

26 August 2016

University of Canterbury NZX Statement
Preliminary announcement to half year report

These financial statements show continued steady financial performance as the University overcomes its post-earthquake challenges and engages in the competitive commercial environment of student recruitment from home and abroad.

The University's \$10.1 million surplus represents the result of operations to 30 June 2016, which is not representative of the full year where the full cycle of earnings is annual. The majority of earnings are made in the first half of the financial year. The current forecast for the 31 December 2016 Annual Report is for a deficit of \$9.4 million, compared with a 31 December 2016 budgeted deficit of \$13.7 million.

For the six months to 30 June 2016, the University recognised revenue of \$175.8 million (30 June 2015: \$172.4 million). By the year end, the University is projecting to have increased its Equivalent Full Time Student (EFTS) numbers over 2015 in both domestic and full fee paying "new to UC" students, and in student numbers overall. The University continues to work hard to develop pathways into the University for domestic and international students alike.

Operating expenditure was \$165.7 million in the same period (30 June 2015: \$161.2 million), where the current period contains further write-off of assets, including the unforeseen closure of the Kaikoura field station that is at risk of landslip and rock fall.

At 30 June 2016, there are no other significant changes in the University's estimates of impairment damage to its property, or valuation increases, which have caused substantial variation in previously reported results. The continuing uncertainties in relation to the cost of the earthquake damage repairs is explained in note 8 to the financial statements.

Net assets have increased by \$9.3 million (0.7%) since 31 December 2015, largely due to the operating result. UC continues to invest significant sums in its Science and Engineering facilities, with new buildings for Electrical and Computing Engineering coming on line in the period, together with the opening of the purpose-built Structural Engineering Laboratory. Cash spend on capital expenditure was \$79.3 million in the six months to 30 June 2016 (30 June 2015: \$46.7 million).

The University is preparing for further capital investment and has \$302.1 million of cash and deposits maturing in less than one year to meet operating and capital expenditure requirements in the next 12 months (30 June 2015: \$225.3 million). Total cash holdings at 30 June 2016 (defined as current and term deposits and government stock) are \$468.9 million (30 June 2015: \$476.5 million; 31 December 2015: \$479.3 million).

These balances are almost entirely committed to funding the University's capital investment plan and post-earthquake recovery initiatives.

The University has not breached any of its philanthropic bond covenants as at 30 June 2016 and is not forecasting to be in breach of any covenants.

ENDS

Required disclosures

UNIVERSITY OF CANTERBURY

Results for announcement to the market		
Reporting Period	1 January 2016 to 30 June 2016	
Previous Reporting Period	1 January 2015 to 31 December 2015	
	Amount (000s)	Percentage change¹
Income from ordinary activities	NZ\$ 175,849	2.0%
Surplus (deficit) from ordinary activities after tax	NZ\$ 10,143	-9.1%
Net surplus (deficit)	NZ\$ 10,143	-9.1%

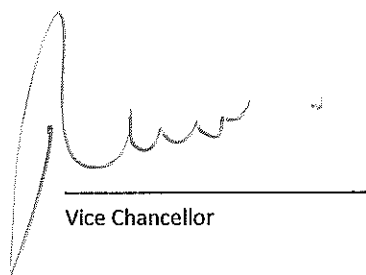
Interim/Final Dividend	Amount per security	Imputed amount per security
	It is not proposed to pay dividends.	Not applicable
Record Date	Not applicable	Not applicable
Dividend payment date	Not applicable	Not applicable

Comment: see preceding statement

Contact

Keith Longden, 64 3 369 3454

SIGNED by
University of Canterbury



Vice Chancellor



Executive Director/Chief Financial Officer

¹ Percentage change represents the movement from the report for the six months ending 30 June 2015.