

# IT'S OUR FUTURE.



meridian

MERIDIAN  
ENERGY  
LIMITED

2017 ANNUAL  
SHAREHOLDER MEETING

MEMBER OF

**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM 

# Order of business.

- Chair's address
- Chief Executive's review
- Questions
- Resolutions



Image: Lake Pukaki headwaters, Canterbury, New Zealand

# Chair's address



# Value through sustainability.

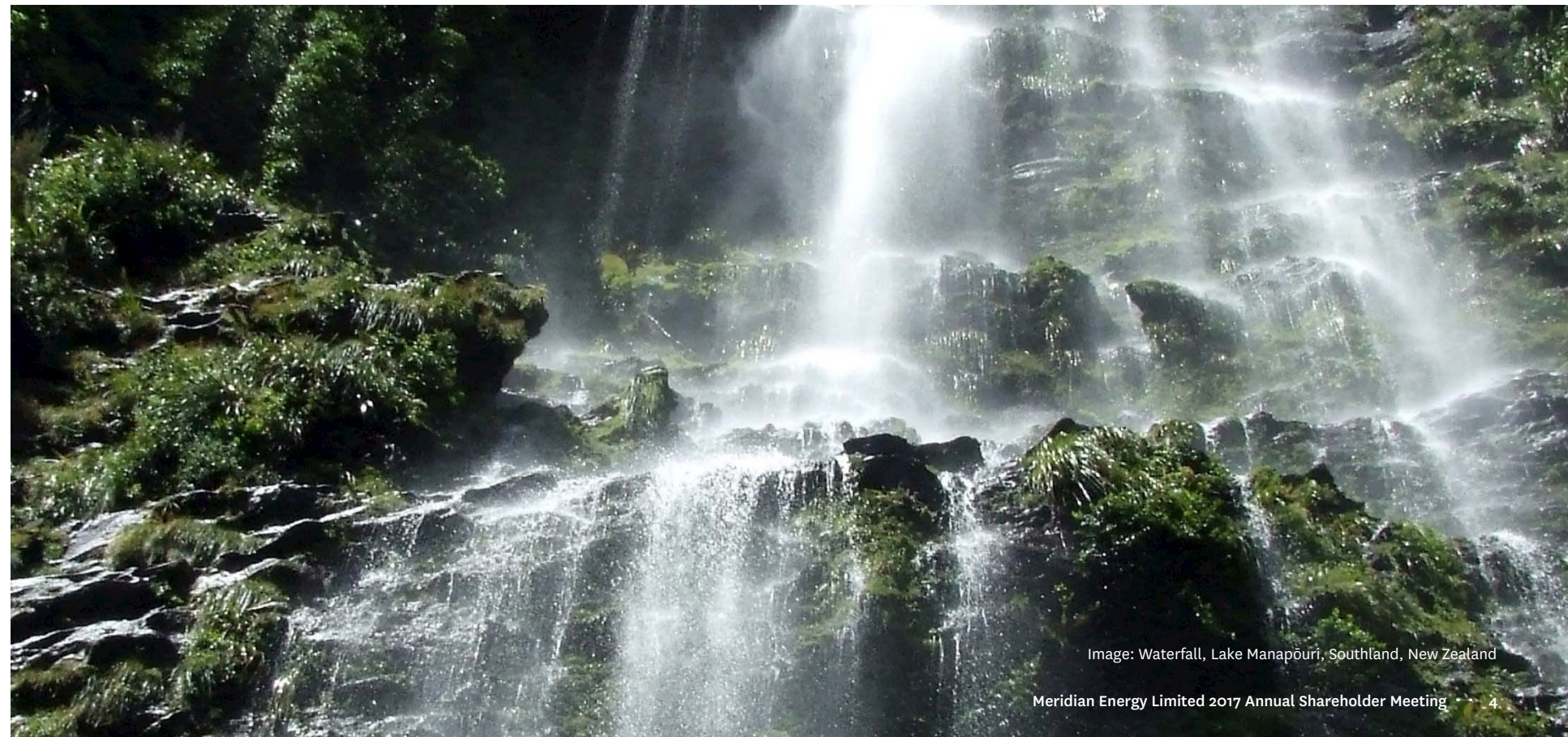
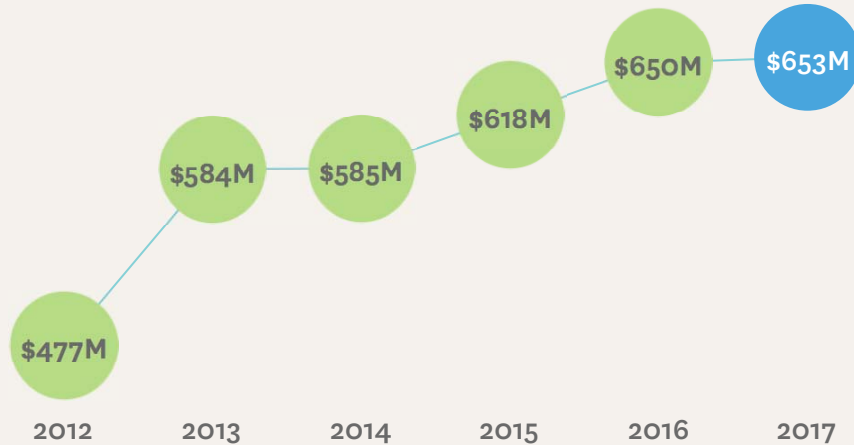


Image: Waterfall, Lake Manapōuri, Southland, New Zealand

# Shareholder highlights.

Five successive years of earnings growth

EBITDAF<sup>1</sup>



Financial Year ended 30 June

Source: Meridian

1. Earnings before interest, tax, depreciation, amortisation, changes in fair value of hedges and other significant items

Higher dividends every year since listing

DIVIDENDS DECLARED  
TOTAL CPS



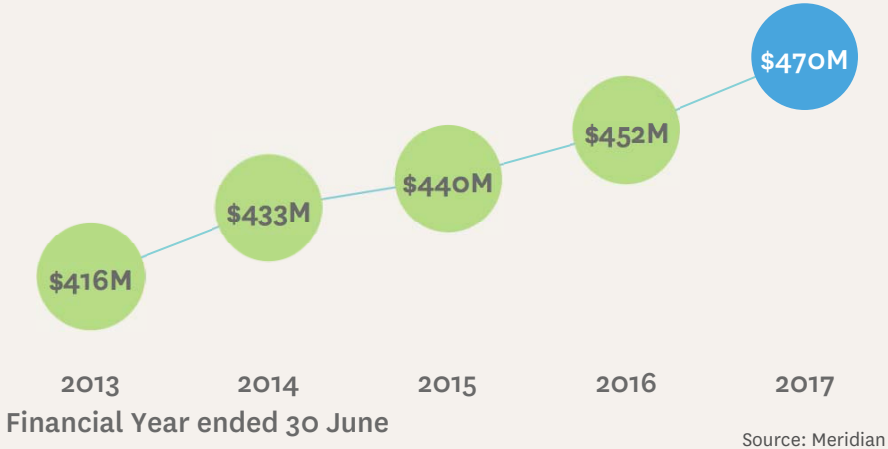
Financial Year ended 30 June

Source: Meridian

# Shareholder highlights.

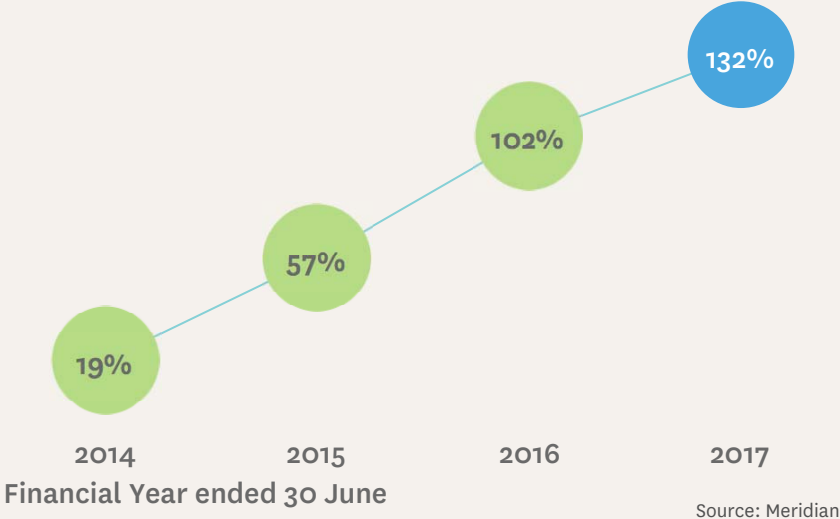
Record level of operating cash flow

## OPERATING CASH FLOW



132% cumulative shareholder return since listing

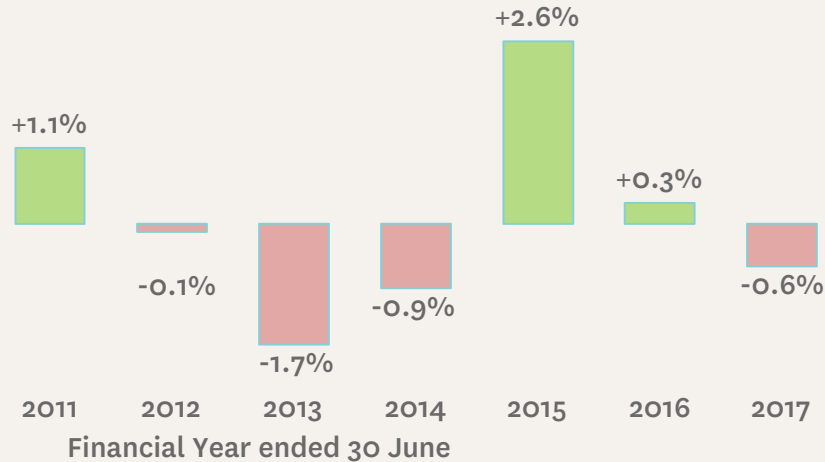
## CUMULATIVE TSR<sup>1</sup> SINCE LISTING



1. Total shareholder return; share price change from Meridian's \$1.50 listing price plus cash dividends paid

# New Zealand demand.

## ANNUAL DEMAND CHANGE SINCE 2010



Source: Electricity Authority

Little demand growth in the last 7 years

- + Economic growth
- + Positive net migration
- - Industrial and manufacturing closure
- - Warmer than average temperatures
- - Growing impact of technology and efficiency gains

# Offshore opportunities.



Image: Mt Millar wind farm, South Australia



Image: Logo of Flux Federation, Meridian's development subsidiary



# Transmission pricing.

Transmission pricing review delayed




Image: The HVDC inter-island transmission line (front) near Wellington, New Zealand

# The year ahead.



Mark Binns



Neal Barclay



Image: Godley River, Canterbury, New Zealand

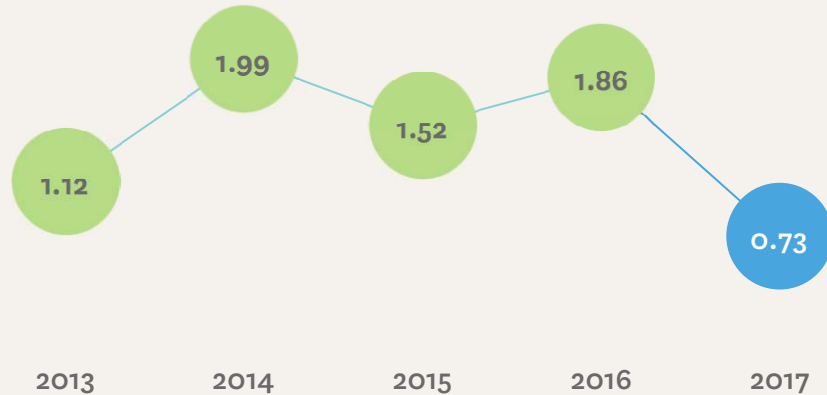
# Chief Executive's review.



# Our people.

No significant harm injuries and reduction in workplace injury statistics in FY17

## RECORDABLE INJURY FREQUENCY RATE<sup>1</sup>



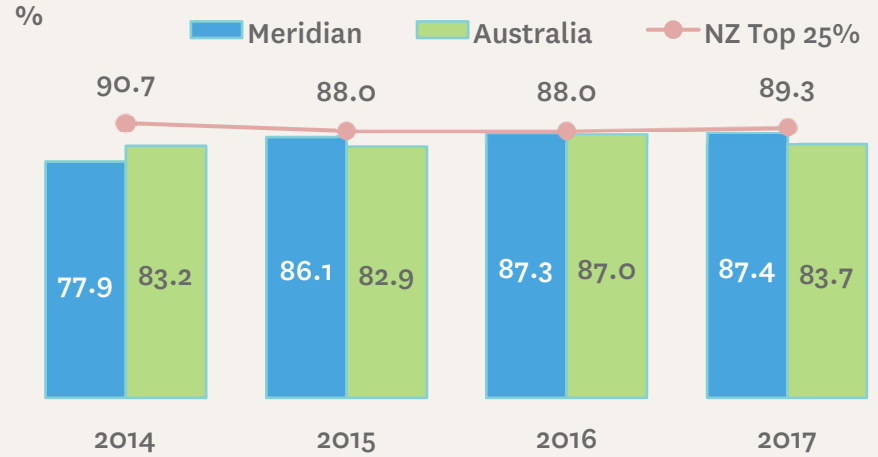
Financial Year ended 30 June

Source: Meridian

1. Total recordable injury frequency rate (TRIFR) for Meridian onsite employees and contractors. TRIFR is calculated per 200,000 hours and includes all lost time, medical treatment and restricted work injuries

Progressing towards top quartile employee engagement

## EMPLOYEE ENGAGEMENT<sup>2</sup>

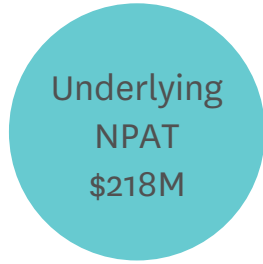
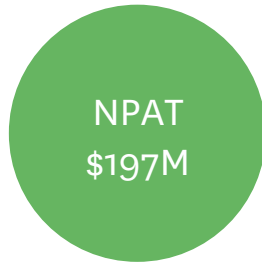


Financial Year ended 30 June

Source: Meridian

2. Measured by "level of agreement" – the percentage of staff who 'agree' or 'strongly agree' with the six questions that collectively determine our Engagement Index

# 2017 financial results.



Full year change	+6%	-6%	+0.5%	+4%	+3%
First half change	+19%	+7%	+6%	-1%	+3%
Second half change	-10%	-21%	-5%	+9%	+3%

Source: Meridian

# A change in Government – a preliminary view.



Image: The Beehive and Parliament Buildings, Wellington, New Zealand

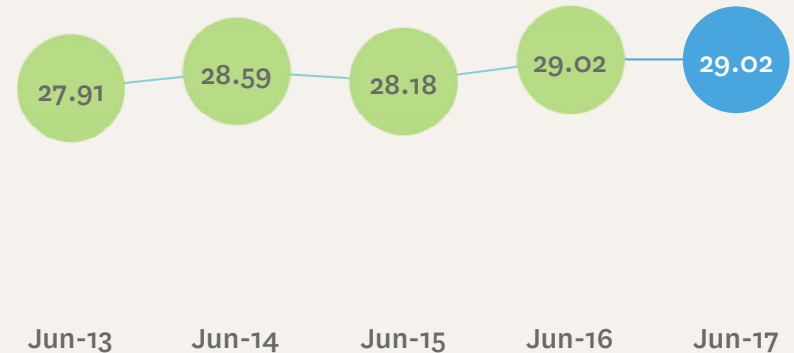
# New Zealand residential electricity pricing.

Average residential electricity cost increases below the rate of inflation

- 4% increase since June 2013
- Slightly lower than the increase in the consumers price index over the same period

## AVERAGE RESIDENTIAL ELECTRICITY COST

c/kWh



Source: Ministry of Business, Innovation & Employment

# Tiwai Point aluminium smelter.



Image: Aluminium smelter at Tiwai Point, Southland, New Zealand



# Commercial solar.

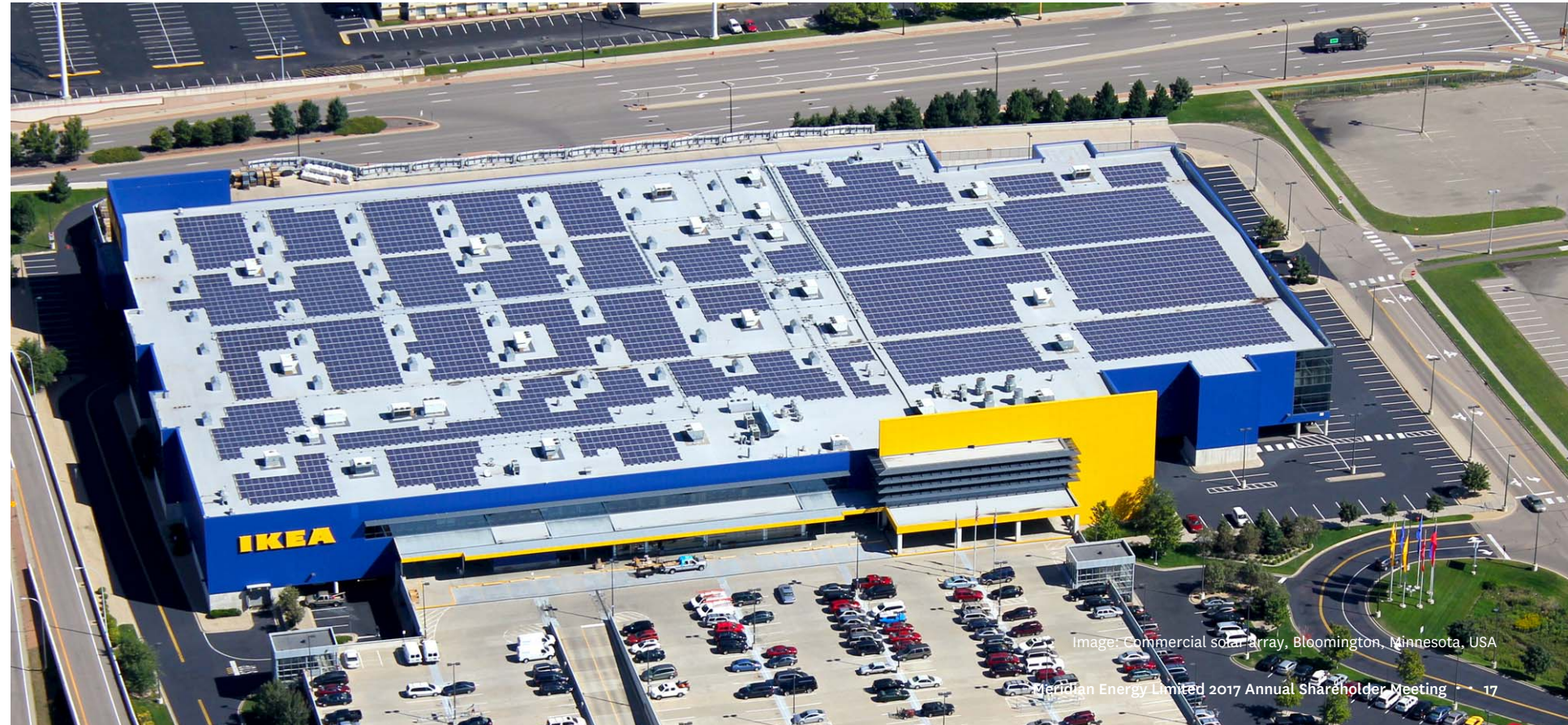


Image: Commercial solar array, Bloomington, Minnesota, USA

# Powershop offshore.

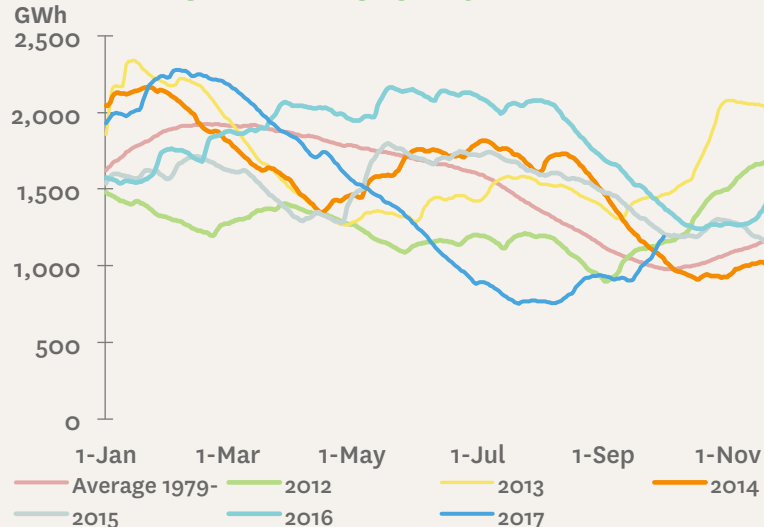


# September quarter.

## High August and September 2017 month inflows

- September quarter inflows were 131% of average
- Meridian's Waitaki storage now at 121% of average
- Compared to the September quarter last year
  - 25% lower NZ generation
  - 10% higher NZ retail sales
  - Higher Australian generation and retail sales
  - Higher customer numbers in both countries

## MERIDIAN'S WAITAKI STORAGE



Source: Meridian

# Final thoughts.




Image: Stream near Lake Manapouri, Southland, New Zealand

# Questions

A decorative graphic on a teal background. The word "Questions" is written in large, white, sans-serif font at the top left. A white line starts from the left edge, goes down to a small white dot, then goes up to a larger green dot, and finally goes right towards the right edge.

# Resolutions and voting

The background is a solid green color. The title 'Resolutions and voting' is written in a large, white, sans-serif font. A white line starts from the left edge, goes down and right to a small white dot, then up and right to a small blue dot, and finally continues as a thin white line towards the right edge of the slide.

# Postal and proxy vote totals.

## Resolutions supported by the Board

VOTE TYPE	ELECTION OF MARK VERBIEST		RE-ELECTION OF MARY DEVINE		RE-ELECTION OF STEPHEN REINDLER	
	VOTED	%	VOTED	%	VOTED	%
FOR	575,863,755	30.5%	576,220,567	30.5%	575,823,227	30.5%
AGAINST	881,322	0.1%	436,933	0.0%	738,319	0.0%
DISCRETIONARY <sup>1</sup>	1,311,292,951	69.4%	1,311,337,926	69.5%	1,311,347,826	69.5%
ABSTAIN	1,299,867	N/A	1,342,469	N/A	1,428,523	N/A

1. Discretionary votes held by the Chair, Directors and other proxies

# Resolution 1.

## Election of Mark Verbiest

- That Mark Verbiest, who was appointed as a Director of the Company by the Board on 24 March 2017, retires and is eligible for election, be elected as a Director of the Company
- This resolution is unanimously supported by the Board





## Resolution 2.



### Re-election of Mary Devine

- That Mary Devine, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company
- This resolution is unanimously supported by the Board

# Resolution 3.

## Re-election of Stephen Reindler

- That Stephen Reindler, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company
- This resolution is unanimously supported by the Board



# Resolution 4.

## Shareholder proposal

- That Meridian investigate other areas of business that reduce CO2 emissions that Meridian can be involved in due to forecast climate change
- This resolution is unanimously not supported by the Board

# Resolution 4.

## Postal and proxy vote totals

VOTE TYPE	VOTED	%
FOR	28,618,914	1.5%
AGAINST	1,854,427,196	98.3%
DISCRETIONARY <sup>1</sup>	4,072,480	0.2%
ABSTAIN	2,219,305	N/A

1. Discretionary votes held by the Chair, Directors and other proxies

# Resolution 4.

## Shareholder proposal

- That Meridian investigate other areas of business that reduce CO2 emissions that Meridian can be involved in due to forecast climate change
- This resolution is unanimously not supported by the Board

# Resolution 5.

## Shareholder proposal

- That Meridian lobby the New Zealand Government to support the use of debt-free money to make climate change financially viable, rather than using the proceeds from tax or debt to private bankers, to reduce CO2 emissions in the environment
- This resolution is unanimously not supported by the Board

# Resolution 5.

## Postal and proxy vote totals

VOTE TYPE	VOTED	%
FOR	21,516,468	1.1%
AGAINST	1,862,011,353	98.7%
DISCRETIONARY <sup>1</sup>	4,017,995	0.2%
ABSTAIN	1,792,079	N/A

1. Discretionary votes held by the Chair, Directors and other proxies

# Resolution 5.

## Shareholder proposal

- That Meridian lobby the New Zealand Government to support the use of debt-free money to make climate change financially viable, rather than using the proceeds from tax or debt to private bankers, to reduce CO2 emissions in the environment
- This resolution is unanimously not supported by the Board



# Closing

The word "Closing" is written in a large, white, sans-serif font in the upper left quadrant. A green dot is positioned to the right of the end of the word. Two white lines originate from this dot: one extends horizontally to the right edge of the frame, and another extends downwards and to the left, ending at a small white dot. A third white line extends from the left edge of the frame, parallel to the bottom edge, and meets the white dot at the end of the second line.

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The information contained in this presentation should be considered in conjunction with the company's financial statements, which are included in Meridian's integrated report for the year ended 30 June 2017 and is available at:

[www.meridianenergy.co.nz/investors/](http://www.meridianenergy.co.nz/investors/)

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

# Thank you.



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