



Market Announcement

Friday, 25 July 2014

Trustpower Limited First Quarter Operating Results for the Three Months Ended 30 June 2014

Trustpower's operating statistics for the quarter ended 30 June 2014 together with prior period comparatives are provided at the end of this announcement.

Trustpower made good progress during the first quarter of the 2015 financial year as implementation of its retail growth strategy started to gain momentum. Energy accounts have increased by 8,000 and telecommunication services by 5,000 since 31 March 2014.

Mass market sales volume was up 3 percent on prior period, however, lower per customer usage driven by warmer weather and home efficiency measures had a noticeable impact on mass market demand. Time of use sales volume increased 18 percent over prior period following the successful contracting of some significant commercial customers during 2013.

New Zealand generation production was 2 percent below prior period and 7 percent below expected long term average. The major reason for this was North Island hydro production being down 16 percent on prior period continuing a significant period of below average hydro inflows into North Island catchments.

There was significant inflow into the major South Island hydro storage catchments over the period and this has resulted in total New Zealand hydro storage currently being well above average. This has resulted in lower wholesale electricity prices over the period as more expensive thermal generation has been required to run less often.

Australian wind generation of 256GWh was ahead of expectation as completion of Snowtown Stage 2 tracked ahead of schedule. During July the last take over certificate was issued for the ninetieth wind turbine at Snowtown Stage 2. Final hand over of the project is expected to be completed within the next two months. Final costs for the project are not yet known but are expected to be 2-3 percent below the original project budget of \$A439 million (excluding capitalised interest). This is a great result for Trustpower's largest ever investment.

During the quarter, as previously reported, Trustpower was selected as the successful bidder by the New South Wales Government to purchase the Green State Power hydro and wind generation assets. The assets have an aggregate capacity of 106MW, are expected to produce around 270 GWh per annum and to contribute around A\$8.5 million to Group EBITDAF in the first full year under Trustpower ownership. Settlement of this transaction was completed last week.

In June, Trustpower finalised contractual arrangements with Metrix to deploy smart meters to Trustpower's residential customer base over a 3 year period commencing in 2015. A long term service contract is included as part of this arrangement. Prior to deployment commencing, Trustpower and Metrix will work closely together to ensure robust end to end processes, systems and integration is in place to support both Metrix's service offering to Trustpower and Trustpower's mass market customer proposition.



BJ Harker
Chairman

	3 Months	3 Months	12 Months
	June 2014	June 2013	March 2014
Operating Statistics			
Electricity customer numbers (000's)	229	204	224
Telecommunication services provided (000's)	59	46	54
Gas customer numbers (000's)	17	-	14
Mass market sales (GWh)	420	406	1,578
Time of use sales (GWh)	579	488	1,934
Total customer sales (GWh)	999	894	3,512
Average spot price of electricity purchased (\$/MWh)	72	83	73
Gas Sales (TJ)	227	-	593
North Island hydro generation production (GWh)	135	156	571
South Island hydro generation production (GWh)	281	277	965
Total hydro generation production (GWh)	416	433	1,536
North Island wind generation production (GWh)	133	121	578
South Island wind generation production (GWh)	21	25	95
Total wind generation production (GWh)	154	146	673
Total New Zealand generation production (GWh)	570	579	2,209
Average spot price of electricity generated (\$/MWh)	66	82	67
Australian wind generation production (GWh)	256	85	536
Resource consent non-compliance events	1	1	4
Staff numbers (full time equivalents)	589	495	572