

Meridian Energy

MONTHLY OPERATING REPORT *November 2013*

November Highlights

National storage decreased during the month to finish November 33% above average

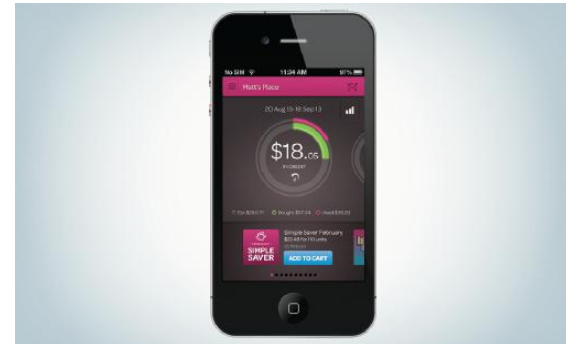
Irrigation load underpinned a 10% increase in South Island demand compared to November last year

Below average inflows into Meridian's catchments in November

Both Meridian's year to date inflows and its Waitaki storage remain very high compared to historic averages

Monthly market switching rates across all retailers were at the highest level in over two years

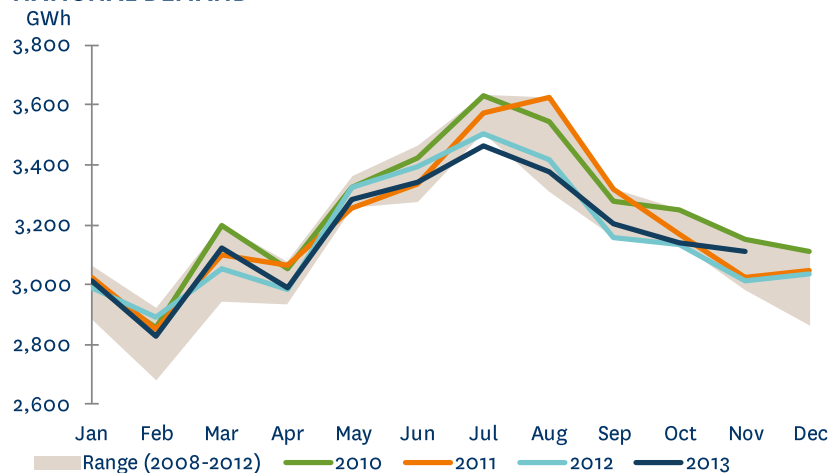
Irrigation load helped lift Meridian's retail sales volume by 11% compared to November last year



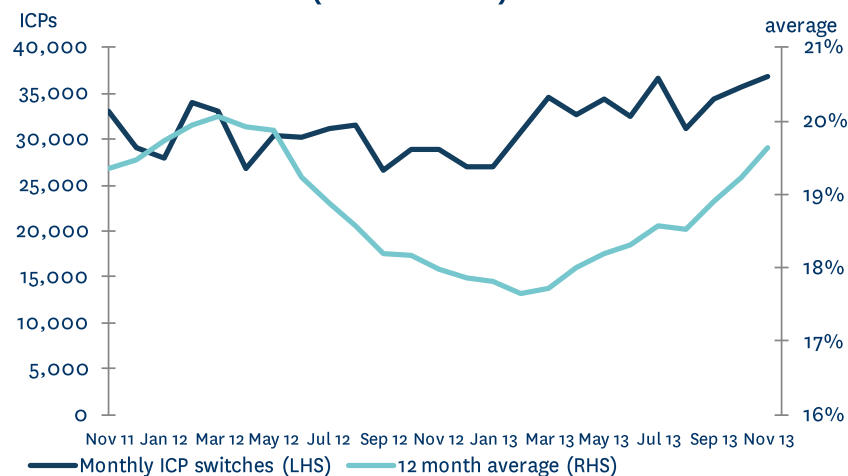
Market Data

- Subdued national demand continues to be influenced by long term decline in industrial demand
- Demand in 2013 remains flat compared to 2012 with downward pressure from a reduction in Norske Skog Tasman Mill consumption and very mild winter temperatures
- South Island demand in November increased to nearly 10% above November 2012, including higher irrigation load in Otago and Canterbury
- New Zealand Aluminium Smelters' average load during November was slightly above the 572MW base quantity of the NZAS Agreement
- Monthly market switching rates remained high (37k switches in November 2013), the highest level of monthly switches since August 2011
- 12 month average switching rate of 19.6% at the end of November 2013

NATIONAL DEMAND

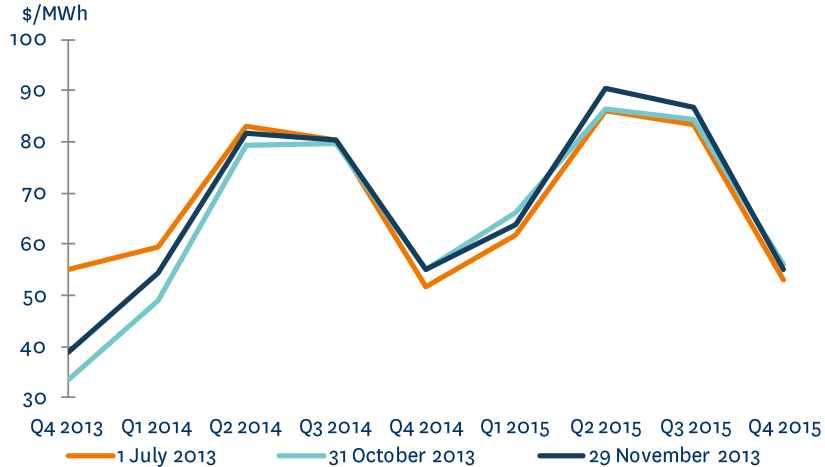


MARKET ICP SWITCHING (ALL RETAILERS)

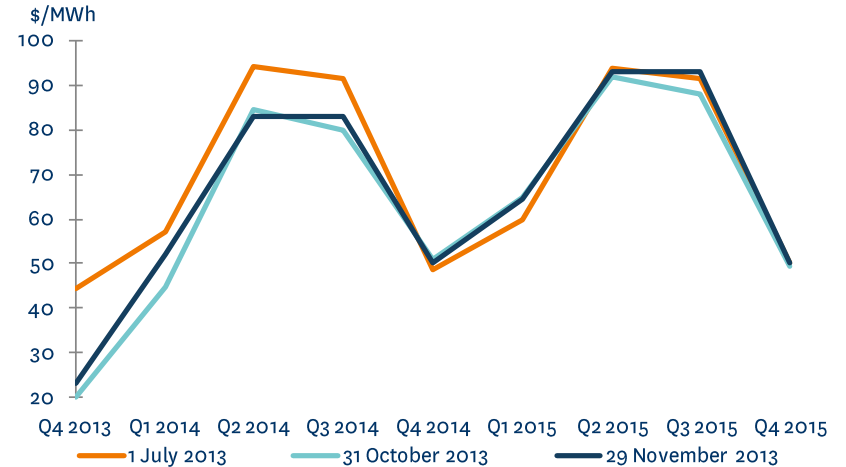


Market Data

OTAHUHU ASX FUTURES SETTLEMENT PRICE

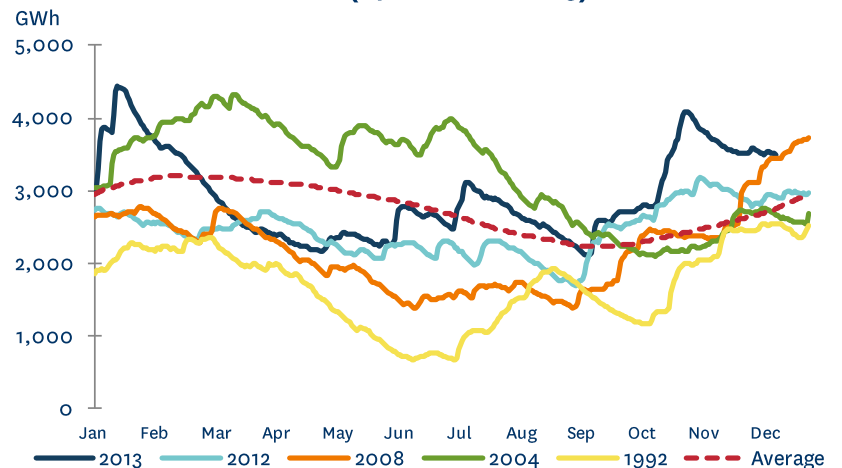


BENMORE ASX FUTURES SETTLEMENT PRICE



- Forward prices rose slightly in November, mainly at Benmore, as storage declined
- National storage fell during November to end the month 33% above average
- High South Island storage (37% above average at the end of the month) largely reflects the high storage levels in Meridian's Waitaki catchment

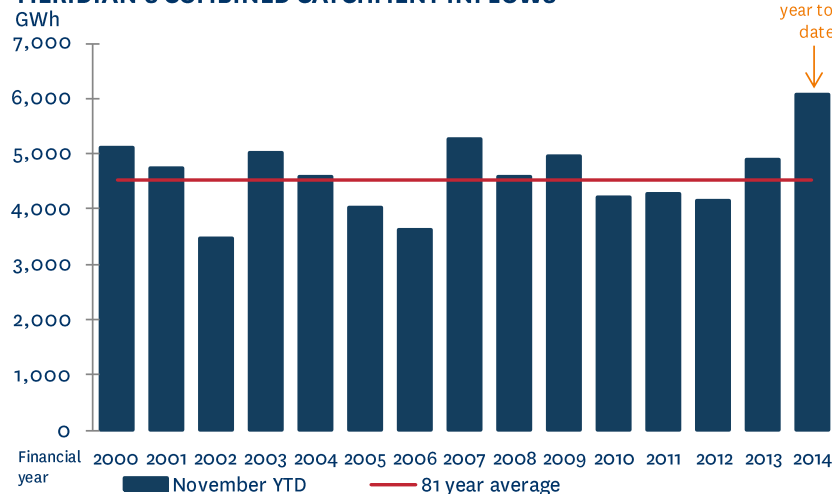
NATIONAL HYDRO STORAGE (14 DECEMBER 2013)



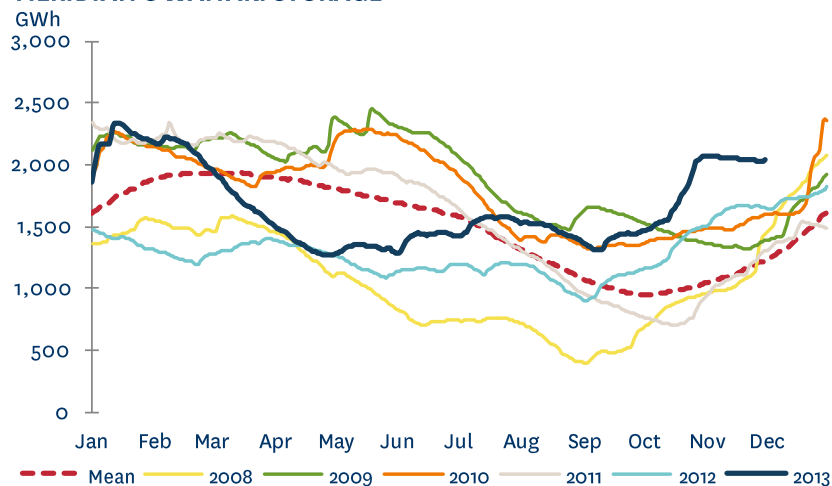
Meridian Operating Information

- November monthly inflows were at 77% of historical average
- To date this financial year inflows are now 134% of historic average, represented the 4th highest July to November inflows on record
- Meridian's Waitaki catchment storage at the end of November was at 2,039GWh, which is 166% of historic average and 23% higher than at the same time last year

MERIDIAN'S COMBINED CATCHMENT INFLOWS



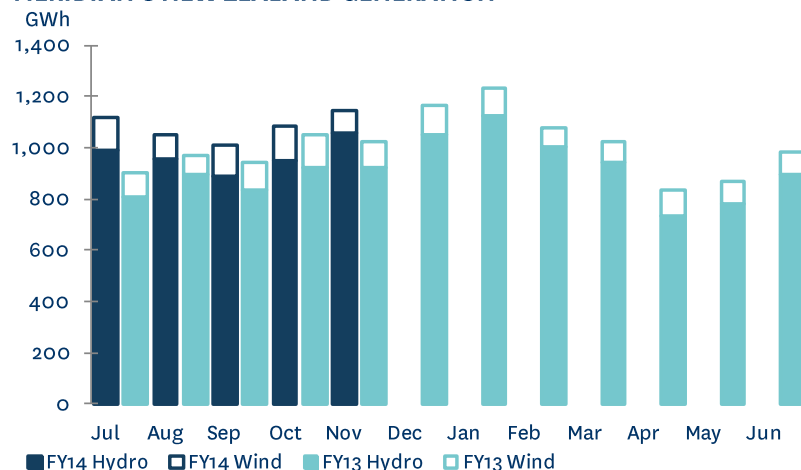
MERIDIAN'S WAITAKI STORAGE



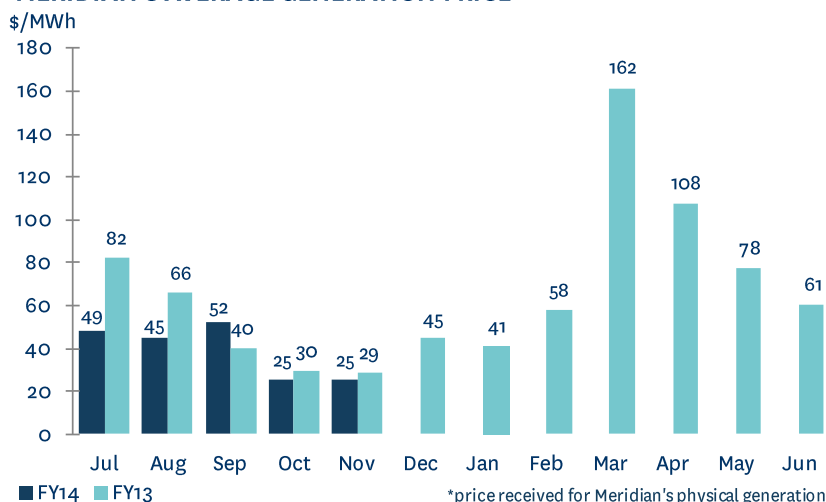
Meridian Operating Information

- Meridian's New Zealand generation in November was 12% higher than the same month last year
- To date this financial year Meridian's New Zealand generation is 11% higher than the same period last year
- Meridian's generation market share increased during November, with weekly share above 40% by the end of the month
- Final tests were completed on the control systems of the HVDC at the end of November, with the full inter island link now in commercial operation
- The average price Meridian received for its generation in November was 12% lower than the same month last year, largely reflecting the higher than average hydro storage position
- Similarly, the price Meridian paid to supply contracted sales in November was 22% lower than the same month last year

MERIDIAN'S NEW ZEALAND GENERATION



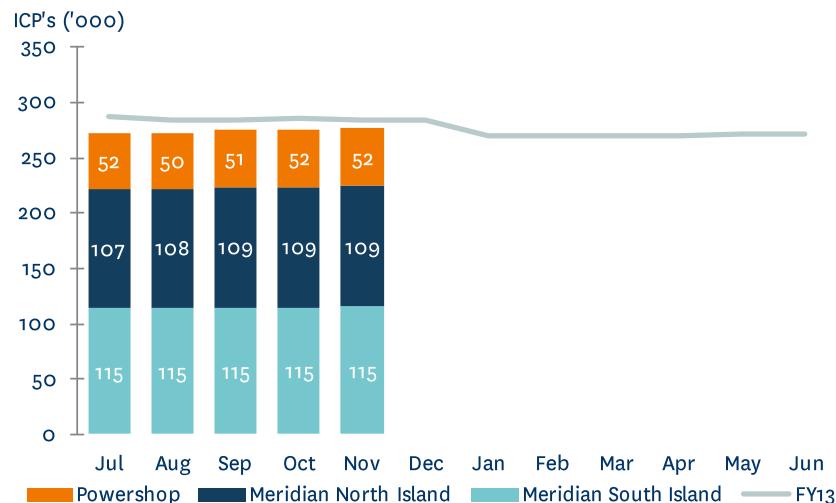
MERIDIAN'S AVERAGE GENERATION PRICE*



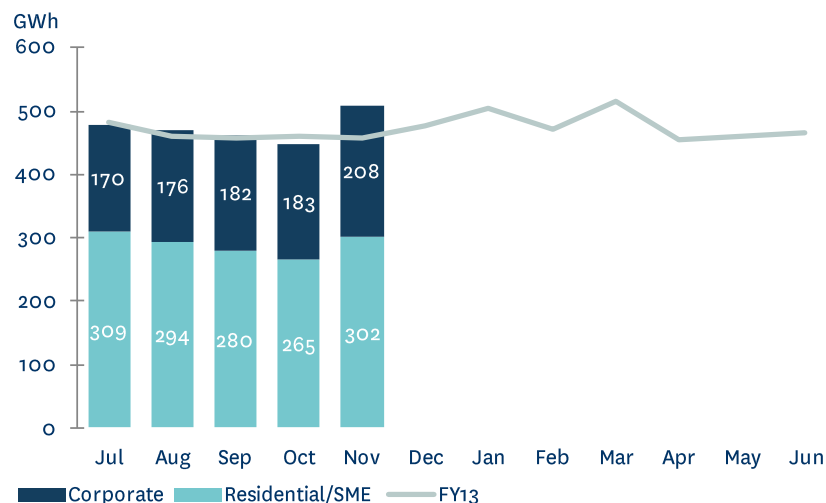
Meridian Operating Information

- Meridian's customer connection numbers have increased by 1.6% since June 2013, reflecting 2.8% growth in Meridian North Island customer connection numbers
- In December 2012, Meridian's customer connection numbers dropped by around 14,000, reflecting Energy Direct NZ's decision to operate as an independent retailer at that time
- To date this financial year Meridian's retail sales volumes are 2.3% higher than the same period last year
- Higher irrigation load this month helped lift sales volumes 11% higher than November last year

MERIDIAN'S CUSTOMER CONNECTIONS



MERIDIAN'S RETAIL SALES VOLUMES*



Meridian Operating Information

	November 2013 month	November 2012 month	October 2013 month	September 2013 month	5 months to November 2013	5 months to November 2012
New Zealand Contracted Sales¹						
Retail contracted sales volume (GWh)	509	457	448	463	2,369	2,316
Retail contracted sales average price (\$/MWh)	\$91.7	\$97.5	\$97.8	\$109.1	\$106.7	\$112.2
NZAS sales volume (GWh)	412	392	426	411	2,100	1,996
Sell side derivatives volumes ² (GWh)	219	165	175	126	773	742
Wholesale contracted sales average price (\$/MWh)	\$53.2	\$57.5	\$55.1	\$57.3	\$56.0	\$60.0
New Zealand customer connections ³	276,403	284,746	275,870	275,303		
New Zealand Generation						
Hydro generation volume (GWh)	1,059	922	953	892	4,847	4,383
Wind generation volume (GWh)	86	100	132	117	560	504
Total generation volume (GWh)	1,145	1,022	1,085	1,009	5,407	4,887
Average generation price ⁴ (\$/MWh)	\$25.5	\$28.9	\$25.4	\$52.2	\$39.0	\$48.4
Acquired generation volume ⁵ (GWh)	168	198	175	210	1,054	1,295
Cost to supply contracted sales (\$/MWh)	\$28.1	\$35.9	\$27.7	\$56.0	\$41.8	\$52.2

1. Contracted sales volumes and volume weighted average price received from contracted customers less distribution costs

2. Includes the sell-side of virtual asset swaps and other sell-side electricity derivatives

3. Meridian Retail and Powershop Installation control points (ICPs), excluding vacants

4. Volume weighted average price received for Meridian's physical generation

5. Includes the-buy side of virtual asset swaps and other buy-side electricity derivatives



Glossary

Acquired generation volumes	the buy-side of virtual asset swaps and other buy-side electricity derivatives
Average generation price	the volume weighted average price received for Meridian's physical generation
Combined catchment inflows	combined water inflows into Meridian's Waitaki and Manapouri hydro storage lakes
Cost to supply contracted sales	volume weighted average price Meridian pays to supply contracted customer sales
Customer connections	installation control points, excluding vacants
GWh	gigawatt hour. Enough electricity for 125 average New Zealand households for one year
Historic average inflows	the historic average combined water inflows into Meridian's Waitaki and Manapouri hydro storage lakes over the last 81 years
Historic average storage	the historic average level of storage in Meridian's Waitaki catchment since 1979
HVDC	high voltage direct current link between the North and South Islands of New Zealand
ICP	installation control points, excluding vacants
ICP switching	the number of installation control points changing retailer supplier in New Zealand, recorded in the month the switch was initiated
MWh	megawatt hour. Enough electricity for one average New Zealand household for 46 days
NZAS	New Zealand Aluminium Smelters Limited
Retail contracted sales average price	volume weighted average electricity price received from retail customers, less distribution costs
Retail sales volumes	contract sales volumes to retail customers, including both non half hourly and half hourly metered customers
Sell side derivatives	the sell-side of virtual asset swaps and other sell-side electricity derivatives
Wholesale contracted sales average price	volume weighted average electricity price received from wholesale customers, including NZAS