

WELLINGTON CABLE CAR LIMITED

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12 November 2010

REPORT TO THE MONITORING SUBCOMITTEE FOR THE FIRST QUARTER OF 2010/11

FINANCE

Cable Car & Trolley Bus System Income

Cable Car fare income is 4.4% below budget for the quarter and 5.0% below the same quarter in 2009/10.

The trolley bus overhead network maintenance contract income (\$770K) is shown as 29% below budget for the quarter. Revenue is budgeted to match to expenditure over the full year.

The overall maintenance contract expenditure on the overhead network for the year will be close to budget.

Income from External Activities

External activities include sundry work related the trolley bus overhead system resulting from third party requests, including providing escorts to high loads through the city and Council initiated activities, (currently the Manners Mall bus lane project). The net contribution for the quarter from external activities is \$128K against a budget of \$37K, which is due to the timing of activities in the preparation phases.

Administration

Administration costs amount to \$62K against a budget of \$85K, which is 27% below budget.

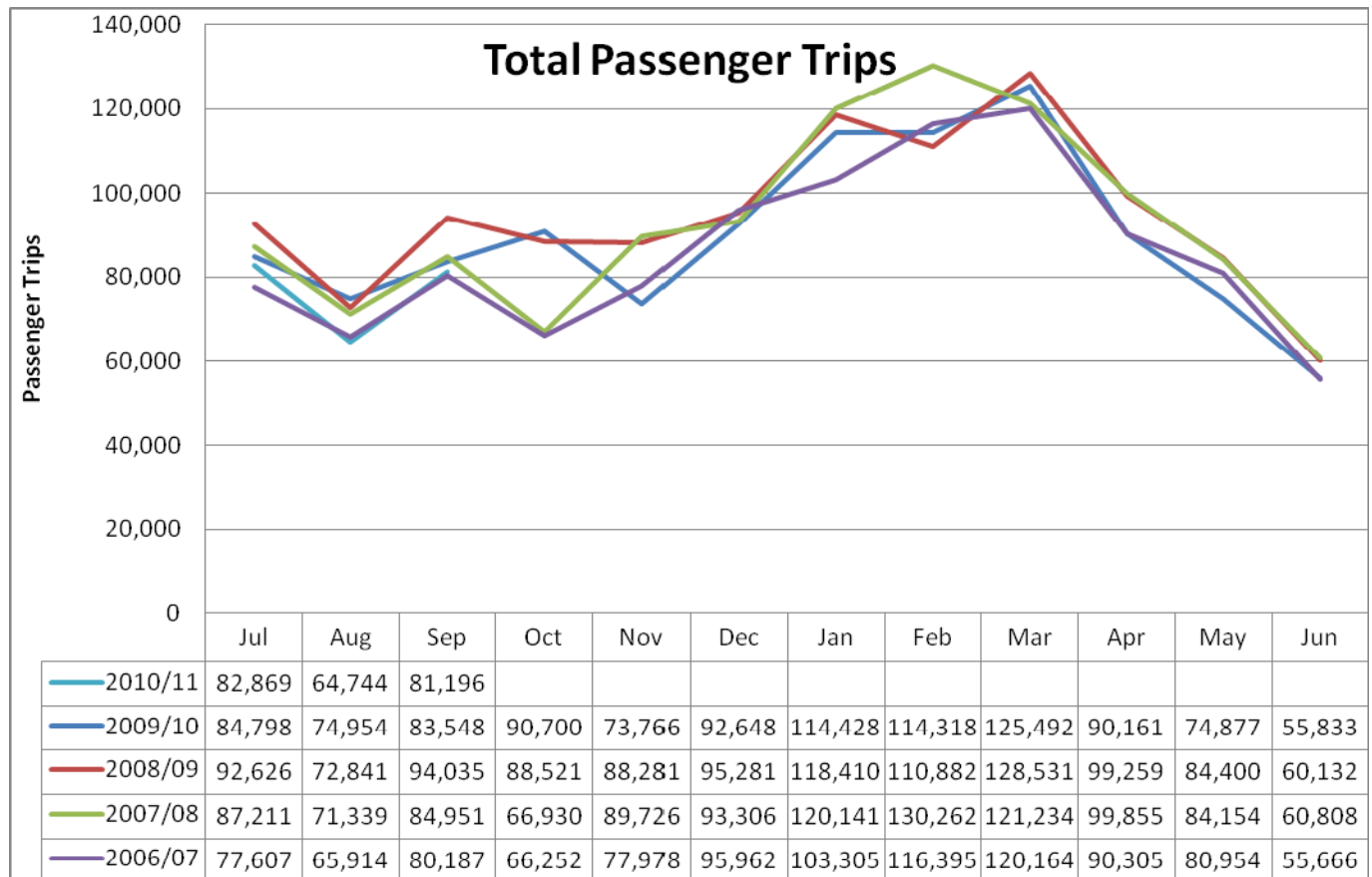
Income and Expenditure Overview

The overall income for the quarter was \$1,877K which was 23% above budget. Overall expenditure was 15% above budget. The overall surplus was \$77K against a budget loss of \$41K.

Cable Car Passenger Numbers

The actual passenger number for the quarter was 228,809, which is 7.8% below estimate and 11.8% below the same period in the previous year. The decrease is principally attributed to the effects of the economic environment.

The following chart indicates the overall pattern of cable car patronage.



WCCL is concerned about the recent lower patronage of some of the passenger categories (principally commuters) and is commissioning a survey to obtain data on this trend, to guide action as appropriate.

Cable Car Reliability

The reliability of the cable car was 99.93% for the quarter.

GENERAL

Cable Car Operation

The cable car continues to be operated by our own staff and management, as it has been since 1 April 2007. The number of complaints received has been negligible.

Cable Car maintenance

Routine maintenance has continued to be undertaken.

Trolley Bus Overhead

It is anticipated that all of the planned asset replacements in the Asset Management Plan for the current year will be completed by the end of the financial year, as activity will be concentrated on them following the completion of the Manners Mall work.

A handwritten signature in blue ink, appearing to read 'Maughan', is positioned above the typed name of the signatory.

p.p. Roger Drummond

CHAIRMAN OF THE BOARD OF DIRECTORS