

# Annual Meeting 2010

# Financial Summary



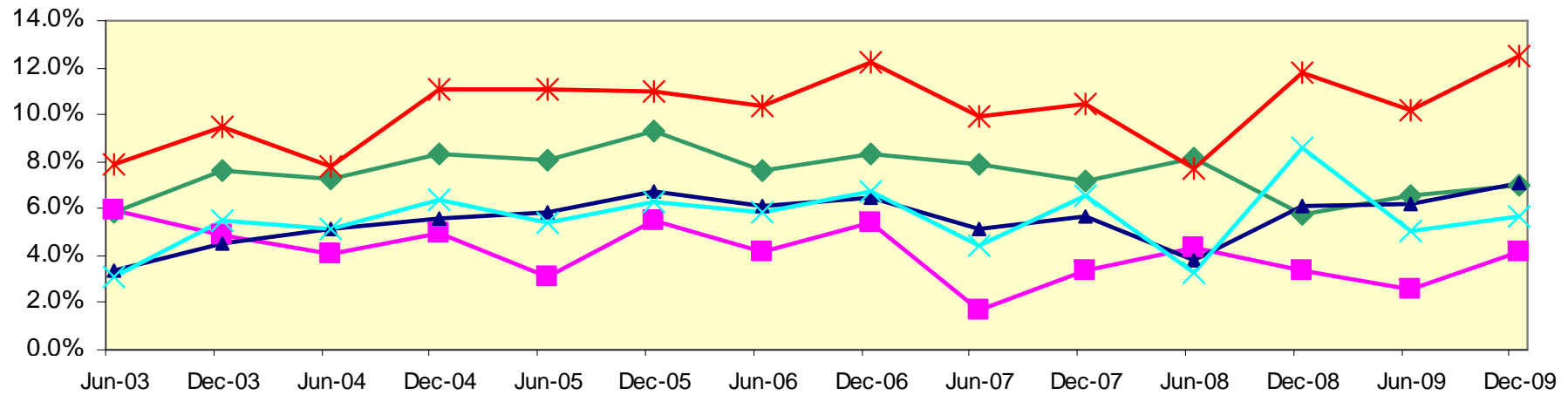
Extracted from Audited Accounts	FY March 10 \$m	FY March 09 \$m	% Change
Operating Revenue	759.3	785.4	-3.3
Operating Costs	485.4	524.0	-7.4
EBITDAF	273.9	261.4	4.8
Depreciation and Amortisation	55.0	44.4	23.9
Impairment of assets	6.1	1.5	306.7
Fair Value (Gains) / Losses on Financial Instruments	(12.5)	19.6	N/A
EBIT	225.3	196.0	14.9
Net Interest	58.7	52.4	12.0
Tax	47.1	38.6	22.0
Net Surplus After Tax	119.4	105.1	13.6
Underlying Earnings After Tax	116.8	118.8	-1.7

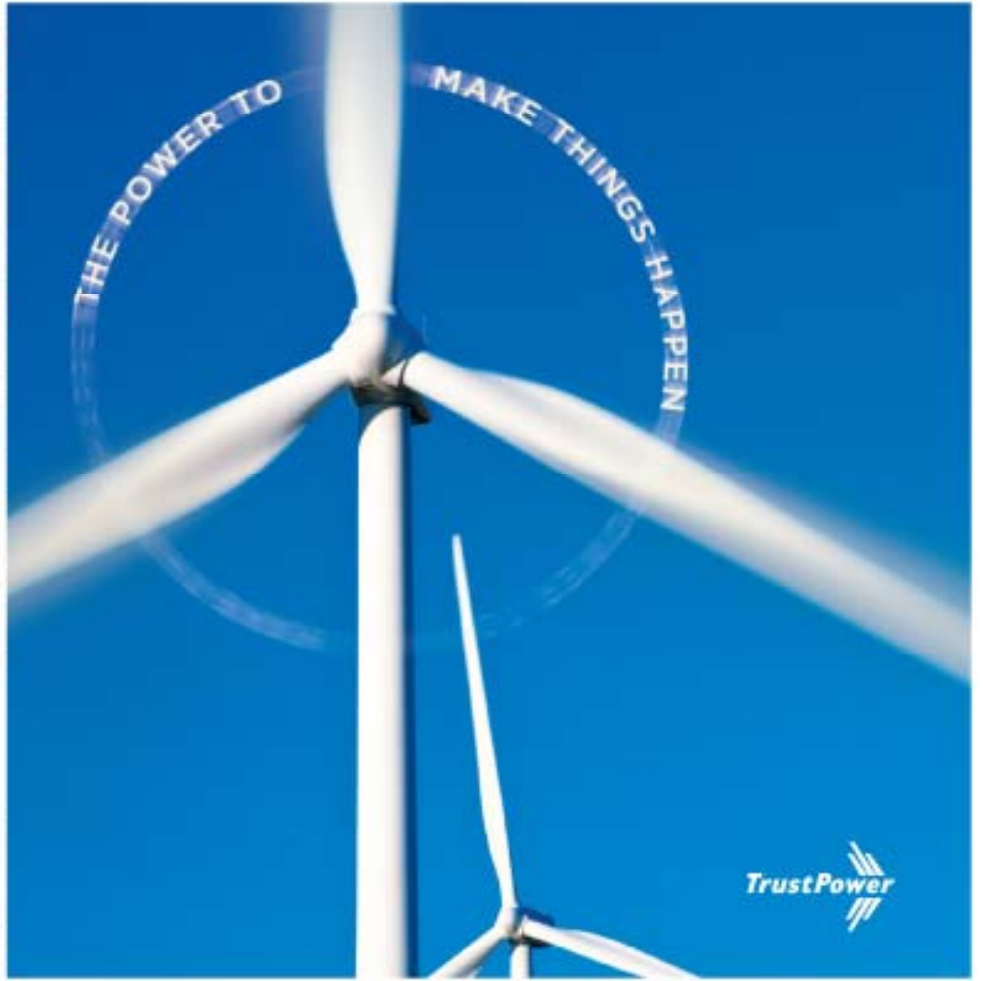
# Financial Summary



## EBITDA Return on Adjusted Capital

◆ Contact    ■ Genesis    ▲ Meridian    ✕ MRP    ✕ TPW





# Annual Meeting 2010

# My First Impressions



- TrustPower a Company that gets things done.
- Great team of people that work for the benefit of TrustPower.
- Well positioned for future growth through generation investments and customer innovation.
- National and International company that thinks and acts locally.
- Ready and able to deal with the changing regulatory and competitive environment.
- Values the loyalty of customers and shareholders.

# Our 2011 Goals



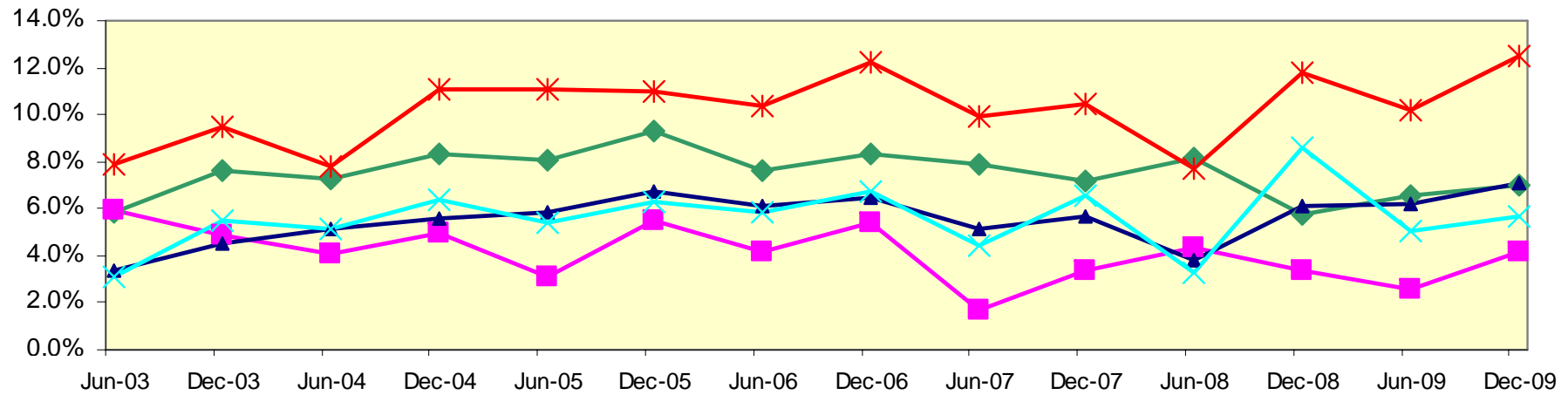
- Protect and grow the TrustPower Brand.
- Successful development of Mahinerangi Stage I Wind Farm.
- Progress Canterbury hydro / irrigation opportunity (deliver the BCI Pumping Scheme).
- Progress wind development opportunities in Australia with a focus on Snowtown Stage II.
- Continue to focus on hydro enhancement opportunities that provide peaking capacity.
- Progress the Arnold Hydro Scheme detailed design.

# Competitor Comparison



## EBITDA Return on Adjusted Capital

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# The Changing Regulatory Environment



- New Zealand
  - Government Review
    - Asset swaps between SOEs
    - New hedge market being developed
    - Scarcity pricing signals for new investment
  - Emissions Trading Scheme
    - The scheme is operational from 1 July 2010
- Australia
  - Enhanced RET legislation passed by federal parliament
  - Australian federal election in August may result in changing climate change policy



# Listening to our Customers



- Customer numbers 221,000.
- Kinect telecommunications service 34,000.
- Customer satisfaction 94% rating, very good or excellent.
- Customer Information System – decision delayed to 3<sup>rd</sup> quarter.
- Community Awards – recognise our unique relationships with the communities we serve.



Wayne Webb, Farm Manager of Lynmore Station in the Te Anau Basin

# Making Smart Investments



- Highbank Pumping Irrigation – under construction
- Mahinerangi Stage I Wind Farm 36MW – under construction
- Snowtown Stage II up to 214 MW – finalising consent
- Wairau Hydro – (73 MW )Awaiting Environment Court decision
- Arnold – (36 – 46 MW) Detailed Design
- Significant pipeline of generation projects.
- Selective enhancements to existing generation assets.

# Highbank Pump House Construction



# Mahinerangi Wind Farm



# Old Big Wainihinihi Tunnel



Above: High up in the Southern Alps, the 100 year old 'Old Big Wainihinihi Tunnel' in state of failure due to earth movement

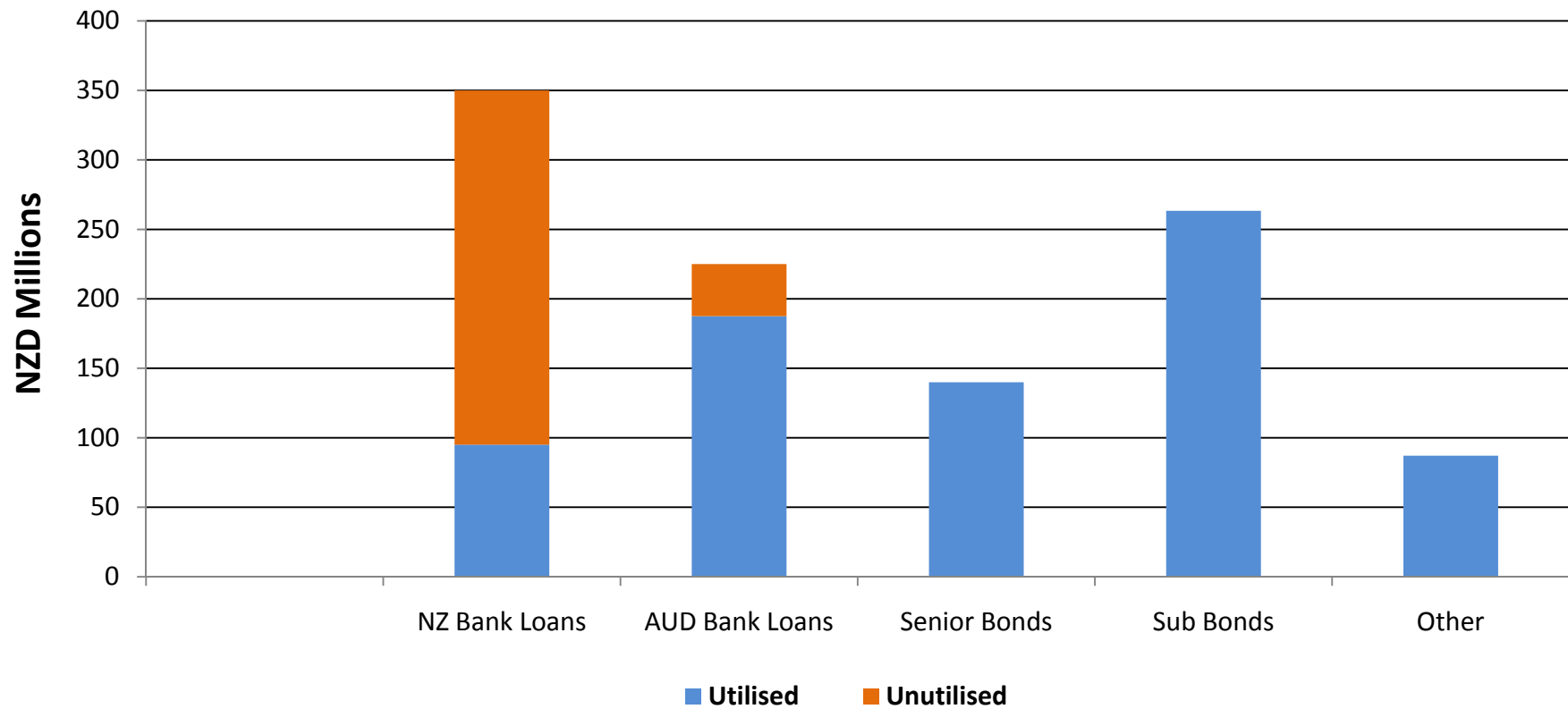


Right: Nearing completion

# Debt Position



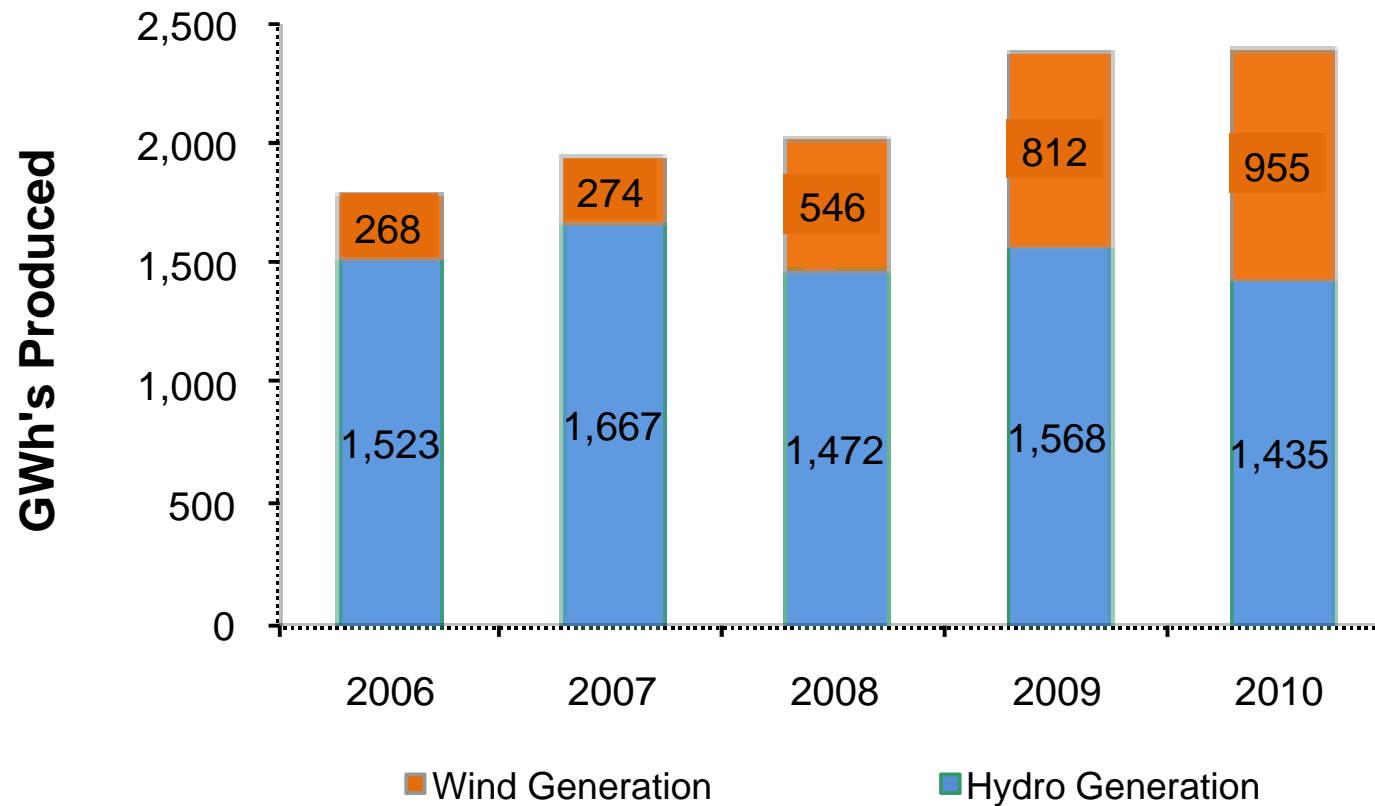
Debt Facilities as at 25 July 2010



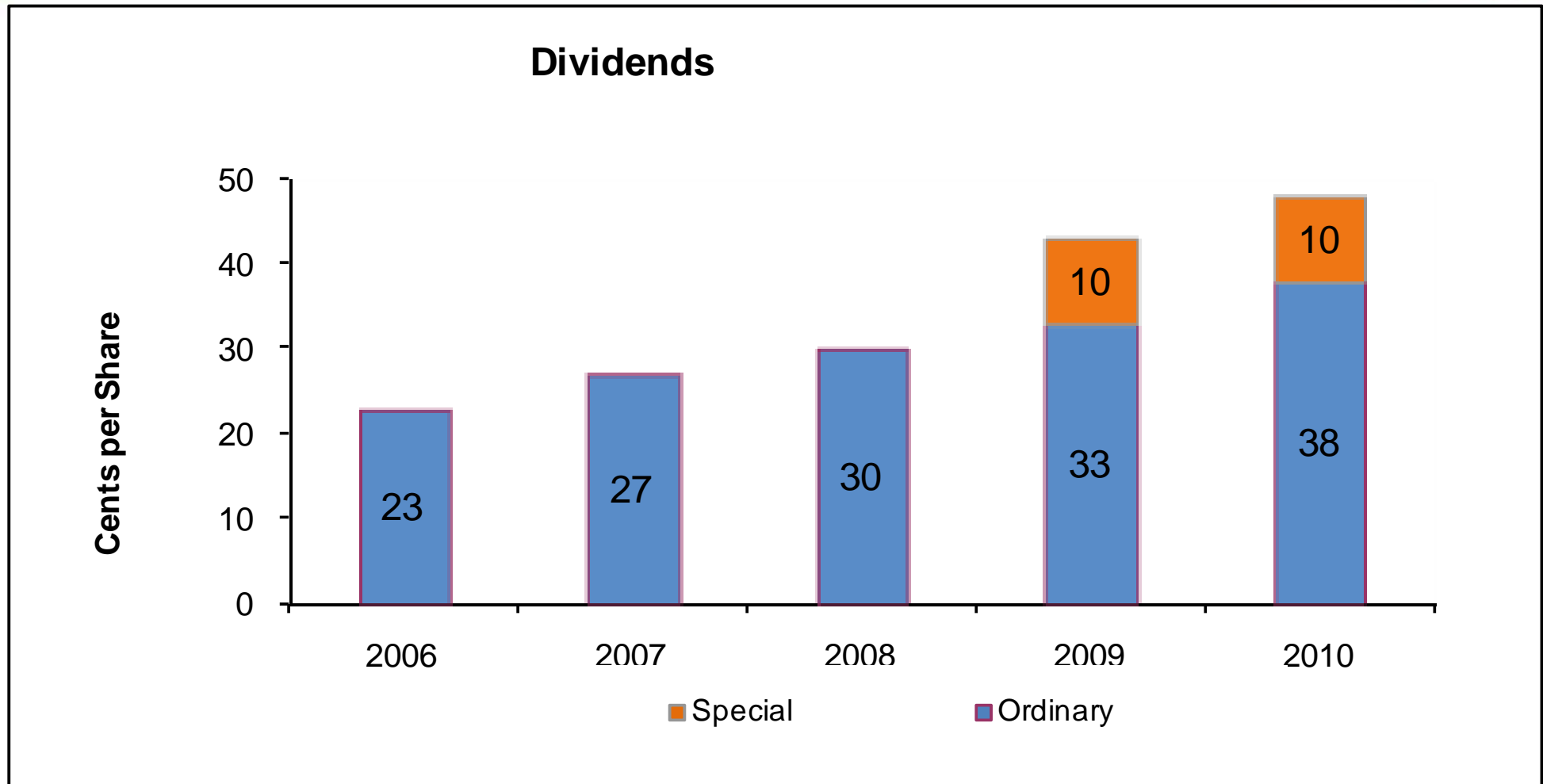
# Own Generation



**Source of Own Generation (Including Australia)**

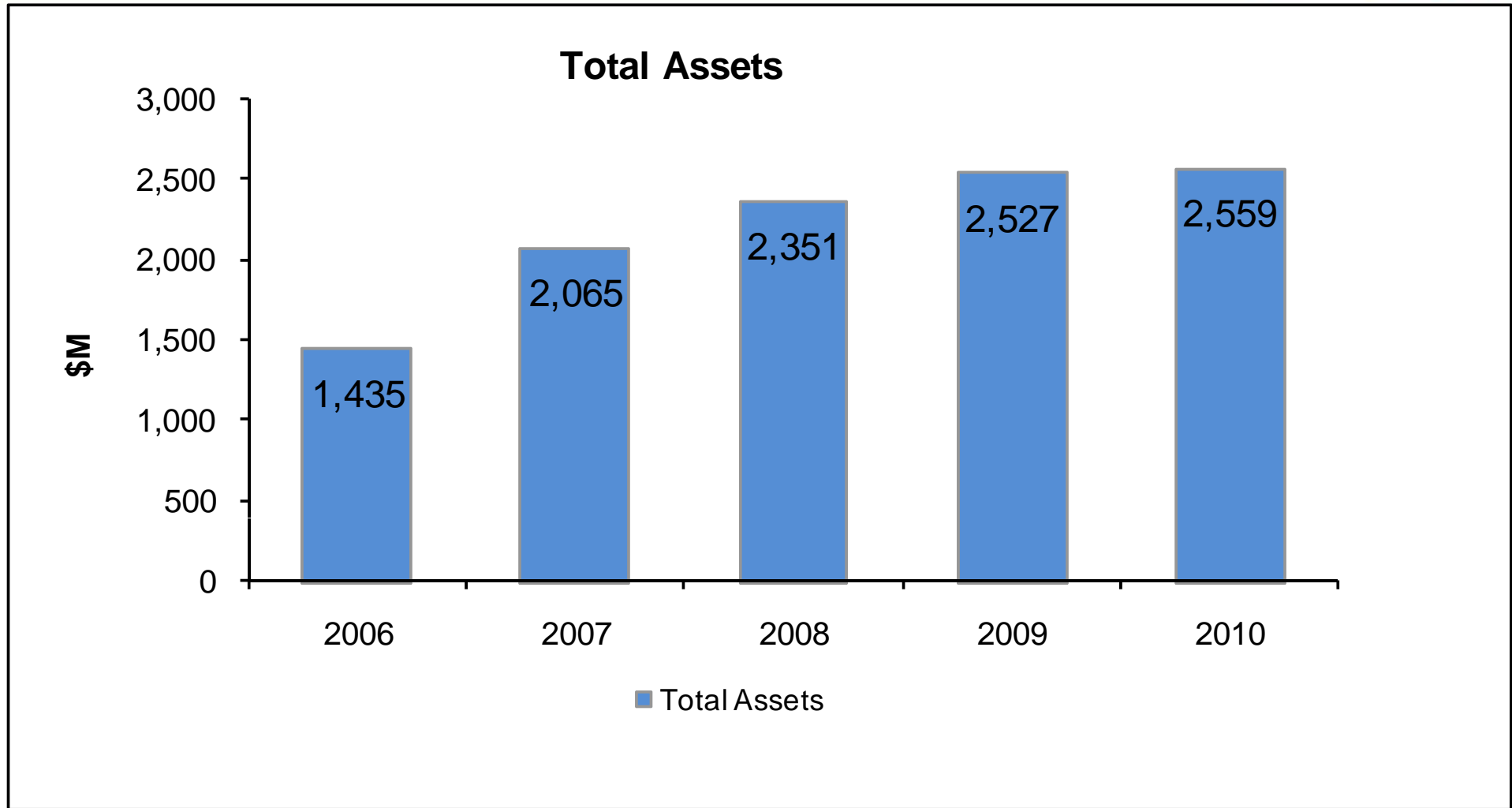


# Dividends

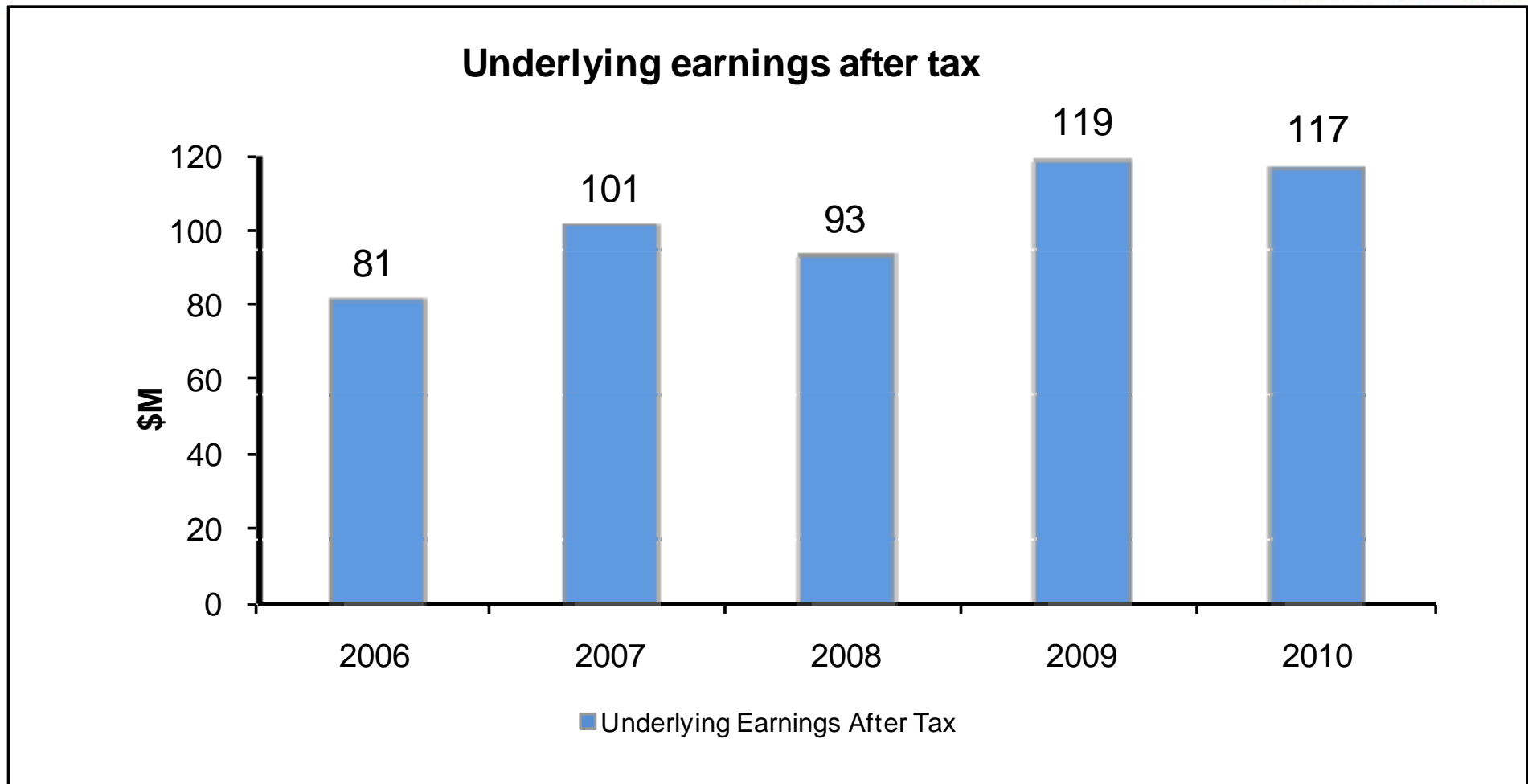




# Consolidated Assets



# Underlying Earnings After Tax



## First Quarter FY2011



- Characterised by
  - Strong hydro inflows with increased New Zealand storages, now trending to average.
  - TrustPower hydro production up 14% compared with same period last year, near the long term average.
  - Mass Market and Time of Use sales slightly down on last year.
  - Spot prices low in the first quarter, firming as storages fall in July.

# Summary



- Underlying Earnings after Tax \$117 million
- EBITDAF \$274 million
- Commenced Mahinerangi Stage I (36MW)
- Regulatory change and Competition increasing
- TrustPower has a strong pipeline of quality generation and irrigation projects