



meridian

Meridian releases interim financial results

For immediate release: Wednesday 23 February 2011

Renewable generator and retailer Meridian Energy announced its interim financial results today.

Meridian Chief Executive Tim Lusk says that although the financial performance was pleasing, the immediate focus is on the safety and wellbeing of people in Christchurch.

“Meridian is working hard to restore all essential services for customers. We are hoping to get our call centre up and running from other parts of the country as soon as possible. Our main priority in the next few days is to help people affected by the earthquake as well as to support Orion as they work to reconnect and repair the network,” says Tim Lusk.

Preliminary assessments following the earthquake indicate no damage to Meridian’s generating assets.

With respect to the financial results, Meridian Energy has reported an underlying net profit after tax (NPAT) of \$123.4 million and an NPAT of \$84.7 million for the period to 31 December 2010. This represents a 4% increase in underlying NPAT and a 41% reduction in NPAT on the same period last year.

Earnings before interest, taxation, depreciation, amortisation and financial instruments (EBITDAF) were \$353.3 million, an increase of 19% on the same period last year. This included a \$28.1 million settlement (net of legal expenses) received from Meridian’s largest customer RTA Power (New Zealand Aluminium Smelter) concerning liability for electricity during an outage at the Tiwai smelter in 2008. Excluding this settlement, EBITDAF increased by 9% on last year’s result.

Meridian maintains a strong financial position with total assets of \$8.8 billion and a gearing ratio of 22.9%, which is within Statement of Corporate Intent (SCI) target levels.

An interim dividend of \$94.154 million has been declared for distribution with respect to the six months ending 31 December 2010, payable in April 2011.

Further detail on Meridian’s financial performance is available from Meridian’s website at

<http://www.meridianenergy.co.nz/AboutUs/Company+Reports+and+Presentations/Half+Year+and+Quarterly+Reports/>

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About Meridian Energy

Meridian is New Zealand's largest electricity generator and currently owns and operates nine hydro stations and three wind farms within New Zealand, and one wind farm in Australia:

- Manapouri power station and eight hydro stations on the Waitaki River in the South Island
- Te Apiti wind farm near Palmerston North
- White Hill wind farm in Southland
- West Wind farm in Wellington
- Mt Millar wind farm, Eyre Peninsula, South Australia
- CalRENEW 1 solar farm in Mendota, California

Internationally, Meridian has operations in Sydney, Australia, and San Francisco, California. Meridian recently announced the establishment of a joint venture with Australian energy company AGL to build what will be the southern hemisphere's biggest wind farm in southwest Victoria. The 420MW Macarthur wind farm is due for completion in 2013.

Meridian has a total retail customer base of 203,271 customers throughout New Zealand, which includes households, farms and businesses. It also provides electricity to New Zealand's single largest electricity user, the Rio Tinto Alcan New Zealand Limited aluminium smelter in Bluff.

Meridian invests strongly in renewable energy development both in New Zealand and offshore and has almost completed construction on the Te Uku wind farm, in Hamilton, New Zealand.