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Meridian Energy Limited
Interim Results

For the period to 31 December, 2010

23 FEBRUARY 2011

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 statement based on a number of important factors and risks.

Although Management 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.

About Us

- Integrated renewable generator and retailer
  - New Zealand's largest electricity generator
  - 262,923 ICP's – Meridian Retail (238,899) and Powershop (24,024)
- International wind and solar generation facilities
- Strong portfolio of future generation options in New Zealand and internationally
- Subsidiaries providing innovative retailing, smart metering, demand management, distributed generation, and energy efficiency services

Our Strategy to create Shareholder Value

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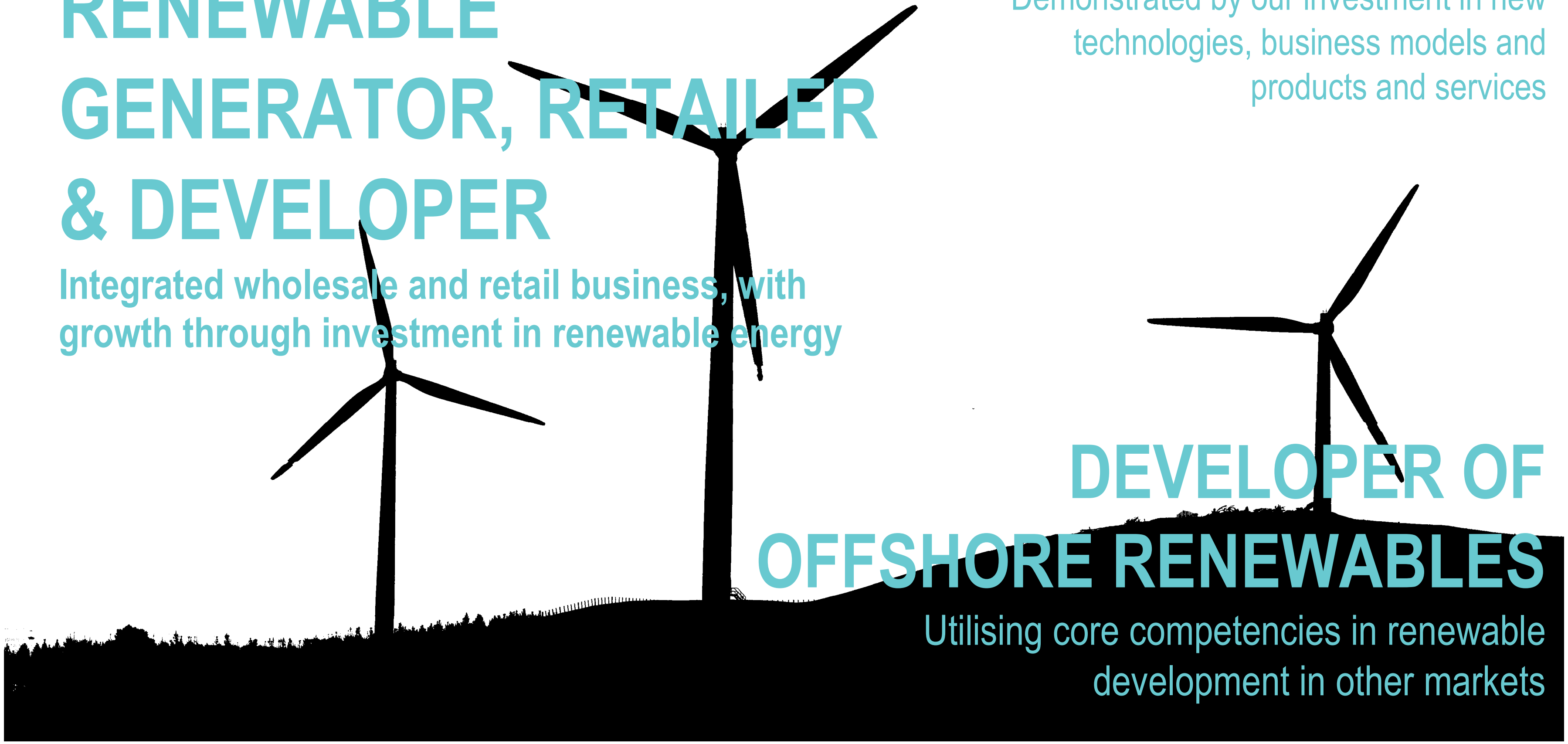
INTEGRATED RENEWABLE GENERATOR, RETAILER & DEVELOPER

Integrated wholesale and retail business, with growth through investment in renewable energy

INNOVATOR IN ENERGY PRODUCTS & SERVICES

Demonstrated by our investment in new technologies, business models and products and services



DEVELOPER OF OFFSHORE RENEWABLES

Utilising core competencies in renewable development in other markets

Highlights

Financial

$353.3m EBITDAF

- 4% improvement in underlying NPAT
- 19% EBITDAF uplift

Health and Safety

47% Improvement in lost-time injury frequency rate

Investment

FIRST POWER AT OUR 64MW **TE UKU WIND FARM**

MACARTHUR WIND FARM Construction commenced

Retail

262,923 ICP'S

- 13% increase in North Island from June 2010
- 48% growth in Powershop from June 2010
- Billing system implemented
- Improved customer satisfaction

EBITDAF – Earnings before Interest, Taxation, Depreciation, Amortisation and Financial Instruments

ICP – Installation Control Point

Financial Highlights

$ million's	Dec '10	Dec '09	% change	Jun '10
Total Operating Revenue	**1,094.5**	925.5	18%	2,061.9
EBITDAF	**353.3**	297.4	19%	641.7
Net Profit after Tax	**84.7**	**142.5**	**(41%)**	**184.0**
Underlying NPAT	**123.4**	**118.7**	**4%**	**251.9**
EBITDAF per MWh Generated	**$ 51.92**	$ 43.40	20%	$ 46.29

- $123.4m Underlying Net Profit After Tax, growth of 4%
- NPAT reduced by 41% - due mainly to negative impacts of non-cash accounting adjustments for fair value movements on financial instruments
- 19% increase in EBITDAF
- Interim dividend of $94.2 million declared (this will take total dividends paid this financial year to $162.7 million)

Key Influences on EBITDAF

EBITDAF – 19% Improvement

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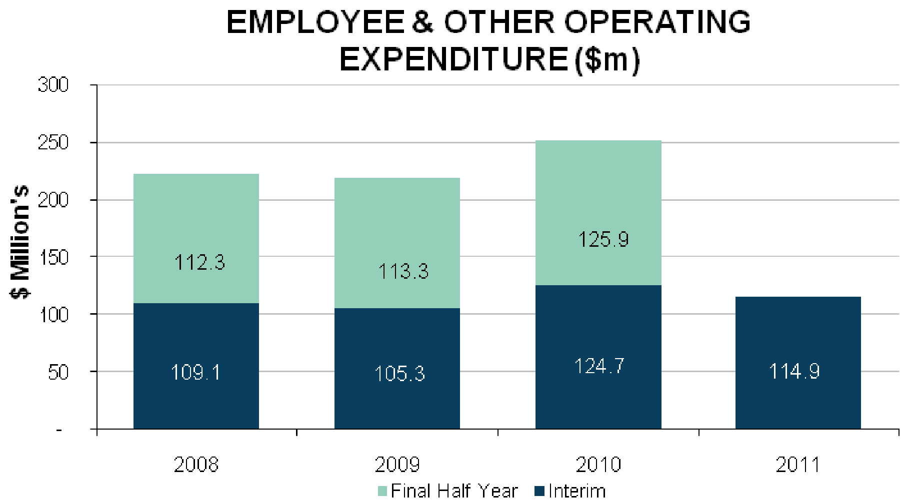
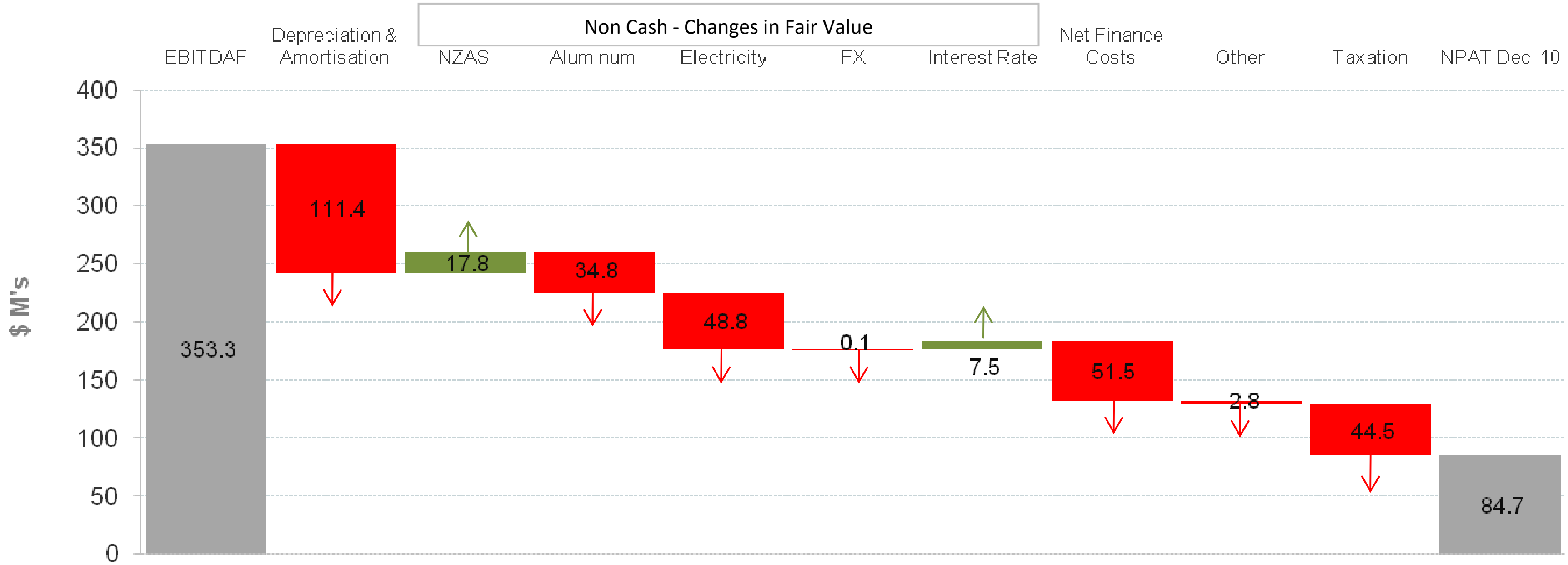
- Settlement of $28.1 million (net of legal expenses) reached with RTA Power (NZAS)
- Excluding this settlement earnings before interest, taxation, depreciation, amortisation and financial instruments (EBITDAF) increased by 9%
- Improved electricity margin from:
  - 48% increase in the average wholesale electricity price
  - Increased Retail sales volumes and better customer mix
  - Reduced difference between average generation and purchase prices
- Contributions from newly commissioned or acquired international generation
- Reduction of $9.8m in employee and other operating expenditure
  - Continued focus on cost control and improved commercial practices
  - Increasing cost associated with strong retail competition

Operating Expenses



- Employee & Other Expenditure declined by $9.8m against last year, a combination of:
  - Series of one off costs in 2010 of $6.1m
  - Continued focus upon cost control and improved commercial practices
- Improvement achieved despite the cost of building our international operations, growth in customer numbers and increased retail competition driving up retention and acquisition costs

P & L impacts below EBITDAF



- NPAT impacted largely by non-cash accounting adjustments
  - Net reductions in the fair value of electricity, aluminium and foreign exchange derivatives of $58.4m
- Depreciation increased by $23.0m following revaluation of our generation assets by $1.2bn at 30 June 2010
- Net finance costs increased by $14.4m reflecting interest on borrowings $277.4m higher than at December 2009

Fair Value Movements

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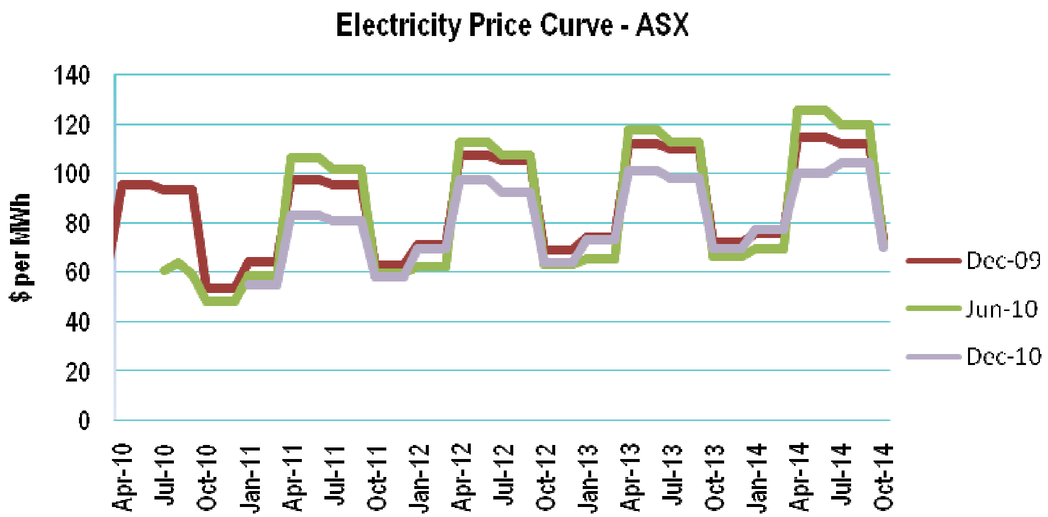
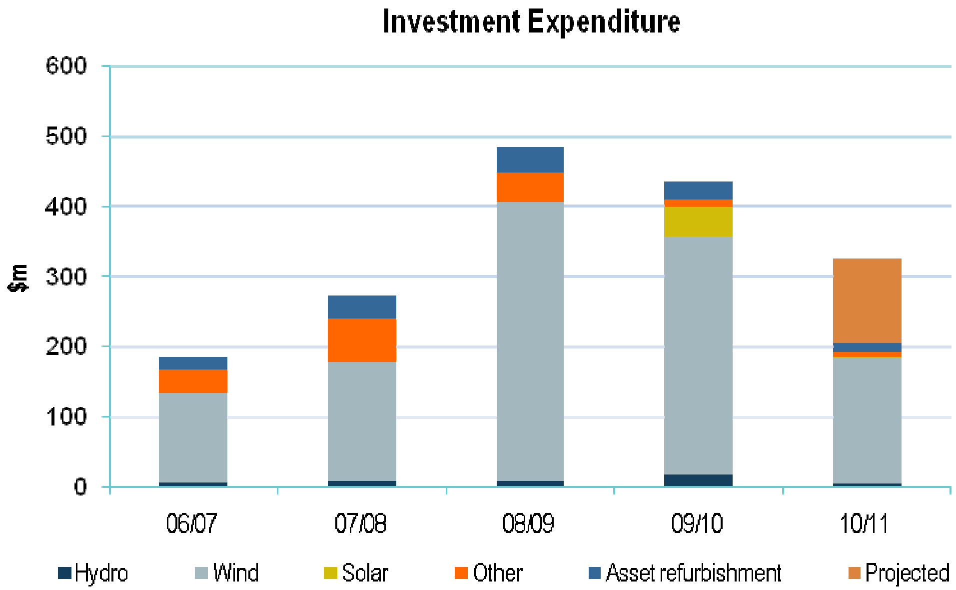
- To manage our risk and ensure certainty of return we enter into financial instruments, these are marked to market at the end of each reporting period
- A number of factors drive fair value movements across our financial instruments including forward interest rates, foreign exchange rates, aluminium and electricity curves, inflation and discount rates
- The softening of the ASX short term forward electricity curve is the primary driver of movements in electricity and NZAS CfD's

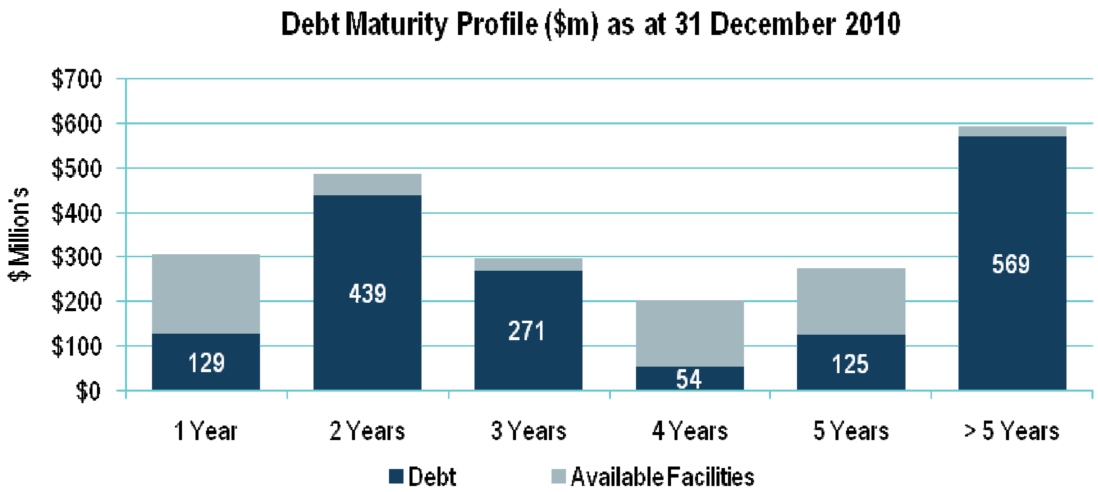


Investment



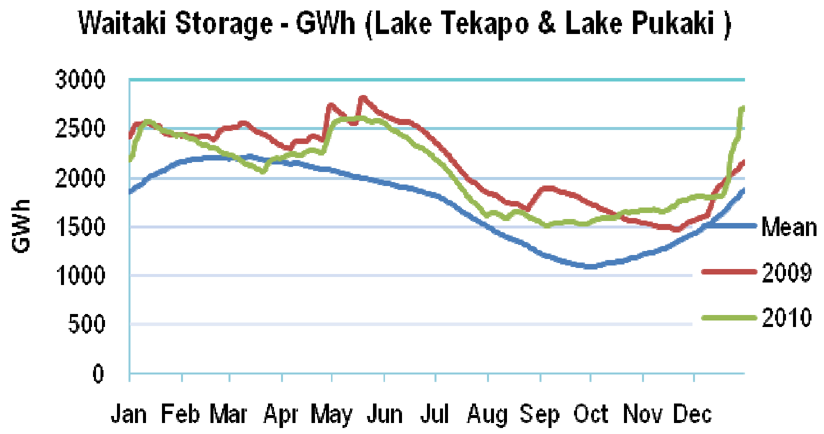
- Current year relates largely to the development of Te Uku and Macarthur wind farms
- Decrease from '09/10 following completion of West Wind, Ross Island and Mt Millar acquisition
- Projected expenditure is associated with completion of Te Uku and continued construction of Macarthur

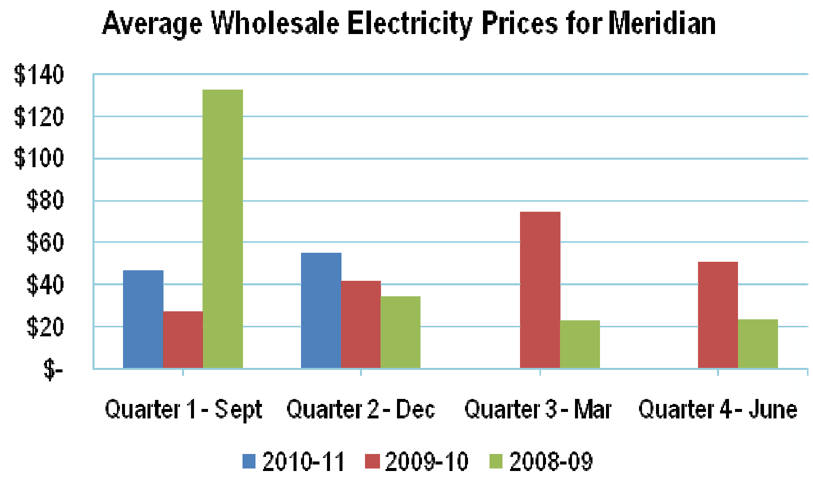
Funding



- Maintained S&P A2, BBB+ (stable outlook) credit rating
- Cash and undrawn debt facilities of $630m as at 31 December 2010
- Debt has increased by $26m from June 2010 and is $277m higher than at the same point last year
- $300m of bank facilities matured during December 2010, replaced with $150m - four year and $150m - five year bank facilities
- ANZ bank appointed lead arranger and underwriter of project finance facility for Macarthur wind farm development in Australia

Storage, Inflows & Price

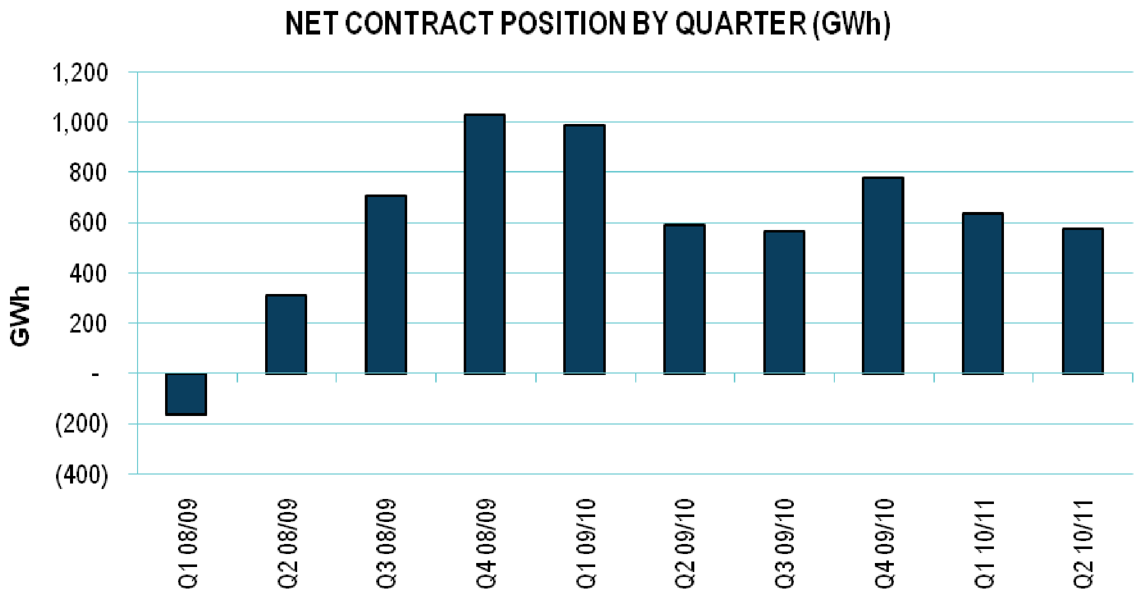




- Hydro storage remained above average throughout the period, albeit down on last year
- Declining inflows and a dry outlook, combined with thermal plant outages, resulted in unusually high average wholesale prices in December. Our daily average reached a peak of $236/MWh
- High inflows late in December resulted in a dramatic decrease in prices with our daily average generation price down to a low of $5/MWh and periods of spill at all of our hydro stations

Net Contract Position

(Difference between volume generated and volume purchased to support electricity sales)



- Our objective is to manage our net contract position so as to optimise potential earnings while maintaining an appropriate level of risk
- Our current net position leaves us well placed to deal with hydrology shock
- Average net contract position was 82% during this six month period

New Zealand Wholesale Performance

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$ million's	Dec '10	Dec '09	% change	Jun '10
Wholesale Revenue	**533.3**	**417.8**	**28%**	**1,031.3**
Wholesale Electricity Expenses	**(147.6)**	(109.4)	(35%)	(270.9)
Transmission & Levies	**(56.1)**	(46.0)	(22%)	(98.4)
Other Wholesale Electricity Expenses	**(11.4)**	(11.1)	(3%)	(22.4)
Staff & Other Operating Expenses	**(21.5)**	(22.3)	4%	(48.8)
Direct EBITDAF	**296.7**	**229.0**	**30%**	**590.8**
Corporate Overhead Allocation	**(16.1)**	(19.9)	19%	(31.8)
Adjusted EBITDAF	**280.6**	**209.1**	**34%**	**559.0**
Average Price Received per MWh Generated	**$50.28**	$34.04	48%	$48.33
Generation Volumes GWh	**6,804**	6,854	(1%)	13,862
Wholesale Contracted Electricity Sales GWh	**2,402**	2,151	12%	4,763

- Wholesale revenues benefited from increased average wholesale electricity prices and NZAS settlement
- Transmission & levies costs increased by 22% due to increased HVDC costs and reduced constrained rental rebates (due to less price separation)
- Transmission costs expected to continue increasing on the back of Transpower's investment programme

New Zealand Generation

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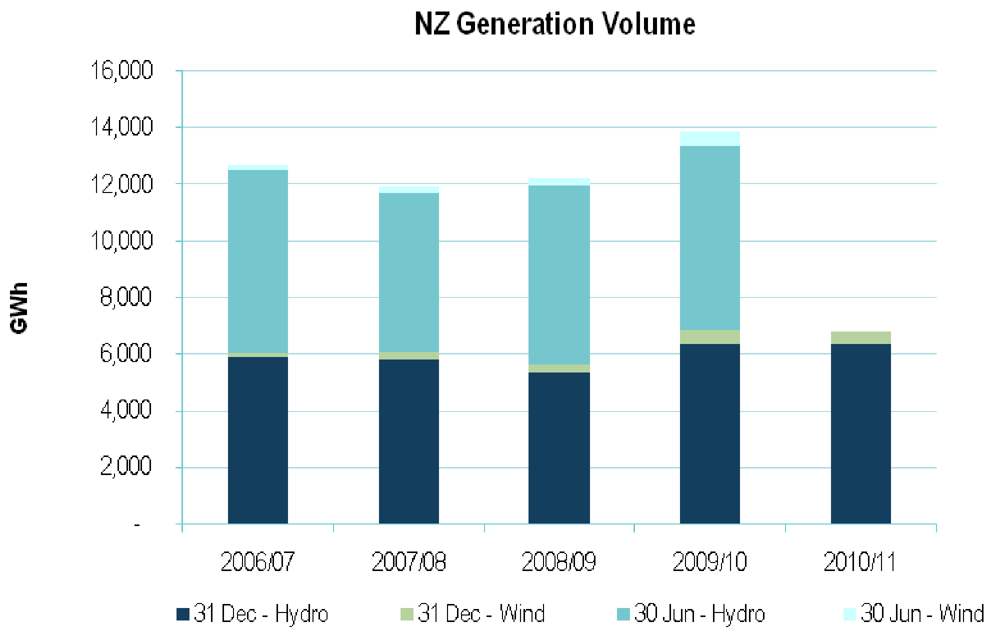
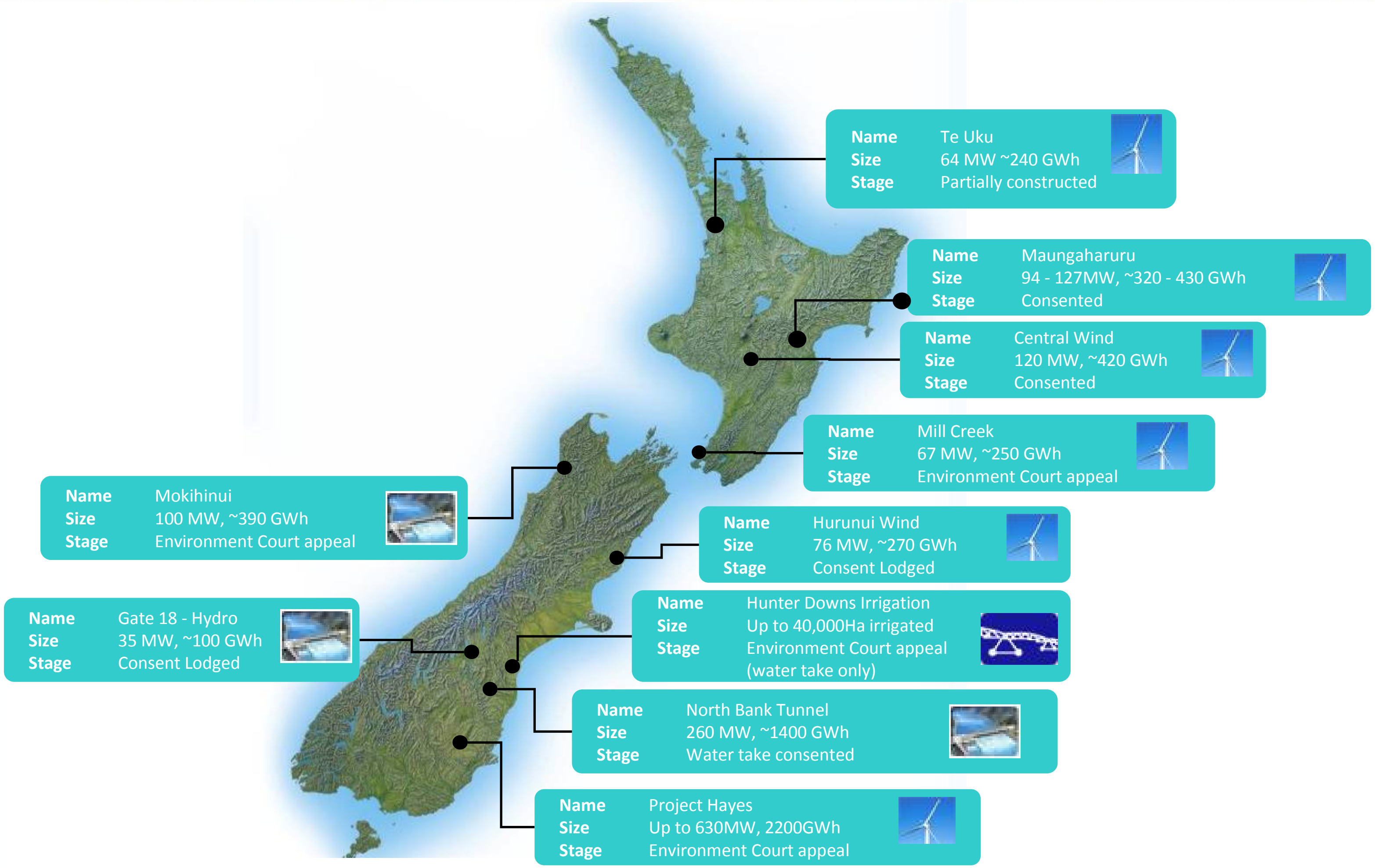


- Similar hydrology conditions resulted in generation output close to that achieved in the same period last year
- Te Uku wind farm first power in November 2010, 6 weeks ahead of programme

Renewable Generation Pipeline*



*Sites currently consented or in consent process

Retail Segment Performance

$ million's	Dec '10	Dec '09	% change	Jun '10
Retail Revenue	**532.5**	**493.4**	**8%**	**993.7**
Wholesale Electricity Expenses	**(234.4)**	(176.3)	(33%)	(459.4)
Distribution & Levies	**(175.2)**	(167.9)	(4%)	(327.4)
Staff & Other Operating Expenses	**(35.7)**	(31.0)	(15%)	(69.2)
Direct EBITDAF	**87.2**	**118.2**	**(26%)**	**137.7**
Corporate Overhead Allocation	**(13.1)**	(16.9)	22%	(27.1)
Adjusted EBITDAF	**74.1**	**101.3**	**(27%)**	**110.6**
Direct EBITDAF @ $80MWh Purchase Price	**18.8**	**12.5**	**50%**	**7.4**
Powershop Contracted Electricity Sales (GWh)	**125**	19	558%	83
Meridian Retail Contracted Electricity Sales (GWh)	**2,987**	2,962	1%	5,823
Meridian Retail Spot Electricity Sales (GWh)	**934**	910	3%	1,835
Total Electricity Sales (GWh)	**4,046**	**3,891**	**4%**	**7,741**
Average Electricity Purchase Price ($ MWh)	**$55.48**	$43.20	(28%)	$58.05

Retail Segment Performance

- Revenue improved with change of customer mix and increased electricity sales volume
- EBITDAF was negatively impacted by an increase in average electricity purchase price from $43.20/MWh to $55.48/MWh (+ 28% from December 2009)
- Growth in ICP numbers and a highly competitive landscape is reflected in increased operating expenditure
- Assuming an average purchase spot price of $80/MWh, Retail EBITDAF improved by $6.3m (50%) on the same period last year

Retail – Lifting Our Customer Game

- We continue to focus on improving our service offering and maximising operational efficiency
  - Implementation of Meridian Retail's new customer billing platform – initial billing delays have now been resolved
  - Improved customer satisfaction across all our segments within Meridian Retail – however business segment below target
  - Powershop continues to maintain high-levels of customer satisfaction
- Retail competition and churn (the movement of customers between retailers) remains high
- There has been a residential price freeze since March 2009. We are reviewing pricing
- Any price changes will be undertaken in a targeted manner – we would expect the impacts to vary across segment and regions

Retail Customers 14% Growth in ICP numbers since December 2009

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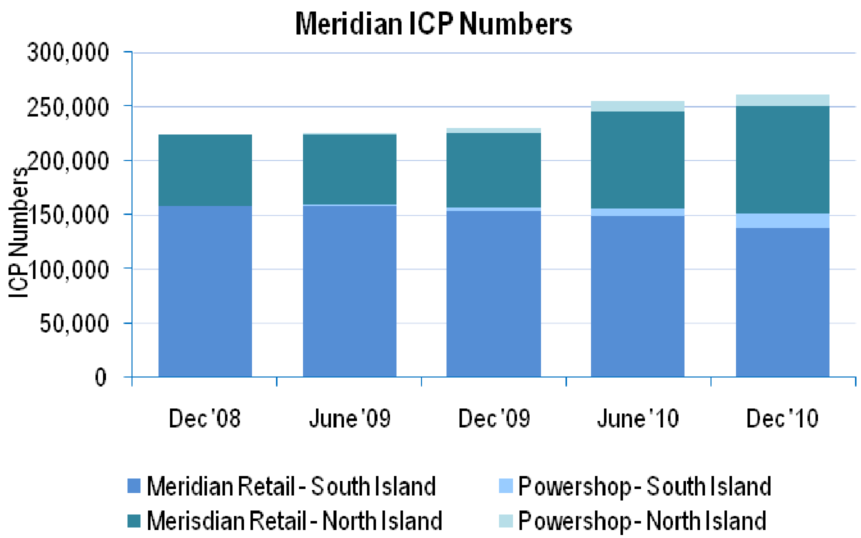
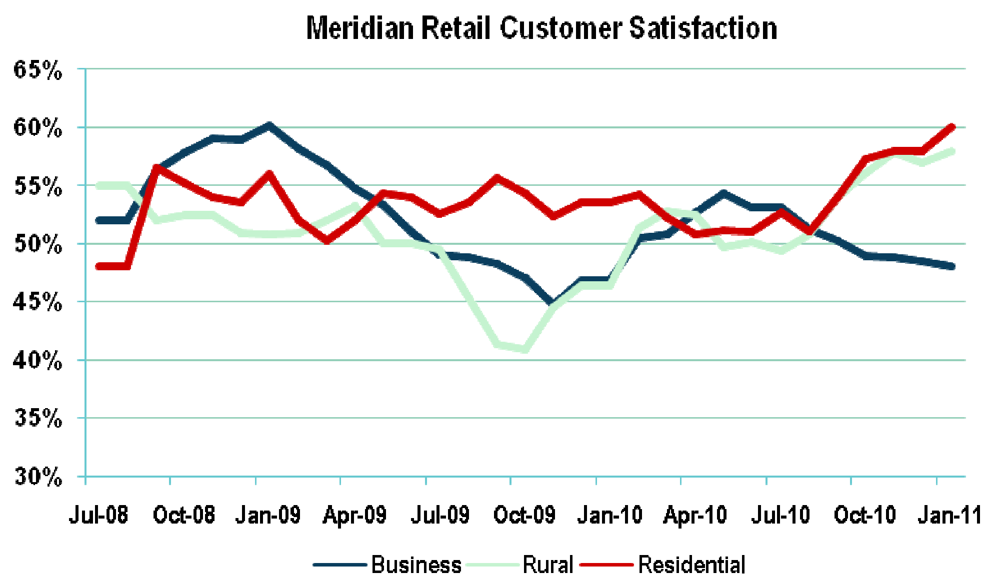


ICP = Installation control points

- Powershop continues impressive growth in customers up 48% in the last six months
- Total North Island ICP growth – 13% since June 2010
- Overall ICP's are up 14% from 31 December 2009
- Customer and location mix changing driven by:
  - Increased customer competition
  - Rebalancing following the Electricity Industry Act
  - Our growing North Island generation base

Customer Satisfaction

- Powershop recognised by Consumer New Zealand as having the highest customer satisfaction rating for an electricity retailer
- Meridian Retail have achieved gains in rural and residential customer satisfaction
- Business satisfaction remains a concern, account management focus is being increased



International Segment Performance

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$ million's	Dec '10	Dec '09	% change	Jun '10
International Revenue	**10.8**	**-**	**-**	**1.6**
Energy Related Expenses	**(0.2)**	-	-	-
Transmission & Levies	**(1.0)**	-	-	(0.1)
Staff & Other Operating Expenses	**(4.9)**	(2.2)	(123%)	(12.6)
Direct EBITDAF	**4.7**	**(2.2)**	**314%**	**(11.1)**
Corporate Overhead Allocation	**(2.0)**	(2.5)	20%	(4.1)
Adjusted EBITDAF	**2.7**	**(4.7)**	**157%**	**(15.2)**
Generation Volumes GWh	**90**	-	-	12

- Revenues reflect a six month contribution from CalRENEW-1 solar facility and Mt Millar wind farm
- We have appointed a new CEO to lead our Australian operations
- Mt Millar wind farm integrated into the business – focus is now on lifting performance
- Construction commenced on 420MW Macarthur wind farm in Victoria – in a joint venture with Australia's largest renewable generator, AGL Energy
  - ANZ Bank appointed as the lead arranger and underwriter of the project finance to fund our debt contribution to this development

Other Segment Performance

$ million's	Dec '10	Dec '09	% change	Jun '10
Other Segment Revenue	**17.6**	**14.2**	**24%**	**35.0**
Energy Related Expenses	**(8.3)**	(7.0)	(19%)	(19.7)
Staff & Other Operating Expenses	**(11.1)**	(12.5)	11%	(23.2)
Direct EBITDAF	**(1.8)**	**(5.3)**	**66%**	**(7.9)**
Corporate Overhead Allocation	**(2.3)**	(3.0)	23%	(4.7)
Adjusted EBITDAF	**(4.1)**	**(8.3)**	**51%**	**(12.6)**

- Improvement in EBITDAF is driven primarily from the activities of EFI and Whisper Tech who have recorded higher revenue against last year
- The current economic climate has challenged some of our subsidiaries
- EFI continues to build options within its development pipeline
- Whisper Tech is now focused on sales of its micro combined heat and power units in Europe
- Right House continues to feel the effects of low activity in construction

Electricity Industry Act (EIA)

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- During December 2010 Meridian signed the Virtual Asset Swap (VAS) agreements with Genesis and Mighty River Power – taking effect on 1 January 2011 for a period of 15 years
- The Tekapo sale is expected to happen in the first half of 2011
- Government announced that it would be selling the diesel-fired electricity plant at Whirinaki by tender rather than transferring it to Meridian
- We have seen a marked increase in activity on the Australian Securities Exchange (ASX), the agreed platform for New Zealand electricity futures trading
- We are actively supporting the new Electricity Authority's significant work programme

Outlook

- The full impact of the Christchurch earthquake of 22nd February is still being assessed, preliminary investigations indicate no damage to Meridian's generating assets
- Slow recovery of the economy and the high-level of retail competition remain a challenge for us to navigate during the rest of the year
- Hydro catchments across NZ are at above average storage levels
- The second half started for Meridian with Waitaki lakes at 144% of average storage
- We have seen high inflows during January and February which has resulted in instances of spill from our storage lakes
- While wholesale electricity prices have remained low since the start of the second half, as a result of hydrology conditions, wholesale prices partly reflect thermal maintenance outages
- Te Uku's final turbine was put up last week. This further diversifies Meridian's generation portfolio and provides further opportunities for retail growth in the North Island
- Subject to the impact of the recent Christchurch earthquake on our retail customers, we remain on track to achieve our SCI financial targets for the 2010/11 financial year

Additional Information

Income Summary

$ million's	Dec '10	Dec '09	% change	Jun '10
Energy & Related Services Sales	1,086.8	917.8	18%	2,039.6
Other Revenue	7.7	7.7	0%	22.3
Total Group Operating Revenue	**1,094.5**	**925.5**	18%	**2,061.9**
Energy Related Costs	394.1	289.6	36%	743.6
Energy Transmission, Distribution and Levies	232.2	213.8	9%	426.0
Employee Costs & Other Operating Expenses	114.9	124.7	8%	250.6
Total Operating Expenditure	**741.2**	**628.1**	(18%)	**1,420.2**
EBITDAF	**353.3**	**297.4**	19%	**641.7**
Net Change in Fair Value of Electricity, Aluminium and Foreign Exchange Derivatives	(67.5)	23.4	(388%)	(48.0)
Depreciation, Amortisation, Impairments and Gain / (Losses) on Sale of Property, Plant & Equipment	(111.4)	(86.2)	(29%)	(206.1)
Equity Accounted Earnings of Associates	(1.3)	(1.3)	0%	(2.0)
Group Operating Profit	**173.1**	**233.3**	(26%)	**385.6**
Net Finance Costs	(51.5)	(37.1)	(39%)	(85.1)
Net Gain / (Losses) on Financial Instruments	7.5	9.5	21%	(23.3)
Group Profit before Tax	**129.1**	**205.7**	(37%)	**277.2**
Income Tax	(44.4)	(63.2)	30%	(93.2)
Group Net Profit After Tax	**84.7**	**142.5**	(41%)	**184.0**
Group Underlying Profit After Tax	**123.4**	**118.7**	4%	**251.9**

Statement of Corporate Intent Measures

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	Target	Dec '10	Dec '09	Jun '10
Equity to Total Assets	56.6%	**59.6%**	57.7%	58.2%
Return on Average Equity	3.9%	**2.5%**	6.0%	3.9%
Underlying Return on Average Equity (excl. Revaluations)*	18.3%	**21.5%**	18.1%	19.8%
Underlying Return on Average Capital Employed (incl. Revaluations)*	4.7%	**5.4%**	5.6%	5.6%
EBITDAF per MWh Generated ($ Per MWh)	$46.4	**$51.9**	$43.4	$46.3
Net Debt / (Net Debt plus Equity) Gearing	25.6%	**22.9%**	23.8%	22.4%
Free Funds from Operations (FFO) Interest Cover (# of times)	4.6	**4.9**	4.6	5.7
EBITDAF Interest Cover (# of times)	5.4	**6.2**	6.9	6.7
Solvency**	54.6%	**84.4%**	42.4%	48.7%

*Preceding 12 months profit compared against average and previous year end equity

** Excluding current assets classified as held for sale

Segment Reporting / Overhead Allocation

Since June 2010 with the growth of our International business we now consider the business from the perspective of three reportable segments, being Wholesale, Retail and International

Meridian Segment Composition				
New Zealand Wholesale	**Retail**	**International (previously Other Segments)**	**Other Segments**	**Unallocated**
Wholesale NZ Generation Renewable Development (previously Unallocated)	Meridian Retail Powershop (previously Other Segments) Arc Innovations	Australia United States	Energy for Industry (previously Wholesale) 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 off key cost drivers such as FTE numbers or estimated / actual resource usage

LWAP to GWAP

(Our electricity purchase price compared to the price at which we sell our generation)

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	December 2010		December 2009	
	South Island	North Island	South Island	North Island
TWAP at BEN2201, OTA2201	**49.63**	**55.65**	34.64	46.88
GWAP / TWAP	**1.02**	**0.86**	0.97	0.88
Total Retail LWAP / TWAP	**1.14**	**1.03**	1.13	1.03
Total Retail LWAP / GWAP	**1.08**	**1.19**	1.17	1.18
Aggregate LWAP /GWP	**1.11**		**1.18**	

- LWAP (load weighted average price) to GWAP (generation weighted average price) principally measures a generator / retailer's exposure to volume weighted price risk
- Meridian is a national retailer but predominately a South Island generator, so its LWAP/GWAP ratios are highly impacted by HVDC effects
- Overall LWAP/GWAP ratio has improved by 6% - fewer instances of price separation
- Meridian generated in the South Island into periods of higher prices improving the GWAP to TWAP (time weighted average price) ratio by ~5% uplift - However North Island was slightly down
- Purchases to support Meridian's retail load position were consistent with last year relative to TWAP in each island

Plant Performance

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	Target	Dec '10	Dec '09	Jun '10
Plant Availability - Hydro	92.6%	**93.4%**	92.3%	91.3%
Plant Availability - Wind	96.2%	**97.5%**	95.9%	96.0%
Plant Forced Outage Factor - Hydro	0.34%	**0.22%**	0.35%	1.47%

- All performance metrics performed in line with expectations and were within target
- Current investment in maintenance is driving strong plant performance. We have an ongoing programme to refurbish our core assets to maximise generation and performance
- Benmore Refurbishment Programme is on track for completion in early 2011. Once completed there will be a 3% improvement in water efficiency