Agenda

- Introduction to New Trustpower
- 1H FY17 performance overview
- Capital management
- Operating overview
- Looking ahead
Disclaimer

On 31 October 2016 the Trustpower Group demerged into two separate groups - Trustpower Limited (formerly Bay Energy Limited) (NZX:TPW) and Tilt Renewables Limited (NZX:TLT). These results and any reference to “demerged” performance relate to Trustpower Limited operations within the Trustpower Group pre-demerger. The full financial statements for the Trustpower Group have been lodged with NZX and are available from the NZX and Trustpower websites. References to 1H 2016 or prior period are for the six month period to 30 September 2015

This presentation contains certain ‘forward-looking statements’. Forward-looking statements can generally be identified by the use of forward-looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance' and other similar expressions. The forward-looking statements contained in this presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Trustpower and the other entities referred to, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not materially differ from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this presentation in light of those disclosures. The forward-looking statements are based on information available to Trustpower as at the date of this presentation. Except as required by law or regulation (including the NZX Main Board Listing Rules), Trustpower undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Past performance information given in this presentation is given for illustrative purposes only and refers to should not be relied upon as (and is not) an indication of future performance.

All dollar values are in New Zealand dollars (NZ$ or NZD) unless otherwise stated. Investors are cautioned not to place undue reliance on any non-GAAP financial measures included in this presentation.
Introduction

• Demerger of the wider Trustpower group on 31 October 2016, creating two companies:
  • Trustpower Limited – referred to as ‘New Trustpower’ in this presentation
  • Tilt Renewables Limited
• During the six-month period to 30 September 2016, New Trustpower was operating as part of the former Trustpower group
• This briefing covers New Trustpower’s operations pre-demmerger, and effectively represents the first-half result for New Trustpower
About New Trustpower

• Market capitalisation circa $1.5 billion (at 31 October 2016)
• New Zealand’s fourth largest energy retailer also the fourth largest telco retail
• Hydro electricity generator
  • New Zealand’s fifth largest with approx. 8% of installed capacity
  • Australian assets in New South Wales
• Key shareholders Infratil (51.0%) and TECT (26.8%)
• Tauranga-based

<table>
<thead>
<tr>
<th>Total utility connections</th>
<th>30 Sept 2016</th>
<th>FY17 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity connections</td>
<td>278,000</td>
<td>290-300,000</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>69,000</td>
<td>70-80,000</td>
</tr>
<tr>
<td>customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas connections</td>
<td>31,000</td>
<td>33-35,000</td>
</tr>
<tr>
<td>Customers with 2 or more</td>
<td>84,000</td>
<td></td>
</tr>
<tr>
<td>connections</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Generation capacity</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand hydro</td>
<td>478 MW</td>
<td></td>
</tr>
<tr>
<td>Australian hydro</td>
<td>92 MW</td>
<td></td>
</tr>
</tbody>
</table>
New Trustpower's generation assets and customer market share
1H FY2017
Performance overview
New Trustpower
1H FY17 performance overview

• Customers:
  • 378,000 accounts – 2% higher than 31 March 2016 and 14% higher than 1H FY16
  • 84,000 customers with two or more utilities – 9% higher than 31 March 2016 and 27% higher than 1H FY16

• Generation:
  • New Zealand generation 1,059 GWh – 11% above 1H FY16
    – North Island (excl KCE) 116 GWh - 6% above 1H FY16
    – South Island 541 GWh - 5% below 1H FY16
    – King Country Energy 116 GWh
  • Australian generation 100 GWh – 47% higher than 1H FY16
  • Dividend of 16 cents per share

Non-GAAP financial measures:
^ EBITDAF (Earnings before interest, tax, depreciation, amortisation, fair value movements of financial instruments, asset impairments and discount on acquisition adjustments)
* Underlying earnings after tax
EBITDAF bridge first half FY16 – FY17
Comments on financial performance

• $7.1 million EBITDAF contribution from King Country Energy acquisition
• Water has been conserved as a response to low wholesale prices leading to lower generation volumes (excluding KCE)
• Demerger costs of $8.7 million included. Excluding refinancing and tax costs this is expected to be $13-16 million for the full year.
• High proportion of new customers electing to take a telco service has driven increases in acquisition and service costs.
Retail growth continues and overheads remain stable
King Country Energy integration

- First full period of consolidation into Trustpower financial reporting
- Earnings contribution was $7.1 million EBITDAF
- Generation contributed 116 GWh
  - 113 GWh was sold to King Country Energy’s 17,000 customers
- King Country Energy and Trustpower management are well advanced in developing value accretive opportunities for the two organisations
- Net Profit After tax attributable to TPW shareholders $0.5 million
Capital management
Capital management

• Key ratios as at 30 September 2016:
  • Debt / EBITDAF 3.46 times
  • EBITDAF / Interest cover 5.63 times
  • Debt : Debt + Equity 35%

• No current expectations for capital expenditure over ongoing maintenance capex of $20-30 million p.a.

• Intention to reduce gearing to be more in line with peer group
  • Debt/EBITDAF ratio of <3.0 times
Debt financing – source and maturity
New Trustpower as at demerger date

Source of debt financing

- NZD Bank Debt
- AUD Bank Debt
- Sub Bonds
- Senior Bonds
- Unutilised Bank

Maturity of debt financing

- NZD M*

AUD Loans converted at NZD/AUD 0.94
Dividends

• 16 cps payable 9 December 2016

• Imputed to 14 cps

• Final dividend expected to be close to fully imputed. FY18 onwards expected to be fully imputed.

• Dividend payout expected to be in the range of 70% to 90% of free cash flow on average over time
Operational overview
Health and Safety remains a key focus
Multi product – targets being met

MARCH 2016
- One product: 35%
- Two or more products: 65%

SEPTEMBER 2016
- One product: 38%
- Two or more products: 62%

MARCH 2017 (TARGET)
- One product: 42%
- Two or more products: 58%
Customer loyalty continues to outperform market

**Trustpower Losses vs Market**

Source: Trustpower Switching Data and Energy Authority Registry Information
Multi-product loyalty benefits continue
Unlimited data is the New Norm

Customer data use has gone from 21GB/month to 114GB/month on average in two years
Increasing use of digital service channels

Webchat and online virtual agent increases efficiency and customer satisfaction
Trustpower generation overview

- New Zealand production 11% above previous period.
  - Mainly driven by King Country Energy acquisition
  - 5% below long term average average
  - Generation withheld in response to low spot prices
- Average New Zealand spot price $55/MWh compared to $54/MWh in 1H FY16
  - Electricity spot prices remained low nationally
  - Another warmer than average winter
- Australian production 47% higher than previous period due to very strong inflows
Looking ahead
Our strategy

• Multi-product retail strategy
  • New customers and new products per customer targeting high value and loyalty
  • Increasing efficiency and reducing marginal cost

• New technology opportunities:
  • Improved customer experience
  • New products and services

• Optimise value of existing hydro generation assets in New Zealand and Australia

• Growth through acquisition:
  • Businesses which are aligned with Trustpower’s existing business
  • Where Trustpower can add value
Increasing regulation – increases costs

Transmission pricing and distributed generation
• Process and analysis flawed

Telecommunications review
• Critical process that must keep competition and open access as goals
Second half focus

- Continued pursuit of profitable growth
  - Maintaining momentum in energy and telco
  - Focus on cost to acquire and cost to serve
  - Management of overheads
  - Investigate further acquisition opportunities
- Generation – seek further efficiency from existing assets
- Delivery of further integration benefits with King Country Energy operations
- Electricity Authority review of transmission pricing and distributed generation
- Government telecommunications review
Outlook

- Competition in the retail market remains intense, with continued high churn and an increasing range of offerings from incumbents and new entrants.
- NZ hydro storage has remained above average for most of the FY.
- Electricity – Grid connected demand growth remains low driven by efficiency, consumer behaviour and new technologies.
- ISP data consumption increases with the growth of high speed broadband and consumer adoption of content consumption.
Questions
Non-GAAP Measures

- Underlying Earnings is a non GAAP (Generally Accepted Accounting Principles) financial measure. Trustpower believes that this measure is an important additional financial measure to disclose as it excludes movements in the fair value of financial instruments which can be volatile year to year depending on movement in long term interest rate and or electricity future prices. Also excluded in this measure are items considered to be one off and not related to core business such as changes to the company tax rate or impairment of generation assets.
- EBITDAF is a non GAAP financial measure but is commonly used within the electricity industry as a measure of performance as it shows the level of earnings before impact of gearing levels and non-cash charges such as depreciation and amortisation. Market analysts use the measure as an input into company valuation and valuation metrics used to assess relative value and performance of companies across the sector.
- Reconciliation between statutory measure of profit and the two measures above are given below:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit After Tax Attributable to Shareholders of the Company</td>
<td>48,698</td>
<td>44,902</td>
</tr>
<tr>
<td>Fair value losses / (gains) on financial instruments</td>
<td>5,140</td>
<td>3,235</td>
</tr>
<tr>
<td>Demerger related expenditure</td>
<td>-</td>
<td>8,673</td>
</tr>
<tr>
<td>Impact of Inland Revenue court case on interest expense</td>
<td>5,019</td>
<td>-</td>
</tr>
<tr>
<td>Impact of Inland Revenue court case on income tax expense</td>
<td>1,318</td>
<td>-</td>
</tr>
<tr>
<td>Changes in income tax expense in relation to adjustments</td>
<td>(1,439)</td>
<td>(906)</td>
</tr>
<tr>
<td>Underlying Earnings After Tax</td>
<td>58,736</td>
<td>55,904</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit</td>
<td>95,662</td>
<td>84,103</td>
</tr>
<tr>
<td>Fair value losses / (gains) on financial instruments</td>
<td>5,140</td>
<td>3,235</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>19,576</td>
<td>22,613</td>
</tr>
<tr>
<td>EBITDAF</td>
<td>120,378</td>
<td>109,951</td>
</tr>
</tbody>
</table>
New Trustpower's generation assets and customer market share

Notes:

- Bream Bay (diesel)
  - Commissioned: 2011
  - Maximum capacity: 5MW
  - Annual output: 22GWh
  - Mangorei
    - Commissioned: 1931
    - Maximum capacity: 5MW
    - Annual output: 21GWh

- Kaimai
  - Commissioned: 1972
  - Maximum capacity: 41MW
  - Annual output: 167GWh

- Matahina
  - Commissioned: 1932
  - Maximum capacity: 32MW
  - Annual output: 108GWh

- Waipori
  - Commissioned: 1907
  - Maximum capacity: 83MW
  - Annual output: 192GWh

- Highbank
  - Commissioned: 1987
  - Maximum capacity: 39MW
  - Annual output: 270GWh

- Branch River
  - Commissioned: 1983
  - Maximum capacity: 11MW
  - Annual output: 54GWh

- Waihopai
  - Commissioned: 1927
  - Maximum capacity: 6MW
  - Annual output: 30GWh

- Waipara/Patearoa
  - Commissioned: 1984
  - Maximum capacity: 12MW
  - Annual output: 62GWh

- Keepit
  - Commissioned: 1960
  - Maximum capacity: 7MW
  - Annual output: 10GWh

- Burinjuck
  - Commissioned: 1928
  - Maximum capacity: 27MW
  - Annual output: 40GWh

- Cobb
  - Commissioned: 1994
  - Maximum capacity: 32MW
  - Annual output: 192GWh

- Arnold
  - Commissioned: 1932
  - Maximum capacity: 3MW
  - Annual output: 25GWh

- Dillmans
  - Commissioned: 1938
  - Maximum capacity: 10MW
  - Annual output: 48GWh

- Kaniere Forks
  - Commissioned: 1941
  - Maximum capacity: 1MW
  - Annual output: 8GWh

- Wahapo
  - Commissioned: 1960
  - Maximum capacity: 3MW
  - Annual output: 15GWh

- Keepit
  - Commissioned: 1960
  - Maximum capacity: 7MW
  - Annual output: 10GWh

- Coleridge
  - Commissioned: 1914
  - Maximum capacity: 39MW
  - Annual output: 270GWh

- Hinemaihia
  - Commissioned: 1952
  - Maximum capacity: 4MW
  - Annual output: 15GW

- Esk
  - Commissioned: 2013
  - Maximum capacity: 5MW
  - Annual output: 15GW

- Waihopai
  - Commissioned: 1927
  - Maximum capacity: 6MW
  - Annual output: 30GWh

- Waipora/Patearoa
  - Commissioned: 1984
  - Maximum capacity: 12MW
  - Annual output: 62GWh

- Motukawa
  - Commissioned: 1992
  - Maximum capacity: 5MW
  - Annual output: 21GWh

- WHW
  - Commissioned: 1927
  - Maximum capacity: 5MW
  - Annual output: 22GWh

- Patea
  - Commissioned: 1957
  - Maximum capacity: 58MW
  - Annual output: 194GWh

- Hume
  - Commissioned: 1957
  - Maximum capacity: 58MW
  - Annual output: 194GWh

- Keepit
  - Commissioned: 1960
  - Maximum capacity: 7MW
  - Annual output: 10GWh

- Burrinjuck
  - Commissioned: 1928
  - Maximum capacity: 27MW
  - Annual output: 40GWh

- Cobb
  - Commissioned: 1994
  - Maximum capacity: 32MW
  - Annual output: 192GWh

- Arnold
  - Commissioned: 1932
  - Maximum capacity: 3MW
  - Annual output: 25GWh

- Dillmans
  - Commissioned: 1938
  - Maximum capacity: 10MW
  - Annual output: 48GWh

- Kaniere Forks
  - Commissioned: 1941
  - Maximum capacity: 1MW
  - Annual output: 8GWh

- Wahapo
  - Commissioned: 1960
  - Maximum capacity: 3MW
  - Annual output: 15GWh

- Keepit
  - Commissioned: 1960
  - Maximum capacity: 7MW
  - Annual output: 10GWh

- Coleridge
  - Commissioned: 1914
  - Maximum capacity: 39MW
  - Annual output: 270GWh

- Hinemaihia
  - Commissioned: 1952
  - Maximum capacity: 4MW
  - Annual output: 15GW

- Esk
  - Commissioned: 2013
  - Maximum capacity: 5MW
  - Annual output: 15GW

- Waihopai
  - Commissioned: 1927
  - Maximum capacity: 6MW
  - Annual output: 30GWh

- Waipora/Patearoa
  - Commissioned: 1984
  - Maximum capacity: 12MW
  - Annual output: 62GWh

- Motukawa
  - Commissioned: 1992
  - Maximum capacity: 5MW
  - Annual output: 21GWh

- WHW
  - Commissioned: 1927
  - Maximum capacity: 5MW
  - Annual output: 22GWh

- Patea
  - Commissioned: 1957
  - Maximum capacity: 58MW
  - Annual output: 194GWh

- Hume
  - Commissioned: 1957
  - Maximum capacity: 58MW
  - Annual output: 194GWh
NZ 7 day rolling demand last 12 months

New Zealand Electricity Demand (Rolling 7 days)

Total Demand (GWh)
NZ electricity 7 day rolling spot prices last 12 months

Weekly Average Prices - 12 Months to End of Sep 2016

Source: NZX Energy