



NZX & Media Release

Thursday 19 February 2015

LOGISTICS LEADERS TEAM UP TO CREATE LEANER PATHWAYS TO PORT

New Zealand's leading freight gateway Port of Tauranga and freight and logistics management company Kotahi announced today the amalgamation of four of their complementary domestic logistics businesses to create leaner, more efficient pathways to and from freight hubs and key New Zealand ports.

Business transaction:

- A new 50:50 joint venture between Port of Tauranga and Kotahi is being formed and is named Coda;
- Port of Tauranga is contributing the assets of wholly-owned subsidiary Tapper Transport which includes Priority Logistics; container packing and unpacking facility MetroPack and its 37.5% stake in empty container repair and storage business MetroBox;
- Kotahi is contributing the assets of logistics and transport group Dairy Transport Logistics (DTL)¹;
- The transactions will be completed Friday 1 May 2015.

Coda will be led by interim Chief Executive, Scott Brownlee who has previously been Chief Executive of DTL. The business expects to move more than five million metric tonnes per year of containerised and bulk freight to and from freight hubs and key shipping ports.

Kotahi Chief Executive Chris Greenough said the formation of Coda is the next step in Kotahi and Port of Tauranga's long-term plans to prepare for the introduction of larger ships to New Zealand. It will boost the efficiency of the nationwide supply chain, remove wasted capacity and reduce the costs of consolidating the cargo necessary for big ships.

"The Ministry of Transport Future Freight Scenarios report, released recently highlighted that New Zealand faces costly inefficiencies in the domestic supply chain. These inefficiencies need to be addressed and it will only be through players in the industry working together that sustainable cost savings can be achieved," Mr Greenough said.

"As such, the establishment of Coda supports the agreement announced in June 2014 between Kotahi and Port of Tauranga, to commit specified volumes of freight until 2024 as part of the pathway to introducing large ship visits to New Zealand," he said.

Port of Tauranga Chief Executive Mark Cairns said: "This new limited partnership with Kotahi is the logical extension of the June container volume agreement."

"Coda will deliver significant efficiencies across the supply chain by driving the consolidation of traffic and improving connectivity between freight hubs across the country. As a direct result, we expect the agreement to be attractive to a wide range of import/export and domestic customers and to support growth in container volumes through Port of Tauranga's freight handling facilities," said Mr Cairns.

Coda interim Chief Executive Scott Brownlee said: "Coda brings a new offering to the market with its unique combination of infrastructure assets, cargo volume and service providers. This allows the business to realise value and move freight more efficiently to benefit all regions in New Zealand."

¹ Kotahi will acquire Dairy Transport Logistics from Fonterra in a transaction on 1 May 2015.

“Our ability to bring together the right skills, infrastructure and breadth of customers will allow us to support the arrival of larger ships to New Zealand. We’re opening up local, regional and international pathways for everyone to share in the benefits.”

“Currently, the nationwide logistics network carries a lot of ‘air’. Coda will optimise freight flows and better co-ordinate freight movements in New Zealand’s hinterland logistics network. Connecting cargo flows into one network system will greatly reduce the number of empty vehicles, containers and ships travelling around the country.”

“We will continue a high level of service to existing and new customers, while utilising our planning systems and span of customers to marry-up capacity for domestic and import cargo which mainly flows south from the upper North Island, with capacity for export cargo, which mainly flows north.”

“Coda will work with like-minded business partners to develop a new intermodal freight hub (IFH) network to support the flow of cargo as it moves around the supply chain.”

“Carriers will have certainty in freight volumes, which will allow them to better utilise assets and make investment decisions to develop an efficient end-to-end import/export freight offering,” said Brownlee.

ENDS

Contact for further information:

Port of Tauranga

Richard Inder
Merlin Consulting
+64(0)21 645 643

Kotahi/Coda

Belinda Leslie
Baldwin Boyle Group
+64(0)21 0285 7579

Note to editors



Caption: Port of Tauranga Chief Executive Mark Cairns (left) and Kotahi Chief Executive Chris Greenough today announced the amalgamation of four of their complementary domestic logistics businesses.

A high resolution image of this picture can be downloaded from the following link:
www.dropbox.com/s/npg9t2gohvpqdy6/Cairns%20and%20Greenough.jpg?dl=0

More on the Coda name

Coda is a musical and literary term for “a connector”. It brings together all the various parts and reflects the core of the Coda business which is about “bringing people together”. The tagline Collective Cargo, reinforces the collective approach to the supply chain. For more about Coda please visit www.codagroup.co.nz

About Kotahi

Kotahi, New Zealand’s leading freight and logistics management company, specialises in matching freight requirements for export and import businesses with ocean, rail and road transport providers to ensure New Zealand remains competitive in international markets. For more information about Kotahi please visit www.kotahi.co.nz

About DTL

Dairy Transport Logistics (DTL) offers a fully outsourced end-to-end supply chain solution covering road, rail and coastal transport options, as well as container management, warehousing and distribution services. For more information please visit www.dtlnz.co.nz

About Port of Tauranga

Port of Tauranga is New Zealand's largest port by volume of cargo and New Zealand's international freight gateway. It operates wharves at Tauranga, Mount Maunganui and Timaru, as well as MetroPort, a rail-linked inland port in South Auckland. It is developing an intermodal freight hub in Rolleston. The Port of Tauranga Group includes: **Tapper Transport**, New Zealand's largest wharf cartage company. It operates a container freight station adjacent to MetroPort Auckland, and owns **Priority Logistics**, a Bay of Plenty-based transport and freight handling operation; **Quality Marshalling**, a forestry and container handling company, **Northport** (50% ownership), which operates a deepwater commercial port in Whangarei, **PrimePort Timaru** (50% ownership), which operates the commercial port in Timaru, **Timaru Container Terminal**, which leases and operates the container terminal at Timaru, **MetroPack** (50% ownership with Tapper Transport owning the other 50%), a container packing and unpacking business based in Auckland and Tauranga, **MetroBox** (37.5% ownership), a container cleaning, repair and storage service. For more information about Port of Tauranga please visit www.port-tauranga.co.nz