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NEWS MEDIA RELEASE

NGC Shareholders Approve Capital Return

The proposal by NGC Holdings Limited to make a $525 million capital return to shareholders was approved by shareholders at the Company’s annual meeting in Wellington today.

Shareholder approval of the return was required under initial orders of the High Court relating to a scheme of arrangement for the proposed cancellation of three shares for every seven shares, at a payment to shareholders of $1.58 per cancelled share. NGC is now seeking final orders from the High Court to allow the capital return to proceed. Subject to these final orders, the capital return is expected to be made on or about 4 December 2003.

In his remarks to shareholders, the Chairman, Mr Greg Martin, said a Court-approved scheme of arrangement was the most effective and equitable means of returning capital to shareholders. “The proposed return is part of the development of a new capital structure that will be both more efficient and appropriate for NGC’s business.”

Mr Martin said the capital return will be funded initially through re-drawing on NGC’s existing bank facilities, but in the longer term it will be part funded by an issue of up to $200 million of fixed rate bonds proposed for later this year.

The bond issue is intended to establish a funding mix that optimises cost, duration and diversity of NGC’s funding sources. Mr Martin said he was not able to elaborate on the proposed bond issue, beyond what has already been announced, prior to the expected registration of a prospectus tomorrow.

However, he told shareholders there would be a mechanism for them to invest in the bonds, if they so choose, by way of reinvestment of the capital return payment.

Commenting on the strong financial performance of NGC during the year, Mr Martin said: “As NGC accelerates use of its tax losses and prior year tax prepayments, the Board expects return to full dividend imputation for the 2003/04 interim dividend and thereafter.” The Board will consider the amount of interim dividend in February next year.

Shareholders approved all of the resolutions set out in the Notice of Meeting. These included approval of an increase in total Directors’ fees from $300,000 to $400,000 per year, and an associated change to NGC’s Constitution, withdrawing a provision for Directors’ retirement allowances.
Mr Martin concluded: “As a result of the capital restructure, the industry repositioning of NGC and initiatives already taken to develop NGC’s ongoing businesses, the Company is well placed to harness its cash and earnings strengths to generate sustainable and predictable returns for shareholders.”

**Sir Ross Jansen Retires**

Sir Ross Jansen retired as a Director at the Annual Meeting. Sir Ross has served as a Director since NGC Holdings Limited was listed in 1992. NGC is currently seeking a suitably qualified candidate to fill the resulting casual vacancy.

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