

WELLINGTON CABLE CAR LIMITED

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17 February 2012

REPORT TO THE MONITORING SUBCOMITTEE FOR THE SECOND QUARTER OF 2011/12 (to 31 December 2011)

FINANCE

Cable Car and Trolley Bus System Income

Cable Car fare income (at \$574K) is 1% below budget for the quarter, but 12% above the same quarter in 2010/11. The variances reflect lower than budget passenger numbers achieved this quarter (although RWC 2011 patronage was below budget it has been offset by increased tourist patronage) and higher fares this year.

The trolley bus overhead network maintenance contract income from Greater Wellington Regional Council (GWRC) (\$1,805K) is shown as 10% above budget for the quarter. The budget includes provision for some capital expenditure items that are subjected to approval of business cases.

Some trolley bus overhead network maintenance activities were curtailed as required by WCC, during the lead up and holding of Rugby World Cup games In Wellington.

Revenue for the work undertaken for GWRC for reactive maintenance and planned maintenance is budgeted to match to expenditure over the full year.

Income from External Activities

External activities include sundry work related to the trolley bus overhead system resulting from third party requests, including providing escorts to high loads through the city and WCC initiated activities. The net contribution for the quarter from external activities is \$63K against a budget of \$45K, the difference being due to the timing of activities for this type of work.

Administration

Administration costs amount to \$55K against a budget of \$97K, which is \$42K (43%) below budget.

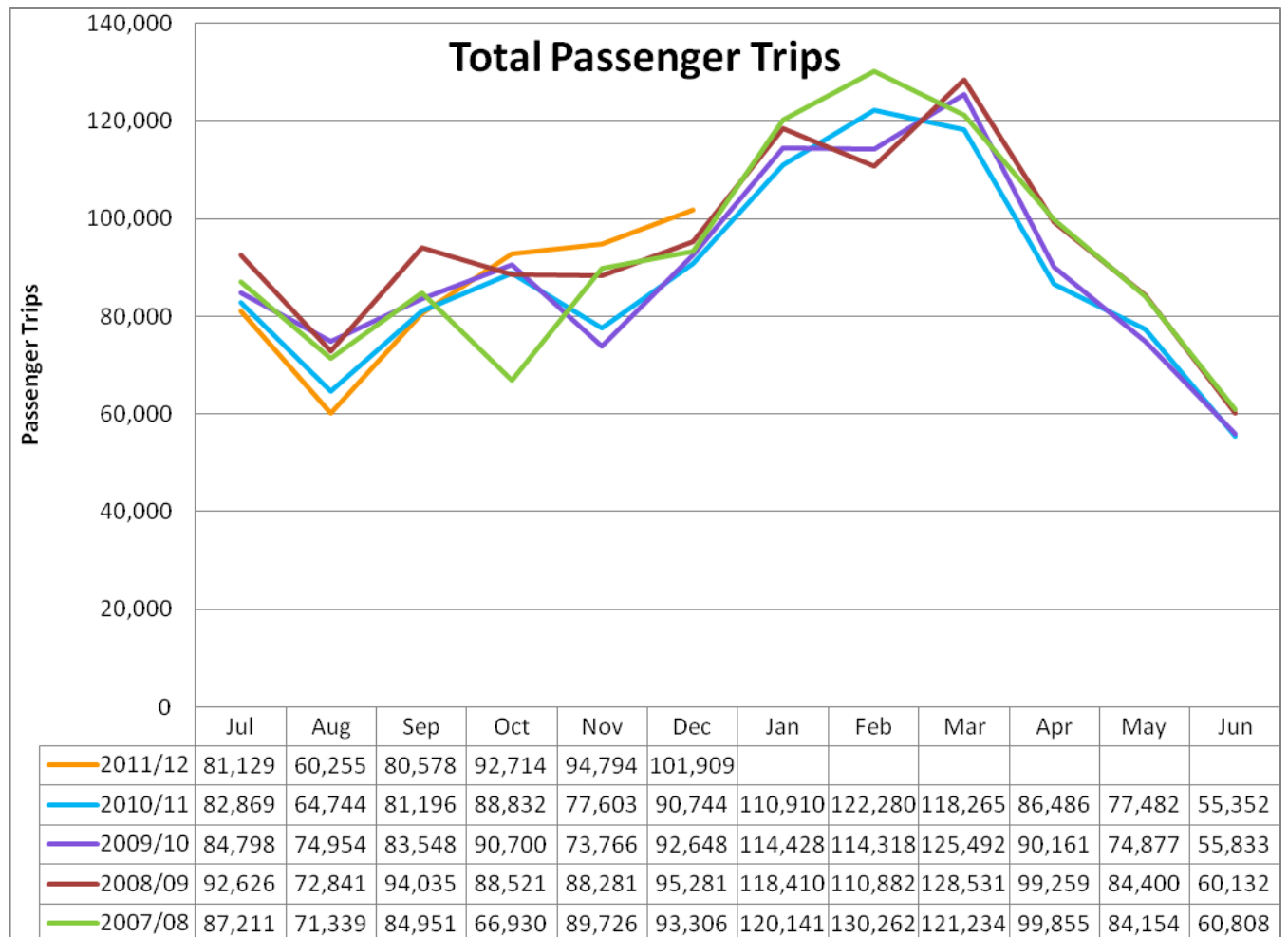
Income and Expenditure Overview

The overall income for the quarter was \$2,485K, which was 7% above budget. Overall expenditure was \$2,305K, which was 6% above budget. The overall profit after tax was \$181K against a budget profit of \$143K.

Cable Car Passenger Numbers

The actual passenger number for the quarter was 289,100, which is 0.1% above estimate and 5% above the same period in the previous year.

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



There are two separate matters which are reflected in the comparisons of actual passenger numbers with the estimate for this year and the actual passengers last year.

Rugby World Cup 2011

The estimate of passengers for October 2011 was increased by 30,000 to reflect anticipated extra patronage by RWC visitors.

There was an increase in Adult Cash Fare Trips, the fare category that applied to RWC visitors, of only 1,700 over last year. The net benefit of RWC 2011 was at best minimal. The total of all passenger trips increased by 3,800 against last year.

Cable Car Reliability

The reliability of the cable car was 99.92% 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 is now concentrated on them.

p.p. Roger Drummond
Chairman of the Board of Directors

Des Laughton,
CEO