



12 March 2014

QUAYSIDE HOLDINGS LIMITED PREFERENCE SHARES RATE RESET

Dear Unit Holder

On 12 March 2014 it was three years since the last rate reset for Quayside Holdings Limited Preference Shares. It also triggered a rate reset for dividends payable on your shares for the next three year term. **The rate to be applied for the next three years will be 5.88 percent.** The current rate is 5.42 percent. The first dividend paid at the new rate will be on 12 June 2014.

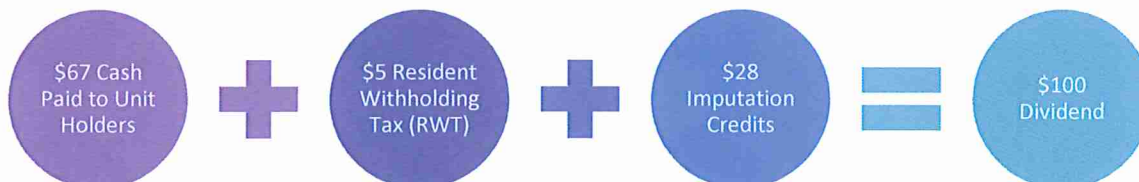
How is the Reset Rate calculated?

The Reset Rate formula is defined in the Investment Statement and Prospectus of 31 January 2008. The dividend rate is to be reset every three years from 12 March 2008. The rate is reset using the three year swap rate, plus a margin of 1.70 percent. The rate of 5.88 percent for the three years commencing 12 March 2014 has been derived this way. This rate will be applicable through until 12 March 2017, at which point the rate will be reset once more.

Is there any change to my dividend payments?

The dividend paid on 12 March 2014 will be the last quarterly dividend paid at 5.42%. The new rate will be effective from 12 June 2014. Dividends will continue to be paid quarterly, on 12 March, June, September and December respectively each year.

Quayside dividends will continue to include Resident Withholding Tax paid on behalf of members and Imputation Credits as illustrated below. The percentage of tax deducted is not affected by the change in interest rate reset.



How is Quayside performing?

Quayside remains a majority holder in the Port of Tauranga Limited, New Zealand's largest exporting port. Quayside reported to the NZX an unaudited consolidated profit after tax of \$42.1 million for the six months to 31 December 2013. If you have any questions about Quayside please email enquiries@quaysideholdings.co.nz

How can I buy more or sell my units?

Quayside Holdings Limited Preference Shares are listed on the NZX Debt Market (at www.nzx.com stock code QHLHA), and can be traded through your broker. Further information about your current holding in Quayside Preference Shares can be obtained from Computershare Investor Services Limited on email at enquiry@computershare.co.nz. Alternatively you can review or manage your share holding online at www.investorcentre.com/nz.

What do I need to do?

There is no action required on your part. This letter is to advise you of the change in the dividend rate you will receive as a result of the Rate Reset.

Quayside thanks you for your continued investment.

Yours Sincerely

A handwritten signature in blue ink, consisting of a stylized 'S' followed by a horizontal line.

Scott Hamilton
Chief Executive