



Media Statement
Friday 3 February 2012

TrustPower Limited Third Quarter Operating Results for the Nine Months Ended 31 December 2011

TrustPower's operating statistics for the nine months ended 31 December 2011 together with prior period comparatives are provided at the end of this announcement.

Total electricity sales were 3,071 GWh for the current reporting period which was down 1 per cent on the prior period.

Electricity customer numbers as at 31 December 2011 were 7,000 down on the same time a year earlier, and 4,000 below the position at the end of the second quarter.

Retail competition continues to remain intense. As has been the case in prior quarters TrustPower has successfully increased commercial and industrial sales in response to competitor activity which has largely offset the decrease in mass market volume.

TrustPower's total New Zealand generation production for the reporting period was 2,028 GWh up 15 per cent on prior period due to stronger hydro production in both the North and South Islands. Wind generation was down 1 per cent on prior period at the Tararua Wind Farm while wind production from the Mahinerangi wind farm was in line with expectation in its first year of operation.

Wind generation at the Snowtown Wind Farm improved during the third quarter with year to date production up 17 per cent versus prior period.

TrustPower's main hydro storage catchments are currently at or above average levels for this time of year following good inflows during the end of the third quarter and January 2012.

Progress continues to be made on a range of growth options in New Zealand and Australia.

A decision to proceed with the 3.8MW Esk Hydro Project in Hawkes Bay has been made. Commissioning is forecast for June 2013 with annual output of 15GWh expected. Projected capital expenditure for this project is around \$13 million.

The 2.6MW residual flow project at the existing Arnold Scheme on the West Coast is at an advanced stage of contract tendering. A final investment decision on this project is expected to be made within the next few months.

The hearing of TrustPower's proposed amendment to the National Water Conservation Order on the Rakaia River will commence in mid February 2012 and is expected to take four weeks. This will be heard by Commissioners appointed by Environment Canterbury and is an important step for the development of irrigation in Canterbury. Several groups have made submissions regarding the proposed amendment and TrustPower is actively working with those groups to understand and mitigate their concerns.

TrustPower has selected a preferred turbine supplier for Stage 2 of the Snowtown Wind Farm in South Australia. Negotiations are at an advanced stage for a long term power purchase agreement and other key project contracts. Once these agreements are in place the intention is to seek a third party investor to take a co-investment position in the project.

The project to replace the Company's customer information systems with Gentrack's Velocity (GTV) solution remains on track with the first stage expected to be completed shortly with further enhancements to be completed during the 2012 calendar year.

The Directors consider that given the performance to date and current market conditions a solid financial result for the year is expected.

BJ HARKER
CHAIRMAN

Operating Statistics	9 Months	9 Months	12 Months
	December 2011	December 2010	March 2011
Electricity customer numbers (000's)	214	221	221
Telecommunication services provided (000's)	37	34	35
Mass market sales (GWh)	1,383	1,491	1,877
Time of use sales (GWh)	1,688	1,622	2,156
Total customer sales (GWh)	3,071	3,113	4,033
Average spot price of electricity purchased (\$/MWh)	71	57	59
North Island hydro generation production (GWh)	725	598	780
South Island hydro generation production (GWh)	821	756	957
Total hydro generation production (GWh)	1,546	1,354	1,737
North Island wind generation production (GWh)	404	409	550
South Island wind generation production (GWh)	78	-	-
Total wind generation production (GWh)	482	409	550
Total New Zealand generation production (GWh)	2,028	1,763	2,287
Average spot price of electricity generated (\$/MWh)	65	52	51
Australian wind generation production (GWh)	271	232	328
Resource consent non-compliance events	8	8	9
Staff numbers (full time equivalents)	463	409	424