



Annual results announcement Meridian Energy Limited

Reporting Period Twelve month period ending 30 June 2010

Previous reporting period Twelve month period ending 30 June 2009

	ACTUAL (NZ\$m) 12 MONTHS TO 30 June 2010	ACTUAL (NZ\$m) 12 MONTHS TO 30 June 2009	PERCENTAGE CHANGE (%)
Total Operating Revenue	\$2,061.9m	\$1,892.4m	9% increase
EBITDAF ¹	\$641.7m	\$512.4m	25% increase
Underlying Profit/(Loss) after Tax ²	\$251.9m	\$195.0m	29% increase
Net Profit/(Loss) after Tax ³	\$184.0m	\$89.3m	106% increase
EBITDAF per MWh	\$46.29 per MWh	\$41.87 per MWh	11% increase

1 EBITDAF – earnings before interest, taxation, depreciation, amortisation and financial instruments.

2 Underlying Profit/(Loss) after Tax – represents profit after tax and excludes earnings from unrealised fair value movements on financial instruments and other one-off items net of tax.

3 Net Profit/ (Loss) after Tax – includes unrealised gains/(losses) on financial instruments.

OPERATING STATISTICS	ACTUAL – GWh 12 MONTHS TO 30 June 2010	ACTUAL – GWh 12 MONTHS TO 30 June 2009	PERCENTAGE CHANGE (%)
Generation			
- Hydro generation	12,857	11,721	10% increase
- Wind generation	1,005	516	95% increase
Total generation	13,862	12,237	13% increase
Retail sales (excluding volume sold to RTA Power (NZ) Ltd)	7,658	7,882	3% decrease

Dividends

The Board of Meridian have declared a final dividend of \$68.5m to be paid on 29 October 2010, following an interim dividend of \$89.6m paid in April represents a total dividend of \$158.1m.

Financial commentary

Meridian's recorded a strong financial result. Net profit after tax of \$184.0 million for the year ended 30 June 2010 – an increase of \$94.7 million from last year. Underlying profit after tax excluding earnings from fair value movements and other one-off items was \$251.9 million, an increase of 29% compared with last year.

Meridian's EBITDAF result is a record at \$641.7 million, an increase of \$129.3 million when compared with last year. This improvement in financial results over the comparative period was achieved despite flat electricity demand.

Wholesale electricity revenues benefited from good lake storage and inflows during the year and the commissioning of the West Wind wind farm. This resulted in Meridian's share of national generation growing by 1,625GWh - 13%.

Retail revenues increased despite a 3% reduction in retail sales volumes, this is a reflection of an enhanced coordination of our wholesale and retail businesses, refining our customer mix, including increasing our North Island customer base by 17 per cent.

During the year Meridian acquired wind generation assets in Australia (Mt Millar wind farm) and continued to develop New Zealand generation. These, combined with a revaluation of the generation assets, are core drivers for the increase in total assets to \$8.7 billion. Gearing ratios have been maintained within the targeted range.

Outlook

The 2011 year has commenced with Waitaki catchment storage at 122% of average, with relatively low market prices. This is expected to improve but our projections suggest a likely NZ electricity gross margin slightly below last year. Meridian continues to work through implementing the recommendations of the Ministerial Review.

The Annual Report will be available on Meridian's web site www.meridianenergy.co.nz immediately following the results being tabled in Parliament – which is anticipated to occur in late September 2010.