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Interim Result Presentation

For the six months ended
31 December 2011

16 February 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.

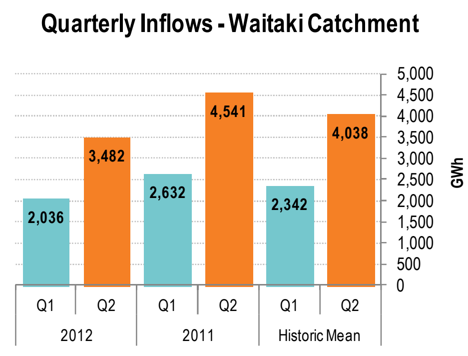
Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks.

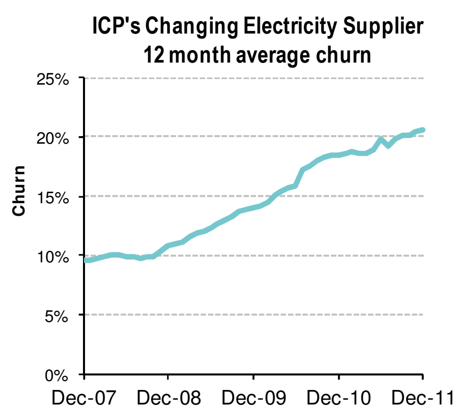
Although management may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realised.

Furthermore, while all reasonable care has been taken in compiling this presentation, Meridian cannot guarantee it is free from errors.

Influences on Performance

- Challenging trading conditions
  - Extended periods of below average inflows
  - Transmission outages supporting the HVDC upgrade
  - Flat national consumer demand
- Highly competitive retail market
  - Continuing high rate of customer churn





Financial Performance

- Underlying Net Profit After Tax (NPAT) declined on last year by 20%, while EBITDAF* fell 17%
  - Tekapo generation included in last year
  - One-off NZAS settlement received last year
- Adjusting for the above, underlying NPAT improved 13% and EBITDAF declined 2%
- Stable result in difficult conditions

* = Earnings before interest, taxation, depreciation, amortisation and change in fair value of financial instruments

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Benmore Hydro Station, recently upgraded through a $67m refurbishment programme

Te Uku Wind farm, fully commissioned in April 2011

Key Achievements

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- 13% growth in underlying profitability from Retail operations
- Retail ICPs* increased by 4%
- Powershop and Meridian ranked first and second in Consumer NZ survey
- First turbines erected at 420MW Macarthur wind farm
- Mill Creek fully consented and showing strong economics
- Maintained health and safety performance significantly better than industry average

* = Installation control points (customer meters)

Meridian grew ICP numbers by 4% in the last six months

Turbine construction has commenced at the 420MW Macarthur wind farm in Australia

Financial Summary

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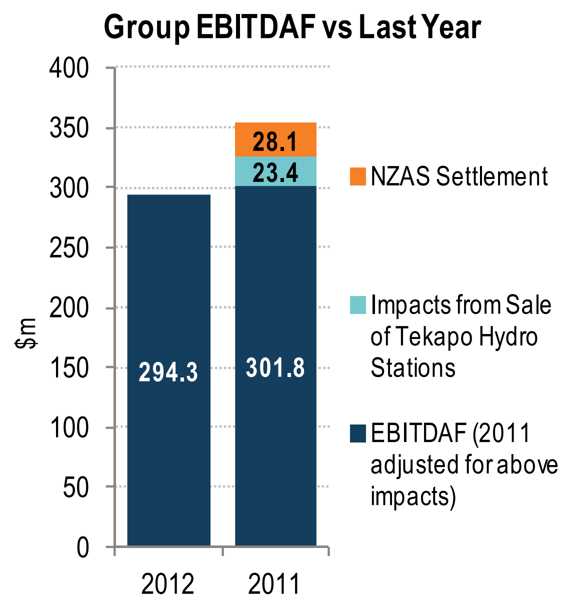
$ millions	Dec '11	Dec '10	% Change	June '11
Net Energy Revenue	**422.3**	483.8	(13%)	923.6
Other Revenue including International	**25.9**	26.3	(1%)	60.5
Transmission (HVDC and ancillary charges)	**(39.8)**	(41.8)	5%	(86.1)
Employee & Other Operating Expenditure	**(114.1)**	(114.9)	1%	(238.1)
EBITDAF	**294.3**	353.3	(17%)	659.9
Group Net Profit After Tax (NPAT)	**9.2**	84.7	(89%)	303.1
Group Underlying Net Profit After Tax	**98.9**	123.4	(20%)	219.0

Key Metrics	Dec '11	Dec '10	% Change	June '11
EBITDAF per MWh Generated	**46.83**	51.25	(9%)	47.74
Free Funds from Operations (FFO) Interest Cover (# of times)	**4.7**	4.9	(4%)	4.9
Net Debt / (Net Debt plus Equity) Gearing	**21.8%**	22.9%	(5%)	19.3%
Underlying Return on Average Equity (excl. Revaluations)	**16.2%**	21.5%	(25%)	18.5%

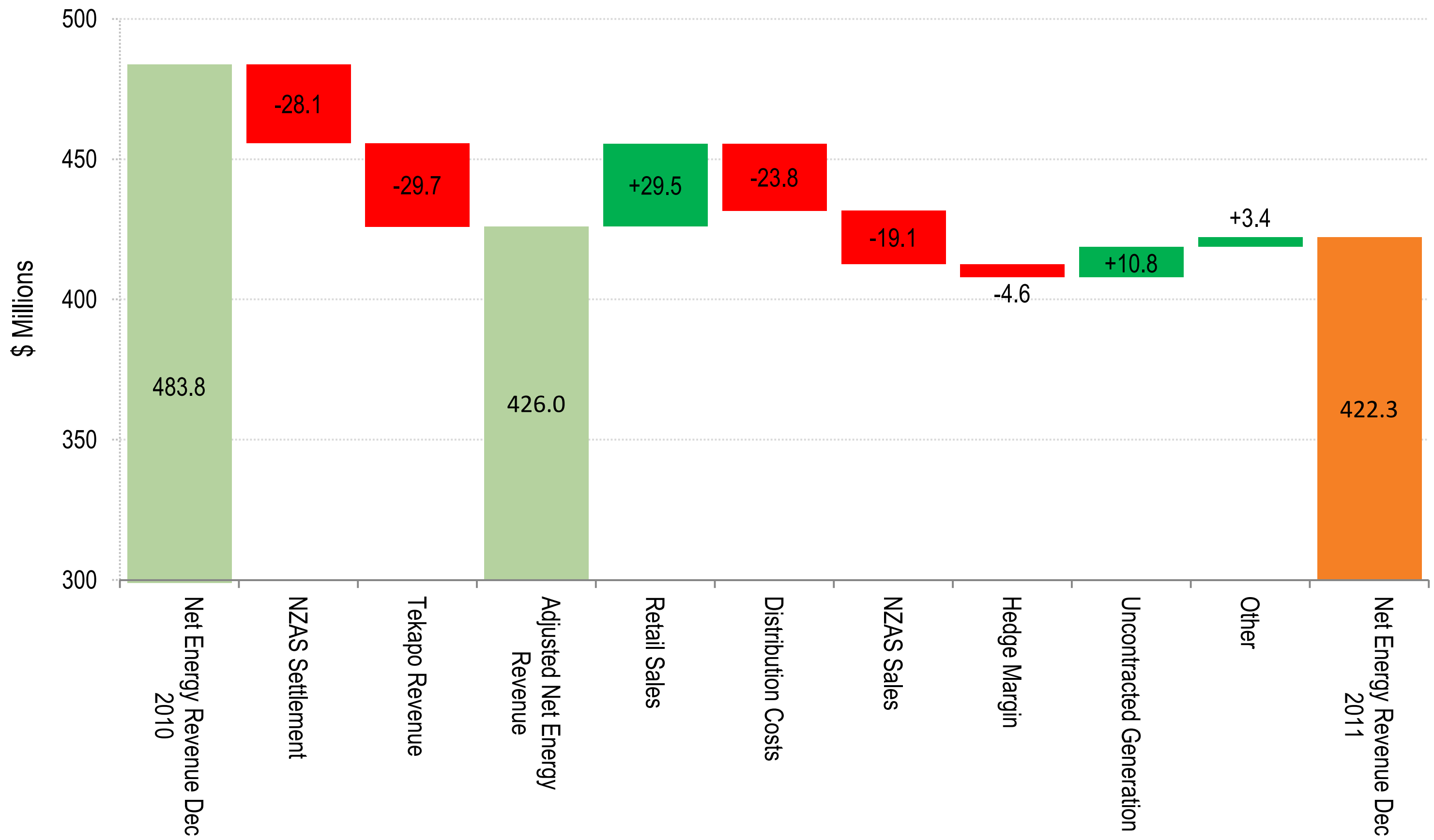
- Net Energy Revenue is the energy margin of our vertically integrated NZ business, comprising revenues received from generation, retail and wholesale customers less the energy and network distribution costs to service our customers

EBITDAF drivers

- One-off impacts of lost generation revenue from the Tekapo hydro stations ($23.4 million net of operating costs) and proceeds from the NZAS settlement received last year ($28.1 million net of legal costs)
- Adjusting for these impacts EBITDAF was 2% below last year
- Low inflows during Q1 into the Waitaki catchment and during Q2 into the Waiau catchment
- Multiple transmission outages supporting the HVDC upgrade
- Lower NZAS sales price reflecting two years of low average wholesale prices
- Flat operating costs
- Improvement in retail performance



Net Energy Revenue (Energy Margin) Waterfall

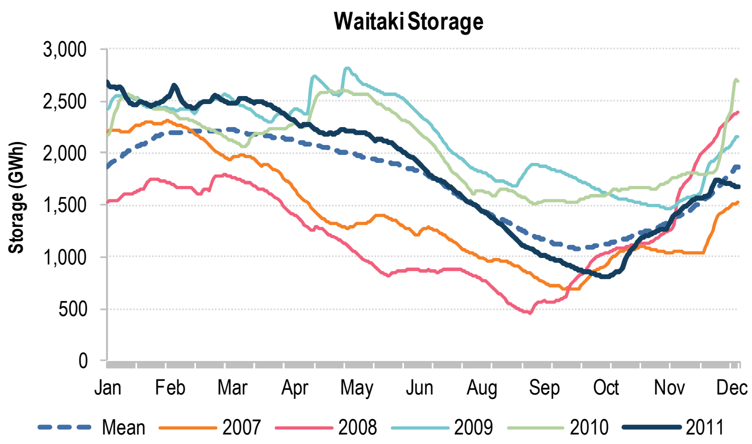


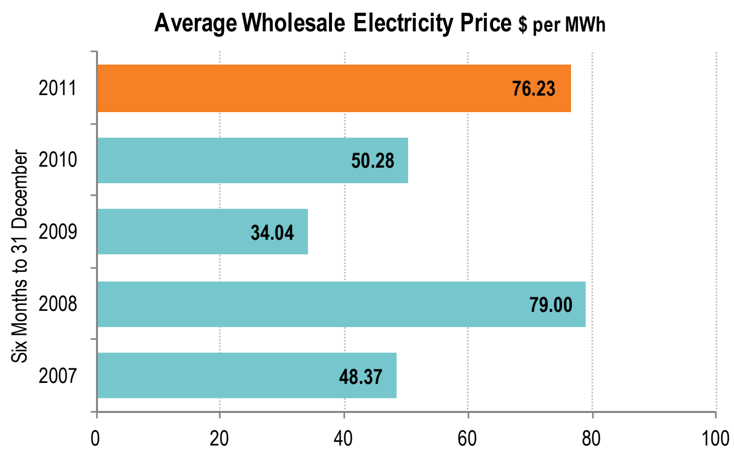
Net Energy Revenue (Energy Margin) – Key drivers

- Retail contracted sales improved reflecting Powershop growth, portfolio changes (location and segment mix) and price increases
- Customer growth, change of mix and network company price movement have driven distribution cost increases
- Pricing of the current NZAS contract includes a mechanism which adjusts prices (up or down) based upon historical average wholesale prices,
  - low prices in the last two years have influenced NZAS revenues
- Prudent management of hydrology storage saw volumes of un-contracted generation fall, however higher average wholesale electricity prices benefited revenues received from these sales

Storage, Inflows and Price

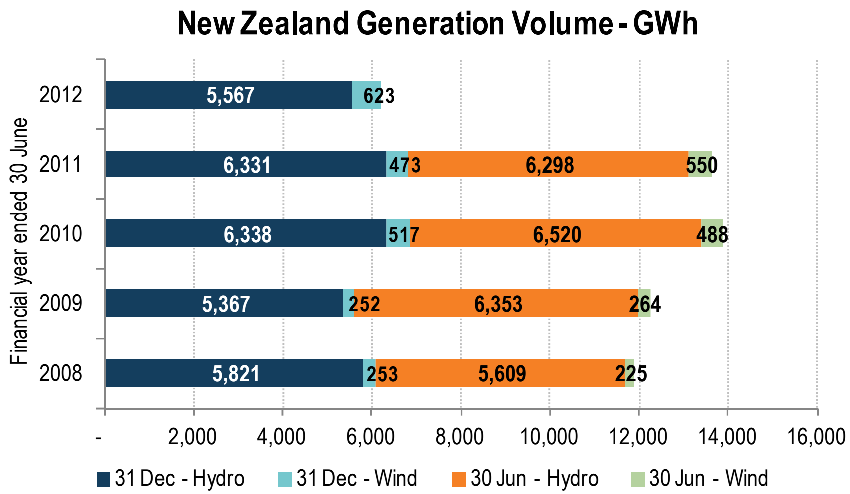
- Storage for large periods of the first half was below historical average, leading to storage conservation by South Island generators
- Record low inflows into lakes in the Waiau catchment (36% of mean) in December required draw down of Waitaki storage
- The impact of hydrology and transmission outages supporting the HVDC upgrade were key drivers of the 52% increase of the average wholesale electricity price





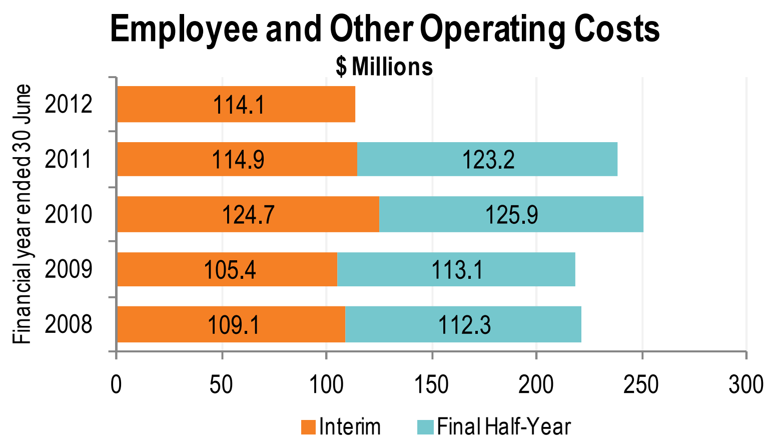
New Zealand Generation

- Production fell 614GWh from last year
  - Sale of the Tekapo hydro stations on 1 June 2011 (570GWh in last year)
  - Periods of conservative water use driven by hydrology conditions
  - Transmission outages relating to HVDC upgrade
  - Continued flat demand
- Wind generation grew by 150GWh, includes first full period of generation from Te Uku
- Transmission costs flat but expected to increase following HVDC upgrade

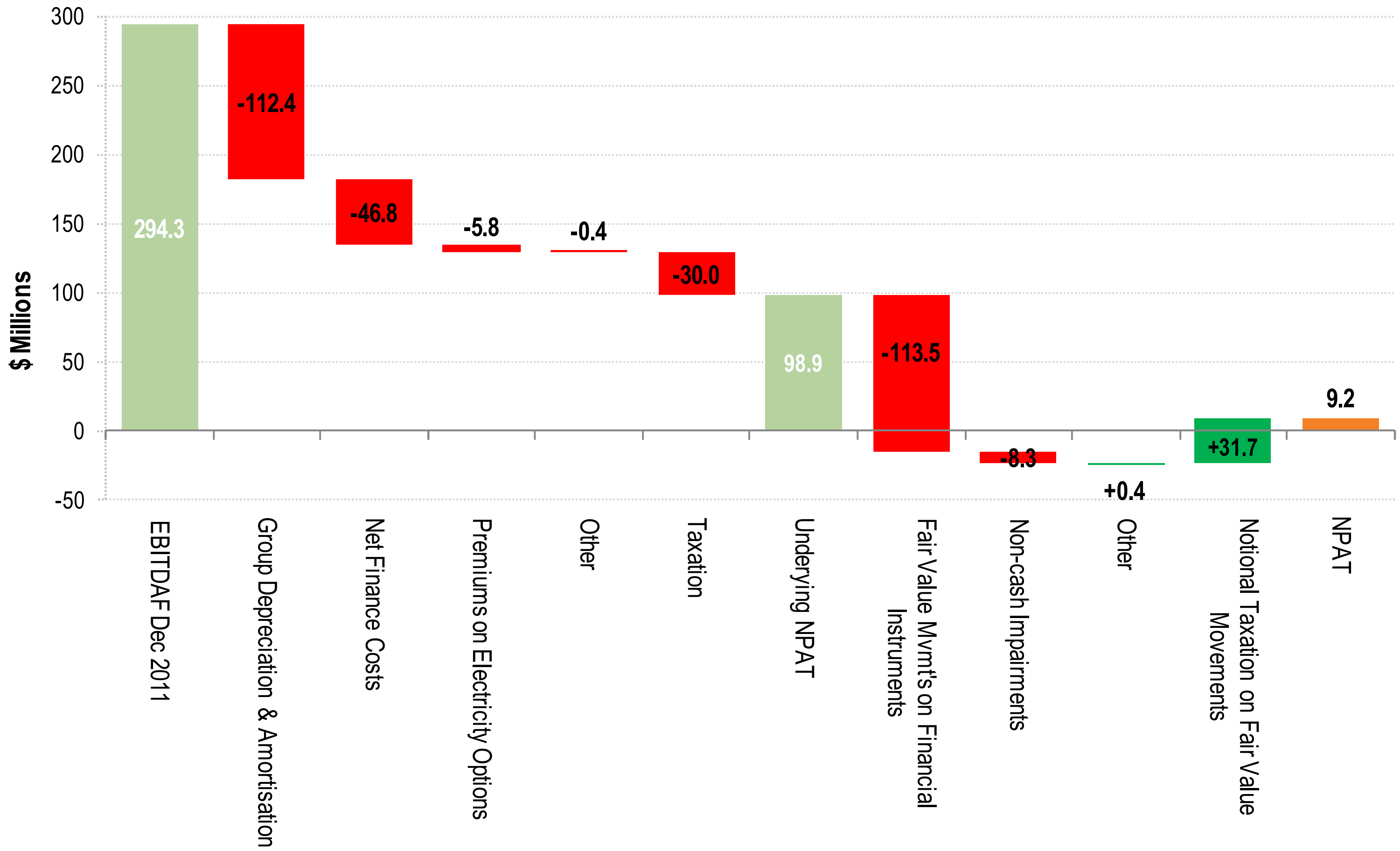


Operating Expenditure

- Continued focus on cost management
- Cost pressures will continue as we grow, refine and defend our retail customer portfolio in a highly competitive environment
- Addition of new generation adds to our maintenance costs, this increased cost has been offset by costs previously incurred at the Tekapo hydro stations

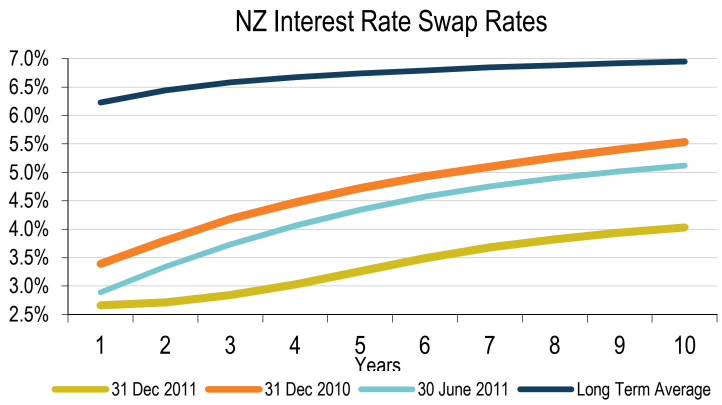


EBITDAF to NPAT Waterfall



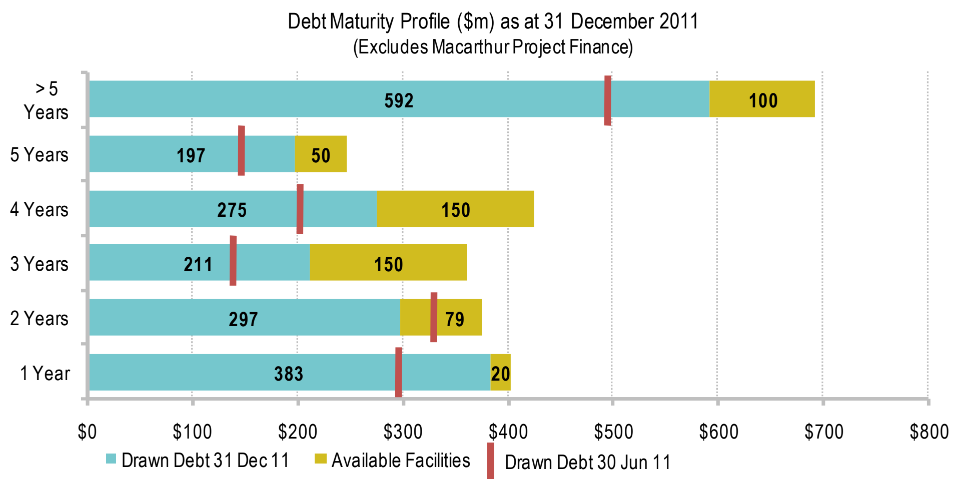
Fair Value Movements – Treasury Derivatives

- Meridian uses interest rate swaps to manage long-term average cost of borrowings
- Declining interest rate swap curves to historical low positions has lead to large non cash fair value movements
- Accounting standards do not currently permit hedge accounting of our interest rate swaps
- This non-cash technical accounting movement will reverse if swap rates rise or as swaps are closed out



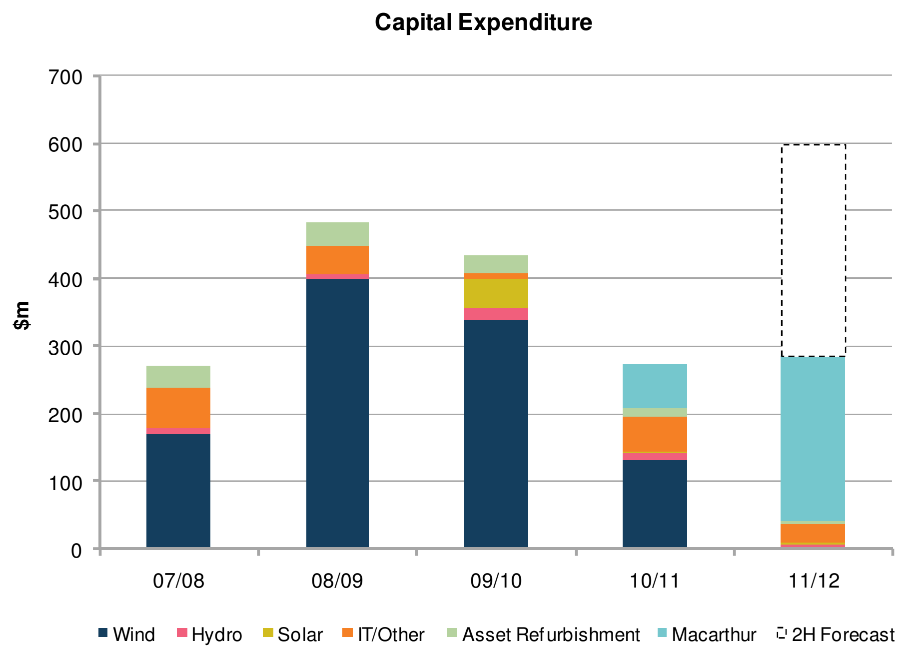
Funding

- Maintained Standard & Poor's A2, BBB+ (stable outlook) credit rating
- Cash and undrawn debt facilities of $722m (cash $173m) as at 31 December 2011
- Successfully closed out Syndicated Facility Agreement for project financing of Meridian's debt portion (AU$386 million) in Macarthur wind farm
- In December 2011, Meridian was awarded Project Finance International's Renewable Deal of the Year in Asia - Pacific



Capital Investment

- Investment spend for 2012 is largely construction of the 420MW Macarthur wind farm
- Macarthur investment is ~$A500m (of which 70% is funded from project finance)
- Once completed in early 2013, this investment will lift EBITDAF by approximately $A60m per annum in its first full year of operation

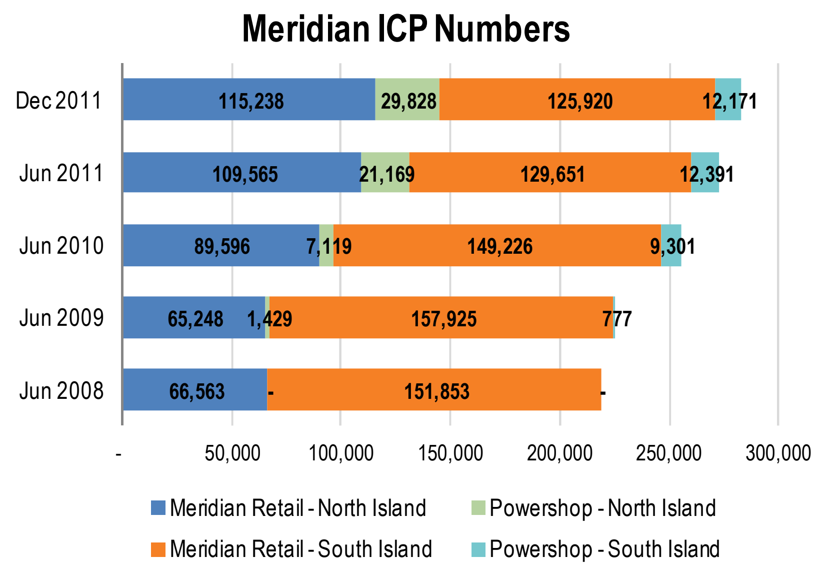


Improved Retail Performance

- 10% increase in revenue - from customer growth, change in mix and price increases
- Removing purchase price volatility, EBITDAF improved by 13% against the same period last year
- Customer segment and regional mix changing, 5% increase of North Island ICPs as we continue to rebalance our portfolio
- Distribution company price increases will lead to increased prices to consumers

Customer Satisfaction Converted to Growth

- Strong customer satisfaction results, as measured externally
- ICP growth of 4% from 30 June 2011, market share has increased from 14.2% to 14.8%
- Powershop increased its customer base by 25% from June 2011 – ranked 1st in the annual Deloitte Technology Fast 50 New Zealand Index



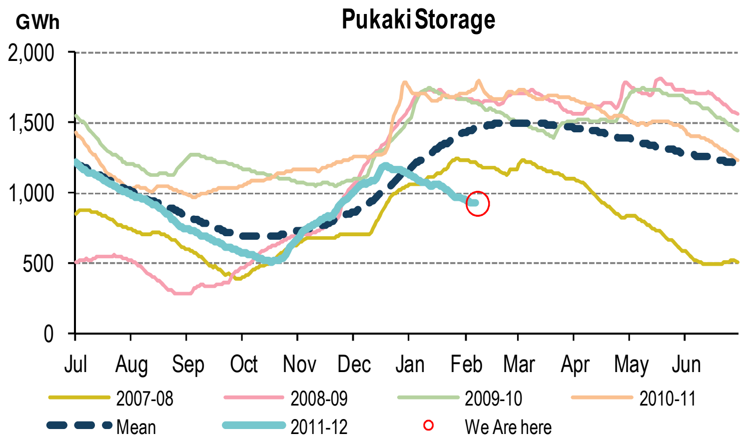
Future Investment

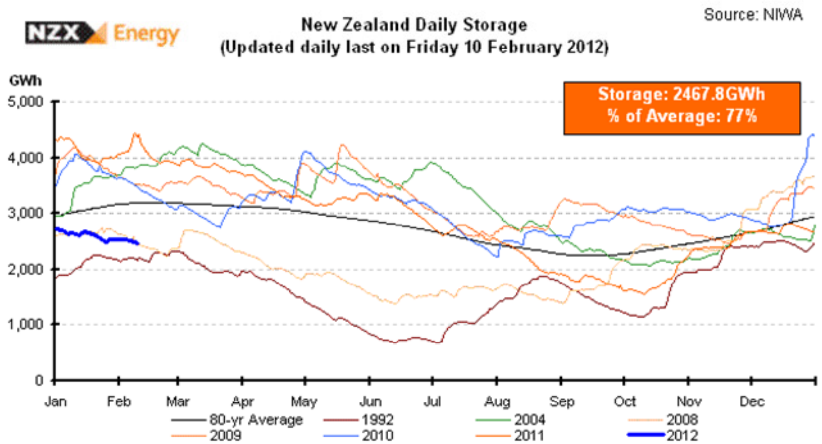
- Meridian has a strong pipeline of renewable generation options in wind and hydro at various stages of development
  - Mill Creek and Central Wind investment ready
- Meridian applies a disciplined approach to investment decisions
- We expect medium to long-term NZ demand growth to return to historical levels, supporting new investment
- Favourable long-term Australian market fundamentals
- Continued divestment of non-core investments

View of the proposed Mill Creek site from the West Wind farm

Outlook for the Full Year

- Continued subdued demand as a result of sluggish economy
- We enter the second half with dry conditions in our major storage catchments
- Following record low inflows in our Southland catchments in December, we saw record low inflows into the Waitaki catchment in January
- Current hydrology conditions mean achieving full year financial targets set out in the Statement of Corporate Intent has become less likely
- Ongoing programme of HVDC outages means challenging conditions will continue
- A decision on the level of interim dividend will be made before the end of April





Growth Opportunities

- Quality of generation pipeline backed by robust investment disciplines
- Evaluating best timing for our next two, highly competitive, options
- Improving Retail financial performance
- Earnings upside in the core business from long term wholesale price path and new NZAS contract (post Jan 13)
- Peaking value of hydro assets with improving transmission flexibility
- Value focused deployment of renewable competencies overseas

Additional Information

Income Summary

$ millions	Dec '11	Dec '10	% Change	June '11
Energy and Related Services Sales	1,219.6	1,086.8	12%	2,032.8
Other Revenue	3.6	7.6	(52%)	20.2
Total Group Operating Revenue	**1,223.2**	**1,094.4**	**12%**	**2,053.0**
Energy Related Costs	(559.5)	(394.0)	(42%)	(703.3)
Energy Transmission, Distribution	(255.3)	(232.2)	(10%)	(451.7)
Employee Costs and Other Operating Expenses	(114.1)	(114.9)	1%	(238.1)
Total Operating Expenditure	**(928.9)**	**(741.2)**	**(25%)**	**(1,393.1)**
EBITDAF	**294.3**	**353.3**	**(17%)**	**659.9**
Net Change in Fair Value of Electricity, Aluminium and Foreign Exchange Derivatives Loss	(29.9)	(67.5)	56%	(89.3)
Depreciation, Amortisation and Impairments	(120.7)	(111.7)	(12%)	(235.2)
Gain/(Loss) on Sale of Property, Plant and Equipment	0.4	0.3	-	174.1
Equity Accounted Earnings of Associates	(0.4)	(1.3)	69%	(3.4)
Group Operating Profit	**143.7**	**173.1**	**(19%)**	**506.1**
Net Finance Costs	(46.8)	(51.5)	9%	(107.6)
Net Change in Fair Value of Treasury Derivatives (Loss)/ Gain	(89.4)	7.5	-	(14.2)
Group Profit before Tax	**7.5**	**129.1**	**(94%)**	**384.3**
Income Tax	1.7	(44.4)	104%	(81.2)
Group Net Profit After Tax	**9.2**	**84.7**	**(89%)**	**303.1**
Group Underlying Profit After Tax	**98.9**	**123.4**	**(20%)**	**219.0**

Balance Sheet

$ millions	Dec '11	Dec '10	% Change	June '11
Cash and Cash Equivalents	173.0	53.7	222%	368.2
Accounts Receivable and Prepayments	267.5	274.5	(3%)	240.9
Other	25.6	664.8	(96%)	18.1
Current Assets	**466.1**	**993.0**	**(53%)**	**627.2**
Property, Plant and Equipment	7,816.8	7,669.8	2%	7,720.8
Other	144.1	115.2	25%	112.0
Non-Current Assets	**7,960.9**	**7,785.0**	**2%**	**7,832.8**
Total Assets	**8,427.0**	**8,778.0**	**(4%)**	**8,460.0**
Payables and Accruals	201.9	256.7	(21%)	217.0
Current portion of Term Borrowings	366.3	129.1	184%	298.2
Other	18.2	27.9	(35%)	54.5
Total Current Liabilities	**586.4**	**413.7**	**(42%)**	**569.7**
Term Borrowings	1,218.8	1,504.1	19%	1,275.4
Deferred Tax Liability	1,382.0	1,414.7	2%	1,412.3
Other	354.5	217.4	(63%)	271.3
Total Non-Current Liabilities	**2,955.3**	**3,136.2**	**6%**	**2,959.0**
Total Liabilities	**3,541.7**	**3,549,9**	**0%**	**3,528.7**
Equity	**4,885.3**	**5,228.1**	**(7%)**	**4,931.3**
Total Equity and Liabilities	**8,427.0**	**8,778.0**	**(4%)**	**8,460.0**

Statement of Corporate Intent (SCI)

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Statement of Corporate Intent (SCI) Financial Measures	Target	Dec '11	Dec '10	June '11
Equity to Total Assets	58.5%	**58.0%**	59.6%	58.3%
Return on Average Equity	3.9%	**4.6%**	2.5%	6.1%
Underlying Return on Average Equity (excl. Revaluations)	16.0%	**16.2%**	21.5%	18.5%
Underlying Return on Average Capital Employed (excl. Revaluations)	9.5%	**9.3%**	11.3%	10.4%
EBITDAF per MWh Generated ($ Per MWh)	$46.56	**$46.83**	$51.25	$47.74
Net Debt / (Net Debt plus Equity) Gearing	25.6%	**21.8%**	22.9%	19.3%
Free Funds from Operations (FFO) Interest Cover (# of times)	4.9	**4.7**	4.9	4.9
EBITDAF Interest Cover (# of times)	5.6	**6.1**	6.2	5.9
Solvency	62.6%	**79.5%**	84.4%	109.8%

Retail Segment Performance

$ millions	Dec '11	Dec '10	% Change	June '10
Retail Revenue	**583.8**	532.5	10%	1,038.5
Energy Related Expenses	**(344.4)**	(238.0)	(45%)	(438.8)
Distribution	**(199.0)**	(175.2)	(14%)	(347.5)
Employee and Other Operating Expenses	**(38.2)**	(32.1)	(19%)	(66.8)
Direct EBITDAF	**2.2**	87.2	(97%)	185.4
Corporate Overhead Allocation	**(13.2)**	(13.1)	(1%)	(27.6)
Adjusted EBITDAF	**(11.0)**	74.1	(115%)	157.9
Direct EBITDAF @ $80 per MWh Purchase Price	**21.3**	18.8	13%	14.2
Average Electricity Purchase Price per MWh	**$80.93**	$55.48	(46%)	$51.65
Powershop Contracted Sales GWh	**221**	125	77%	267
Meridian Retail Non Half Hourly Sales GWh	**1,508**	1,568	(4%)	2,925
Meridian Retail Half Hourly Sales GWh	**1,250**	1,225	2%	2,448
Meridian Retail Financial Contract Sales GWh	**166**	194	(14%)	434
Meridian Retail Spot Sales GWh	**862**	880	(2%)	1,796
Total Retail Sales GWh	**4,007**	3,991	0%	7,870
Average Retail Revenue per MWh	**$145.69**	$133.42	9%	$131.95

Wholesale Segment Performance

$ millions	Dec '11	Dec '10	% Change	June '11
Wholesale Revenue	**614.9**	533.3	15%	952.3
Wholesale Electricity Expenses	**(208.4)**	(147.6)	(41%)	(246.9)
Transmission Expenses	**(55.3)**	(56.1)	1%	(102.4)
Employee and other Operating Expenses	**(32.5)**	(32.9)	1%	(67.2)
Direct EBITDAF	**318.7**	**296.7**	**7%**	**535.8**
Corporate Overhead Allocation	**(16.1)**	(16.1)	-	(32.1)
Adjusted EBITDAF	**302.6**	**280.6**	**8%**	**503.7**
Key Ratios				
Average Price Received per MWh Generated	**$76.23**	$50.28	52%	$41.57
Generation Volumes GWh	**6,190**	6,804	(9%)	13,652
NZAS Contracted Electricity Sales GWh	**2,599**	2,401	8%	4,861
Wholesale Electricity CFD GWh	**(237)**	1	-	668

International Segment Performance

$ millions	Dec '11	Dec '10	% Change	Jun '11
International Revenue	**11.9**	10.8	10%	21.8
Energy Related Expenses	**(0.3)**	(0.2)	(50%)	(0.5)
Transmission	**(1.0)**	(1.0)	-	(1.9)
Employee and Other Operating Expenses	**(5.2)**	(4.9)	(6%)	(11.4)
Direct EBITDAF	**5.4**	**4.7**	**15%**	**8.0**
Corporate Overhead Allocation	**(1.5)**	(2.0)	25%	**(3.3)**
Adjusted EBITDAF	**3.9**	**2.7**	**44%**	**4.7**
Generation Volumes GWh - Australia	**89**	85	5%	**162**
Generation Volumes GWh - USA	**5**	5	-	**10**

Other Segment Performance

$ millions	Dec '11	Dec '10	% Change	Jun '11
Other Segment Revenue	**12.7**	17.6	(28%)	36.5
Energy Related Expenses	**(6.3)**	(8.3)	24%	(17.1)
Electricity Transmission and Distribution	**-**	-	-	0.2
Employee and Other Operating Expenses	**(5.8)**	(11.1)	48%	(21.7)
Direct EBITDAF	**0.6**	**(1.8)**	**-**	**(2.1)**
Corporate Overheads	**(1.8)**	(2.3)	22%	**(4.2)**
Adjusted EBITDAF	**(1.2)**	**(4.1)**	**71%**	**(6.3)**

Health & Safety

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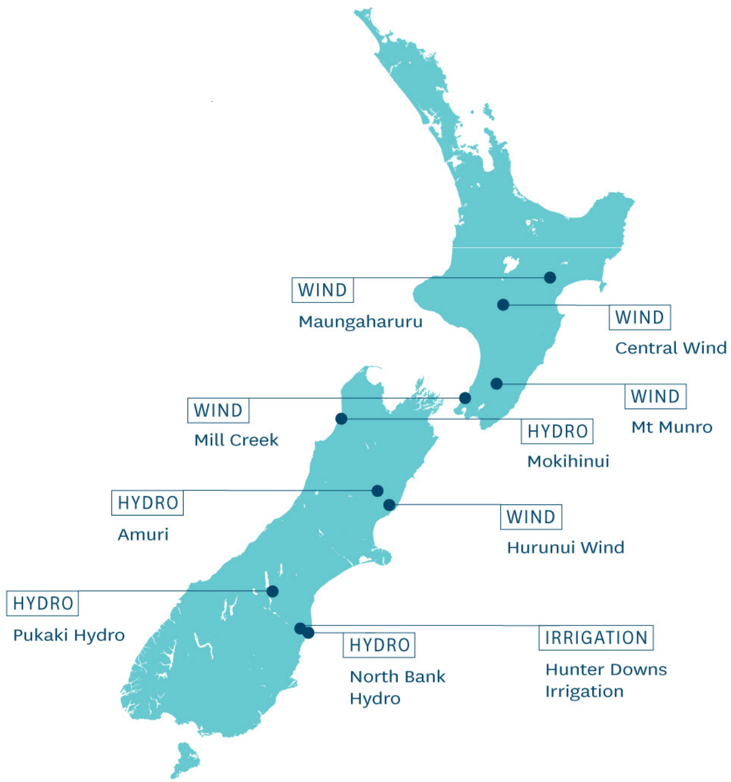
- Health & Safety remains a top priority as we strive to achieve zero harm
- Lost-Time Injury Frequency Rate well below the industry average

Health & Safety Metrics	Annual Target	Dec '11	June '11	Dec '10	Industry Average
Number of Lost Time Injuries	nil	2	3	2	NA
Lost Time Injury Frequency Rate	nil	1.8	1.8	1.8	6.3

New Zealand 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
Mokihinui	Environment Court	100MW
North Bank Hydro	Water consent held	260MW
Amuri Integrated Hydro Scheme	Consent application lodged	38MW
Hunter Downs Irrigation	Consents Held	NA

New Zealand Development Pipeline



International Generation Pipeline

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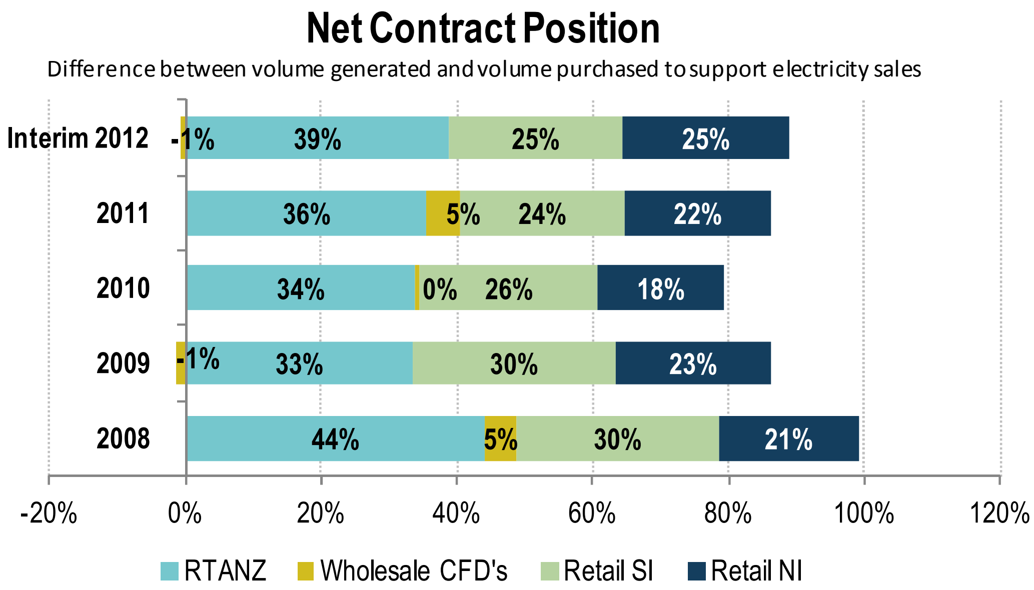
Development Option	Stage	Capacity
Macarthur, Victoria, Australia	Construction (50-50 joint venture with AGL Energy)	420MW
Mt Mercer, Victoria, Australia	Preconstruction design	130MW
Jacobs Corner, California, USA	Feasibility	20-60MW
San Luis, Colorado, USA	Investigations	40-120MW
Popua, Tongatapu, Tonga	Under Construction	1MW

Contract Position

Difference between volume generated and volume purchased to support electricity sales



LWAP to GWAP

	6 Month to 31 Dec 2011		6 Months to 31 Dec 2010		Full year June 2011	
	South Island	North Island	South Island	North Island	South Island	North Island
TWAP at BEN2201, OTA2201	76.99	81.14	49.63	55.65	39.27	54.98
GWAP / TWAP	1.00	0.88	1.02	0.86	1.04	0.83
LWAP / TWAP	1.05	1.01	1.14	1.03	1.12	0.97
LWAP / GWAP	1.06	1.15	1.08	1.19	1.07	1.17
Aggregate LWAP /GWAP	**1.07**		**1.11**		**1.21**	

LWAP represents load weighted average price to support physical sales position including RTANZ (prior period adjusted to reflect impact of RTANZ

- 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

Plant Performance

Plant Performance Metrics	Annual Target	Dec '11	Dec '10	June '11
Plant Availability - Hydro	93.3%	93.6%	93.4%	93.1%
Plant Availability - Wind	96.3%	97.3%	97.5%	96.6%
Forced Outage Factor	0.35%	0.17%	0.22%	0.18%

- Continued strong performance on asset management with performance metrics tracking above SCI targets
- Results demonstrate Meridian's strong maintenance programme
- Forced outage factor is world class

Segment Reporting and Overhead Allocation

- 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