



Market Announcement

Thursday, 5 February 2015

Trustpower Limited Third Quarter Operating Results for the Nine Months Ended 31 December 2014

Trustpower's operating statistics for the quarter ended 31 December 2014 together with prior period comparatives are provided at the end of this announcement.

Trustpower continues to make good progress on the implementation of its multi product retail growth strategy. Total energy connections increased to 262,000 including 23,000 gas connections. Telecommunications growth continued as customers increased to 36,000 with 66,000 telecommunications services provided. Importantly 50,000 customers are now taking 2 or more services, up from 35,000 customers in the prior period.

Trustpower continues to experience lower than market customer churn levels.

Mass market sales volume was up 7 percent on prior period, in line with customer account growth. Time of use sales volume increased 18 percent over prior period reflecting the successful contracting of some significant commercial customers during the period and higher demand from larger industrial customers.

New Zealand generation production was 6 percent above prior period but 6 percent below expectation based on long term average. South Island hydro and wind production was well ahead of prior period, North Island wind production slightly ahead but North Island hydro production was 6 percent below prior period following a sustained period of low inflows.

During the third quarter New Zealand hydro storage moved to below average and electricity prices firmed accordingly. Some thermal plant was unavailable due to scheduled maintenance during December which impacted on prices.

Australian wind generation of 876GWh was well ahead of prior period following the 270MW completion of the Snowtown Stage 2 wind farm in South Australia. However, low wind production in the third quarter has contributed to year to date wind production being 8% below expectation based on long term average. This trend has continued during January 2015.

Australian hydro production of 170 GWh from the Green State Power assets acquired in July 2014 was 8% ahead of expectation.

The outcome of the Australian Government's review of the Renewal Energy Target remains uncertain and this remains a near term barrier to further renewable energy investment in Australia.

Trustpower continues to work with its advanced metering service provider, Metrix, to ensure robust end to end processes and systems are in place to facilitate the deployment of advanced meters and the provision of advanced metering services to Trustpower's mass market customer base. An initial pilot deployment of advanced meters has commenced and it is intended that a full suite of services and a 3 year deployment project will begin in the first half of 2015.

BJ Harker
Chairman

	9 Months	9 Months	12 Months
Customers, Sales and Service	December 2014	December 2013	March 2014
Electricity connections (000s)	239	222	224
Telecommunication connections (000s)	36	30	31
Gas connections (000s)	23	11	14
Customers with two or more services (000's)	50	35	38
Mass market sales - Fixed Price (GWh)	1,284	1,197	1,578
Time of use sales - Fixed Price (GWh)	607	451	601
Time of use sales - Spot (GWh)	1,101	995	1,333
Total customer sales (GWh)	2,992	2,643	3,512
Average spot price of electricity purchased (\$/MWh)	71	62	73
Gas Sales (TJ)	754	446	593
Annualised electricity customer churn rate *	14%	14%	14%
Annualised electricity customer churn rate - total market *	19%	21%	21%
Generation Production and Procurement			
North Island hydro generation production (GWh)	447	474	571
South Island hydro generation production (GWh)	870	759	965
Total hydro generation production (GWh)	1,317	1,233	1,536
North Island wind generation production (GWh)	434	431	578
South Island wind generation production (GWh)	81	72	95
Total wind generation production (GWh)	515	503	673
Total New Zealand generation production (GWh)	1,832	1,736	2,209
Average spot price of electricity generated (\$/MWh)	67	59	67
Net third party fixed price volume purchased (GWh)	489	385	561
Australian wind generation production (GWh)	876	330	536
Australian hydro generation production (GWh)	170	-	-
Total Australian generation production (GWh)	1,046	330	536
Other Information			
Resource consent non-compliance events	1	1	4
Staff numbers (full time equivalents)	622	568	572

*Calculations based on Electricity Authority registry data