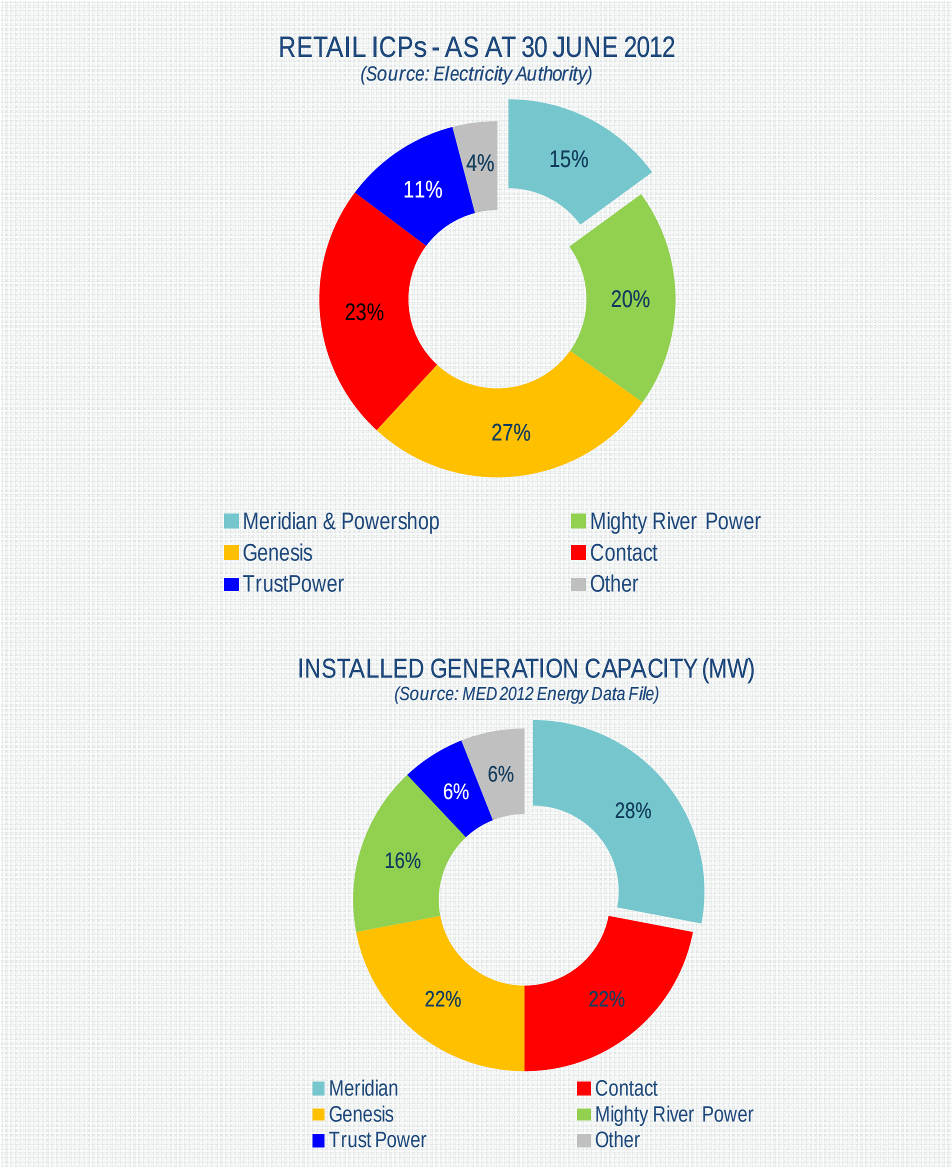
MERIDIAN ENERGY LIMITED
ANNUAL RESULTS FOR YEAR ENDED 30 JUNE 2012

DISCLAIMER

- This presentation may contain projections or forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties
- Actual results may differ materially from those stated in any forward-looking statements based on a number of important factors and risks
- Although Meridian may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realised
- Furthermore, while all reasonable care has been taken in compiling this presentation, Meridian cannot guarantee it is free from errors
- Any estimates or figures used in this presentation should not be interpreted or relied upon for the purpose of any investment decisions

OVERVIEW OF MERIDIAN

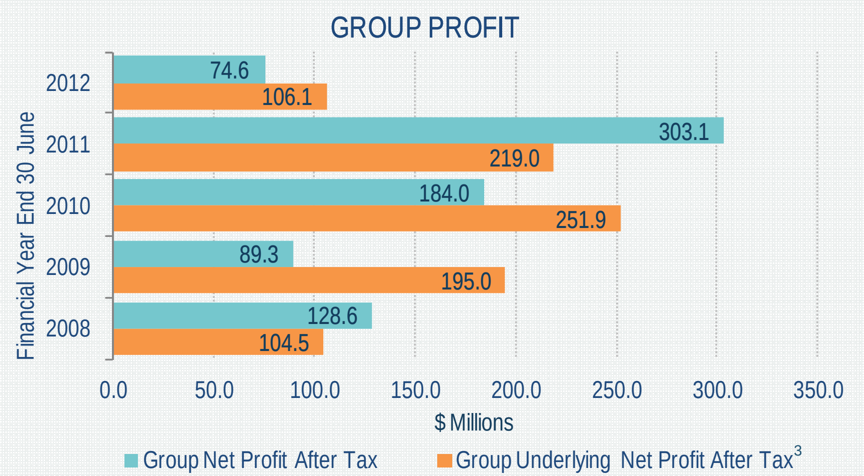
- Vertically integrated renewable developer, generator and retailer of electricity
- Generates electricity from renewable sources
- Largest generator in New Zealand – 28% of New Zealand total installed generation capacity
- Retails through two brands – Meridian and Powershop
  - 15% of New Zealand ICPs[1]
  - 287,304 ICPs as at 30 June 2012
- Significant wind development pipeline
- Owner and developer of offshore renewable generation

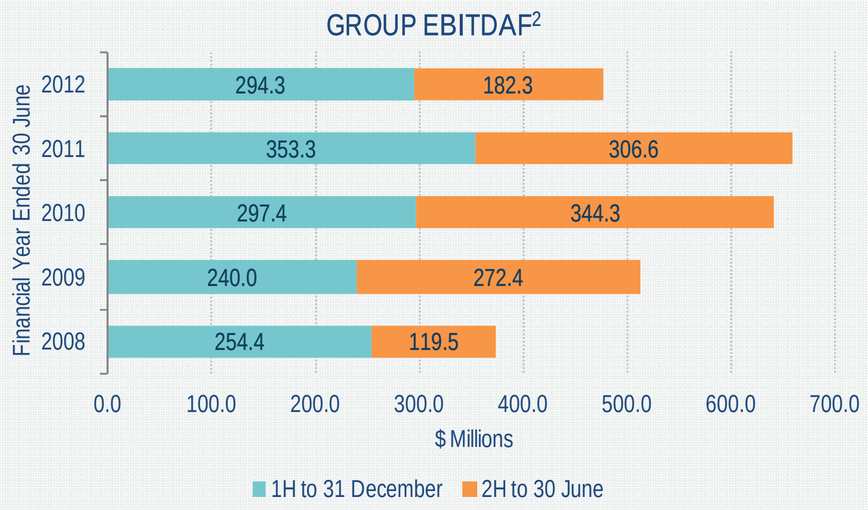


[1] Installation Control Points

FINANCIAL PERFORMANCE

- Net Profit After Tax (NPAT) was $74.6m compared to $303.1m in FY 2011
  - Adjusting for gain on sale of Tekapos ($157.4m), Tekapo generation revenue[1] and NZAS settlement received, NPAT was $28.8m down on FY 2011
  - Impacted by the lowest level of inflows in 79 years of records
- EBITDAF[2] was $476.6m ($659.9m FY 2011), while Underlying[3] NPAT was $106.1m ($219.0m FY 2011)
- EBITDAF $102.7m better than 2008 – the last significant (but less severe) dry year, despite loss of Tekapo generation[1]
- $140.7m of dividends paid during 2012



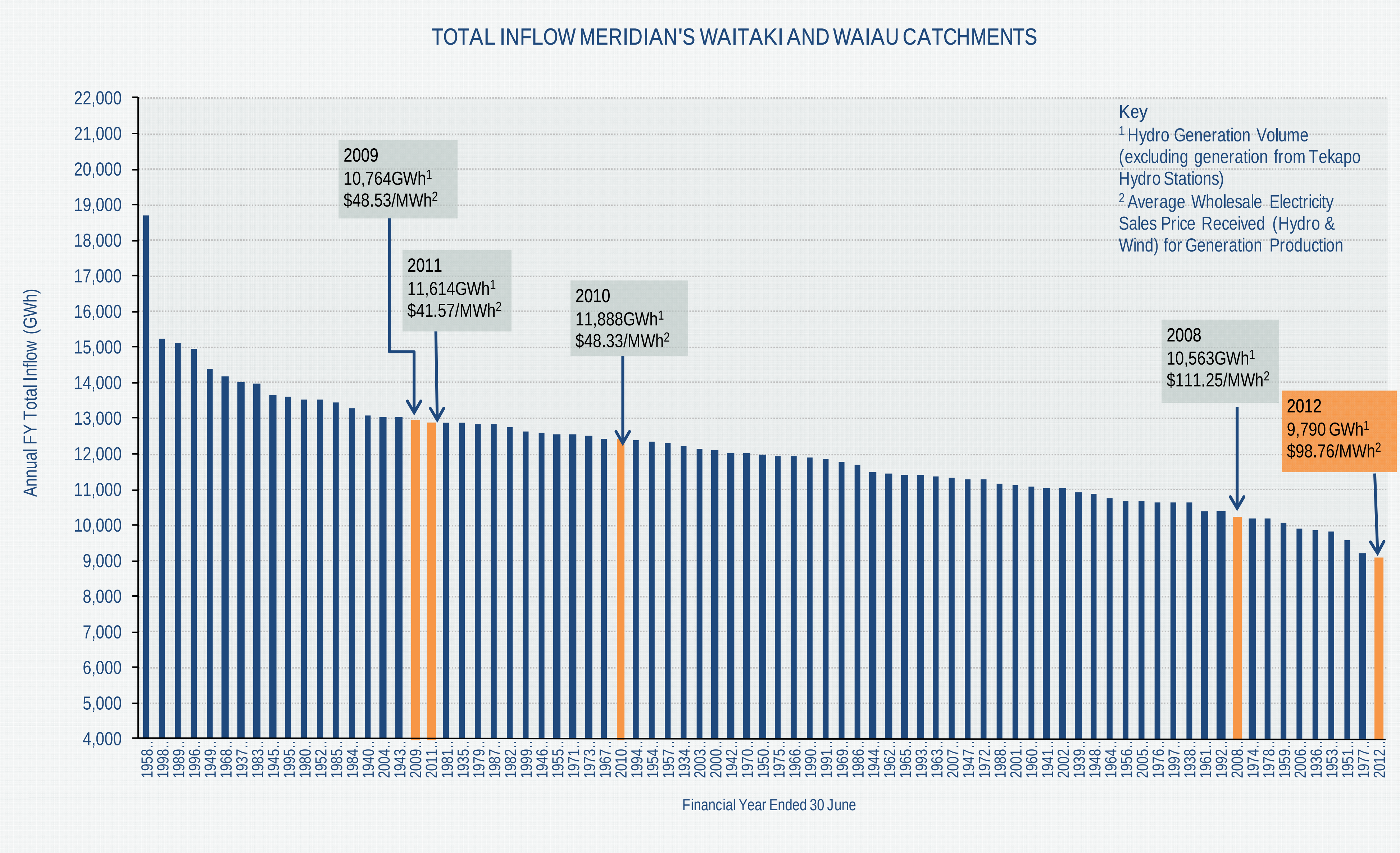


[1] Tekapo A and B power stations were sold to Genesis Energy Limited on 1 June 2011

[2] Earnings before interest, tax, depreciation, amortisation, change in fair value of financial instruments, impairments and gain/(loss) on sale of assets

[3] Removing the effects of non-cash fair value movements, impairments and other one-off items. For a full reconciliation of underlying profit please refer to page 34

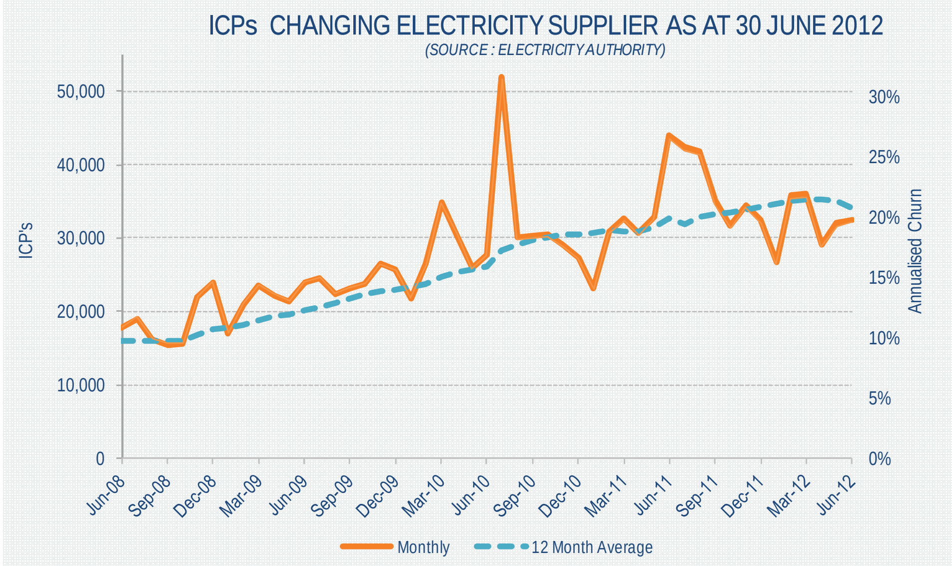
INFLUENCES ON PERFORMANCE – INFLOWS

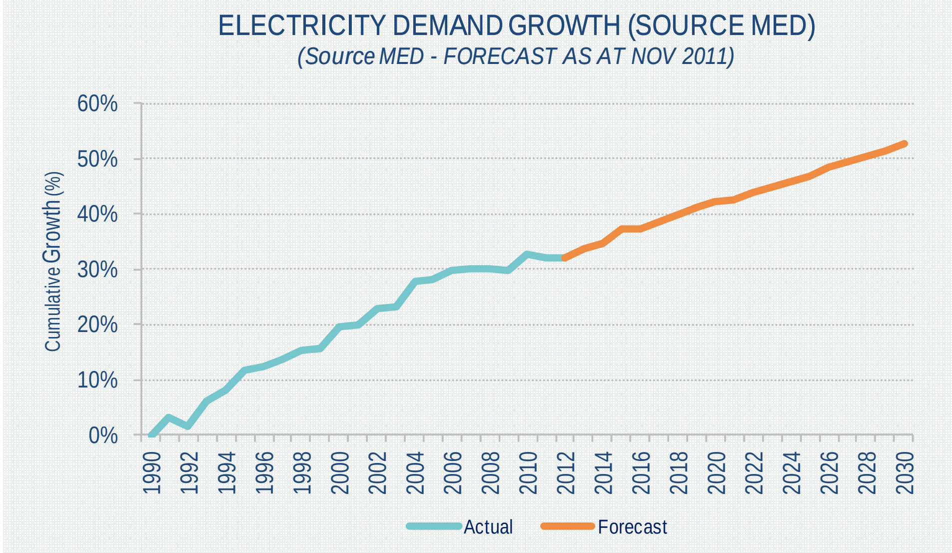


Combined record low inflows into the Waitaki and Waiau catchments – lowest in 79 years

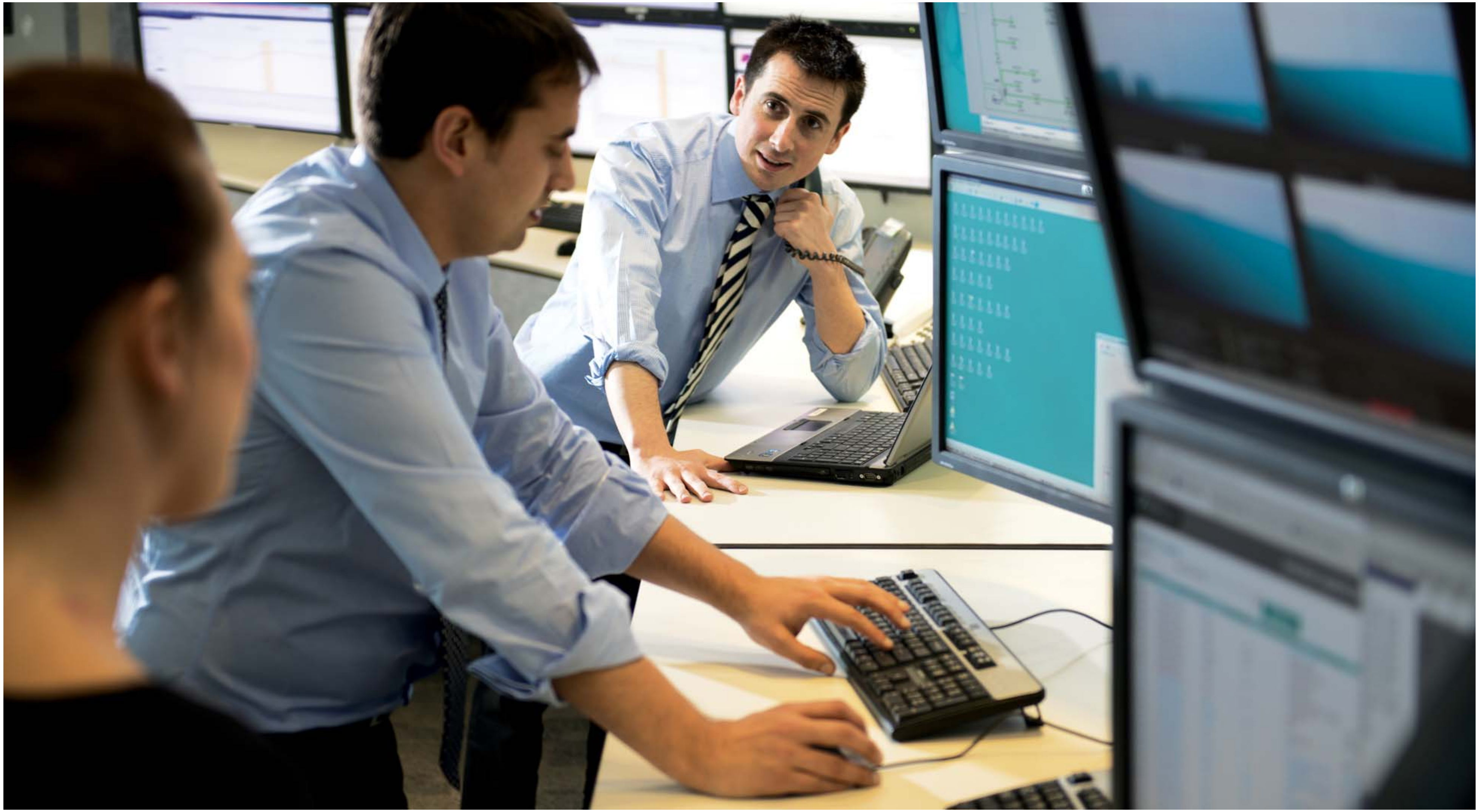
INFLUENCES ON PERFORMANCE – MARKET

- Low demand growth over the last 5 years driven by global economic conditions
- High retail churn remains but levelling out
- Outages of the HVDC link between the North and South Island to support Transpower's upgrade
- Increased liquidity of derivative markets and greater sophistication of products traded
- Strong Kiwi dollar increasing buying power
- Downward movement in the New Zealand interest rate curve – 5 year interest rate swap rate as at 30 June was 3.20% (2.78% below 10 year average)





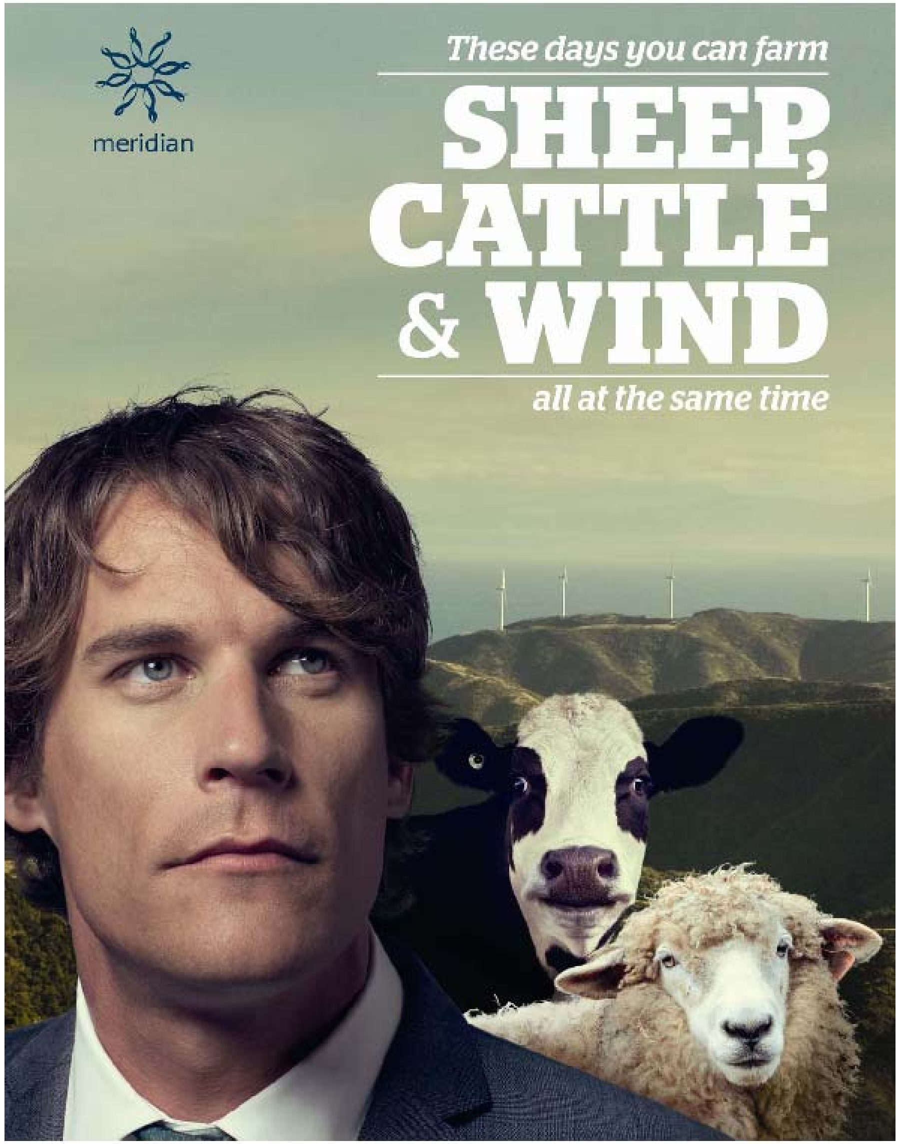
OPERATIONAL HIGHLIGHTS



OPERATIONAL HIGHIGHTS

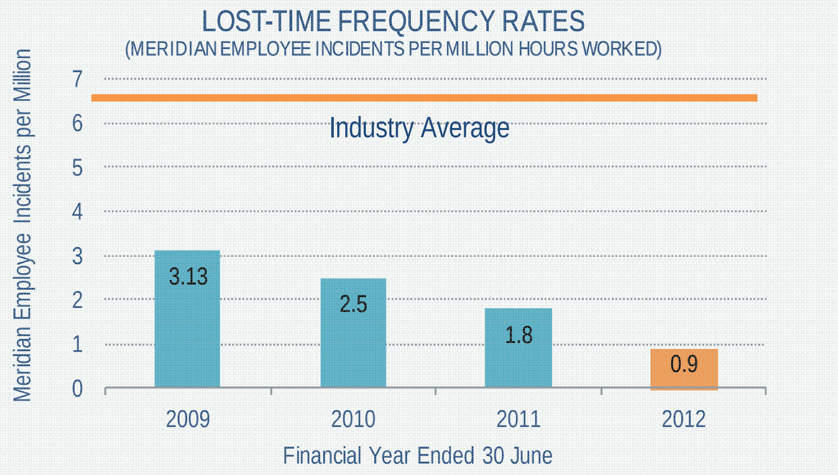
- Unprecedented hydrology conditions well managed during the year
- Underlying[1] Retail profitability improved by $5.90 per MWh of contracted sales
  - Annual ICP growth of 5% (Powershop 43%)
  - Continue to rebalance portfolio (location and segments)
- Industry leader in external customer satisfaction surveys
- Powershop placed first in the 2011 Deloitte Fast 50 Index for New Zealand and sixth in the Asia Pacific Deloitte Fast 500

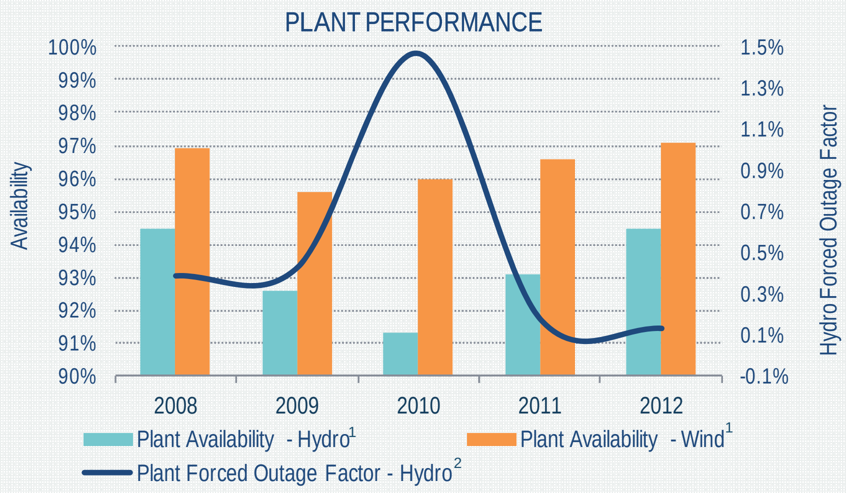
[1]Removing the volatility of electricity purchase prices and replacing with a fixed input price of $85/MWh



OPERATIONAL HIGHLIGHTS (continued)

- Employee engagement results improved 3.4%
- Improved health and safety metrics, which outperform industry benchmarks
- Plant performance indicators reflect a very effective maintenance programme
- Lowest hydro forced outage factor in 20 years of records
- Awards received in conservation management and community engagement





[1] The percentage of time plant is available in a period to produce electricity without loss of availability to planned or unplanned outages, expressed as a percentage of the total time in that period

[2] The percentage of time in a period that hydro assets are unavailable owing to forced, unplanned outages

STRATEGIC FOCUS

strategic focus

- Continually improve business performance
- Continue to strengthen retail performance
- Grow value through renewable generation
- Develop Meridian's Australian business

market imperatives

- Global economic impacts on customers
- Ownership changes

regulatory

- Water reform
- Transmission pricing

FINANCIAL SUMMARY

meridian

FINANCIAL SUMMARY

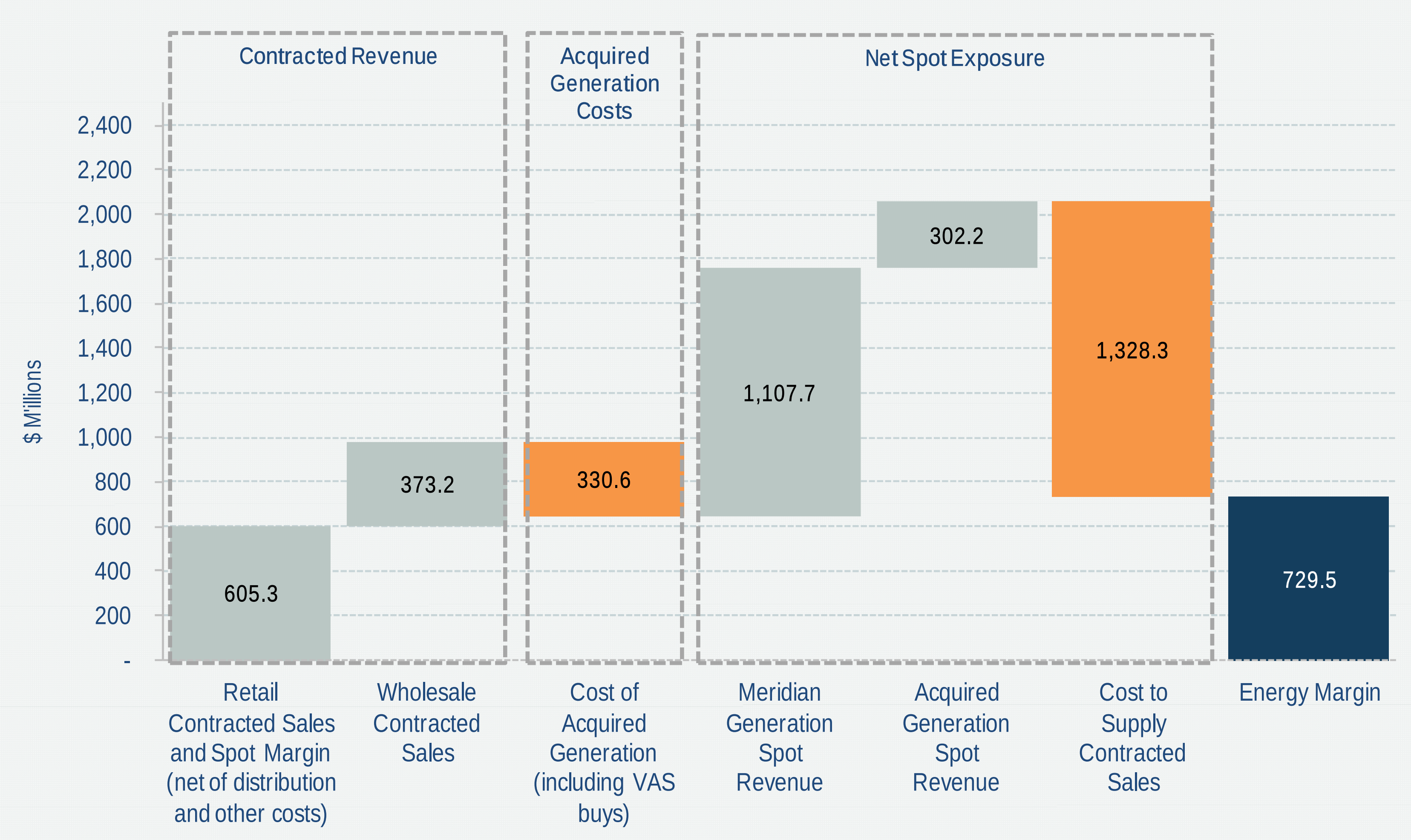
$ Millions	JUNE 2012	JUNE 2011	% CHANGE
Wholesale and Retail Energy Margin	729.5	920.2	(21%)
International and Other Segment Energy Margin	33.7	30.1	12%
Group Energy Margin	763.2	950.3	(19%)
Dividends and Other Revenue	27.3	42.6	(36)%
Energy Related Expenses (Non-core)	-	(10.7)	-
Transmission (HVDC and ancillary charges)	(86.7)	(84.2)	(3%)
Employee & Other Operating Expenditure	(227.2)	(238.1)	5%
EBITDAF	476.6	659.9	(28%)
Group Net Profit After Tax (NPAT)	74.6	303.1	(75%)
Group Underlying Net Profit After Tax [1]	106.1	219.0	(52%)

Key Metrics	JUNE 2012	JUNE 2011	% CHANGE
EBITDAF per MWh Generated	42.62	47.74	(11%)
Funds from Operations (FFO) Interest Cover (# of times)	4.3	4.9	(12%)
Net Debt / (Net Debt plus Equity) Gearing	25.0%	19.3%	(5.7%)
Underlying Return on Average Equity (excl. Revaluations)	10.7%	18.5%	(7.8%)

Record low hydrology conditions experienced during the year were the dominant driver of reduced profitability, however improvements were realised in underlying profitability of the retail segment and in our international and subsidiary segments

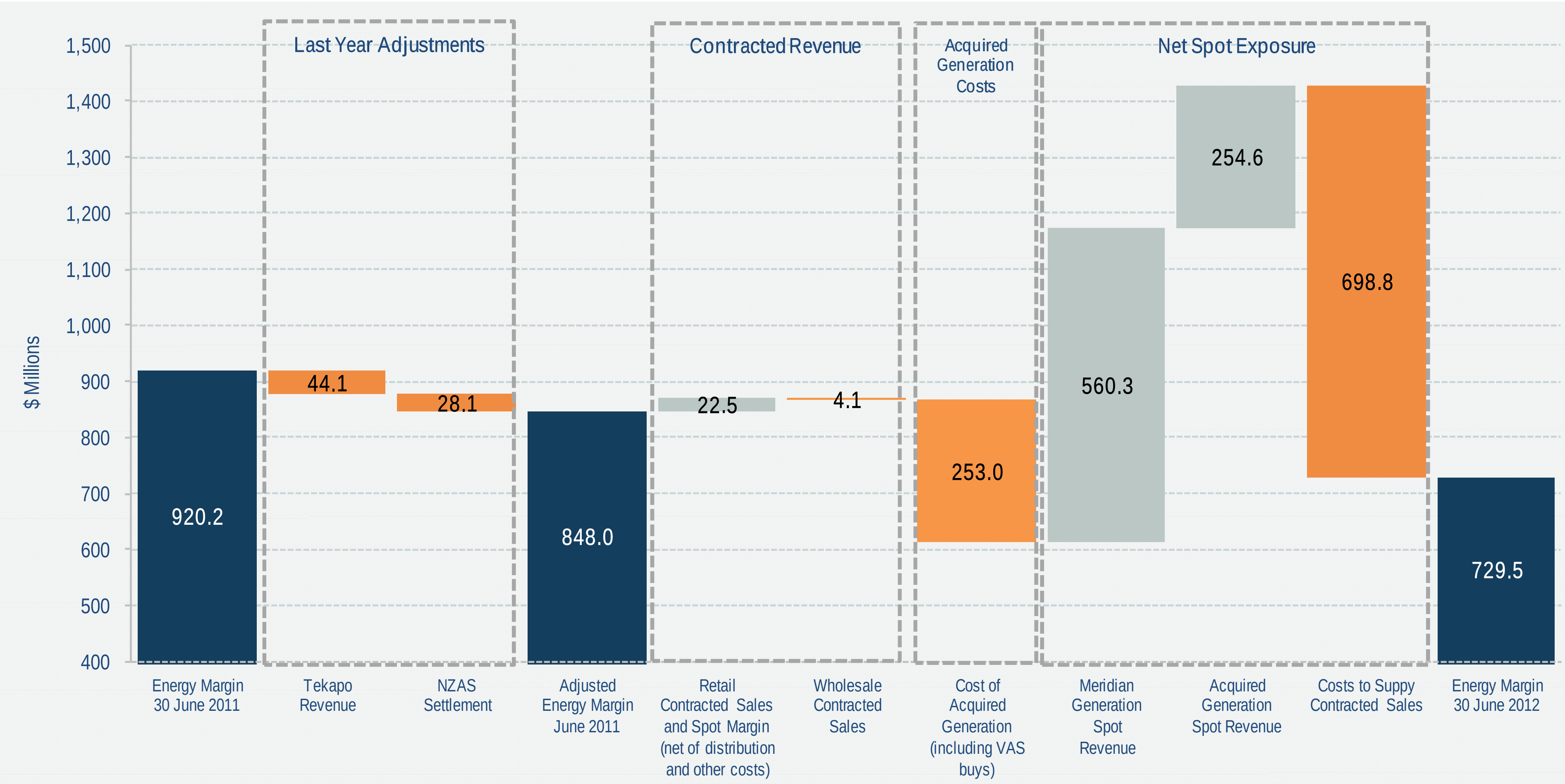
[1] See full reconciliation on page 34

NZ ENERGY MARGIN (Wholesale and Retail – 2012 Analysis)



Energy margin comprises revenues received from customers (retail and wholesale) and generation less the energy and network distribution costs to service our customers

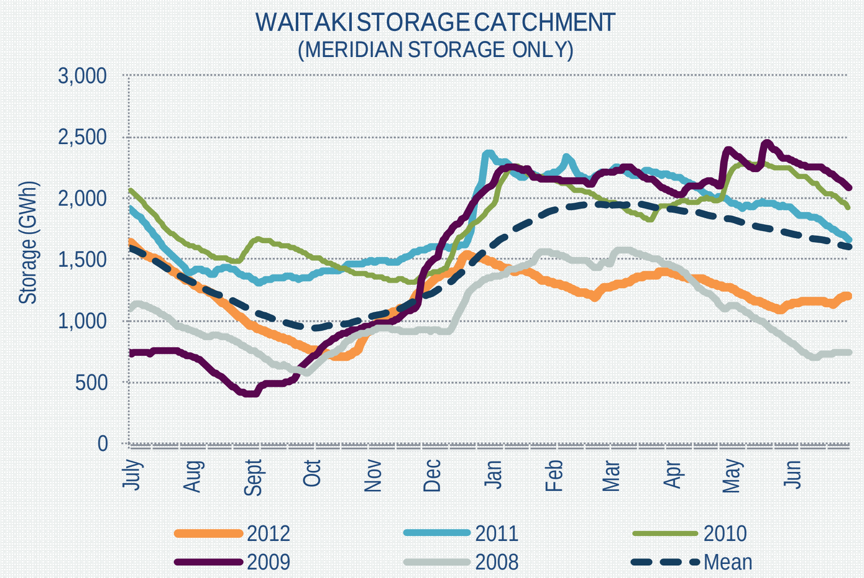
NZ ENERGY MARGIN (Wholesale and Retail – 2011 to 2012)

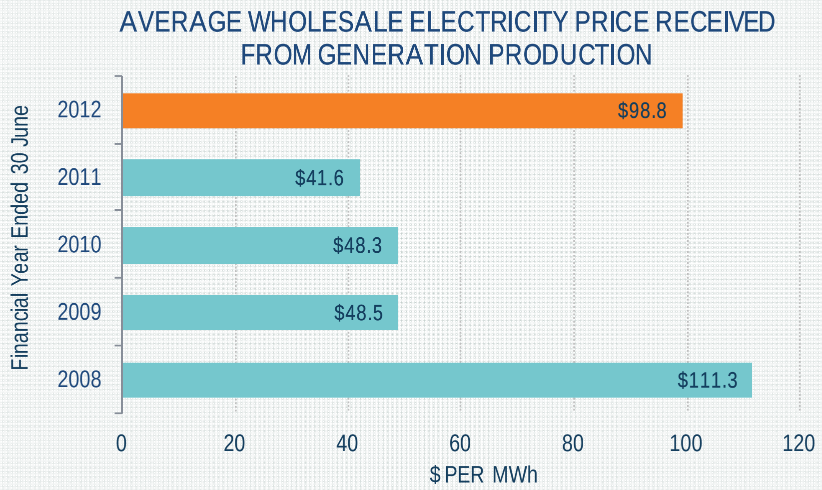


Low inflows have driven an increase in acquired generation to supplement reduced generation volumes, while a 138% increase in wholesale electricity prices drove increases in both generation revenue and contracted supply costs

STORAGE, INFLOWS AND PRICE

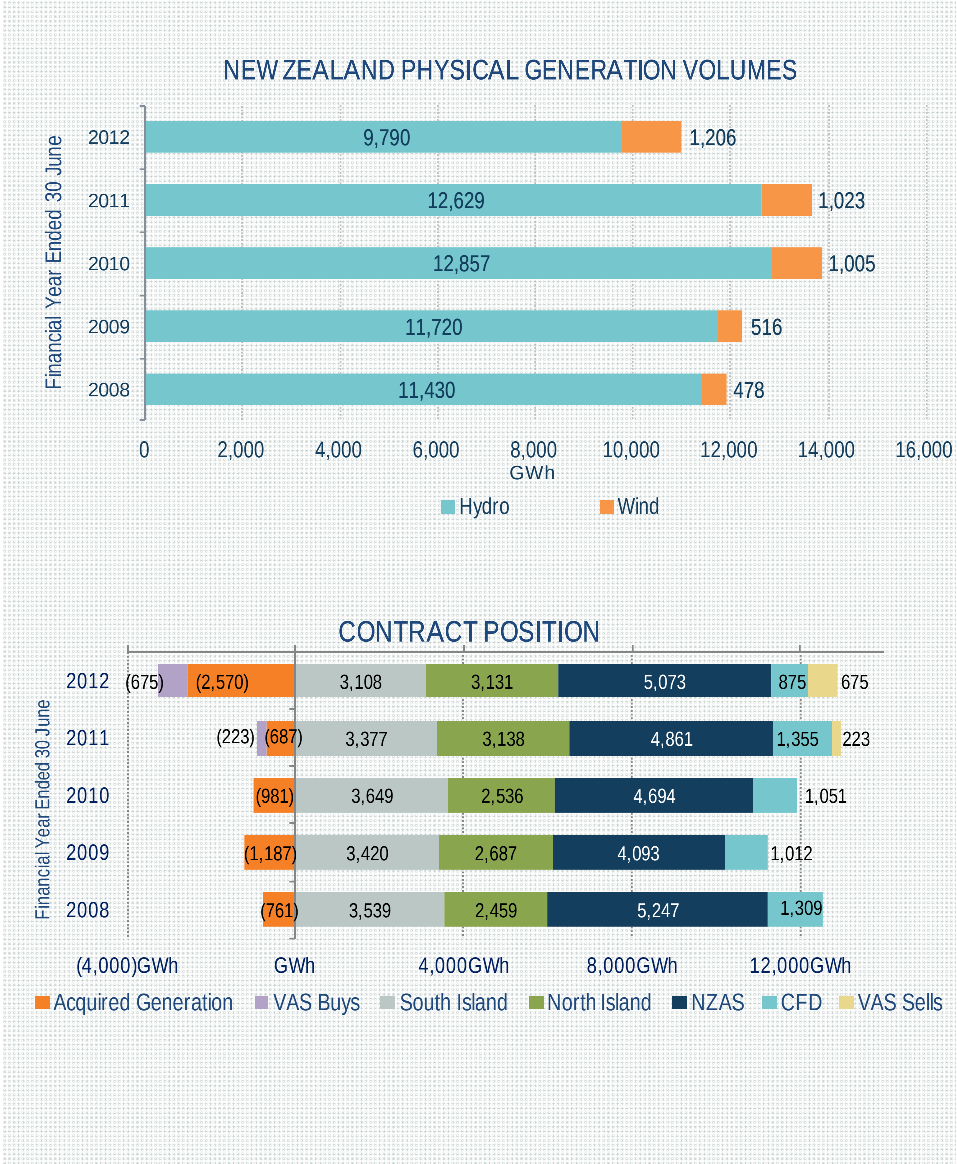
- Record low inflows into our South Island catchments
- Conservative generation as we responsibly managed storage levels
- Average wholesale electricity prices up 138% from last year
- Improved liquidity in the derivative markets and increasing sophistication of products traded over the counter have helped manage portfolio risks





NEW ZEALAND GENERATION

- Hydro generation production fell 2,839GWh (22%) from FY 2011, of which 1,015GWh was generated from the Tekapo assets sold to Genesis
- Net reduction of 1,824GWh (16%) largely due to conservative hydro generation driven by low inflows
- Wind production increased by 183GWh from last year (Te Uku contributed an additional 134GWh in its first full year)
- Reduced generation production supplemented by derivative contracts acquired

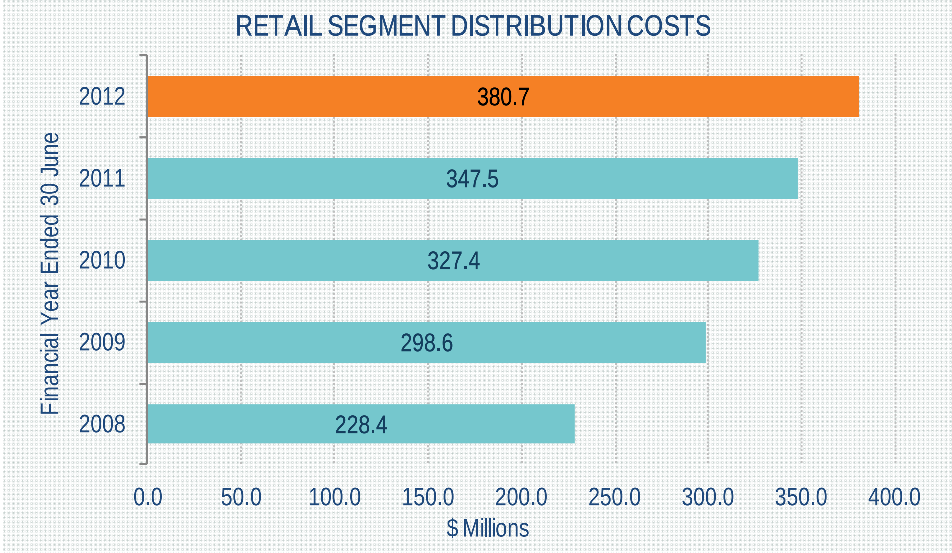


RETAIL

IMPROVED RETAIL PERFORMANCE

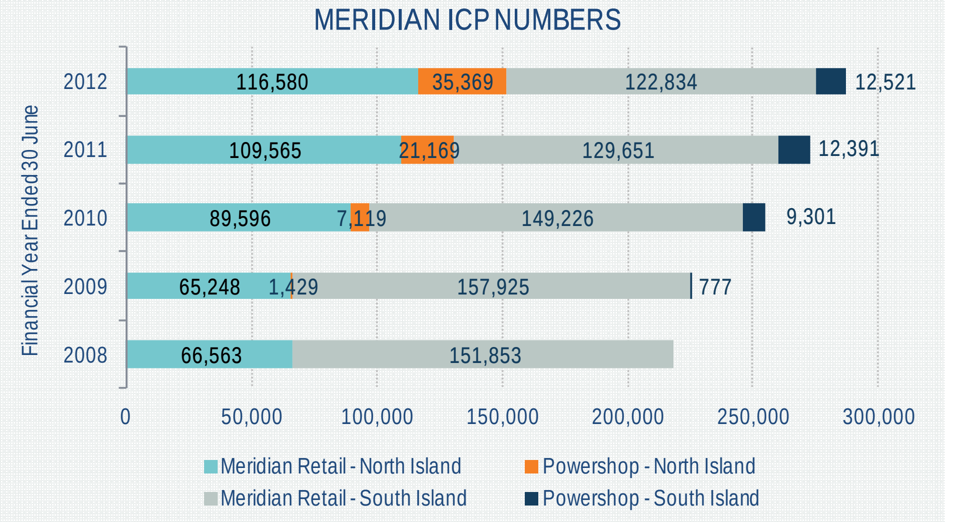
- When removing the volatility of the wholesale market and replacing with a purchase price of $85/MWh, Retail profit (EBITDAF) per MWh of contracted sales volume (MWh) improved by $5.90
- Contracted sales revenue grew by $47.9m, including 83% growth of Powershop revenue
- Average contracted sales price (headline tariff) increased by 7%
- Increased distribution costs reflected in pricing adjustments

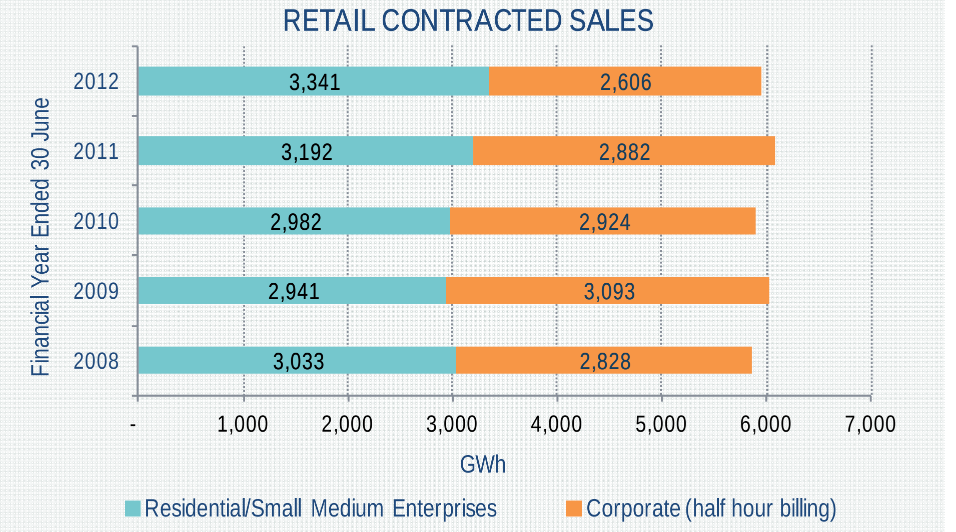
Retail Segment	2012	2011	Change
Energy Sales ($m)	$1,156.6	$1,029.1	12%
Avg Contracted Sales Price	$163.9/MWh	$152.6/MWh	7%
Avg Spot Sales Price	$95.7/MWh	$56.8/MWh	68%
Contracted Sales Volume	5,947GWh	6,074GWh	(2%)
Spot Sales Volume	1,896GWh	1,796GWh	6%
EBITDAF(@$85PP) per Contracted MWh	$1.8/MWh	$(4.1)/MWh	+$5.9/MWh
Total ICPs	287,304	272,776	5%



IMPROVED RETAIL PERFORMANCE (continued)

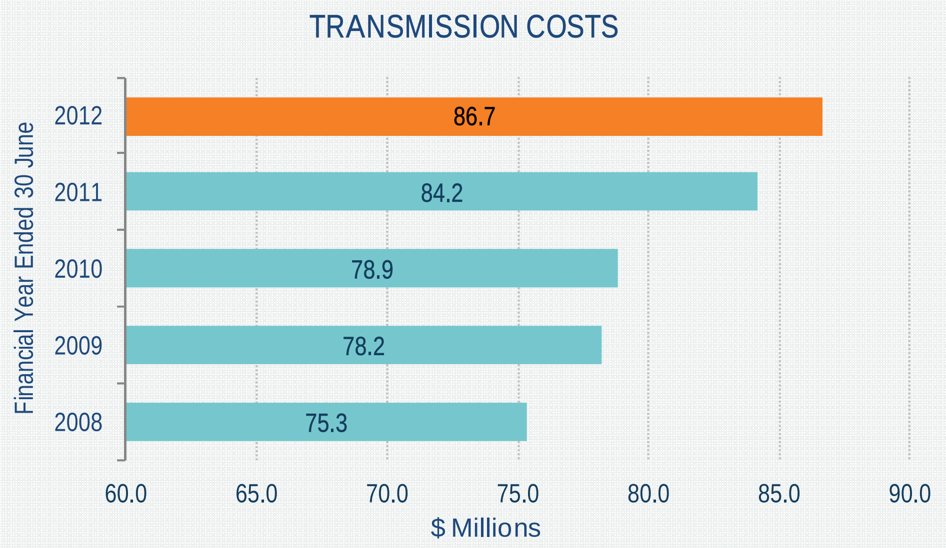
- Total ICPs of 287,304 at 30 June 2012, 5% up on FY 2011
- Growth achieved in a highly competitive market and despite measured acquisition strategies given periods of hydrology stress
- Continuing to align the retail customer portfolio to generation profile and location
- Growth underpinned by strong customer satisfaction as highlighted by independent surveys





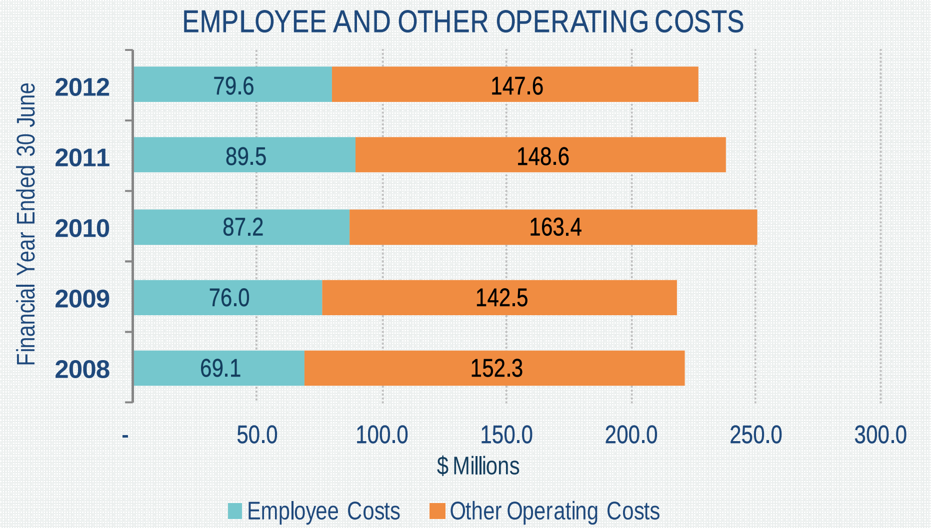
TRANSMISSION (HVDC Charges)

- Transmission costs increased $2.5m (3%) from FY 2011
- South Island generators continue to pay for an asset that brings national benefit
- Anticipated price increases deferred with delays in Transpower's Pole 3 (HVDC link) construction
- Completion of Pole 3 now scheduled for 2013 with charges expected to rise next year
- Transpower's upgrade programme and construction of Pole 3 drove a 20% increase in HVDC outages in 2012 – set to continue into 2013

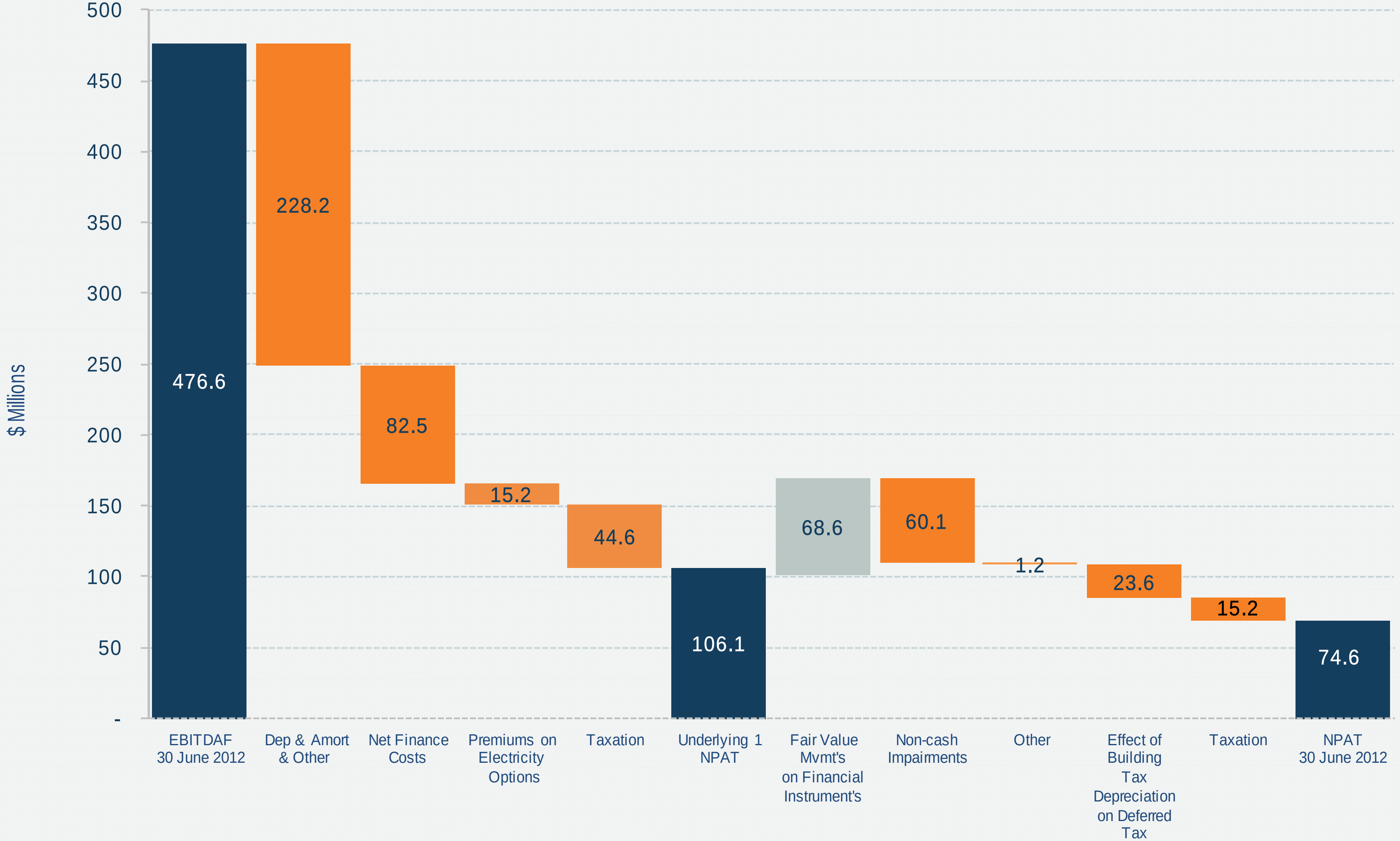


OPERATING EXPENDITURE

- Employee and Other operating expenditure was $10.9m (5%) lower than in FY 2011
- Employee expenditure reflected low level of performance incentives earned
- Active focus on cost management and rationalisation of non-core investments, resulted in other operating expenditure being held flat despite continuing pressure on customer support costs



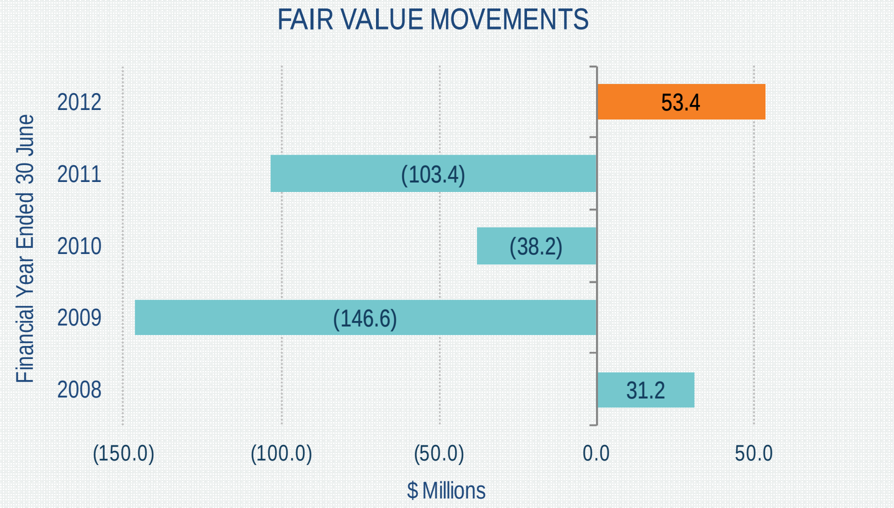
EBITDAF TO NPAT

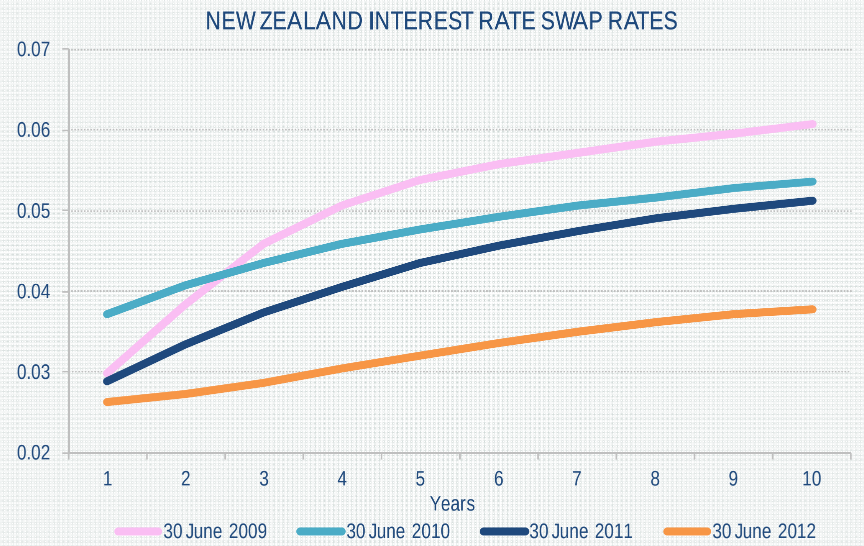


1 Refer to Underlying Profit Reconciliation on Page 34

FAIR VALUE MOVEMENTS

- To manage risk we enter into a range of financial instruments
- Accounting standards only allow hedge accounting if specific conditions are met, this creates earnings volatility with non cash fair value movements having to be taken through the Income Statement
- Weakening of the forward aluminum price curve resulted in a significant gain from Aluminium CfDs
- Electricity price path used to value the NZAS contract has been adjusted to reflect the price path implied from the earnings multiple generation asset valuation
- Fair value loss of $68.0m from treasury instruments reflects softening of the NZ interest rate swap curve





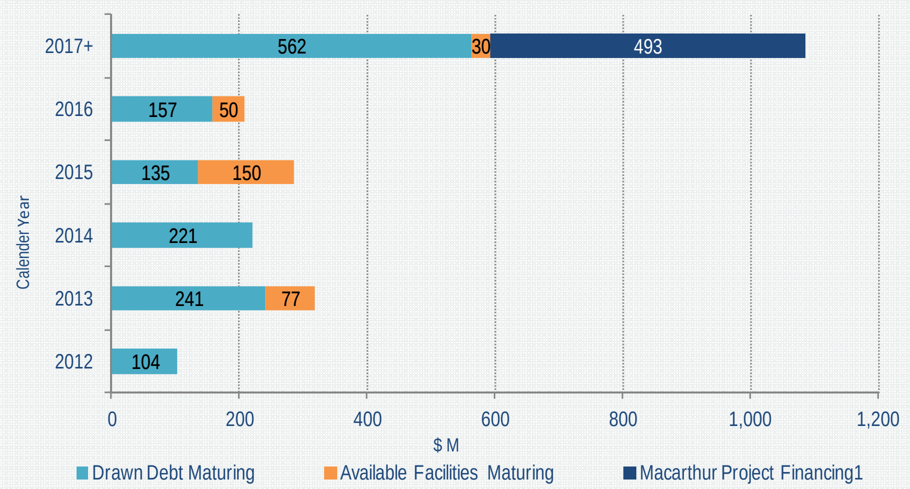
REPRIORITISATION OF INVESTMENTS

- Programme of rationalising non-core investments continues
  - In June 2012 Meridian sold its shareholding in Whisper Tech's European joint venture
  - This follows on from the sale of the Right House business on 1 July 2011
  - Marketing the US solar business reflecting focus on Australasia
- Exit of Project Hayes Wind farm and Mokihinui hydro projects due to economic and consenting risks and uncertainties

FUNDING

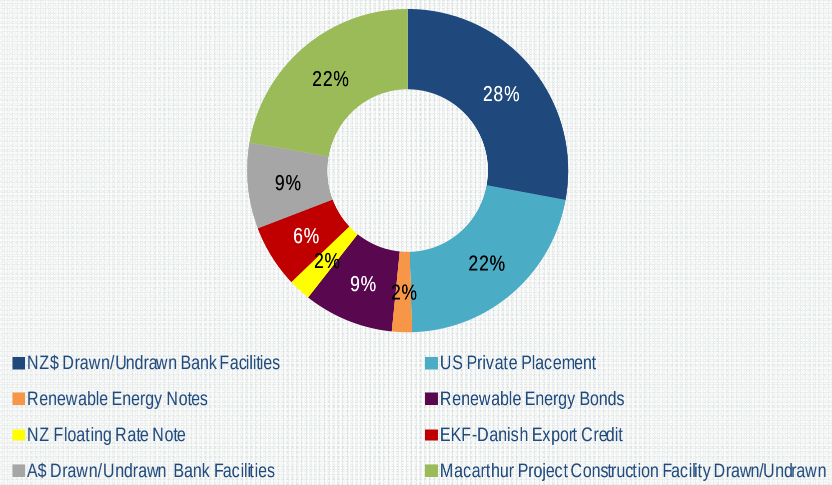
- Standard & Poor's A2, BBB+ (stable outlook) credit rating maintained
- Cash and undrawn debt facilities of $611.5m including cash of $214.4m as at 30 June 2012 ($426.6m cash and undrawn facilities excluding Macarthur project financing which is fully committed)
- Average annual debt level of $1.6b which was consistent with 2011, ($1.4b excluding Macarthur)
- Continue to maintain diverse range of funding sources
- Successfully closed out Syndicated Facility Agreement for project financing of Meridian's debt portion (AU$386 million) of Macarthur wind farm

DEBT MATURITY PROFILE AS AT 30 JUNE 2012



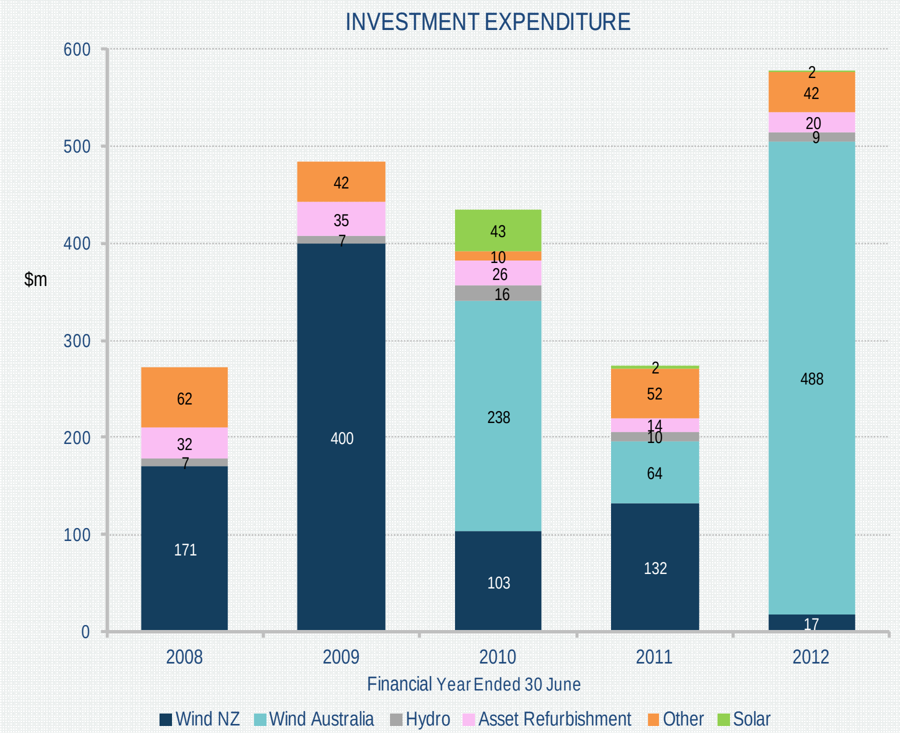
[1] Macarthur Project Financing converts from a construction facility to amortising term facility in 2013

SOURCES OF FUNDING AS AT 30 JUNE 2012



CAPITAL INVESTMENT

- The Macarthur development in Australia has dominated capital spend in 2012
- Capital spend in 2013 will include completion of the Macarthur wind farm and the commencement of construction of the Mill Creek wind farm (committed in June 2012)
- Total costs to complete Mill Creek will be $169m over the next three years



NEW ZEALAND DEVELOPMENT PIPELINE

- Meridian has a diverse pipeline
- Mill Creek wind farm (60MW) development showing strong economics and supporting North Island retail growth
- The Hunter Downs Irrigation scheme was granted resource consent in November 2011, supporting irrigation without impacting generation

AUSTRALIAN OPERATIONS

- Construction of the Macarthur wind farm (420MW), in a joint venture with AGL, progressing to plan
- Foundations now complete on all 140 turbines, full commissioning expected July 2013
- Macarthur pre-interest income of A$58m per year from January 2013
- Mt Millar generation volumes increased by 9% over FY 2011

AUSTRALIAN DEVELOPMENT

- Mt Mercer wind farm is advancing through investment review and is showing very attractive economics
- Early site assessments of future potential wind and solar options continues
- Meridian is trialling the Powershop offering in the Australian retail market

NZAS DISCLOSURE

- Meridian Energy has been approached by Pacific Aluminium Pty Ltd, a business unit of Rio Tinto Ltd, the majority shareholder of New Zealand Aluminium Smelters Ltd (NZAS), to discuss potential changes to the electricity contract with the smelter
- In 2007 Meridian renegotiated the contract conditions with NZAS and signed a new electricity supply agreement, which takes effect in January 2013
- Discussions are ongoing and remain confidential
- The outcome of negotiations is unknown at this stage

ADDITIONAL INFORMATION

INCOME STATEMENT

$ Millions	2012	2011	2010	2009	2008
Group Energy Margin	763.2	950.3	941.6	785.3	645.4
Dividend and Other Revenue	27.3	42.6	387	27.1	25.2
Energy Related Expenses (Non-core)	-	(10.7)	(9.2)	(3.3)	-
Energy Transmission Expense	(86.7)	(84.2)	(78.9)	(78.2)	(75.3)
Gross Margin	703.7	898.0	892.2	730.9	595.4
Employee Costs and Other Operating Expenses	(227.2)	(238.1)	(250.6)	(218.5)	(221.4)
EBITDAF	476.6	659.9	641.7	512.4	373.9
Net Change in Fair Value of Electricity, Aluminium and Foreign Exchange Derivatives	121.3	(89.3)	(48.0)	(114.1)	45.5
Depreciation, Amortisation and Impairments ,	(285.2)	(235.2)	(206.4)	(172.3)	(152.6)
Gain/(Loss) on Sale of Property, Plant and Equipment and investments	(1.5)	174.1	0.3	4.8	0.5
Equity Accounted Earnings of Associates	(2.7)	(3.4)	(2.0)	(1.9)	(0.1)
Group Operating Profit	308.5	506.1	385.6	228.9	267.2
Net Finance Costs	(82.5)	(107.6)	(85.1)	(68.4)	(55.2)
Net Gain / (Losses) on Financial Instruments	(68.0)	(14.2)	(23.3)	(32.5)	(14.3)
Group Profit before Tax	158.0	384.3	277.2	128.0	197.7
Income Tax	(83.4)	(81.2)	(93.2)	(38.7)	(69.1)
Group Net Profit After Tax	74.6	303.1	184.0	89.3	128.6
Group Underlying Profit After Tax	106.1	219.0	251.9	195.0	104.5

UNDERLYING PROFIT AFTER TAX (Reconciliation)

$ Millions	2012	2011	2010	2009	2008
Group Net Profit After Tax	74.6	303.1	184.0	89.3	128.6
Net Change in Fair Value of Financial Instruments	68.0	14.2	23.3	32.5	14.3
Net Change in Fair Value of Electricity, Aluminium and Foreign Exchange Derivatives	(121.3)	89.3	48.0	114.1	(45.5)
Premiums Paid on Electricity Options (less interest)	(15.2)	(13.9)	-	-	-
Impairment of Property, Plant and Equipment, Investments and Intangibles	60.1	11.0	18.3	9.2	-
Net Gain on Sale of Property, Plant and Equipment	1.1	(174.1)	(0.3)	(4.8)	(0.5)
Adjustments Before Tax	(7.3)	(73.5)	89.3	151.0	(31.7)
Income Tax on Adjustments (excluding the adjustment for the Gain on Sale of the Tekapo Power Stations)	14.6	(30.4)	(26.8)	(45.3)	10.5
Effect of Gain on Sale of the Tekapo Power Stations	-	17.4	-	-	-
Effect of Corporate Tax Rate Reduction on Deferred Tax Liability	0.6	2.4	(9.4)	-	(2.9)
Effect of Change in Building Tax Depreciation on Deferred Tax	23.6	-	14.8	-	-
Adjustments After Tax	31.5	(84.1)	67.9	105.7	(24.1)
Group Underlying Profit After Tax	106.1	219.0	251.9	195.0	104.5

BALANCE SHEET

$ Millions	2012	2011	2010	2009	2008
Cash and Cash Equivalents	214.4	368.2	54.4	47.9	71.7
Accounts Receivable and Prepayments	298.1	240.9	199.1	188.2	471.1
Other	58.3	18.1	18.1	30.8	61.9
Current Assets	570.8	627.2	271.6	266.9	604.7
Property, Plant and Equipment	7,963.6	7,720.8	8,207.3	6,743.1	6,432.6
Other	158.4	112.0	236.7	1,67.3	160.4
Non-Current Assets	8,122.0	7,832.8	8,444.0	6,910.4	6,593.0
Total Assets	8,692.8	8,460.0	8,715.6	7,177.3	7,197.7
Payables and Accruals	286.1	217.0	201.6	170.5	547.6
Current portion of Term Borrowings	247.9	298.2	284.4	123.2	149.8
Other	59.4	54.5	71.0	63.1	48.2
Current Liabilities	593.4	569.7	557.0	356.8	745.6
Term Borrowings	1,577.7	1,275.4	1,323.1	1,128.7	793.2
Deferred Tax Liability	1,444.2	1,412.3	1,559.5	1,301.2	1,329.5
Other	251.8	271.3	205.3	106.5	124.8
Total Non-Current Liabilities	3,273.7	2,959.0	3,087.9	2,536.4	2,247.5
Total Liabilities	3,867.1	3,528.7	3,644.9	2,893.2	2,993.1
Equity	4,825.7	4,931.3	5,070.7	4,284.1	4,204.6
Total Equity and Liabilities	8,692.8	8,460.0	8,715.6	7,177.3	7,197.7

WHOLESALE SEGMENT PERFORMANCE

$ Millions	JUNE 2012	JUNE 2011	% CHANGE
Energy Sales Revenue	1,329.8	954.6	39%
Energy Related Expenses	(567.4)	(246.9)	(130%)
Energy Distribution Expense	(23.5)	(20.1)	(17%)
Wholesale Energy Margin	738.9	687.5	7%
Dividend and Other Revenue	6.1	8.0	24%
Energy Transmission Expenses	(84.7)	(82.3)	(3%)
Gross Margin	660.3	613.3	8%
Employee Expenses	(20.5)	(24.2)	15%
Other Operating Expenses	(43.4)	(43.0)	(1%)
Direct EBITDAF	596.4	546.0	9%
Corporate Overhead Allocation	(31.6)	(32.1)	2%
Adjusted EBITDAF	564.8	513.9	10%
Key Ratios			
Average Price Received per MWh Generated	$98.79	$41.57	138%
Generation Volumes GWh	10,996	13,652	(19%)
NZAS Contracted Electricity Sales GWh	5,073	4,861	(2%)
Wholesale Electricity CFD Sales GWh (net)	(1,695)	668	(354)

RETAIL SEGMENT PERFORMANCE

$ Millions	JUNE 2012	JUNE 2011	% CHANGE
Energy Sales Revenue	1,156.6	1,029.1	12%
Energy Related Expenses	(785.4)	(448.9)	(75%)
Energy Distribution Expense	(380.7)	(347.5)	(10%)
Energy Margin	(9.5)	232.7	2,549%
Dividend and Other Revenue	11.6	9.4	23%
Gross Margin	2.1	242.1	(99%)
Employee Expenses	(25.6)	(25.0)	(2%)
Other Operating Expenses	(49.5)	(41.9)	(18%)
Direct EBITDAF	(73.0)	175.2	(142%)
Corporate Overhead Allocation	(24.0)	(27.6)	13%
Adjusted EBITDAF	(97.0)	157.9	(263%)
Direct EBITDAF @ $85 per MWh Purchase Price / Contracted MWh	$1.8/MWh	$(4.1)/MWh	328%
Average Contracted Sales Price per MWh	$163.9/MWh	$152.6/MWh	7%
Average Spot Sales Price per MWh	$95.7/MWh	$56.8/MWh	68%
Average Electricity Purchase Price per MWh	$97.36	$51.65	(88%)
Powershop Contracted Sales GWh	444	267	66%
Meridian Retail Non Half Hourly Sales GWh	2,897	2,925	(1%)
Meridian Retail Corporate Sales GWh	2,606	2,882	(10%)
Meridian Retail Spot Sales GWh	1,898	1,796	6%
Total Retail Sales GWh	7,845	7,870	0%

INTERNATIONAL SEGMENT PERFORMANCE

$ Millions	JUNE 2012	JUNE 2011	% CHANGE
Energy Sales Revenue	23.3	21.8	7%
Energy Related Expenses	(0.5)	(0.5)	0%
International Energy Margin	22.8	21.3	7%
Dividend and Other Revenue	2.6	-	
Energy Transmission Expenses	(2.0)	(1.9)	(5%)
Gross Margin	23.4	19.4	21%
Employee Expenses	(6.2)	(4.6)	(35%)
Other Operating Expenses	(4.9)	(6.8)	28%
Direct EBITDAF	12.3	8.0	54%
Corporate Overheads	(2.9)	(3.3)	12%
Adjusted EBITDAF	9.4	4.7	100%
Generation Volumes GWh - Australia	177	162	9%
Generation Volumes GWh - USA	11	10	1%

OTHER SEGMENT PERFORMANCE

$ Millions	JUNE 2012	JUNE 2011	% CHANGE
Energy Sales Revenue	20.9	15.3	37%
Energy Related Expenses	(10.0)	(6.7)	49%
Energy Distribution Expense	-	0.2	
Energy Margin	10.9	8.8	24%
Dividend and Other Revenue	7.5	23.2	(68%)
Energy Related Expenses (Non-core)	-	(10.6)	
Gross Margin	18.4	21.4	(14%)
Employee Expenses	(7.7)	(13.0)	41%
Other Operating Expenses	(6.7)	(10.5)	36%
Direct EBITDAF	4.0	(2.1)	
Corporate Overhead Allocation	(2.6)	(4.2)	38%
Adjusted EBITDAF	1.4	(6.3)	

GENERATION PIPELINE

Development Option	Stage	Capacity
Central Wind	Investment ready	120MW
Maungaharuru	Consent held	94MW
Mill Creek	Consent held	60MW
Mt Munro	Consent Application Lodged	60MW
Hurunui	Consultation	76MW
Pukaki (Gate 18) Hydro	Consents held	35MW
North Bank Hydro	Water consent held	260MW
Amuri Integrated Hydro Scheme	Consent application lodged	38MW
Hunter Downs Irrigation	Consents Held	NA

SEGMENT REPORTING

We view the business from the perspective of three reportable segments, being Wholesale, Retail and International

Meridian Segment Composition				
New Zealand Wholesale	Retail	International	Other Segments	Unallocated
Wholesale NZ Generation Renewable Development	Meridian Retail Powershop Arc Innovations	Australia United States	Energy for Industry Whisper Tech Damwatch Right House Meridian Captive Insurance	Corporate Overheads Shared Services and Insurance

Overhead allocation

- While not formally allocated within our management accounts, we have included a notional allocation of unallocated costs within the operating segment analysis within this presentation
- Allocations were based on key cost drivers such as FTE numbers or estimated / actual resource usage