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Sustainability Indices
In Collaboration with RobecoSAM

MERIDIAN ENERGY LIMITED

2019 INTERIM RESULTS PRESENTATION



HIGHLIGHTS

18%
increase in interim EBITDAF

5.70
cents per share ordinary dividend, a **6%** increase

5%
increase in NZ customer numbers

MARKET UPDATE

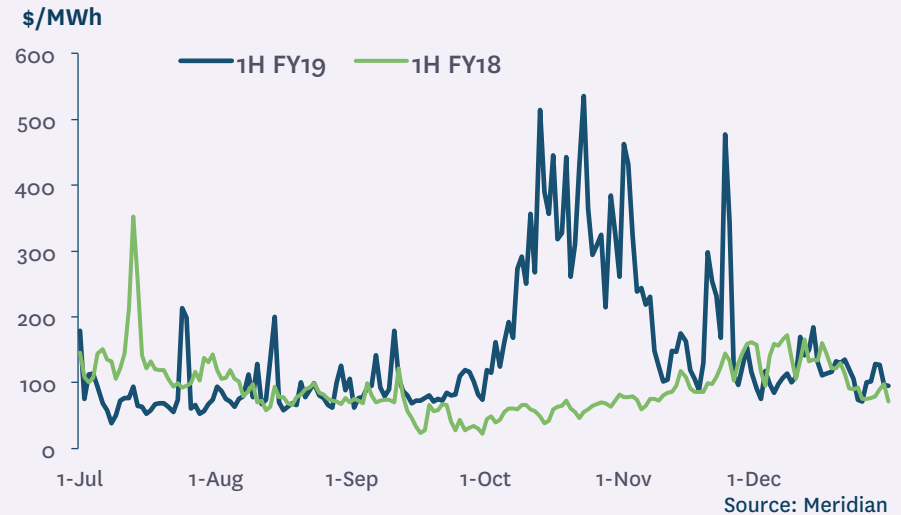


NEW ZEALAND WHOLESALE PRICES

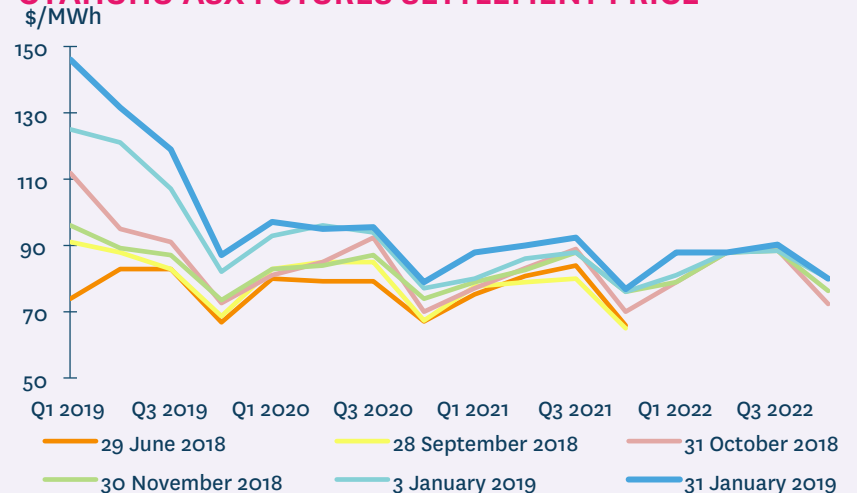
Higher spot and forward wholesale prices

- Higher wholesale prices since October 2018
- That marked national storage dropping below average for the first time since February 2018
- And commencement of higher consumption by the Tiwai Point Smelter as new cells were cut in on potline 4
- With uncertainty around gas supply as Pohokura offshore capacity was reduced and Maui pipeline issues were discovered
- Further 30 days of shutdown on Pohokura offshore wells is expected between February and April 2019
- Electricity market is experiencing some periodic thermal plant outages
- ASX forward price curve has steadily lifted reflecting the shift in underlying supply demand balance

OTAHUHU DAILY AVERAGE SPOT PRICE



OTAHUHU ASX FUTURES SETTLEMENT PRICE



Source: Electricity Authority

NEW ZEALAND DEMAND

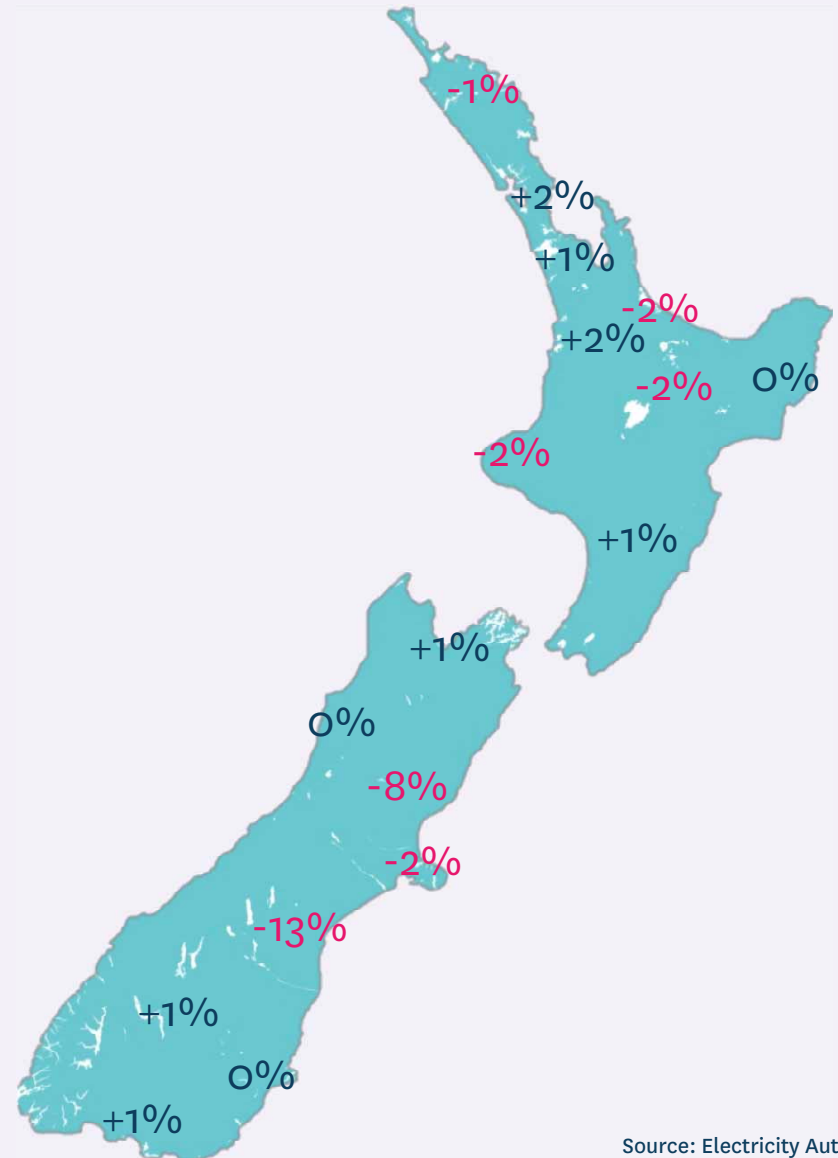
Flat demand in 2018

- Despite lower irrigation volumes in 2018
- 2018 was the second equal warmest year on record, average temperatures above 2017
- Underlying demand growth of 1% excluding irrigation

Different, positive views on future demand

- Medium term economic growth expected
- Policy settings should encourage decarbonisation
- Assumptions vary on rate of electrification of the wider energy system

REGIONAL ELECTRICITY DEMAND 2018 V 2017



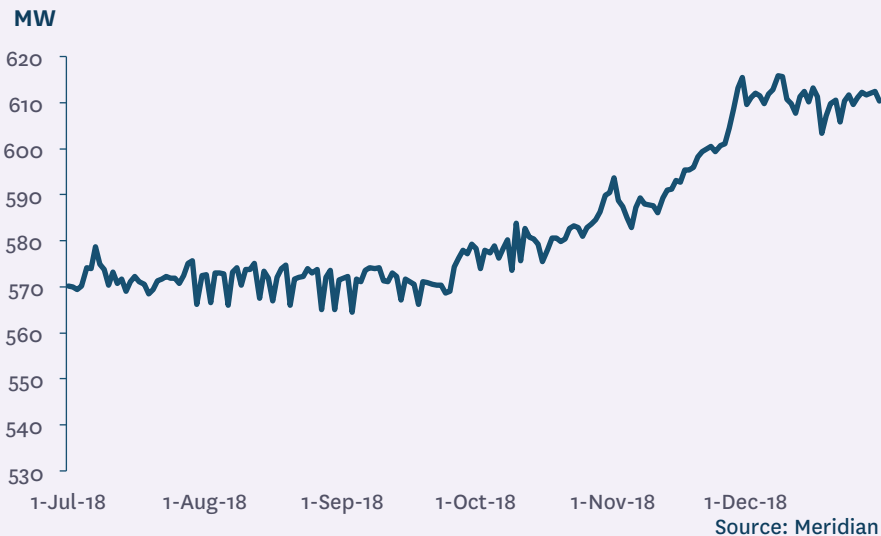
Source: Electricity Authority

TIWAI POINT ALUMINIUM SMELTER

4th potline restarted

- Official opening in early December
- New cells have been cut in since October 2018
- Tiwai contracts with Meridian now total 622MW
- 4th potline contract is for 50MW and represents:
 - a 10% increase in the plant's production capacity
 - 1% growth in NZ total electricity demand growth
- LME prices have declined 13% since June 2018, however remain above 2017 levels

TIWAI POINT AVERAGE DAILY LOAD



LME ALUMINIUM PRICES

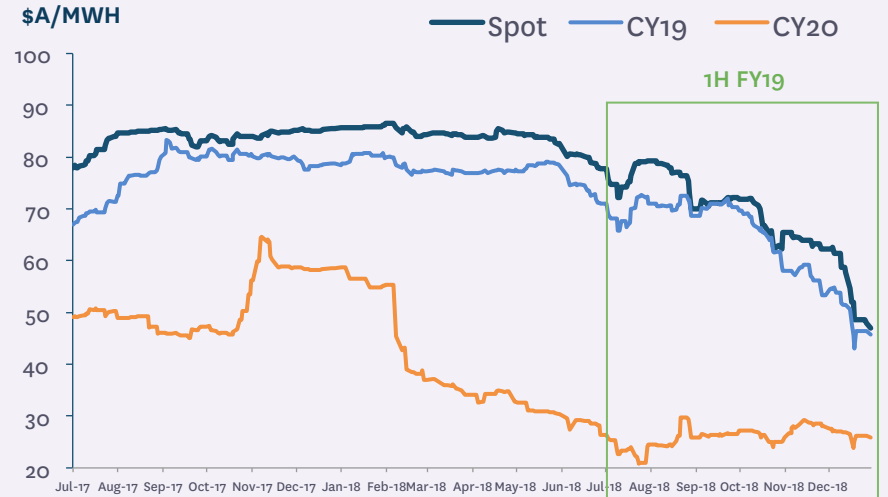


AUSTRALIAN WHOLESALE PRICES

Lower LGC prices

- LGC markets fell during 1H FY19 with:
 - Developers looking to lock in contracts, putting downward pressure on prices
 - Retailers under surrendering in front years and meeting carried over obligation by buying back cheaper in 2020
- Recently black forward prices have increased in the lead up to summer with concerns around system reliability
- Extreme weather in January 2019 has driven demand, spot and forward prices higher

AUSTRALIAN LGC PRICES



Source: Meridian



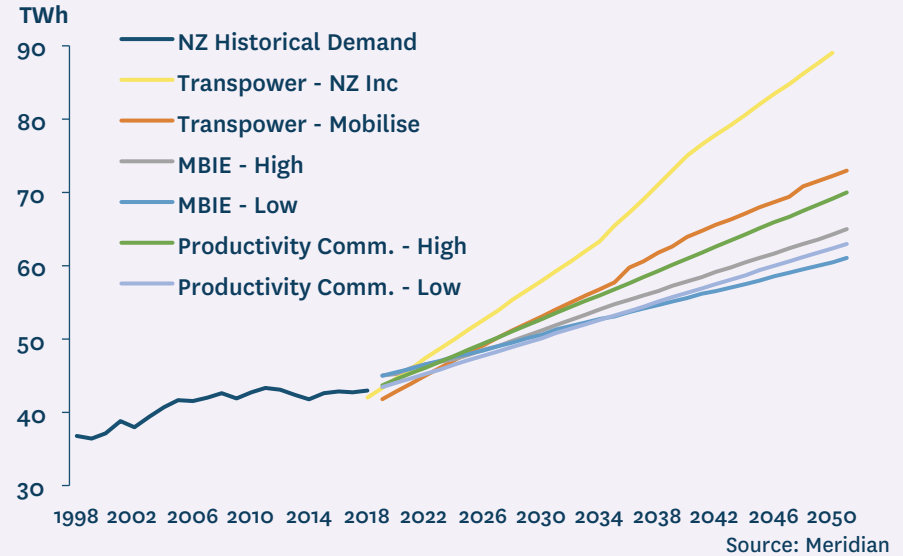
POLICY AND REGULATION UPDATE

NEW ZEALAND POLICY AND REGULATION

Climate change policy

- Interim Climate Change Commission established to provide analysis on:
 - How surrender obligations work if agricultural emissions enter the ETS
 - Planning for the transition to 100% renewable energy by 2035
- ICCC will be superseded by an Independent Climate Change Commission this year, enabled by the Zero Carbon Bill
- That Bill is currently being drafted; intended to go through select committee before June and pass into law late 2019
- Work is also continuing on improvements to the ETS, a second tranche of changes expected to be announced in 2019
- Electricity market will be the key enabler of greater decarbonisation in New Zealand
- This policy direction is lifting future electricity demand forecasts

DEMAND FORECASTS



NEW ZEALAND POLICY AND REGULATION

Electricity price review

- Second phase of the review is underway
- Preliminary options paper is due in February 2019
- That paper will test solutions suggested by stakeholders and panel experts
- Final findings and recommendations will then be developed

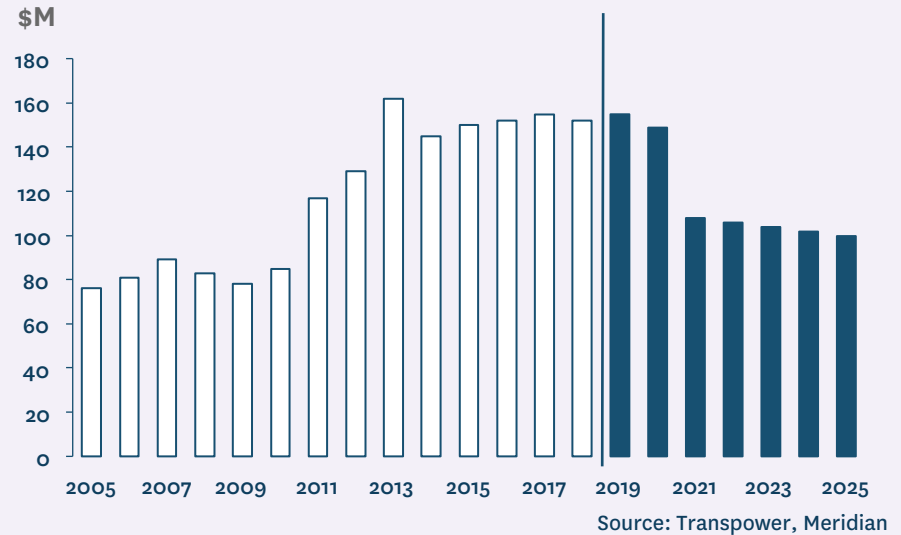
	Sep 18	Oct 18	Nov 18	Feb 19	Mar 19 →	Jun 19 →
First report for discussion	released	submissions closed				
Analysis of retail billing data		released	submissions closed			
Preliminary options paper				planned release	workshops followed by submissions	
Final report and recommendations						delivered to Minister

NEW ZEALAND POLICY AND REGULATION

Transmission pricing

- Since June 2018 the EA has been preparing new TPM guidelines, including a new CBA
- Update from EA in December 2018:
 - TPM review is a top priority
 - Existing interconnection and HVDC charges will be replaced with a benefit-based charge and a residual charge
 - Benefit-based charge for new investment and selected existing major investments
 - Residual charge for remaining former investment
 - Proposal for consultation expected to be released in mid-2019
- Transpower's RCP3 Proposal plans \$60m investment to extend pole 2 operating life rather than complete replacement
- HVDC cost reduction expected from 2020, whether TPM review is complete or not

TRANSPOWER HVDC REVENUE



AUSTRALIAN POLICY AND REGULATION

Thwaites Review (Victoria)

- A Victorian Default Offer (VDO) will be created from 1 July 2019 to replace current standing offers
- The VDO will contain a cost for customer acquisition and retention, unlike the previously Basic Service Offer originally proposed by the Thwaites review

ACCC Review (Federal)

- Default offer proposal still seeking support of all states

Federal Government policy

- NEG dumped, reliability mechanisms have been retained
- Developed a package to address market concerns and deliver cost savings
- Includes proposed legislation that could compel companies to sell off large generation assets, which has been widely criticised



UK POLICY AND REGULATION

Price caps

- Legislation passed requiring Ofgem to cap standard variable and default energy tariffs
- Cap (ceiling) is in place from the end of 2018 until 2020
- Ofgem will then recommend if the cap should remain up to 2023
- Recent wholesale price increases have led to Ofgem announcing the price cap will rise in April 2019
- Strong acquisition push by the big retailers in the lead up to the cap's introduction
- Including moving customers off default offers and onto fixed price plans (not covered by the cap)



A man with a beard, wearing an orange and blue long-sleeved athletic shirt, is running in a gym. He is looking down and to his left with a slight smile. In the background, two women are also running, one in a blue hoodie and one in a pink shirt. The scene is brightly lit, typical of a gym environment.

BUSINESS UPDATE

NEW ZEALAND CUSTOMERS

Continued growth

- 2% growth in customer numbers
- Growth in residential (6%) and small medium business sales volumes (4%)
- Lower agri sales reflect irrigation demand
- First Meridian staff customers migrated onto the Flux platform
- Residential discounts now replaced with simple, lower rates

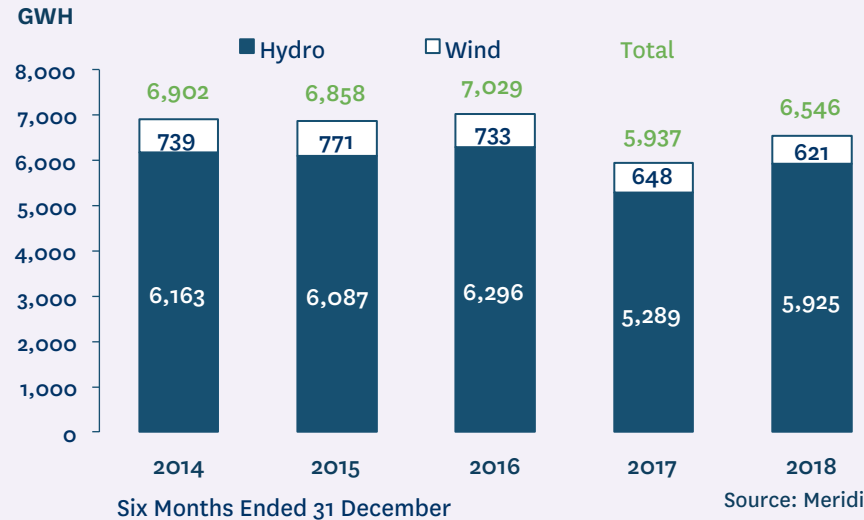
CUSTOMER SALES	CUSTOMER NUMBERS	SALES VOLUME (GWH)	AVERAGE PRICE ¹ (\$/MWH)
<u>1H FY19</u>			
Residential	198,689	762	
Small medium business	38,781	496	
Agricultural	37,978	455	
Large business	18,658	223	
Total Residential/SMB	294,106	1,936	\$116
Corporate	2,426	1,063	\$82
<u>1H FY18</u>			
Residential	188,698	719	
Small medium business	36,916	477	
Agricultural	37,382	607	
Large business	17,159	224	
Total Residential/SMB	280,155	2,027	\$118
Corporate	2,241	1,114	\$81

NEW ZEALAND GENERATION

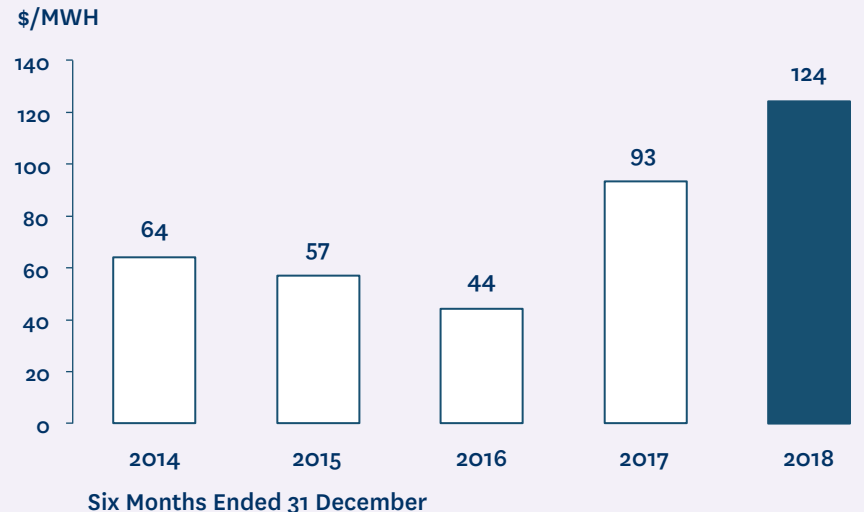
Average generation levels at higher prices

- 92% of average inflows in the six months to December 2018 with good winter storage
- Higher average prices received for generation (33%) and paid to supply contracted sales (37%)
- Good storage at end of January 2019:
 - Waitaki catchment 98% of average
 - Waiau catchment 92% of average

NEW ZEALAND GENERATION



AVERAGE GENERATION PRICE



AUSTRALIAN CUSTOMERS AND GENERATION

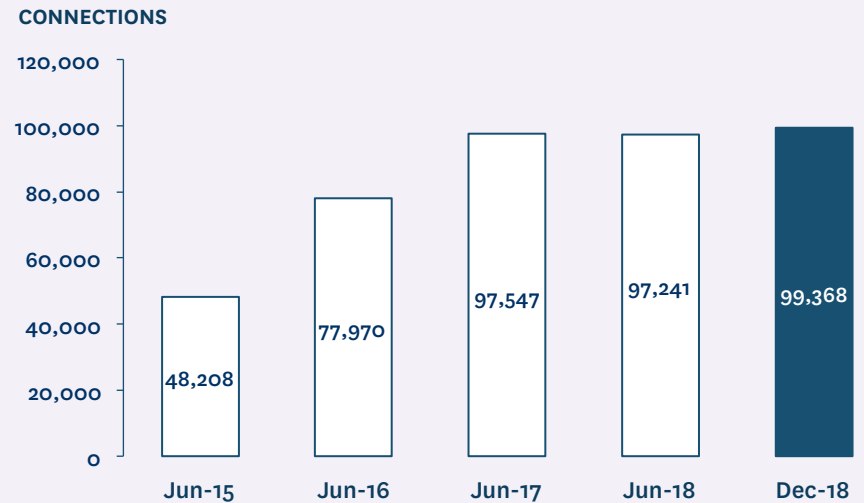
Customer growth

- 2% growth in customer numbers
- 3% reduction in retail sales volume in 1H FY19
- Momentum in Victorian gas sales with 12,500 customers and 142TJ of sales volume by the end of 1H FY19
- South Australia is under development

Lower generation prices

- Falling LGC price curve
- Drought conditions persist in NSW, leading to lower than expected FY19 and potentially FY20 hydro generation

AUSTRALIAN ELECTRICITY CUSTOMERS



UNITED KINGDOM

Merger abandoned

- Proposed merger between npower (our franchisee) and SSE's domestic retail business was abandoned in December 2018
- Key issues appear to be intense retail competition and increased regulation
- npower will move into E.ON as part of E.ON's acquisition of Innogy (npower's parent) from RWE announced back in March 2018
- Following this acquisition (later this year):
 - RWE focused on generation
 - E.ON focused on distribution and retail across Europe
- Powershop continues to acquire customers (55,000 by December 2018) and develop white label capability

A powerpack is a set amount of energy you can buy at a discounted price

Buy Powerpacks now

Powerpack	Price	Worth	Discount	Per Day	Duration
WINTER JUMBO	£15.96	£25.42	37.2% OFF	£1.14	14 days
Couple	£2.30	£3.39	32% OFF	£1.23	1 day
Burger	£2.03	£2.82	28% OFF	£1.30	1 day

FINANCIAL UPDATE

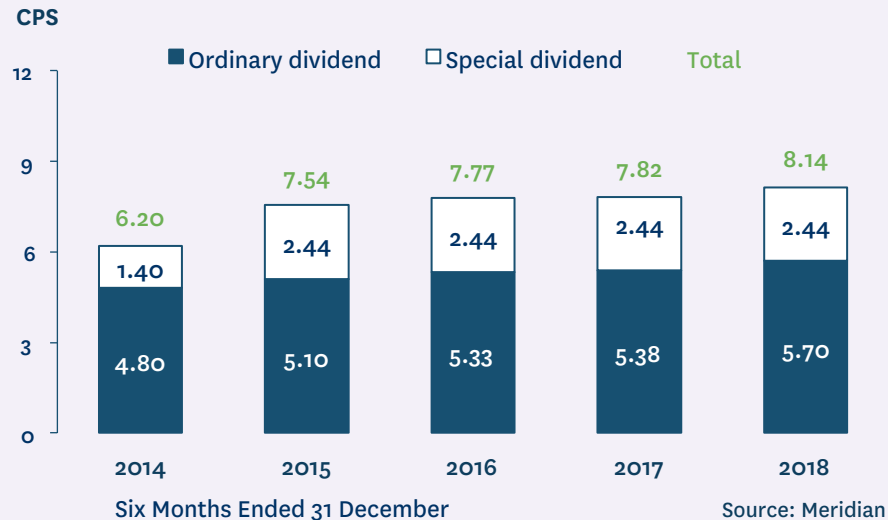


DIVIDENDS

6% growth in interim ordinary dividend

- Interim ordinary dividend declared of 5.70 cps, 86% imputed
- Capital management interim special dividend of 2.44 cps, unimputed
- Brings capital management distributions to \$500M since the programme began in August 2015

INTERIM DIVIDEND DECLARED



INTERIM DIVIDENDS DECLARED

CPS IMPUTATION

1H FY2019

Ordinary dividends	5.70	86%
Capital mgt special dividends	2.44	0%
Total	8.14	

1H FY2018

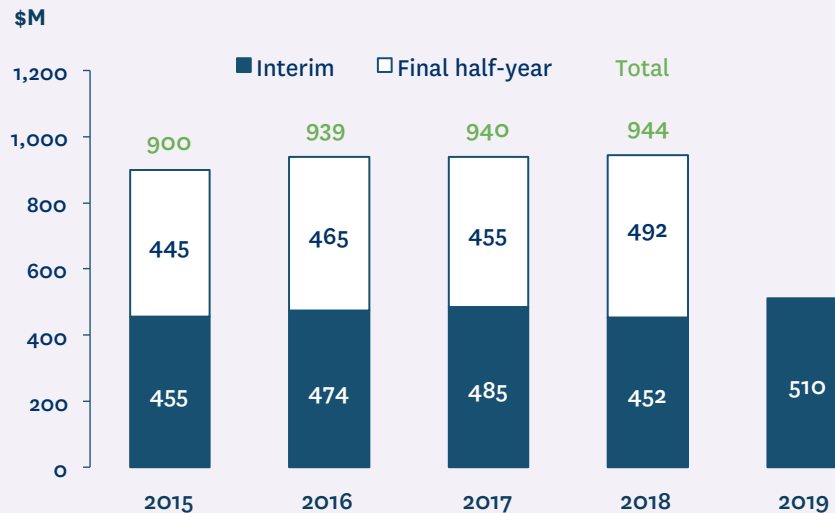
Ordinary dividends	5.38	88%
Capital mgt special dividends	2.44	0%
Total	7.82	

EARNINGS

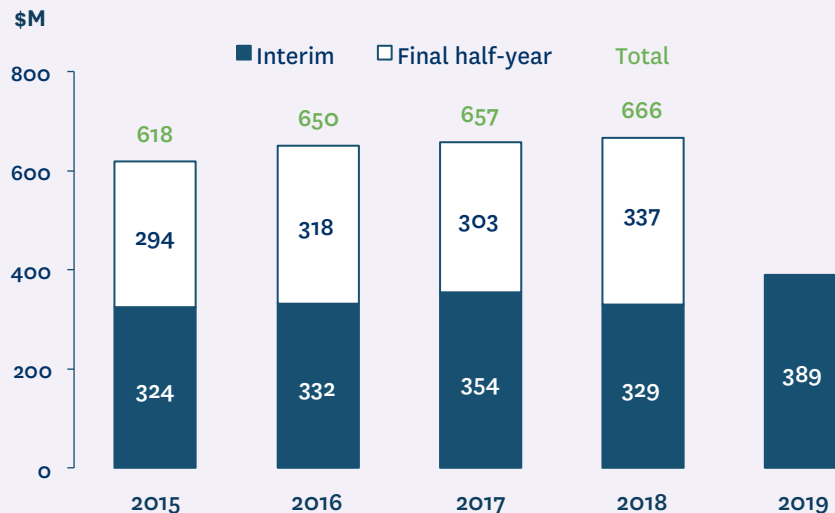
Record interim EBITDAF, 18% up on 1H FY18

- Higher residential and business sales volumes at stable average price
- Lower corporate sales volumes at higher prices
- Lower irrigation sales
- Higher wholesale prices and volumes with:
 - 10% increase in physical generation
 - 12% decrease in acquired generation
 - 61% increase in derivative volumes sold
- 4th potline volumes and Tiwai price indexation
- Some NZ cost expansion, mainly asset refurbishments
- Growth in Australia and UK earnings, some cost growth to support this
- Higher NZ transmission costs

NZ ENERGY MARGIN



GROUP EBITDAF



AUSTRALIA

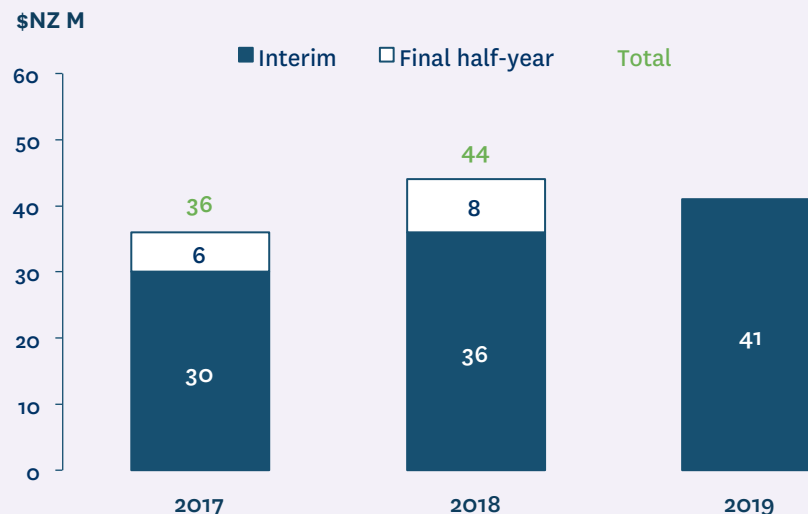
14% increase in EBITDAF

- GSP hydro generation, impacted by drought conditions
- Firming retail electricity price
- Victorian gas earnings
- Sharp reduction in LGC prices
- Hedging benefits from these will be felt in 2H FY19
- Additional operating costs for GSP assets, gas costs and renewed customer marketing

Accounting treatment of LGCs

- Forward sales of LGCs are marked to market through fair value movements
- Sales settle each January with fair value gains/losses on settled sales transferring to EBITDAF
- 1H FY19 includes A\$3M of settlement losses which will decrease 2H FY19 EBITDAF
- This compares to an equivalent figure in 2H FY18 of A\$14M

AUSTRALIAN EBITDAF

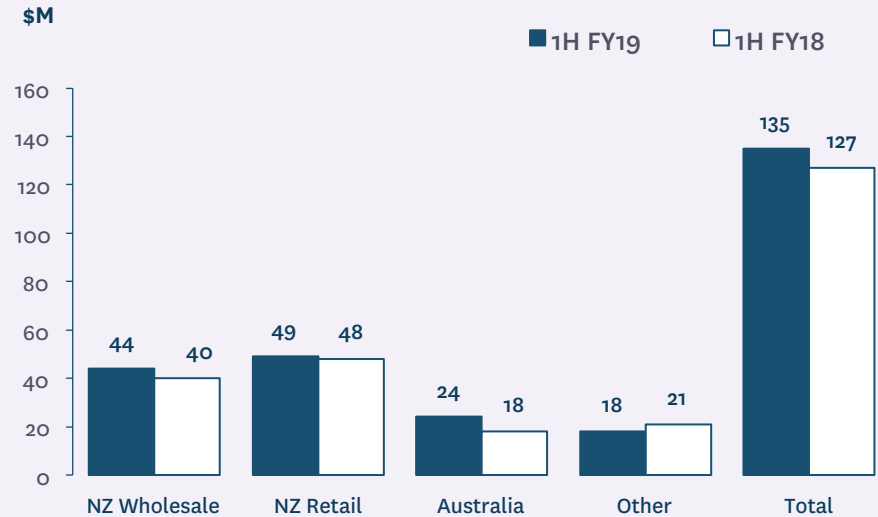


COSTS

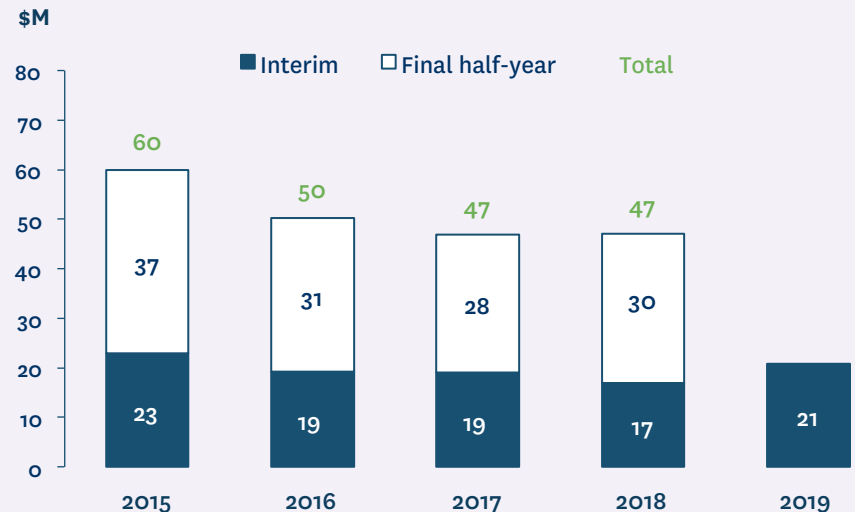
6% increase in operating costs

- Refurbishment spend on Te Āpiti wind farm and the Ōhau hydro stations
- Maintaining a similar level of promotional spend to 1H FY18, supporting NZ customer acquisition
- Higher Australian customer service costs from higher average customer numbers
- Costs associated with introduction of gas offer in Victoria
- Maintenance costs associated with GSP hydro assets
- Flux expansion and preparation for Meridian customer migration
- Relatively stable stay in business capex
- Total capex of \$28M in 1H FY19

OPERATING COSTS



STAY IN BUSINESS CAPEX

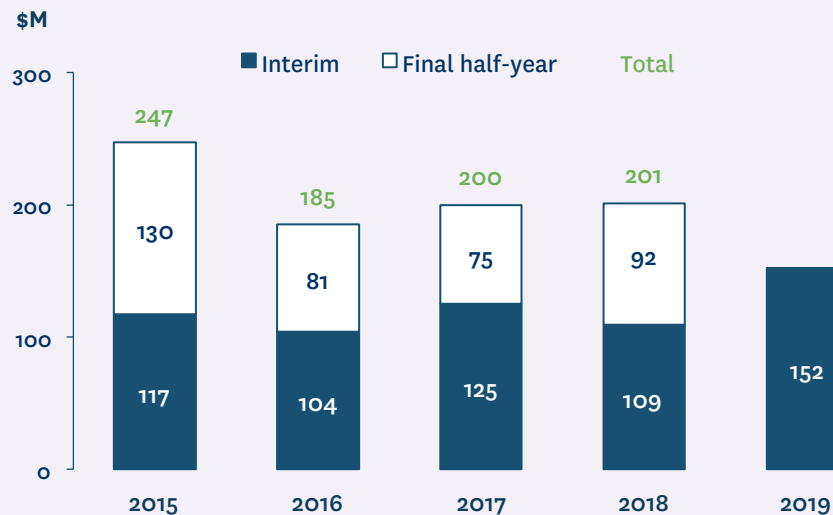


BELOW EBITDAF

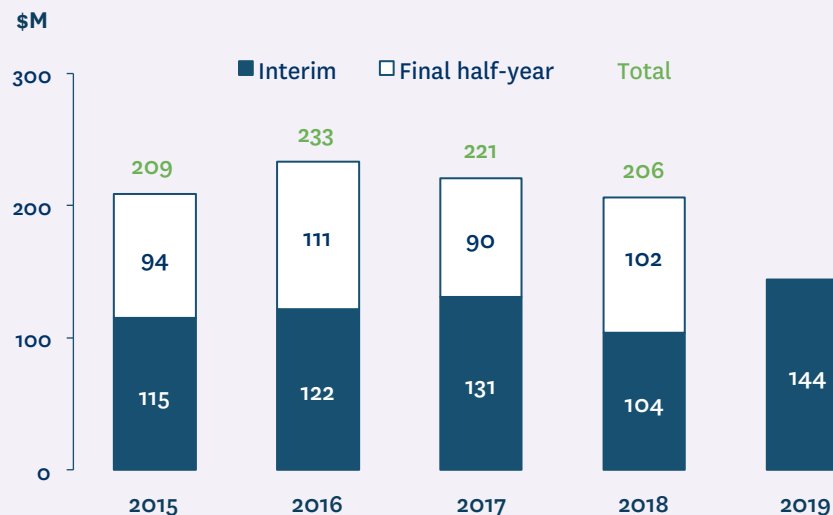
39% increase in NPAT

- \$3M (2%) increase in depreciation
- No impairments in 1H FY19, compared with 1H FY18 impairments of \$2M (Central Wind consent)
- No asset sale gains in 1H FY19 compared with 1H FY18 gains of \$6M (farm land sales)
- \$20M increase to NPBT from fair value of electricity hedges from rising forward electricity prices and falling LGC price curve (\$2M reduction in 1H FY18)
- \$15M reduction to NPBT from fair value of treasury instruments from decreases in New Zealand and Australian forward interest rates (\$2M reduction in 1H FY18)
- \$2M (5%) increase in net financing costs
- \$17M increase in tax expense from higher NPBT
- \$40M (38%) increase in underlying NPAT from higher EBITDAF, some offset from increases depreciation, interest, tax and swapation premiums

NET PROFIT AFTER TAX



UNDERLYING NPAT

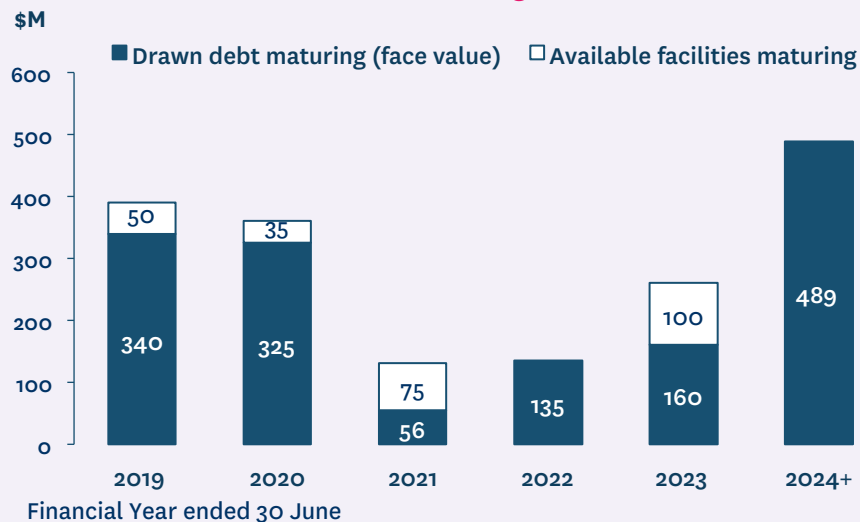


DEBT AND FUNDING

Recent USD 300M Private Placement

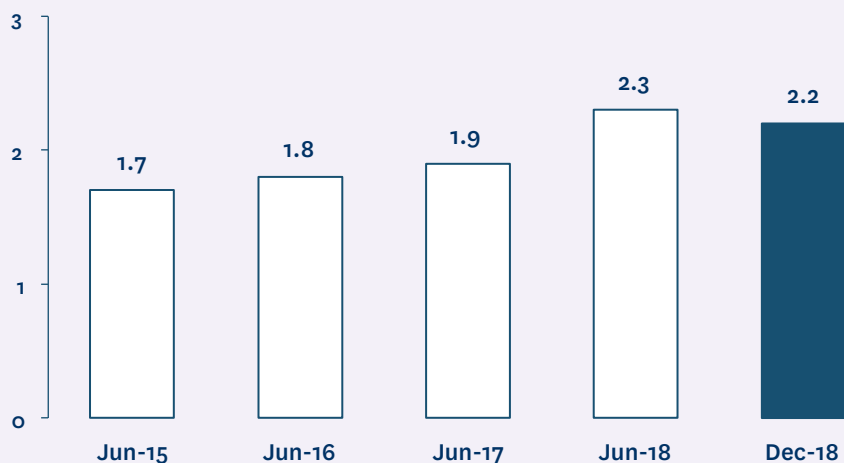
- Total borrowings as at 31 December 2018 of \$1,561M
- Up \$195M from 31 December 2017
- Committed bank facilities of \$725M of which \$300M were undrawn
- Expiry of these facilities from FY19 to FY26

DEBT MATURITY PROFILE AS AT 31 DEC 2018

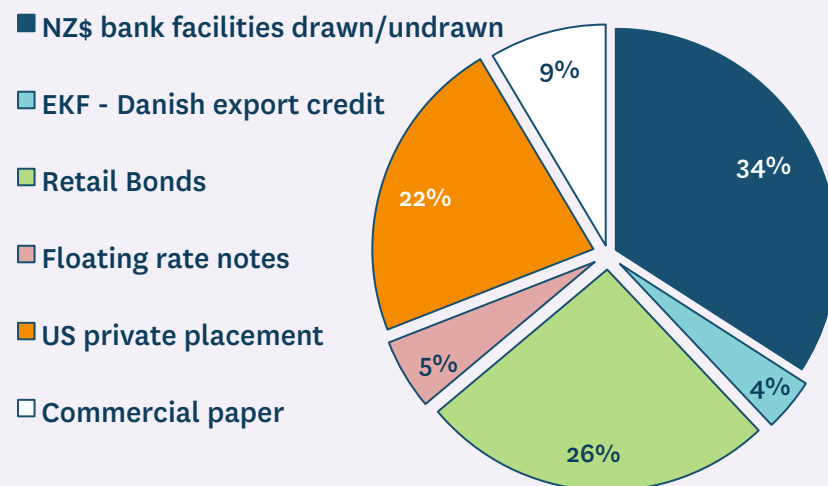


NET DEBT/EBITDA*

TIMES



SOURCES OF FUNDING AS AT 31 DEC 2018



CLOSING COMMENTS

- Good current catchment storage
- Strong January 2019 generation and wholesale prices, with irrigation and air conditioning load driving demand
- NZ electricity price review preliminary options paper is imminent
- Followed by consultation in early 2019, final report to the Minister will follow that
- Transmission pricing proposal for consultation expected in the middle of the year
- NZ's climate change actions will be shaped by this year's Zero Carbon Bill, expected to pass into law late 2019
- Default offers in two forms (Victoria, rest of the NEM) appear likely
- Australian federal election sometime in 2019

QUESTIONS



FINANCIAL PERFORMANCE IN DETAIL

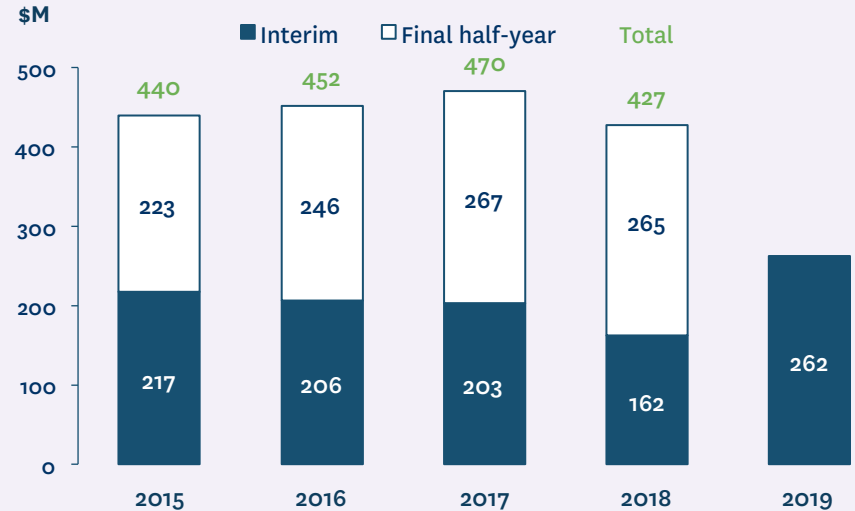


OPERATING CASH FLOWS

\$100M (62%) increase

- Record level of interim operating cash flow
- Driven by higher 1H FY19 EBITDAF
- Includes reversal of timing differences that weighed on FY18 full year cash flow

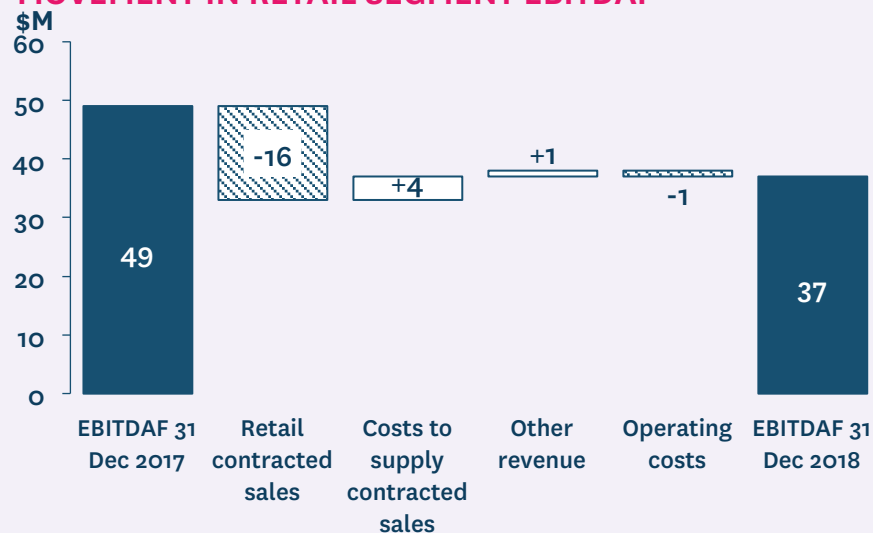
OPERATING CASHFLOW



SEGMENT RESULTS

\$M	WHOLESALE		RETAIL		AUSTRALIA		OTHER/ UNALLOCATED		INTER- SEGMENT	
	1H FY19	1H FY18	1H FY19	1H FY18	1H FY19	1H FY18	1H FY19	1H FY18	1H FY19	1H FY18
SIX MONTHS ENDED 31 DECEMBER										
Energy margin	430	360	80	92	66	57	-	-	-	-
Other revenue	2	2	6	5	1	-	13	8	(9)	(5)
Energy transmission expense	(63)	(60)	-	-	(2)	(3)	-	-	-	-
Operating expenses	(44)	(40)	(49)	(48)	(24)	(18)	(23)	(25)	5	4
EBITDAF	325	262	37	49	41	36	(10)	(17)	(4)	(1)

MOVEMENT IN RETAIL SEGMENT EBITDAF



AUSTRALIAN SEGMENT

FY18 energy margin reclassified

- For treatment of financial trading

ENERGY MARGIN (\$M)	1H FY18 REPORTED	CHANGES	1H FY18 RESTATE	FY18 RESTATE
Contracted sales	49	12	61	123
Cost to supply customers	(37)	(10)	(47)	(100)
Net cost of acquired generation	-	(14)	(14)	(25)
Generation spot revenue	45	12	57	87
Energy Margin	57	-	57	85

NEW ZEALAND RETAIL

Customers

- 2% increase in customers since June 2018

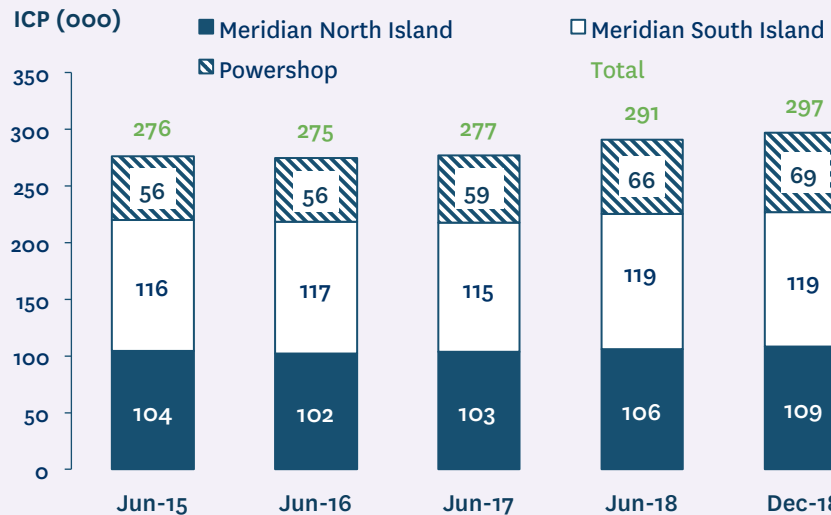
Residential, Business, Agri segment

- 5% decrease in overall volumes
- 6% increase in residential volumes
- 4% increase in small business volumes
- 1% decrease in large business volumes
- 25% decrease in agri volumes, irrigation-driven
- 1% decrease in average sales price

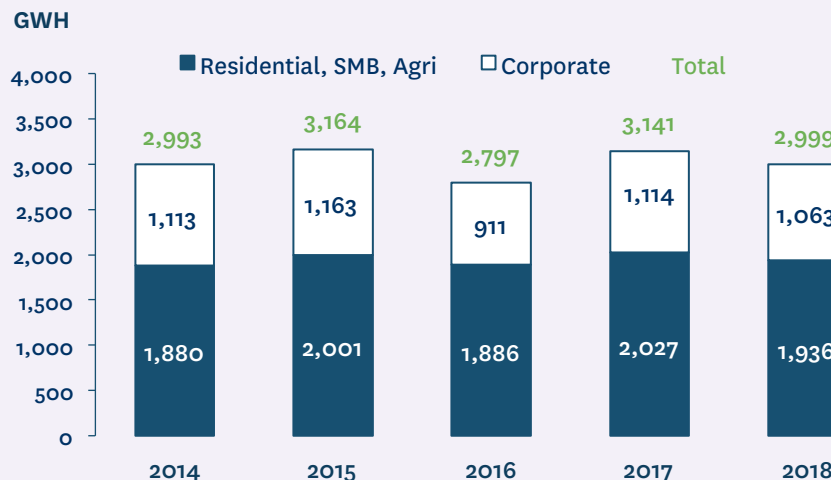
Corporate segment

- 5% decrease in volumes
- 1% increase in average sales price

NEW ZEALAND CUSTOMER NUMBERS



RETAIL SALES VOLUME



Six Months Ended 31 December

NEW ZEALAND HYDROLOGY

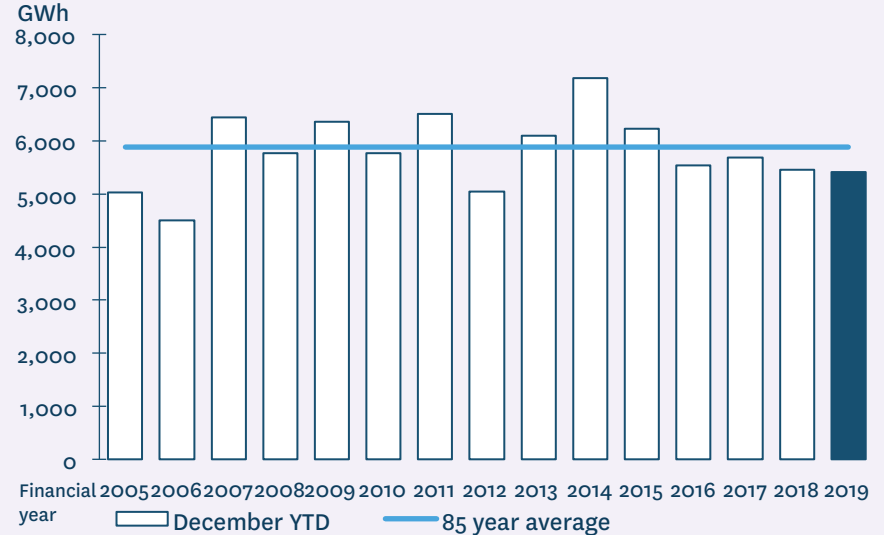
Inflows

- Inflows for 1H FY19 were 92% of historical average
- January 2019 inflows were 99% of average

Storage

- Meridian's Waitaki catchment storage at 31 December 2018 was 98% of historical average
- By 31 January 2019, this position was also 98% of historical average

MERIDIAN'S COMBINED CATCHMENT INFLOWS



MERIDIAN'S WAITAKI STORAGE



NEW ZEALAND GENERATION

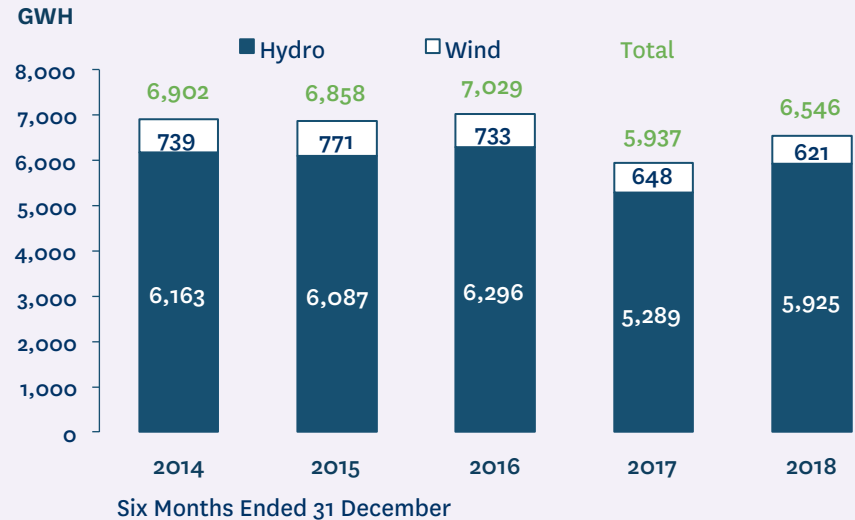
Volume

- 1H FY19 generation was 10% higher than 1H FY18
- Reflected higher hydro and lower wind generation

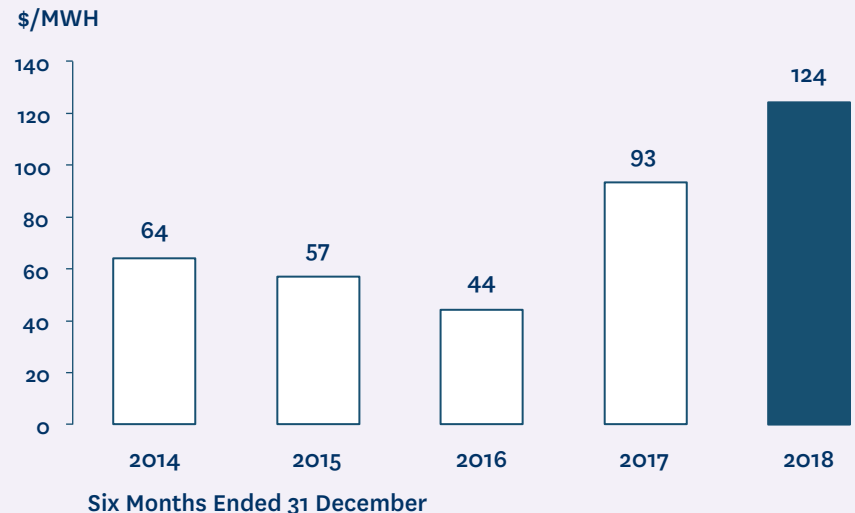
Price

- 1H FY19 average price Meridian received for its generation was 33% higher than 1H FY18
- 1H FY19 average price Meridian paid to supply contracted sales was 38% higher than 1H FY18

NEW ZEALAND GENERATION



AVERAGE GENERATION PRICE



AUSTRALIAN RETAIL

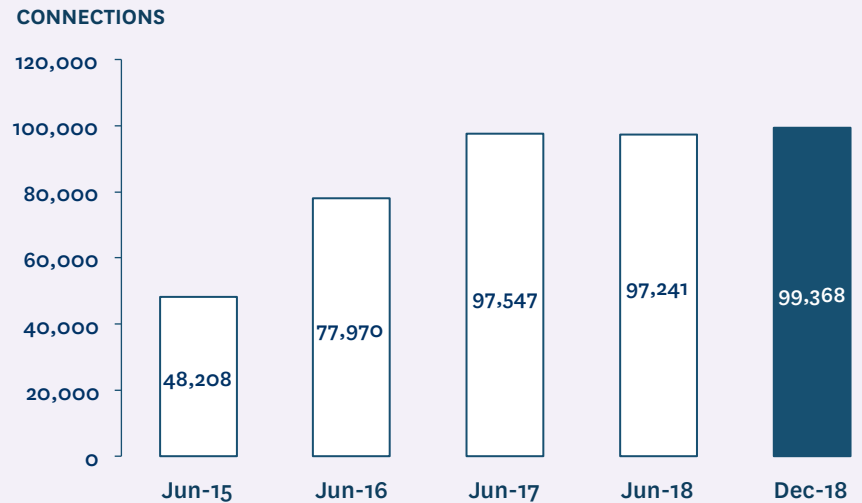
Customers

- 2% growth in customer numbers since June 2018
- 12,500 gas customers in Victoria by 31 December 2018

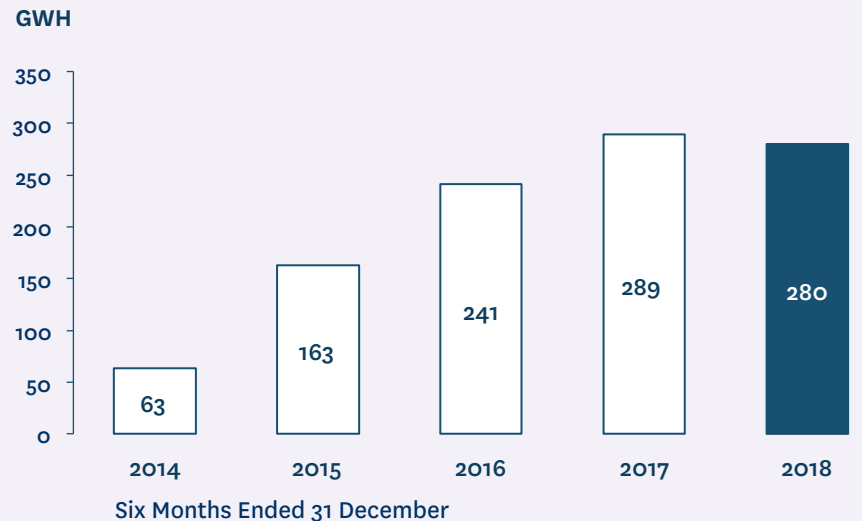
Sales volume

- 3% decrease in sales volumes
- 142TJ of gas sales in Victoria

AUSTRALIAN ELECTRICITY CUSTOMERS



RETAIL SALES VOLUME

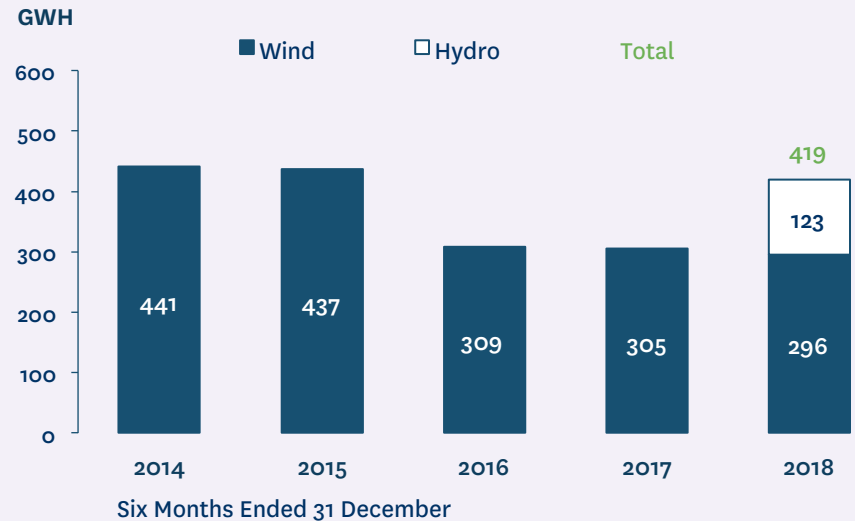


AUSTRALIAN GENERATION

Volume

- 1H FY19 generation was 37% higher than 1H FY18
- 1H FY19 includes 123GWh of seasonal generation from the GSP hydro assets
- 1H FY19 wind generation was 3% lower than 1H FY18

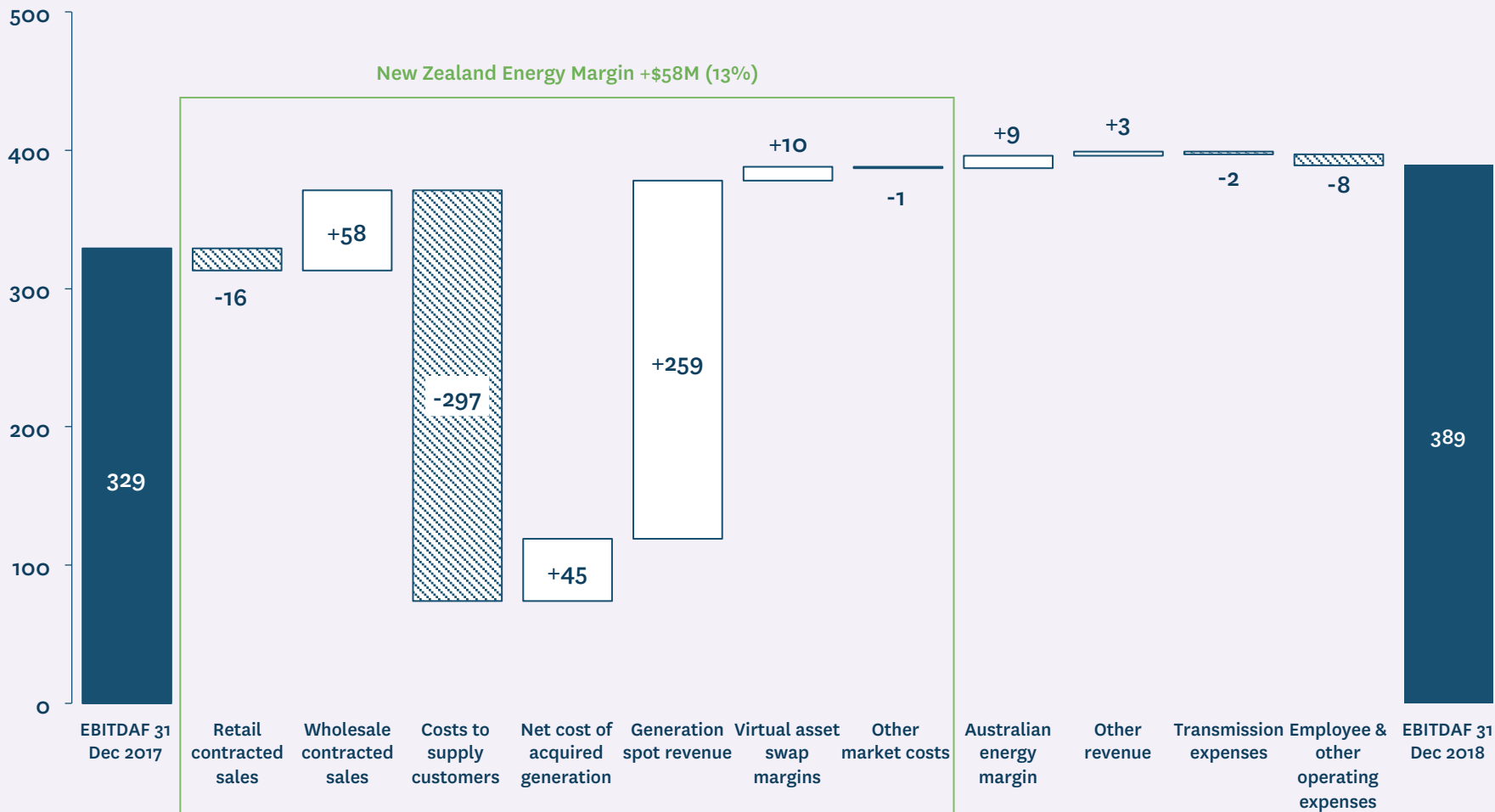
AUSTRALIAN GENERATION



1H FY19 EBITDAF

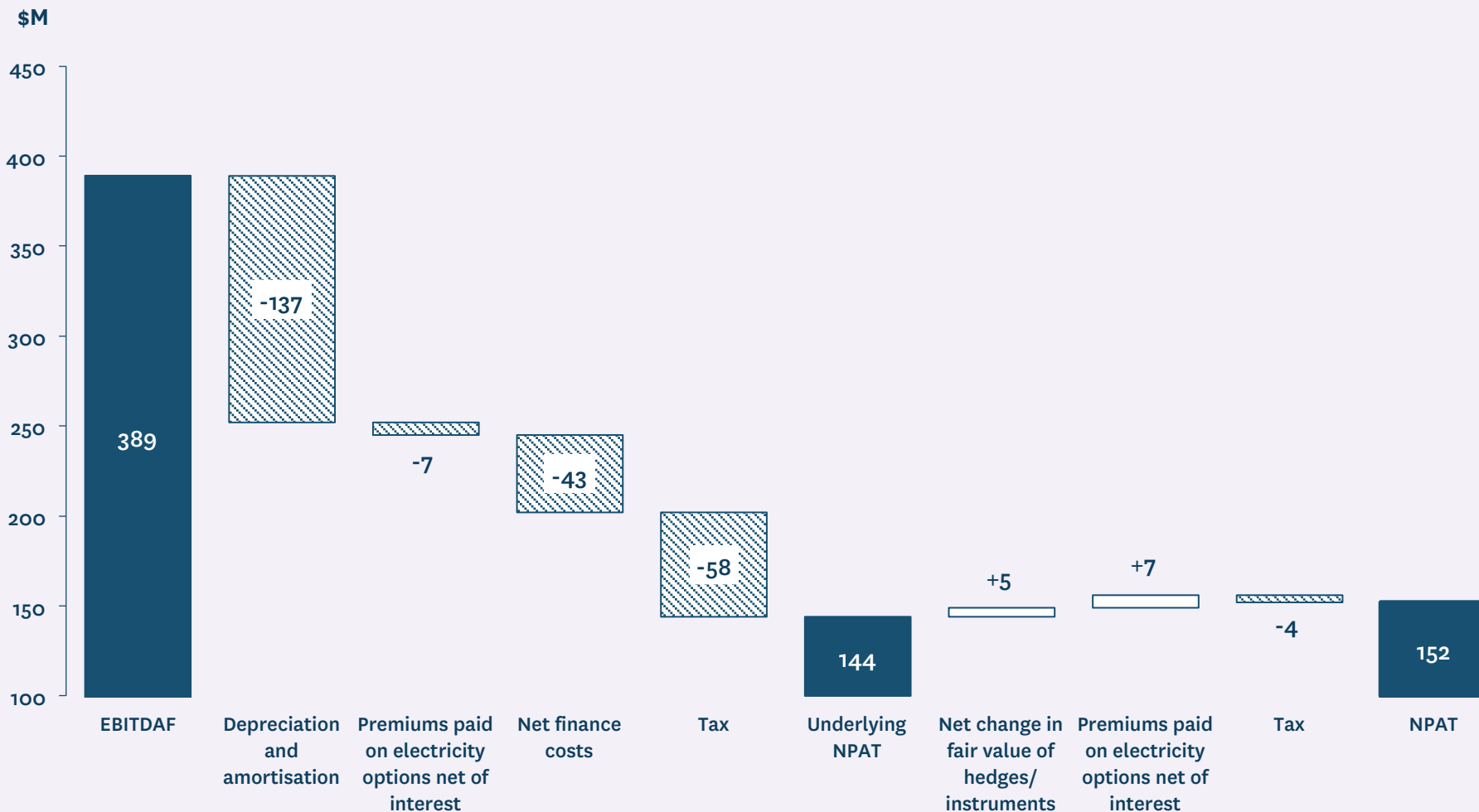
MOVEMENT IN EBITDAF

\$M



1H FY19 EBITDAF TO NPAT

1H FY19 EBITDAF TO NPAT RECONCILIATION



NEW ZEALAND ENERGY MARGIN

ENERGY MARGIN

- A non-GAAP financial measure representing energy sales revenue less energy related expenses and energy distribution expenses
- Used to measure the vertically integrated performance of the retail and wholesale businesses
- Used in place of statutory reporting which requires gross sales and costs to be reported separately, therefore not accounting for the variability of the wholesale spot market and the broadly offsetting impact of wholesale prices on the cost of retail electricity purchases

Defined as:

- Revenues received from sales to customers net of distribution costs (fees to distribution network companies that cover the costs of distribution of electricity to customers), sales to large industrial customers and fixed price revenues from derivatives sold (Contract sales revenue)
- Purchases required to cover contracted customer sales (Cost to supply customers)
- The fixed cost of derivatives acquired to supplement generation and manage spot price risks, net of spot revenue received for generation acquired from those derivatives (Net cost of acquired generation)
- Revenue from the volume of electricity that Meridian generates (Generation spot revenue)
- The net position of virtual assets swaps with Genesis Energy and Mercury
- Other associated market revenues and costs including Electricity Authority levies and ancillary generation revenues (i.e. frequency keeping)

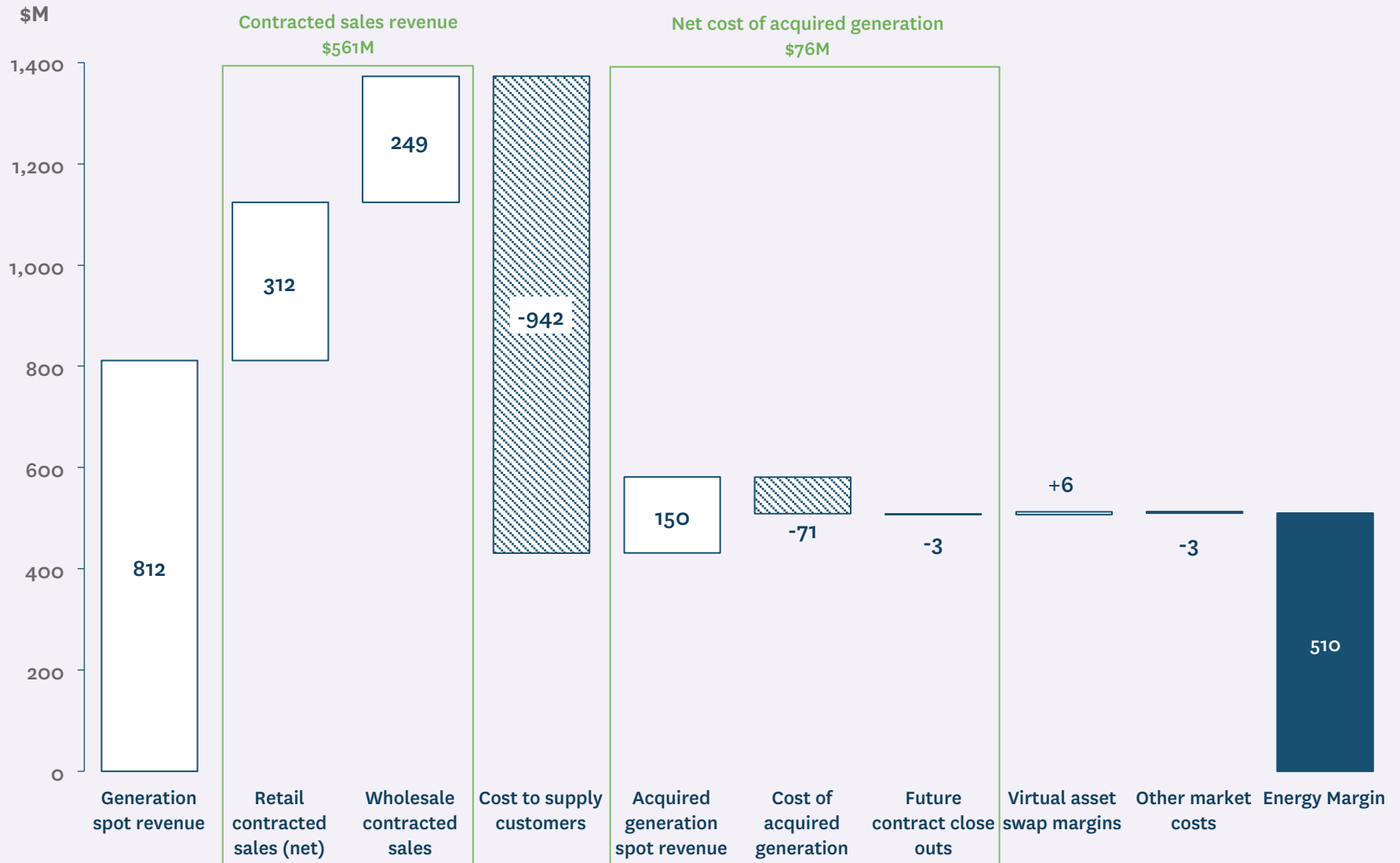
NEW ZEALAND ENERGY MARGIN

LWAP:GWAP
1H FY19 1.11
1H FY18 1.08

	1H FY19			1H FY18		
	VOLUME ¹	VWAP ²	\$M	VOLUME ¹	VWAP ²	\$M
Residential/SMB contracted sales	1,936	\$116.4	225	2,027	\$117.6	238
Corporate contracted sales	1,063	\$81.8	87	1,114	\$80.6	90
Retail contracted sales	2,999	\$104.1	312	3,141	\$104.5	328
NZAS sales	2,608			2,525		
Sell side CfDs	1,234			767		
Wholesale contracted sales	3,842	\$64.7	249	3,292	\$58.1	191
Cost to supply retail customers	3,160			3,295		
Cost to supply wholesale customers	3,842			3,292		
Cost to supply customers	7,002	(\$134.5)	(942)	6,587	(\$97.9)	(645)
Acquired generation revenue	1,051	\$142.8	150	1,118	\$96.6	115
Cost of acquired generation	1,051	(\$68.1)	(71)	1,118	(\$68.7)	(82)
Future contract close outs			(3)			(2)
Net cost of acquired generation			76			31
Generation spot revenue	6,546	\$124.2	812	5,937	\$93.2	553
Net VAS position	529		6	478		(4)
Other market costs			(3)			(2)
Energy Margin			510			452

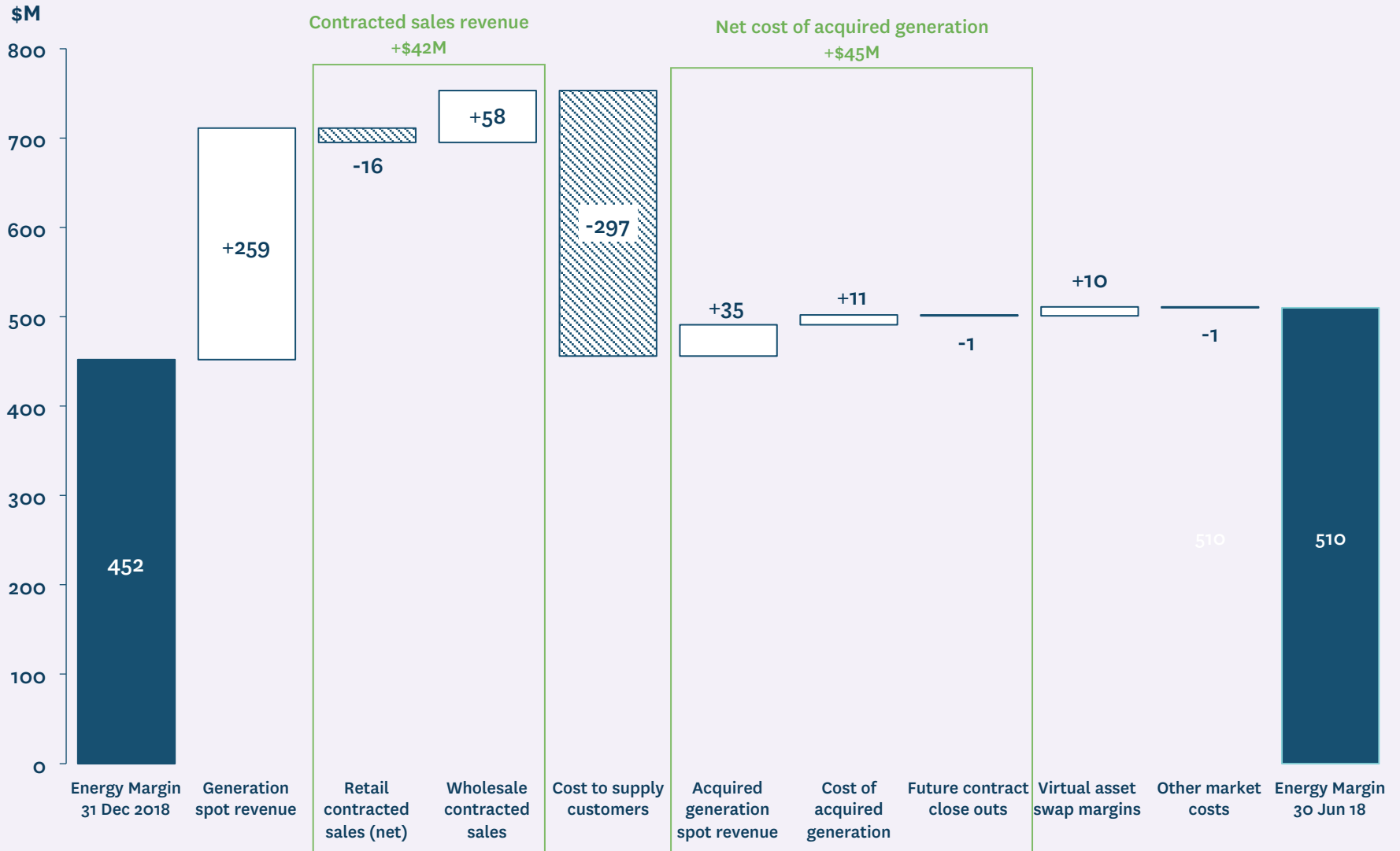
NEW ZEALAND ENERGY MARGIN

NEW ZEALAND ENERGY MARGIN



NEW ZEALAND ENERGY MARGIN MOVEMENT

NEW ZEALAND ENERGY MARGIN



OTHER REVENUE

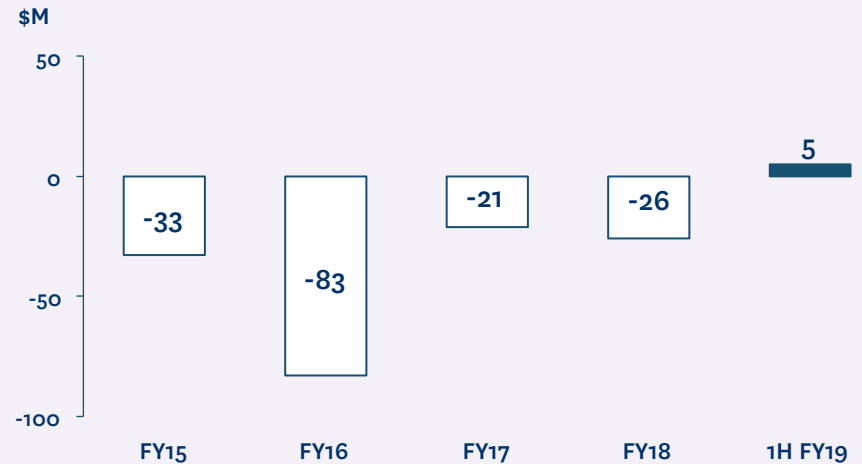
SIX MONTHS ENDED 31 DECEMBER \$M	2018	2017
Retail service revenue (field services revenue etc)	4	3
Dam Safety Intelligence	1	1
Flux UK	6	4
Other	2	2
Total other revenue	13	10

FAIR VALUE MOVEMENTS

On electricity and other hedges and treasury instruments

- Meridian uses derivative instruments to manage interest rate, foreign exchange and electricity price risk
- As forward prices and rates on these instruments move, non-cash changes to their carrying value are reflected in NPAT
- Accounting standards only allow hedge accounting if specific conditions are met, which creates NPAT volatility
- \$20M positive change in fair value of electricity and other hedges in 1H FY19 from changing forward electricity prices
- \$15M negative change in fair value of treasury instruments in 1H FY19 from decreasing forward interest rates

NET CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS



INCOME STATEMENT

SIX MONTHS ENDED 31 DECEMBER \$M	2018	2017
New Zealand energy margin	510	452
Australia energy margin	66	57
Other revenue	13	10
Energy transmission expense	(65)	(63)
Employee and other operating expenses	(135)	(127)
EBITDAF	389	329
Depreciation and amortisation	(137)	(134)
Impairment of assets	-	(2)
Gain/(loss) on sale of assets	-	6
Net change in fair value of electricity and other hedges	20	(2)
Net finance costs	(43)	(41)
Net change in fair value of treasury instruments	(15)	(2)
Net profit before tax	214	154
Income tax expense	(62)	(45)
Net profit after tax	152	109

UNDERLYING NPAT RECONCILIATION

SIX MONTHS ENDED 31 DECEMBER \$M	2018	2017
Net profit after tax	152	109
Underlying adjustments		
<u>Hedging instruments</u>		
Net change in fair value of electricity and other hedges	(20)	2
Net change in fair value of treasury instruments	15	2
Premiums paid on electricity options net of interest	(7)	(6)
<u>Assets</u>		
(Gain)/loss on sale of assets	-	(6)
Impairment of assets	-	2
Total adjustments before tax	(12)	(6)
<u>Taxation</u>		
Tax effect of above adjustments	4	1
Underlying net profit after tax	144	104

CASH FLOW STATEMENT

SIX MONTHS ENDED 31 DECEMBER \$M	2018	2017
Receipts from customers	1,695	1,374
Interest and dividends received	-	-
Payments to suppliers and employees	(1,310)	(1,101)
Interest and income tax paid	(123)	(111)
Operating cash flows	262	162
Sale of property, plant and equipment	-	12
Sales of subsidiaries and other assets	-	-
Purchase of property, plant and equipment	(23)	(18)
Stamp duty/capitalised interest	-	-
Purchase of intangible assets and investments	(12)	(10)
Investing cash flows	(35)	(16)
Term borrowings drawn	89	170
Term borrowings repaid	(5)	(5)
Shares purchased for long-term incentive	-	-
Dividends and finance lease paid	(292)	(286)
Financing cash flows	(208)	(121)

BALANCE SHEET

SIX MONTHS ENDED 31 DECEMBER \$M	2018	2017
Cash and cash equivalents	78	108
Trade receivables	259	304
Customer contract assets	20	19
Other current assets	141	122
Total current assets	498	553
Property, plant and equipment	7,809	7,871
Intangible assets	59	58
Other non-current assets	200	212
Total non-current assets	8,068	8,141
Payables, accruals and employee entitlements	304	328
Customer contract liabilities	15	11
Current portion of term borrowings	512	190
Other current liabilities	83	95
Total current liabilities	914	624
Term borrowings	1,049	1,176
Deferred tax	1,668	1,700
Other non-current liabilities	271	261
Total non-current liabilities	2,988	3,137
Net assets	4,664	4,933

GLOSSARY

Acquired generation volumes	buy-side electricity derivatives excluding the buy-side of virtual asset swaps
Average generation price	the volume weighted average price received for Meridian's physical generation
Average retail contracted sales price	volume weighted average electricity price received from retail customers, less distribution costs
Average wholesale contracted sales price	volume weighted average electricity price received from wholesale customers, including NZAS
Combined catchment inflows	combined water inflows into Meridian's Waitaki and Waiau hydro storage lakes
Cost of acquired generation	volume weighted average price Meridian pays for derivatives acquired to supplement generation
Cost to supply contracted sales	volume weighted average price Meridian pays to supply contracted customer sales
Contracts for Difference (CFDs)	an agreement between parties to pay the difference between the wholesale electricity price and an agreed fixed price for a specified volume of electricity. CFDs do not result in the physical supply of electricity
Customer connections (NZ)	number of installation control points, excluding vacants
FRMP	financially responsible market participant
GWh	gigawatt hour. Enough electricity for 125 average New Zealand households for one year
Historic average inflows	the historic average combined water inflows into Meridian's Waitaki and Waiau hydro storage lakes over the last 85 years
Historic average storage	the historic average level of storage in Meridian's Waitaki catchment since 1979
HVDC	high voltage direct current link between the North and South Islands of New Zealand
ICP	New Zealand installation control points, excluding vacants
ICP switching	the number of installation control points changing retailer supplier in New Zealand, recorded in the month the switch was initiated
MWh	megawatt hour. Enough electricity for one average New Zealand household for 46 days
National demand	Electricity Authority's reconciled grid demand www.emi.ea.govt.nz
NZAS	New Zealand Aluminium Smelters Limited
Retail sales volumes	contract sales volumes to retail customers, including both non half hourly and half hourly metered customers
Sell side derivatives	sell-side electricity derivatives excluding the sell-side of virtual asset swaps
Virtual Asset Swaps (VAS)	CFDs Meridian has with Genesis Energy and Mercury. They do not result in the physical supply of electricity

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THE INFORMATION CONTAINED IN THIS PRESENTATION SHOULD BE CONSIDERED IN CONJUNCTION WITH THE COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2018, AVAILABLE AT:

WWW.MERIDIANENERGY.CO.NZ/INVESTORS/

ALL CURRENCY AMOUNTS ARE IN NEW ZEALAND DOLLARS UNLESS STATED OTHERWISE.

Meridian Energy Limited 2019 Interim Results Presentation