEL - \$1,623,531
- May be slightly more to come

# Growth Since Inception

- EBET started with 25% of BOP Electricity
- 5,000,000 shares worth \$2.25 each
- Total Value of Trust Fund **\$11,250,000**
- Today Value of Trust Fund is in excess of **\$70,000,000**
- Compounding Return in excess of 14%pa after tax over Past 14 Years
- After distributing **\$21m** to beneficiaries



EASTERN BAY

**ENERGY**

TRUST