

IT'S OUR FUTURE.

As a 100% renewable energy generator, and as a retailer, our business has always walked hand in hand with the environment. But building a sustainable future is much more than that...

We understand the value of collaboration over conflict, of long-term plans over short-term plays, of striving to do the right thing by people and the planet.

Last year the United Nations set out goals for global sustainability. We're already playing a significant role for New Zealand.

World-leading investors are asking for evidence of integrated sustainable thinking. That's how we've always thought.

They know, like we know, that creating value for others is the best way to create value for our business.

Our success depends on building a better tomorrow, for everyone.

That's why we're working to build a better future for our team, customers, communities, New Zealand and beyond.

IT'S ALL CONNECTED



**MERIDIAN
ENERGY
LIMITED**

OUR RESULTS FOR THE
YEAR ENDED 30 JUNE 2017
ARE NOW AVAILABLE.

Creating value through sustainability

Dear Investor

We want to take this opportunity to thank you as a shareholder, for entrusting us with your money. We create value and financial returns for you and our other shareholders by taking care of the resources we depend upon—our financial resources, our assets and technology, our people and expertise—and through building long term relationships with our other stakeholders including our customers, iwi and local communities.

This year our annual report is an integrated report—we've adopted the International Integrated Reporting Council's Integrated Reporting Framework. This fresh approach to reporting is intended to remind shareholders that sustainability is an integral part of our financial success—it isn't only about renewable energy and recycling used coffee cups!

Sustainability is what Meridian has always been about—environmentally, socially and financially. In financial year 2017 (FY17) we've reinforced the importance of sustainability to our business by refreshing our sustainability framework.

We've taken inspiration from the United Nations Sustainable Development Goals as a guide, to which the New Zealand Government (our majority shareholder) has committed, along with 192 other countries including Australia. These goals guide our thinking, and provide meaning and context to our business. You can read more about our refreshed sustainability framework and the United Nations Sustainable Development Goals (SDGs) on page 9 of our Integrated Report.



CHRIS MOLLER
CHAIR

Mark joined Meridian for the challenge of preparing the company for what would be New Zealand's largest initial public offering (IPO). The process was an outstanding success and, on behalf of the Board, I would like to thank Mark publicly for the excellent job he has done in leading Meridian through this transformative period. While the Board was disappointed to be advised of Mark's retirement, we are pleased to have unanimously appointed Neal Barclay as Meridian's new CE and the Board is looking forward to working with Neal from the beginning of 2018.

It has been a privilege to head Meridian over the last six years. Meridian occupies a unique space as owners of some of New Zealand's most iconic electricity generation infrastructure. However, it's an even better feeling to know that I am leaving the leadership of the company in such capable hands—in both Neal and the Executive Team.



MARK BINNS
CHIEF EXECUTIVE

This year's Integrated Report aims to provide a concise summary of the year in review, and the way in which Meridian takes care of its customers, people, local communities, iwi and the environment which in turn supports our ability to continue delivering shareholder returns. This way of reporting is significantly more meaningful and engaging than typical reports, and we encourage you to read it and would love your feedback which you can email to investors@meridianenergy.co.nz



We also would like to draw your attention to the following:

- It was a dry year which saw exceptional performance from the Meridian team, with the driest February to June period since records began 84 years ago.
- From June to August, Meridian called on our 'swaption' with Genesis to provide financial cover for our sales position.
- Despite this challenge, New Zealand still produced over 80% of its electricity from renewable sources in FY17, with Meridian contributing just under half of that amount.
- Meridian achieved EBITDAF of \$653 million, up slightly on last year and generated operating cash flow 4% higher than last year.
- This solid cash flow performance and strong balance sheet have allowed the Board to declare an increased final ordinary dividend of 8.70 cents per share, which takes the total ordinary dividend to 14.03 cents per share, a rise of 4% for the year.
- The Board also declared special dividends totalling 4.88 cents per share for the year, bringing the total amount distributed under the five year capital management programme to \$312.5 million.
- Meridian shareholders enjoyed a 17% total return in the 2017 financial year.
- The retail business in New Zealand continued to focus on customer retention and service.
- In Australia, Powershop now has over 100,000 customers.
- In the UK, we successfully delivered the first milestones under our franchise agreement with nPower.

On behalf of the Board and the Executive Team we want to thank our shareholders for entrusting us with their money, our customers for doing business with us, all our stakeholders for collaborating with us and our staff for their dedication and loyalty to help Meridian create a sustainable future through renewable energy.

[CLICK HERE TO DOWNLOAD THE FULL MERIDIAN INTEGRATED REPORT FOR THE YEAR ENDED 30 JUNE 2017.](#)