



# *Better energy future*



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The information contained in this presentation should be considered in conjunction with the financial statements, which are included in Meridian's annual report for the year ended 30 June 2015 and is available at:

<http://www.meridianenergy.co.nz/investors/>

All currency amounts are in New Zealand dollars unless stated otherwise.

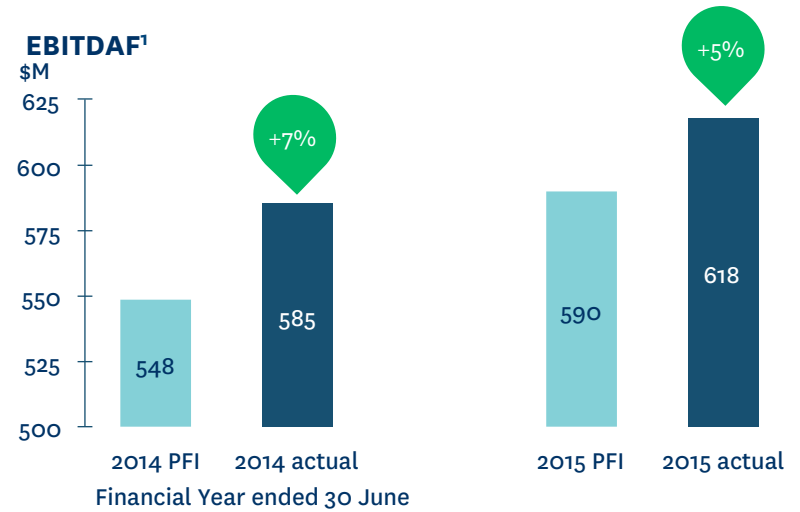
# Agenda

- Some history...
- Perceptions from offshore
- The recurring questions, plus a new one
- The current operating environment
- Focus for the 2016 financial year

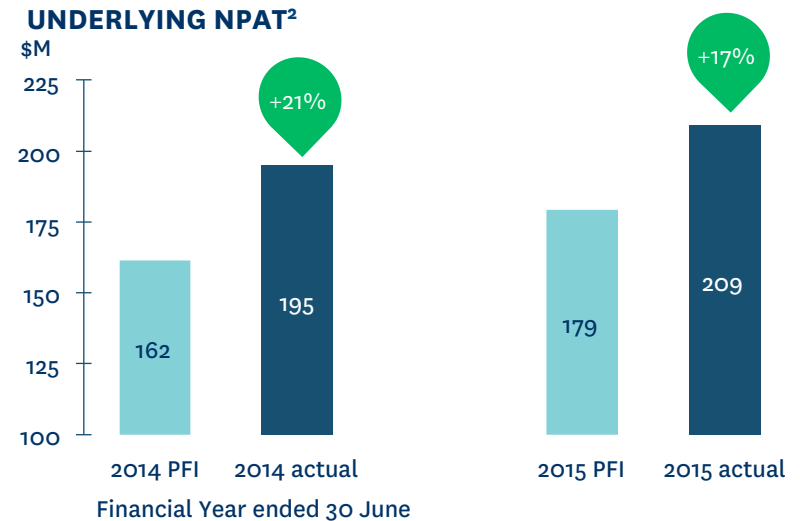


# Some history... the plot so far

- Made two years of forecast numbers



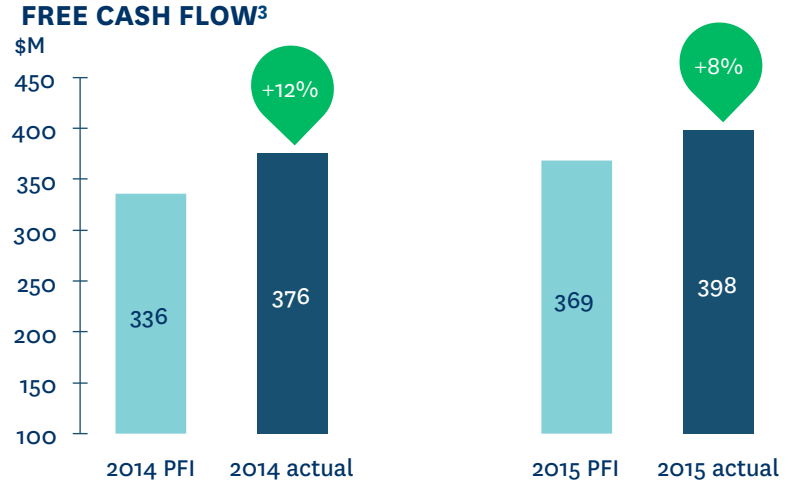
<sup>1</sup>Earnings before interest, taxation, depreciation, amortisation, changes in fair value of financial instruments, impairments and gain/(loss) on sale of assets



<sup>2</sup>Net profit after tax adjusted for the effects of non cash fair value movements and one-off items

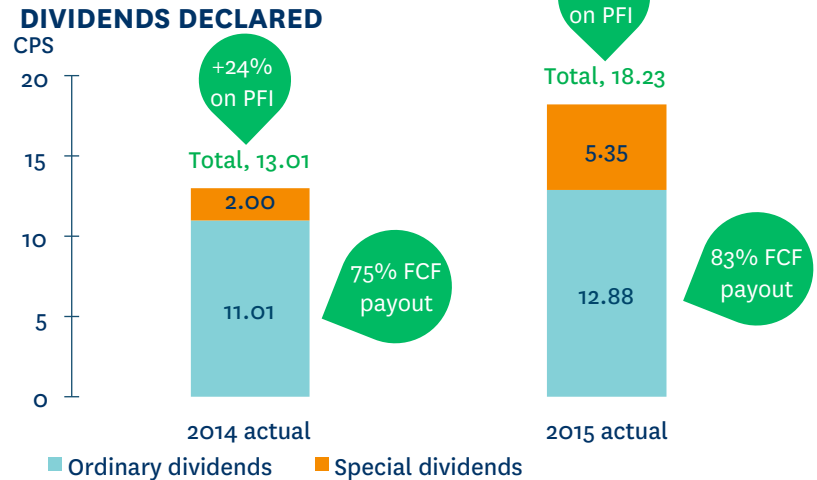
# Some history... the plot so far

- AND paid out more dividends to shareholders



Financial Year ended 30 June

<sup>3</sup>Net profit after tax adjusted for post tax impact of fair value movements of derivatives, impairments and one-off events, plus depreciation and amortisation, less average stay in business capital expenditure





## Some history... the plot so far

- AND avoided political change to the market structure
- While deferring a Tiwai smelter exit decision
- And getting a price increase on part of the Tiwai load



# Perceptions from offshore

- The yield story is not dead
- China remains a big concern
- Chinese government has spooked investors with intervention
- Businesses in stable economies with good cashflows and a shareholder friendly bias (capital return) have a story to tell
- The pace of interest rate changes in the US is likely to be slow
- New Zealand currency has been too high



# The recurring questions, plus a new one

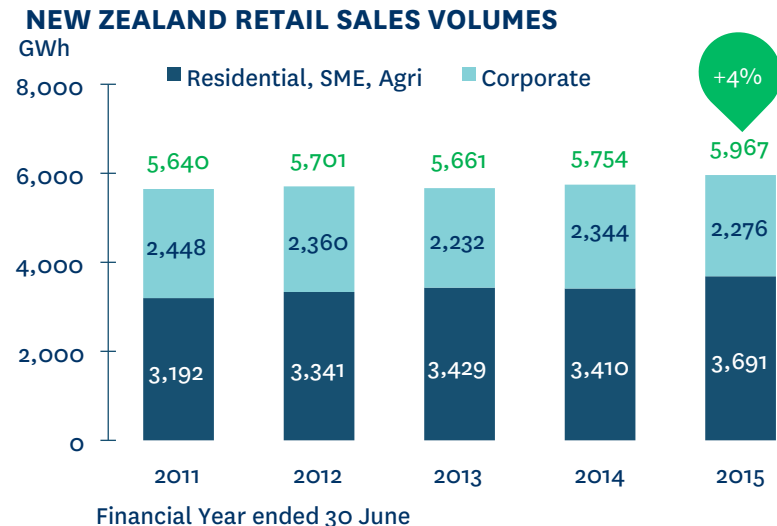
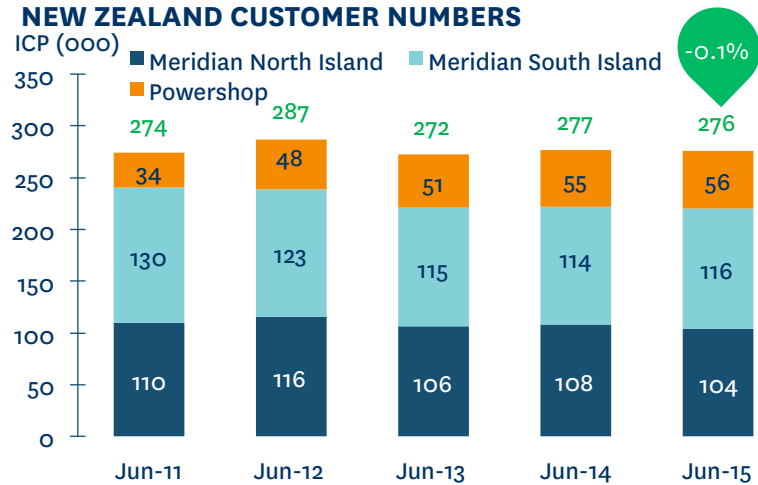
- Tiwai Point smelter – “should I stay or should I go?”
- How are the politicians thinking about the electricity market?
- Transmission pricing review – progress?
- Demand – any growth yet?
- What happens if all the announced thermal retirements occur?





# The current operating environment

- New Zealand and Australian retail environments are expected to stay highly competitive

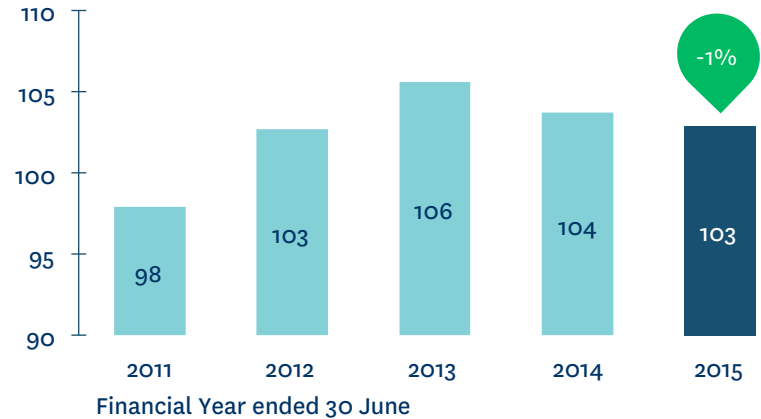


Results for the year ended 30 June 2011 include the Tekapo power stations, which were sold to Genesis Energy in June 2011

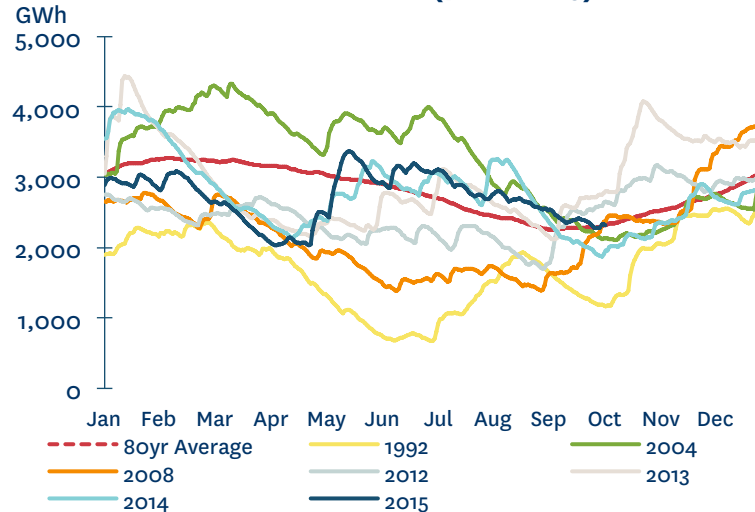
# The current operating environment

- Retail prices have stayed up
- National storage is currently at average levels

**AVERAGE RETAIL CONTRACTED SALES PRICE**  
\$/MWh



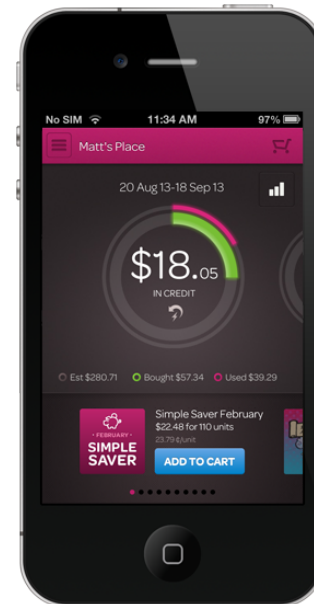
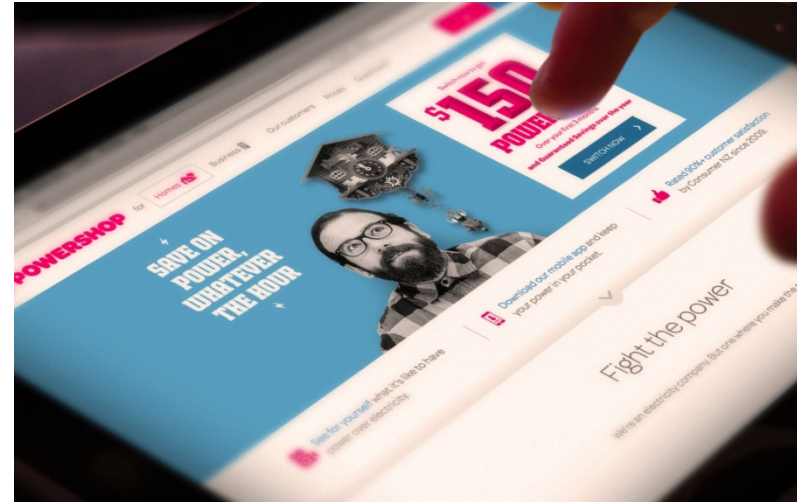
**NZ NATIONAL HYDRO STORAGE (7 OCT 2015)**



Results for the year ended 30 June 2011 include the Tekapo power stations, which were sold to Genesis Energy in June 2011

# Focus for the 2016 financial year

- Understand and execute preferred options for a post 2018 world
- Continue our retail efficiency drive
- Continue growth in Powershop Australia
- Decision on franchising the Powershop model to a northern hemisphere retailer by Christmas



# Questions

