



meridian

Release

Stock exchange listings: NZX (MEL) ASX (MEZ)

Meridian delivers earnings growth and commences capital management

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Meridian Energy has delivered a strong result for the financial year ended June 2015 with its key financial measures ahead of last year and the forecast in the company's prospectus.

Net profit after tax was \$247 million, 7% higher than last financial year and 17% higher than the prospectus forecast. Underlying net profit after tax was \$209 million, 7% higher than last financial year and 17% higher than the prospectus forecast.

Whilst Meridian paid tax of \$96 million during the year, net profit after tax benefitted from accounting adjustments to tax of \$62 million relating to Australian capital gains tax not now payable and the reinstatement of tax depreciation on powerhouse structures over future years.

Operating earnings as measured by EBITDAF (earnings before interest and taxation, depreciation, amortisation and fair value adjustments) was \$618 million, 6% higher than last financial year and 5% higher than the prospectus forecast.

Meridian's Chief Executive Mark Binns said it was pleasing that the company posted such a great result in the year that marks the end of the company's prospectus reporting requirements. "We continue to generate high levels of free cash flow and our shareholders have enjoyed a 36% total shareholder return in the last year and 71% since the company listed," he said.

Returns are enhanced by the commencement of a capital management programme, in the form of a 2.44 cents per share special dividend, with gains from asset sales and one-off events used to boost special dividends up to 5.35 cents per share for the year.

"Provided nothing occurs to impact the company's financial position and no significant growth opportunity presents itself, this will be a five-year capital management programme. The directors will continually monitor the best means of returning up to \$625 million to shareholders over this period," said Mr Binns.

The company has also announced a 12.88 cents per share ordinary dividend for the year, which will see a final dividend of 8.08 cents per share. This final dividend, together with the final special dividend, will be paid on 15 October 2015, with a record date of 30 September 2015.

“In the last year, we have seen progress on a number of issues affecting the New Zealand electricity market. Modest demand growth is welcome, the Tiwai Point smelter’s immediate future is clearer and the Electricity Authority has proposed a more sustainable option on transmission pricing.

“We are also seeing further changes to New Zealand’s generation base being signalled with announcements of thermal plant retirement, enhancing prospects of achieving the Government's target of 90% of electricity generation from renewable sources by 2025,” said Mr. Binns.

“Our sharpened health and safety focus, the performance of our retail businesses in both New Zealand and Australia and the rapid resolution of Manapōuri transformer issues are all highlights from a very good year of operational performance.

“Over the coming year we will focus on lifting our retail performance in New Zealand and growing in Australia through Powershop,” he said.

ENDS

Mark Binns
Chief Executive
Meridian Energy Limited

For investor relations queries, please contact:

Owen Hackston
Investor Relations Manager
021 246 4772

For media queries, please contact:

Paul Clearwater
External Communications
027 282 0016