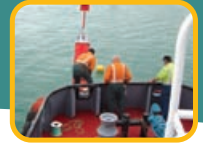


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Eastland Infrastructure update **October 2006**

Spreading our wings

To complement the aviation operations Eastland Infrastructure is already involved in, the company has spread its wings with the purchase of Flightline Aviation Limited. Based in Dunedin and Auckland, Flightline supplies light aircraft, engineering services and parts support to New Zealand's general aviation community, with customers located throughout the Pacific Islands and Asia.

The purchase of Flightline is part of Eastland Infrastructure's commitment to growing the Eastland Group of Companies. This is being achieved not only through personnel and operational excellence but also by targeting and analysing companies with strategic alignment to our other businesses for acquisition.

"Our focus is not simply on acquiring assets within an industry, but on adding value for our customers through innovative supply chain and infrastructure solutions,"

says Eastland Infrastructure CE Matt Todd. "Flightline Aviation is a vital supply chain in the general aviation sector."

Currently, Flightline employs 50 staff and has a turnover in excess of \$10m per annum. It will be run as a stand alone



company, under the umbrella of Eastland Infrastructure and will have access to the Group's proven high calibre of management.

"Our aim moving forward is to establish robust commercial practices to grow our

operational excellence. This includes being proactive in meeting customer service delivery needs. This is a business that has the potential to grow its services outside of the two current branches. There is a definite possibility a Gisborne operation could be established in the future. This fits with our vision of developing Gisborne Airport as a hub for a significant range of aviation related activities."

Eastland Infrastructure has appointed Stuart Robertson, as general manager. Having played a pivotal role in the establishment of Freedom Air and with a background in general aviation, Stuart is excited about the potential of this business.

"It's a jewel! It just needs a bit of effort put into the polishing and it will shine. It's got highly skilled people who have developed a very positive culture. When you couple that with already existing loyal customers and operational support from the rest of the Group, it's very exciting."

Forward Thinking

By Matt Todd, Chief Executive

As in life, one of the key contributors to having a successful, fulfilling existence is the relationships made, nurtured and valued along the way. Whilst important, every good business needs sound processes and procedures but what they may fail to have is the right people, relating to each other in the right way, to implement them. People create the heart of the business - the culture.

Eastland Infrastructure sees having the right people as one of its key competitive

advantages. It is the people that will create the value moving forward not the assets we manage. That's why we've spent considerable time and resource finding the best ones to suit our valued relationships, culture and diversified business. And I'd now like to introduce some of the new people who we believe are the ones best suited our growing business:

Tony Rutherford has taken up the recently created position of Chief Financial Officer. Tony's appointment recognises the need for further business and finance competency, as the Eastland Group grows to meet its strategic targets.



Tony Rutherford

He will ensure we are extracting the value from our businesses, as well as meeting our growing legal and financing compliance requirements. His experience in working with Fonterra and Fletcher Steel on strategic procurement initiatives, including waste-to-energy and supply chain projects will be invaluable as he spearheads similar projects for us. We believe he will add to and complement the skill set of the current management team.

Story continued back page...

High drama on the East Coast

It was drama in rough water as Eastland Port Limited's tug Titirangi rushed to the rescue of stranded trawler Twofold Bay, recently.

The Gisborne trawler, became trapped near rocks off the northern end of the Mahia Peninsula amid rising treacherous mid-winter conditions. Responding to the dramatic call was, Marine Supervisor, Captain Charlie Jamieson, a highly experienced Class One Master Mariner. He and his marine crew of five braved howling southerly winds and a changing tide to assist in the rescue.

Prior to their arrival, another fishing vessel, Lord Nelson, managed to run a trawl wire to the casualty but it broke as it tried to move the boat away from the rocks. As onlookers gathered on a nearby clifftop to watch the unfolding drama, a helicopter

was called out to run another line from the beached trawler to Titirangi, once it arrived the trawler was successfully manoeuvred into the right orientation. The Titirangi is a pusher tug, not designed to tow, so Marine Supervisor Jamieson had to call on all his many years of seafaring experience to haul Twofold Bay away from its impending stranding on the rocks, while keeping Titirangi in a safe depth of water. Finally, as the tide reached its highest point, the trawler was eased off the sandbar to loud cheers from the



Photo: With compliments, Gisborne Herald

clifftop audience. "It was a bit hair raising for a while, but I had complete faith in my crew and our tug Titirangi" said Captain Jamieson modestly.

Close relationship just got stronger

As one of the key production facilities in the Gisborne region, Juken New Zealand Limited (JNL) has always enjoyed a strong working relationship with Eastland Infrastructure - with it being one of Eastland Network's largest energy users and its ongoing port usage. Now Eastland Infrastructure has added logistics and warehousing to its capabilities, this relationship has grown significantly, with the two companies signing a dry storage contract. Currently, the contract for the space at the Eastland Infrastructure - Peel Street warehouse is to house local and international processed timber product.

Historically, most of JNL's product was bulk shipped to Japan, so it was unnecessary to have much storage space available at the company's production facilities at Matawhero. However, changing market conditions sees an increasing amount of product bound for the New Zealand and Australian markets.

"A shift in product destination means we need transitional dry storage. As currently much of our product is being transported from the region by truck or in container lots," says Brendan Smith, JNL Assistant Mill Manager. "Although we had other storage options available to us in the area, it made sense to leverage off the strong



Brendan and Martin

relationship we already have with Eastland Infrastructure." Brendan believes they will need more space over time.

Gavin Murphy, Eastland Infrastructure General Manager - Commercial adds "This contract reflects important growth in our relationship, as it shows the recognition and value JNL has in our warehousing and logistics competencies, we look forward to a long term relationship with JNL and expanding the services that we are able to offer them in time."

Fork lifts get stuck

"When you clear up the old kiwifruit boxes, don't take the forklift onto the grass. Break them down with a big hammer because if you use a forklift to move them, it will get stuck," says Capt. Rob Mitchell to Jimmy Miller, down at Eastland Port one winter's afternoon. Unfortunately for Jimmy, he decided to handle the clear up his own way - and managed, with the help of others, to get not one, not two but three forklifts stuck in the mud! Finally, a big Massey Ferguson towed all three out, but not before Jimmy earned himself the nickname of 'The Pied Piper.'



New substation eases stress...

Eastland Network has successfully completed the construction of a new 12.5MW substation at JNL's production facility in Matawhero. This substation will ease any current or potential stress on the existing Matawhero substation, as by transferring JNL's load requirements to the new one, enough capacity is released to meet the area's medium to long term load growth expectations.

With significant growth in the Matawhero area anticipated from existing and new plant development, Eastland Network was concerned the original Matawhero zone substation would shortly reach capacity and the limits of its development potential. The Parkinson and Carnarvon zone substations share the Matawhero capacity growth limitations, so simply shifting JNL's load to these neighbouring substations wasn't an option.



"As always, our primary interest for all customers is to provide long term security of supply. And, this is particularly relevant for our commercial customers whose businesses depend on our network being reliable and able to handle whatever

level of electricity they need to consume. So we felt it was important to make the capital investment now, for the future," **says Brent Stewart, General Manager Electricity Operations, 06 869 0701**

Targeted advertising opportunities available at Gisborne Gateway

Thanks to a new relationship between Gisborne Airport and Interspace, (Airport Advertising) regional and national businesses will shortly have fresh new opportunities to showcase their products and services at the gateway to our unique district.

As one of our redevelopment initiatives designed to enhance the experience of those visiting the airport, Eastland Infrastructure has signed a contract with Interspace, an advertising display company that specialises in advertising at over 190 airports world wide. Interspace will sell advertising on and install new, state-of-the-art commercial displays which will add to the vibrancy of the airport and help develop a favourable impression on travellers visiting the region.

If you feel you would like your business to take advantage of advertising in a targeted environment - one which grabs the attention of the right kind of consumer... the visitors who are eager to know what's what in the region... the people who explore the attitude of a city through advertising - **then give Interspace Airport Advertising a call on 0800 422 699.** They'll sort you out to become part of this exciting advertising opportunity.

Car park enjoys extreme makeover

It's all started... construction is underway on the Gisborne Airport car park, after extensive research into current and future customer needs.

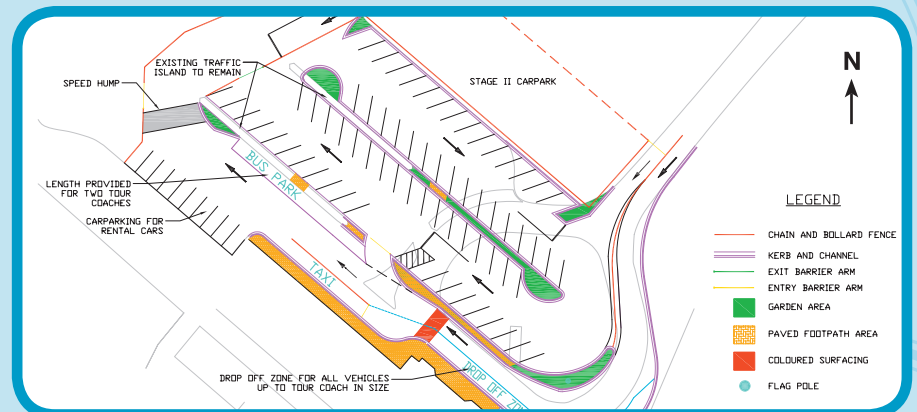
Construction will be carried out by local Fulton Hogan contractors and will take approximately 10 weeks. Once complete, the result will greatly improve traffic flow, parking facilities and security for airport users.

The number of car parks will increase from 53 to 74, with separate parking facilities for staff. To enhance security, new street lighting and two additional CCTV cameras will be installed for people using the facilities 24/7. The car park will be extended with the existing flagpole and monuments relocated

to improve traffic flow. A designated tour coach parking area will also be constructed to improve access for large groups. To top it all off, the new car park will be totally resealed to improve its visual appearance and extend its life.

Upon completion, a small time-based parking fee will be introduced for public parking. The fee amount compares favourably to other regional airport parking charges and will apply to public parking only after the first half hour. This will allow visitors to drop off and pick up passengers at their leisure.

We're very excited about the redevelopment, which is part of our continuing promise to improve and upgrade the facilities at Gisborne Airport.





Charlie Jamieson and Rob Mitchell

Eastland Port Limited has a new Marine Operations Manager – Captain Rob Mitchell. Although Rob is not new to the company having started with us a year or so ago, this is a new role for him. Rob is a class 1 master mariner and pilot, with 26 years experience in international shipping. His exciting career on the seas has spanned all kinds of responsibilities and vessels, including captain of LPG Tankers, offshore construction ships and offshore supply vessels; marine surveyor, offshore rig mover, Great Barrier Reef pilot, and marine manager of a large offshore supply vessel fleet. While the regulatory and management functions keep him busy, he still gets to maintain a hands-on involvement in piloting and port operations, an important element for a man who's spent more than half his life at sea.

To assist Rob with the day-to-day running of the port is Captain Charlie Jamieson, our new Marine Supervisor. Like Rob, Charlie has been at sea since his teen years and has worked on a large variety

principal harbour master (See article: High Drama on East Coast for an example of some of his seafaring expertise). The latter role makes him the senior maritime adviser for the area ranging from Hicks Bay to just north of Mahia.

To demonstrate the belief I have in my initial comment about good businesses needing sound work place procedures – we have a new Business Improvement



Tracey Whyte

Manager – Tracey Whyte. Tracey is responsible for the overall health and safety and quality management for the Group. Currently, Tracey is working on developing health and safety systems for all companies within the Group. Many people see quality, health and safety as an unavoidable cost of business, we see it as a way of adding value and making the business better through more effective

of ships around the world, most recently in the oil exploration industry and on salvage vessels. As marine supervisor, he is in charge of looking after the maintenance of floating plant, navigational aids and some of the fixed plant, as well as being

processes, procedures and systems, which is why Tracey's title reflects the much wider role within the company of Business Improvement.

An example of this is the project to gain an ACC Management Practices Accreditation. Whilst optional, we see significant value in creating the many procedures and manuals required for this accreditation. She is no newcomer to health and safety, having recently come from working at Queensland Transport as the Work place Health and Safety Advisor, after working for a number of years in quality and operations management roles.



Stuart Robertson

Another exciting move for both Eastland Infrastructure and Stuart Robertson is his appointment as the general manager for our very recently acquired business, Flightline

Aviation (See article: Spreading our wings). Stuart has 30 years of aviation and management experience having worked in Britain for the likes of British Airways and 10 years with Freedom Air. No doubt, he will utilise this experience to grow Flightline's business through strong customer service and operational excellence.

As with all our staff, each of these people has a significant and valuable role to play in our group of companies. We welcome them, and the rest of the Flightline Aviation team, and look forward to seeing their contribution in the further development of our business, relationships and culture. ⚙️

Forestry outlook positive

All indications are pointing to Eastland Port having a busy summer season this year with increased log volume moving through the port and steady winter volumes, as international markets pick up. The major forest owners are already in full swing harvesting and transporting logs to Eastland Port's storage facilities. This is good news for Eastland Port and its customers, and the district's business community as a whole. A number of factors are seen to be contributing to this growth, including sensible forest estate management and harvesting; a good dollar level and firmer log prices. 🌲



So, what do you think?

We'd love to hear back from you about what you like or don't like about this newsletter we've produced to keep you informed on some of our key projects. Please go to our website, www.eastland.co.nz, click on the Eastland Infrastructure page/newsletter feedback and type in your comments.

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