

21 August 2017

University of Canterbury NZX Statement
Preliminary announcement to half year report

These financial statements show continued steady financial performance.

The University's \$13.2 million surplus represents the result of operations to 30 June 2017, which is not representative of the full year where the full cycle of earnings is annual. The majority of student-related earnings are made in the first half of the financial year. The current projection for the 31 December 2017 Annual Report is for a deficit of \$2.5 million.

For the six months to 30 June 2017, the University recognised revenue of \$185.4 million (30 June 2016: \$175.8 million). By the year end, the University is projecting to have increased its Equivalent Full Time Student (EFTS) numbers over 2016 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 \$172.2 million in the same period (30 June 2016: \$165.7 million), with cost savings against budget being achieved under most expense headings.

At 30 June 2017, there are no 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. While this has attenuated, the continuing uncertainties in relation to the cost of the earthquake damage repairs is explained in note 8 to the financial statements.

UC continues to invest significant sums in its Education, Science and Engineering facilities, which are expected to be completed by 31 December 2017. Cash spend on capital expenditure was \$93.4 million in the six months to 30 June 2017 (30 June 2016: \$79.5 million).

The University is preparing for further capital investment and has \$296.5 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 2016: \$302.1 million). Total cash holdings at 30 June 2017 (defined as current and term deposits) are \$349.0 million (30 June 2016: \$469.0 million; 31 December 2016: \$369.5 million, both including government stock that was sold in early 2017).

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

Net tangible assets per security (\$1,000 face value) as at 30 June 2017 were \$27,878 (30 June 2016: \$26,205; 31 December 2016: \$27,568).

The University has not breached any of its philanthropic bond covenants as at 30 June 2017.

ENDS

Required disclosures

UNIVERSITY OF CANTERBURY

Results for announcement to the market		
Reporting Period	1 January 2017 to 30 June 2017	
Previous Reporting Period	1 January 2016 to 31 December 2016	
	Amount (000s)	Percentage change ¹
Income from ordinary activities	NZ\$ 185,422	5.4%
Surplus (deficit) from ordinary activities after tax	NZ\$ 13,182	29.9%
Net surplus (deficit)	NZ\$ 13,182	29.9%

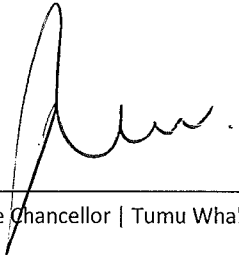
Interim/Final Dividend	Amount per security	Imputed amount per security
It is not proposed to pay dividends	Not applicable.	Not applicable
Record Date	Not applicable	Not applicable
Dividend payment date	Not applicable	Not applicable

Comment: see preceding statement

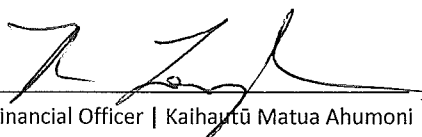
Contact

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SIGNED by
University of Canterbury



Vice Chancellor | Tumu Whakarae



Chief Financial Officer | Kaihautū Matua Ahumoni

¹ Percentage change represents the movement from the report for the six months ending 30 June 2016.