



meridian

Meridian Energy's half-year result a solid recovery from previous record dry year

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Meridian's Group net profit after tax (NPAT) for the six months ended 31 December 2012 was \$173.3 million, an increase of \$164.1 million compared with the same period last year. This increase reflects good operating performance combined with significant, favourable, non-cash fair value movements in derivative instruments.

This solid operating result was achieved despite a 33% increase in transmission costs, dry year hedges hanging over from last year and multiple high-voltage direct current (HVDC) outages associated with the Pole 3 upgrade.

There was a modest EBITDAF decline of 6% to \$277.1 million compared with the same period last year. Adjusting for the effects of non-cash fair value movements and other one-off items, underlying NPAT was \$88.3 million – an 11% reduction on the same period last year.

Meridian's results have recovered strongly from the second half of the 2012 financial year, where record low inflows made for difficult operating conditions. EBITDAF for the six months to 31 December 2012 is 52% higher than the six months to 30 June 2012.

This improved profitability can be attributed to increased inflows and better efficiencies in the company's core business, particularly in the retail business.

Meridian's Chief Executive, Mark Binns, said, "Meridian returned to higher profitability this half year and is on track to achieve significant full-year EBITDAF growth.

"Operationally the business is in good shape and we're building resilience against New Zealand's medium-term flat demand outlook."

The company's Australian investment strategy is progressing well. Construction started on Mt Mercer wind farm in December and Macarthur wind farm, a joint venture with AGL Energy, will begin to generate revenue this month.

Meridian will pay a dividend of \$99.8 million to its shareholder, reflecting 100% of adjusted NPAT.

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About Meridian Energy

Meridian Energy is an integrated renewable energy company; the largest generator in New Zealand, with a strong pipeline of development options in Australasia; and an electricity retailer throughout New Zealand.

Meridian and its online subsidiary Powershop retail electricity to approximately 285,000 connections – homes, farms and businesses throughout New Zealand.

The Meridian Energy Group includes a parent company Meridian Energy, subsidiary businesses in Australia and the USA and other innovative New Zealand investments that complement our core activities as an electricity generator and retailer.

Meridian generates electricity from renewable sources – wind and water in New Zealand; wind in Australia; and solar in the USA. The company supplies 30 per cent of New Zealand's total electricity needs, including to the country's largest consumer, the New Zealand Aluminum Smelter. Meridian owns and operates seven hydro stations, six within the Waitaki Hydro Scheme, and four wind farms throughout New Zealand.

Meridian's commitment to renewable energy, environmental stewardship and support for the communities living alongside its assets makes it authentically sustainable. Meridian continually looks for ways to provide positive energy solutions to customers to help them reduce their energy use.