



meridian

## Quarterly operating result announcement Meridian Energy Limited

### Reporting Period

Three & Twelve month period ending 30 June 2012

<b>OPERATING STATISTICS</b>	3 months to 30 Jun 2012 current quarter	3 months to 31 Mar 2012 previous quarter	3 months to 30 Jun 2011 prior quarter comparative	12 months to 30 Jun 2012 current year	12 months to 30 Jun 2011 prior year comparative
<b>Generation (GWh)</b>					
- Hydro generation	1,995	2,228	3,119	9,790	12,629
- Wind generation	298	285	295	1,206	1,023
<b>Total NZ Generation</b>	<b>2,293</b>	<b>2,513</b>	<b>3,414</b>	<b>10,996</b>	<b>13,652</b>
Avg Price per MWh Generated	\$148.42/MWh	\$109.06/MWh	\$39.65/MWh	\$98.79/MWh	\$41.57/MWh
<b>Retail</b>					
- Meridian Retail ICPs	239,414	241,741	239,216	239,414	239,216
- Powershop ICPs	47,890	46,394	33,560	47,890	33,560
<b>Total Retail ICPs<sup>1</sup></b>	<b>287,304</b>	<b>288,135</b>	<b>272,776</b>	<b>287,304</b>	<b>272,776</b>
Powershop Contract Sales (GWh)	127	90	86	444	267
Meridian Contract Electricity Sales <sup>2</sup> (GWh)	1,219	1,359	1,329	5,503	5,807
Meridian Spot Electricity Sales (GWh)	455	427	451	1,744	1,796
Avg Electricity Purchase Price	\$126.57/MWh	\$104.38/MWh	\$44.77/MWh	\$97.36 /MWh	\$51.65/MWh

### Financial Results

Meridian's financial results for the full year ending 30 June 2012 will be announced in the week commencing 13 August 2012 and our Annual Report will be publicly available following tabling in Parliament.

### Operating Commentary

Unprecedented low inflows continued to affect Meridian's catchments during the quarter. The Waitaki and Waiau catchments have together received the lowest July to June annual inflow totals in 79 years of historical records. Meridian continued to manage these challenging conditions through a combination of conservative generation and acquisition of hedge cover to meet contract load.

Meridian's New Zealand generation volumes decreased 9% from the previous quarter and 33% on the same quarter last year. Annual generation volumes fell 19% from last year, reflecting the prudent management of storage necessitated by the record low inflows and the 1 June 2011 sale of the Tekapo power stations to Genesis Energy.

<sup>1</sup> Excluding vacant ICPs.

<sup>2</sup> Retail sales exclude volumes sold to RTA Power (NZ) Ltd.

Waitaki catchment inflows (including Lake Tekapo) were 69% of mean during the quarter, continuing a sequence of 5 consecutive quarters of below average inflows. Waitaki storage fell 244GWh over the quarter to 1,350GWh which is 74% of the historic mean and 548GWh lower than the same quarter last year. Waiau catchment inflows for June 2012 were 68% of historical average.

Average wholesale prices for Meridian's generation rose relative to the March quarter as below average inflows combined with cooler winter weather. Meridian's net contract position (inclusive of hedge contracts) fell slightly to 87% at the end of the quarter, as contract volumes were adjusted to align with decreased generation in the prevailing dry conditions.

Meridian's total ICP numbers decreased by 831 during the quarter, as both Powershop and Meridian Retail acquisition activities were moderated to manage the low inflow conditions.

This year Meridian has made significant progress in Health & Safety. It has now been 9 months since our last Lost Time Injury. For the full year, we recorded 2 Lost Time Injuries (including Contractors) with just 5 days lost from Lost Time Injuries, down from 3 LTIs and 11 days lost last year.

During the quarter, Meridian announced the withdrawal of applications that were before the Environment Court for resource consents for the Mokihinui Hydro Project, on the West Coast of the South Island. Meridian also announced it will commence construction of the Mill Creek wind farm, near Wellington with commissioning expected in mid-2014.

Foundations are now complete for the 140 wind turbines at Meridian's joint venture Macarthur wind farm in Victoria, Australia. Meridian's solar PV project in Tonga is also nearing completion and will be opened in a formal ceremony in late July.

In June, Meridian announced the sale of the remaining assets of its subsidiary Whisper Tech Limited to its joint venture partner and major Spanish appliance manufacturer Mondragon.

## Outlook

While Meridian's catchment storage levels remain below average, a number of inflows in July have improved storage levels. Lakes Manapouri and Te Anau remain comfortably in the main lake level range and Lake Pukaki continues to rise.

The 2011/12 Annual Report will be available on Meridian's web site [www.meridianenergy.co.nz](http://www.meridianenergy.co.nz) immediately following the Report being tabled in Parliament.