



meridian

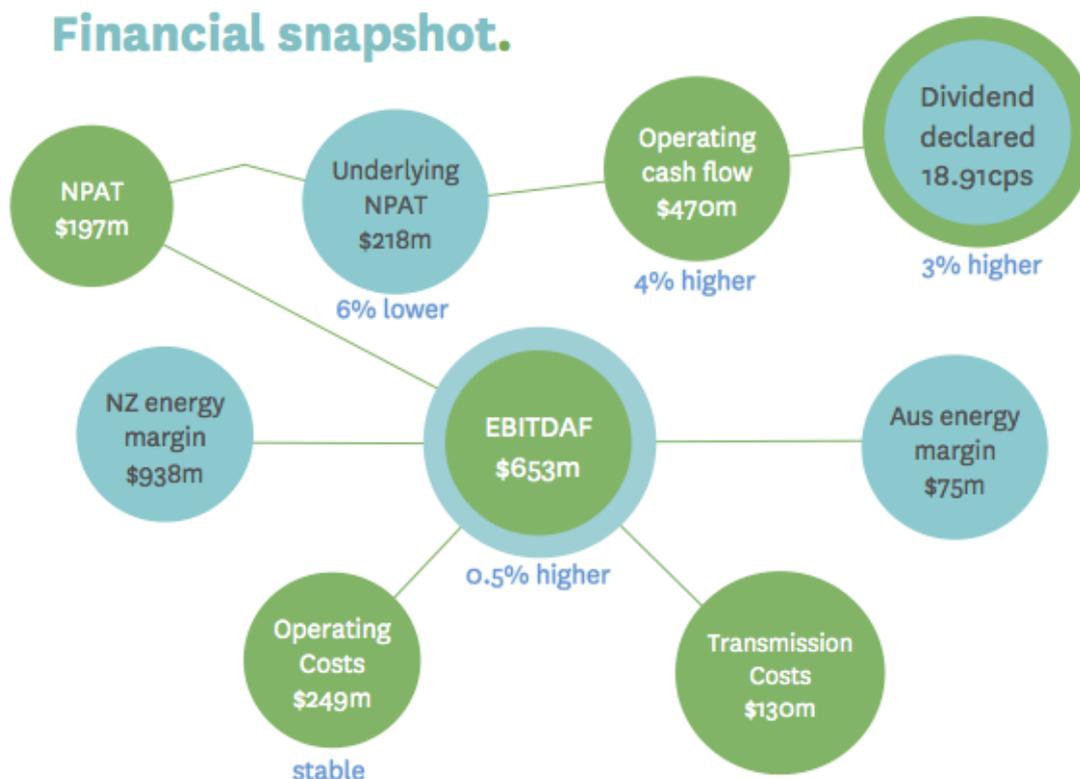
Release

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

Meridian delivers strong financial performance

24 August 2017

Financial snapshot.



Financial results

“We’re pleased to report another good financial result for Meridian, achieved despite poor inflows into our southern catchment lakes. The result reflects the ability of Meridian people to manage our assets and natural resources effectively and responsibly,” says Mark Binns, Meridian’s Chief Executive.

Meridian’s EBITDAF of \$653 million is a slight improvement on last year. This was reached through achieving

a very good result in the first half of the year, while limiting the impact of low lake levels in the second half, through astute risk management.

Despite the dry period in the second half of the year, Meridian still generated 31% of New Zealand's electricity, which is only slightly below our average annual generation market share.

Net cash from operating activities was at a record level, up 4% on last year. While customer revenues were down, so was the amount paid for the electricity supplied, and this together with tight control of costs, delivered another satisfactory result.

Meridian's share price performed strongly, ending the year up 10%. This performance, combined with dividends paid, generated a total shareholder return of 17% for the year.

Meridian's Board has declared a final ordinary dividend of 8.70 cents per share, which takes the total ordinary dividend to 14.03 per share, a rise of 4% for the year.

Retail focus

In an industry where success can be reflected in the retention of customers, Meridian has focused on the processes we run to ensure we retain Meridian customers at our ICPs – measured by a 'move in' churn rate.

"Meridian retail is one of the leading retailers with a 'move-in' churn rate for the year to 30 June of 12.0%. This rate is below the industry rate of 13.3% and reflects the success of our marketing campaigns and the improvements we've made in supporting customers when they move homes," says Mark Binns.

Supporting our customers to embrace new technology through special pricing plans has also been a focus this year.

"Meridian has a market leading pricing plan for customers who own electric vehicles, which enables them to charge their cars overnight on tariffs lower than they would otherwise pay," says Mr Binns.

Meridian is committed to promote and encourage the uptake and use of electric vehicles – it's widely accepted that electrifying transport is one of the big opportunities New Zealand has to reduce its emissions.

New markets for growth

Having successfully delivered the Powershop platform to nPower in the UK, prior to Christmas last year, this year has been focused on delivery of 'white label' capability. Meridian separated the software development business of Powershop New Zealand from the New Zealand retail operations and created a separate entity called Flux Federation, effective 1 July 2017.

“Flux’s ability to deliver the Powershop platform to nPower has provided us with the confidence to investigate the possibility of entering markets in continental Europe,” says Mark Binns.

Strongly committed to sustainability

During this financial year we reinforced the importance of sustainability to our business by refreshing our sustainability framework, taking inspiration from the United Nations Sustainable Development Goals to which the New Zealand Government (our majority shareholder) has committed, along with 192 other countries including Australia.

We have also adopted the International Integrated Reporting Council’s Integrated Reporting Framework. This fresh approach is intended to remind our shareholders that sustainability is integral to how we do business, and has been one of the keys to our success during our 18 years of existence.

For the past two years Meridian has been one of only three New Zealand companies listed on the Dow Jones Asia-Pacific Sustainability Index. This achievement recognises Meridian’s sustainable business practices and how they assist in generating long-term shareholder value.

“This year’s integrated report reflects our view that the way in which Meridian engages with its customers, people, communities, iwi and the environment, supports our ability to continue delivering shareholder returns,” adds Mr Binns.

ENDS

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