

Presentation to
Investor Briefing

May 2008



Agenda



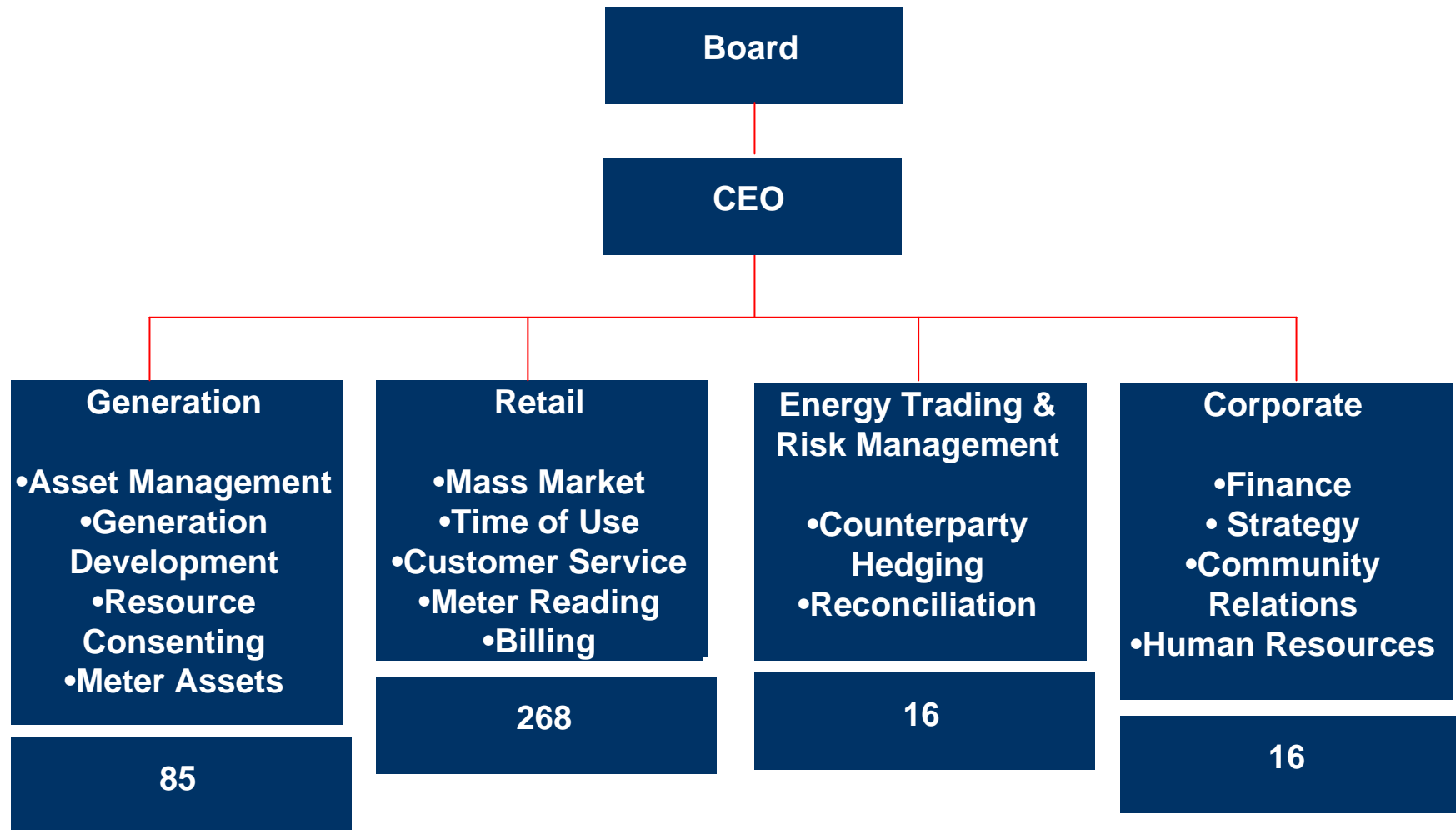
- TrustPower – Key Facts and Organisation Structure
- FY 2008 Financial Performance and Operations Overview
- Competitor Benchmarking and Shareholder Returns
- Regulatory Environment
- Strategic Focus
- FY 2009 Outlook and Risk Management
- Questions and Answers

TrustPower – Key Facts



- Tauranga based national electricity generator / retailer
- Market capitalisation circa NZD 2.5 billion
- Key Shareholders Infratil (50.5%), TECT (33%)
- Freefloat 16.5%
- By FY 08 generation capacity (hydro / wind) 594MW producing circa 2,320 GWh per annum in average year
- Constructing a 98 MW wind farm in South Australia (expect to be fully commissioned by Aug 08)
- 222,000 electricity customers, 22,000 telco customers.
- 385 employees

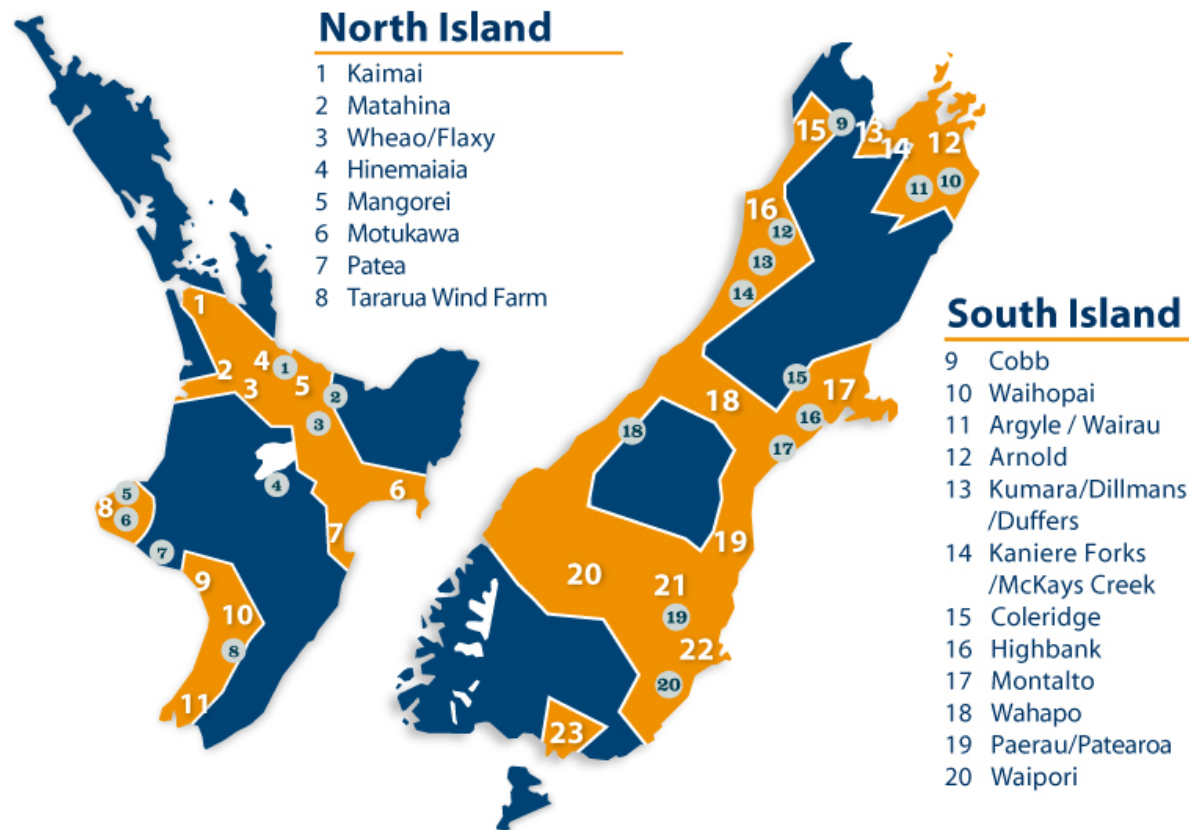
TrustPower Organisation Structure



NZ Generation / Customer Map



TRUSTPOWER GENERATION ASSETS



Retail Customers

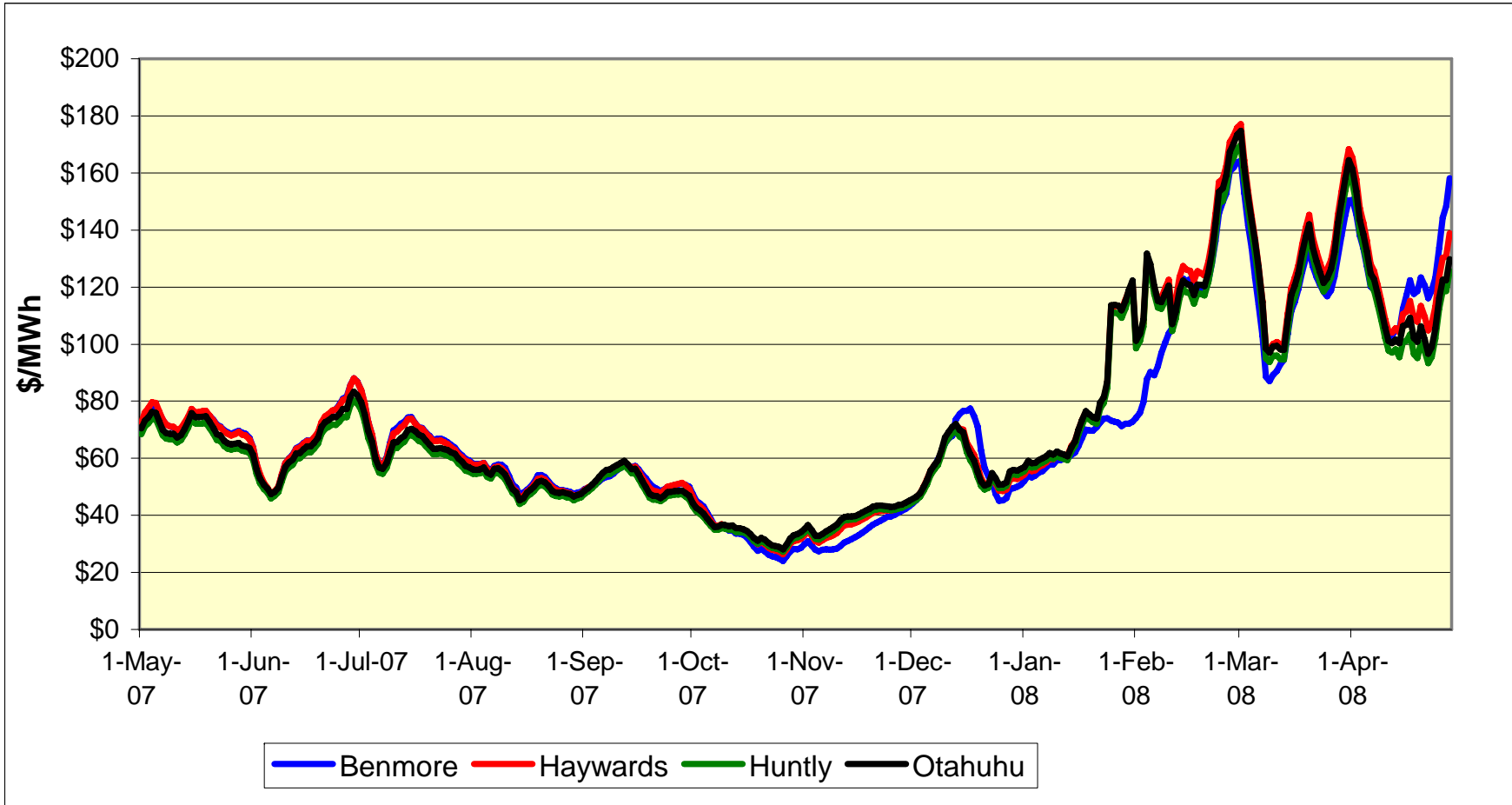
- 1 Counties
- 2 Waipa
- 3 Central Waikato
- 4 Southern Thames Valley
- 5 Tauranga/Rotorua/Taupo
- 6 Wairoa
- 7 Hawkes Bay
- 8 New Plymouth
- 9 Wanganui
- 10 Manawatu
- 11 Wellington
- 12 Marlborough
- 13 Tasman
- 14 Nelson
- 15 Buller
- 16 West Coast
- 17 Christchurch
- 18 Ashburton
- 19 Oamaru
- 20 Central Otago
- 21 Otago
- 22 Dunedin
- 23 Invercargill/Gore

TrustPower Generation Assets

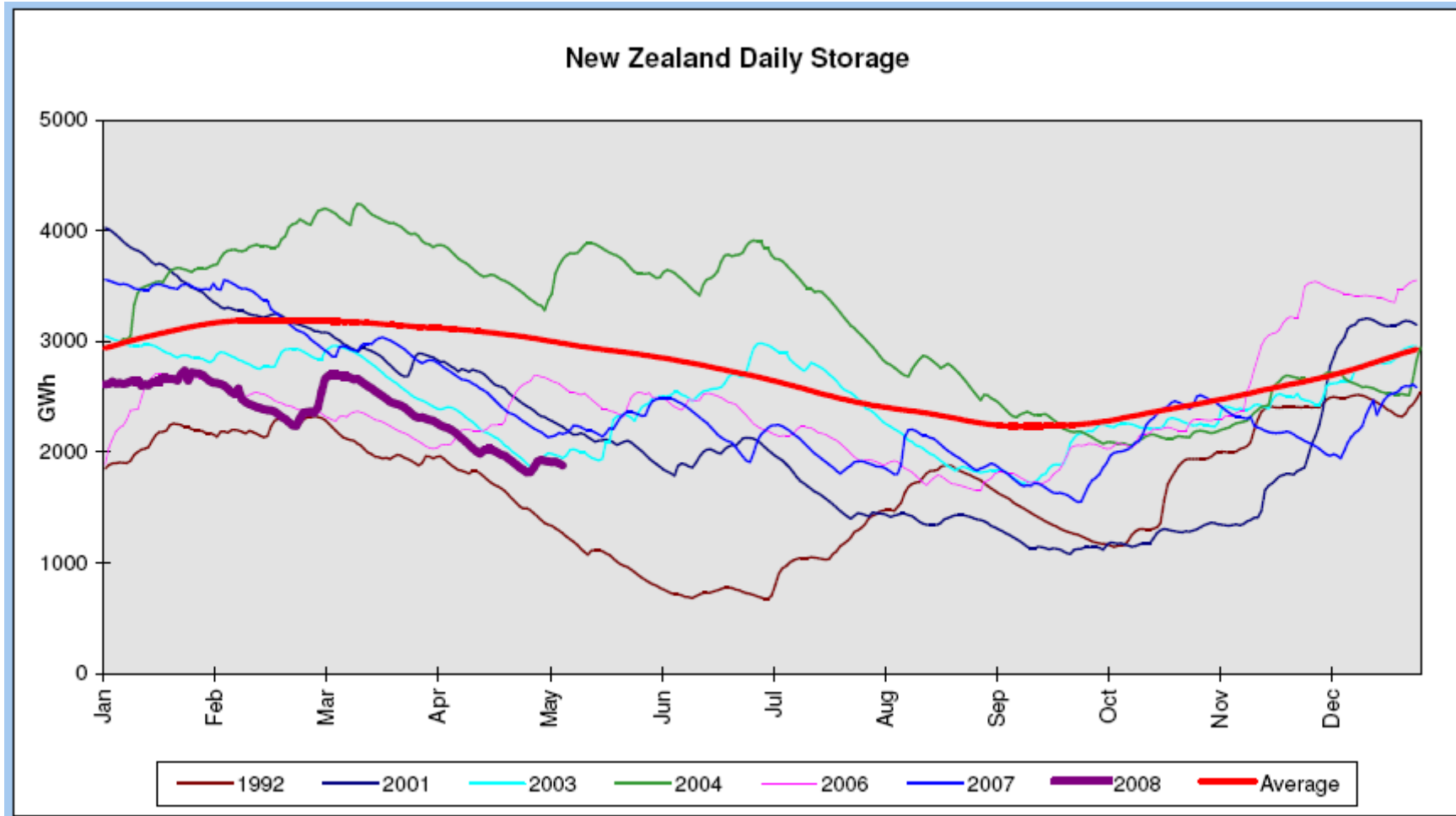


TrustPower's New Zealand Generation Assets		
Assets	Generation Capacity (MW)	Average Annual Output (GWh)
North Island		
Bay of Plenty Hydro	151	582
Taranaki Hydro	40	152
Tararua Wind	161	620
TOTAL North Island	<u>352</u>	<u>1,354</u>
South Island		
Nelson / Marlborough Hydro	44	244
West Coast Hydro	25	90
Canterbury Hydro	72	362
Otago Hydro	101	270
TOTAL South Island	<u>242</u>	<u>966</u>
TOTAL NZ	<u>594</u>	<u>2,320</u>

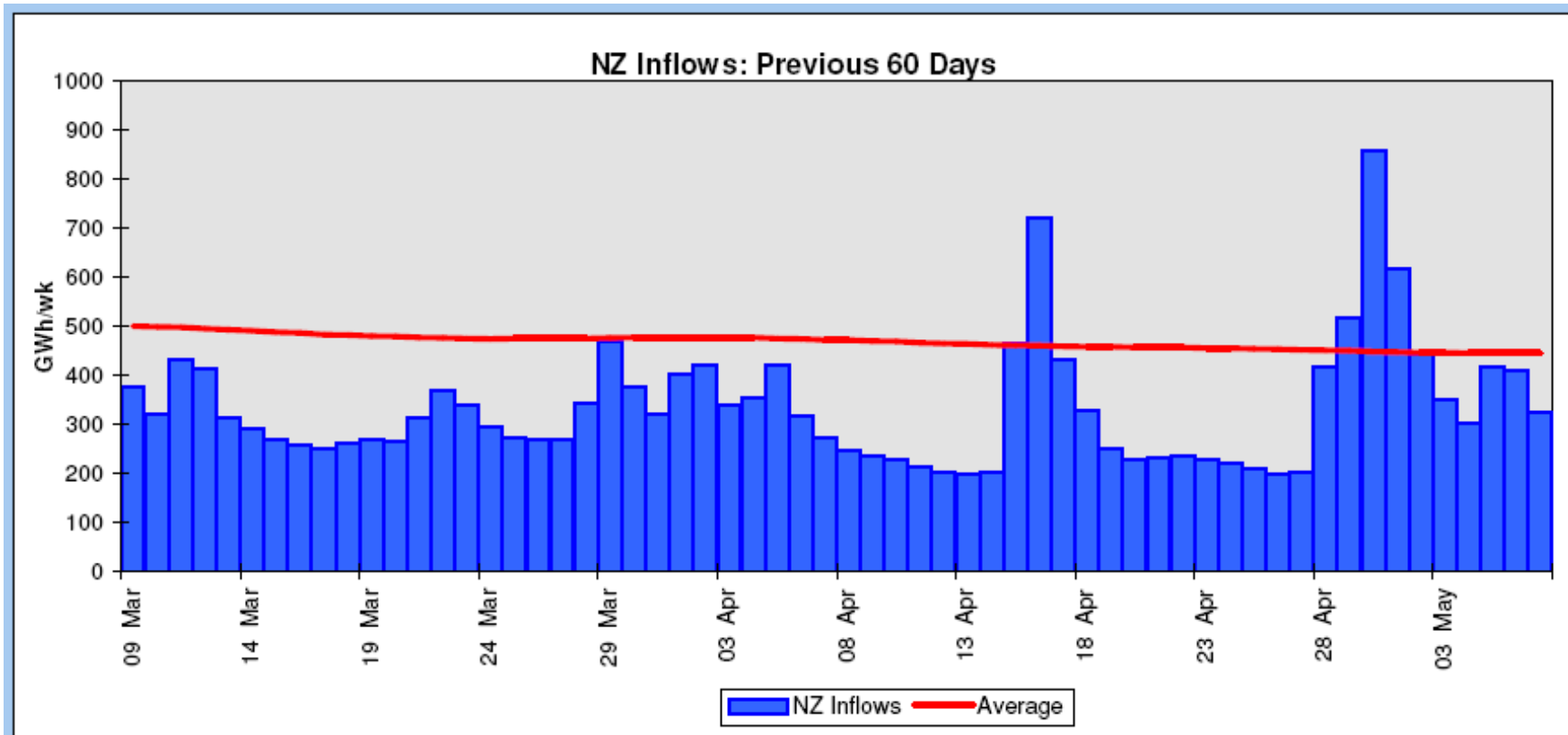
NZ Electricity 7 Day Rolling Spot Prices Last 12 Months



New Zealand Daily Storage



NZ Inflows: Previous 60 Days



Financial Summary



Extracted from Audited Accounts	FY March 08 \$m	FY March 07 \$m	% Change
Operating Revenue	681.5	626.3	8.8
Operating Costs	473.4	429.9	10.1
EBITDAF	208.0	196.4	5.9
Depreciation, Amortisation & Investment Asset Changes and Fair Value Movements	31.4	25.6	22.7
EBIT	176.6	170.8	3.4
Net Interest	39.8	27.4	45.3
Tax	38.7	41.0	(5.6)
Net Surplus After Tax	98.1	102.4	(4.2)

Comments on Financial Result Key Points



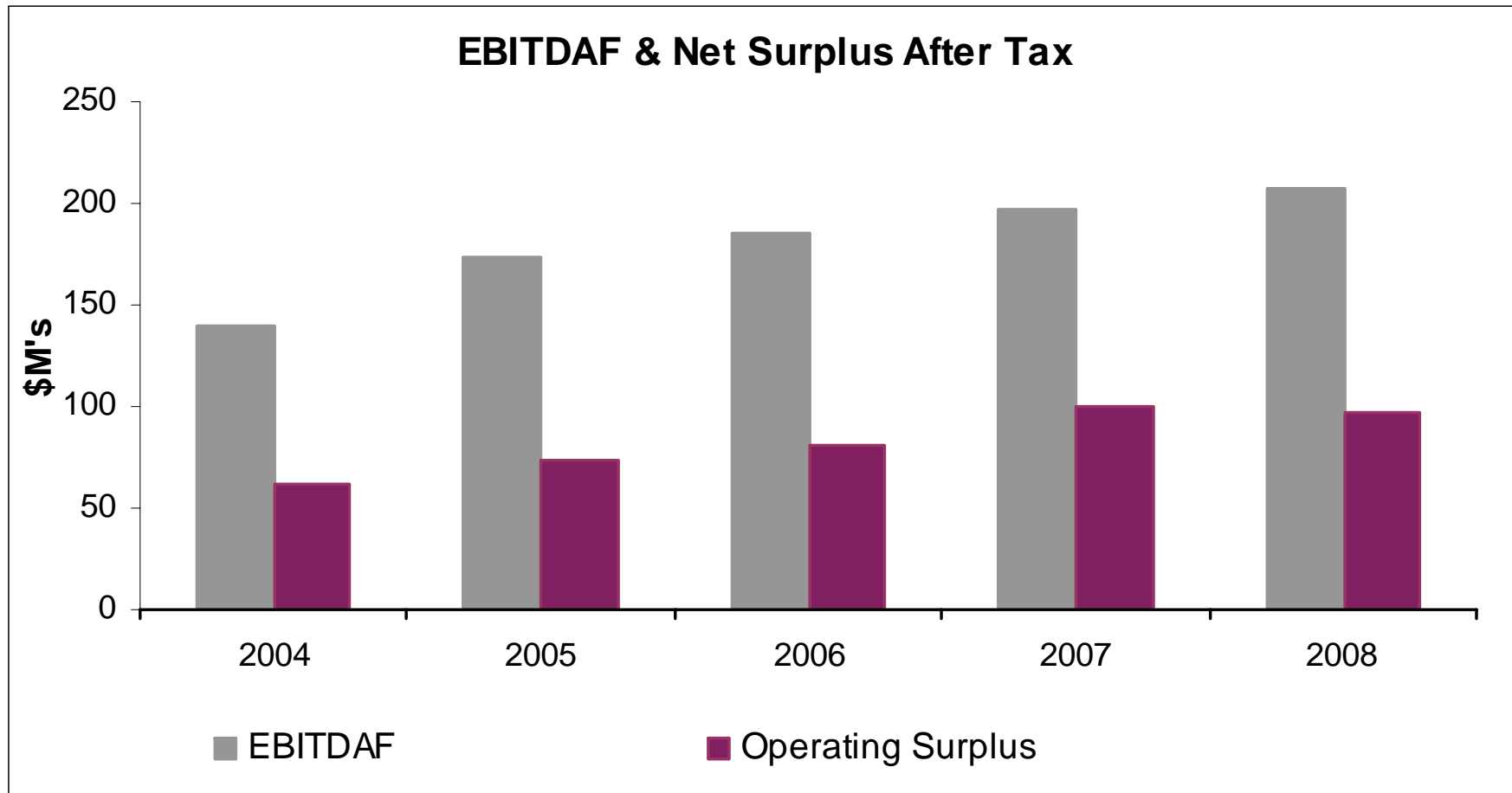
- Own generation down 270 GWh versus long term average
- Hydro down 220 GWh on prior period (13%) but wind production also 50 GWh below expectation
- Generation shortfall equates to circa \$14 -15m EBITDAF
- High Ancillary Services and Constraint on compensation charges particularly in Q4 added \$3.9m to market fees and costs (27% increase on prior period) .
- Lower tax expense reflects a \$5.9m reduction in relation to change in corporate tax rate on deferred tax.

Operational Performance FY 08

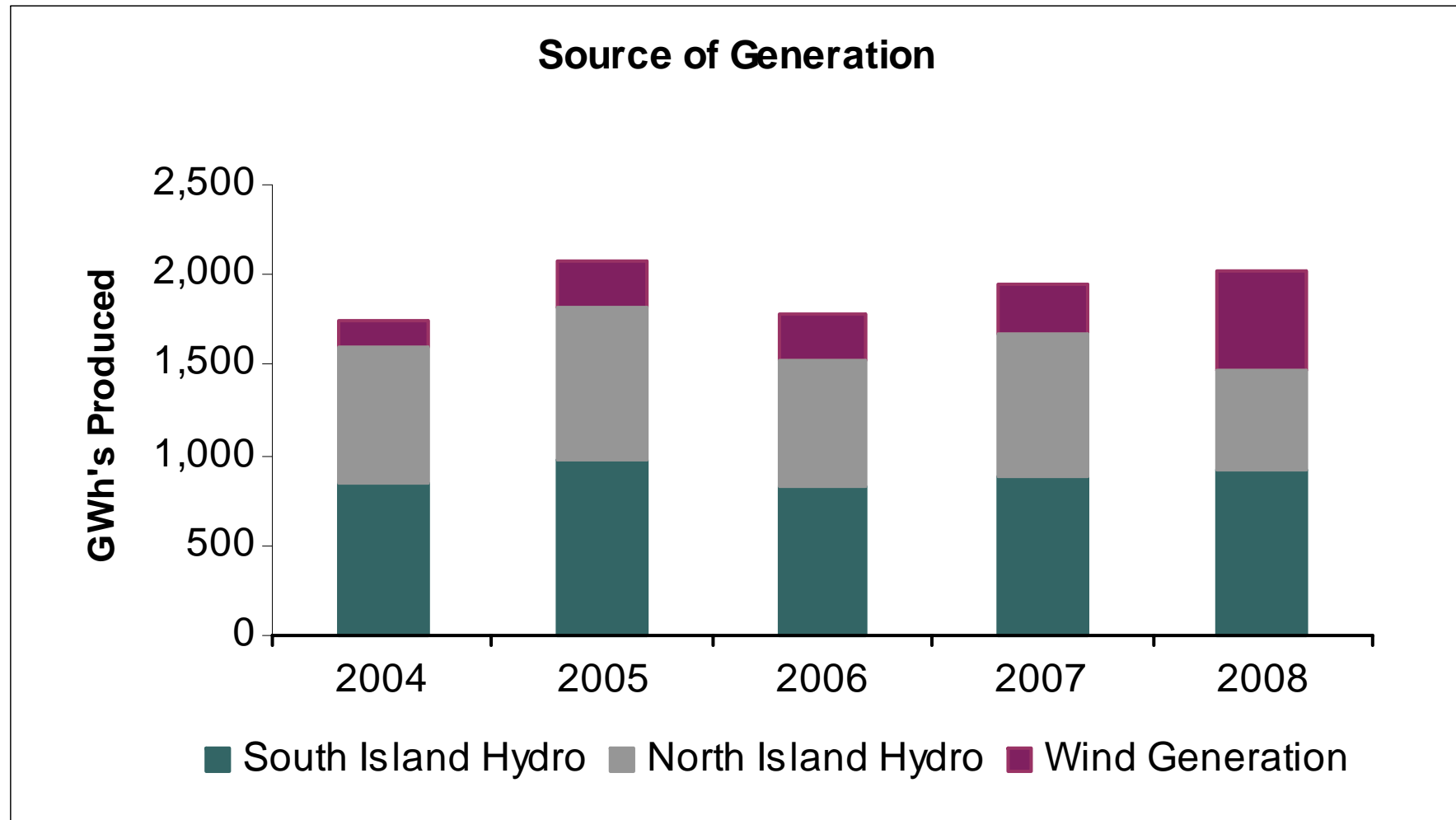


Operational Performance	FY 2008	FY 2007
Volume Sold GWh	4,540	4,575
Own Generation Hydro (GWh)	1,472	1,667
Own Generation Wind (GWh)	546	274
Load Weighted average price paid \$MWh	73	63
Customers	222,000	219,000
Telecommunication Services Provided	26,000	16,000

EBITDA & Net Surplus After Tax



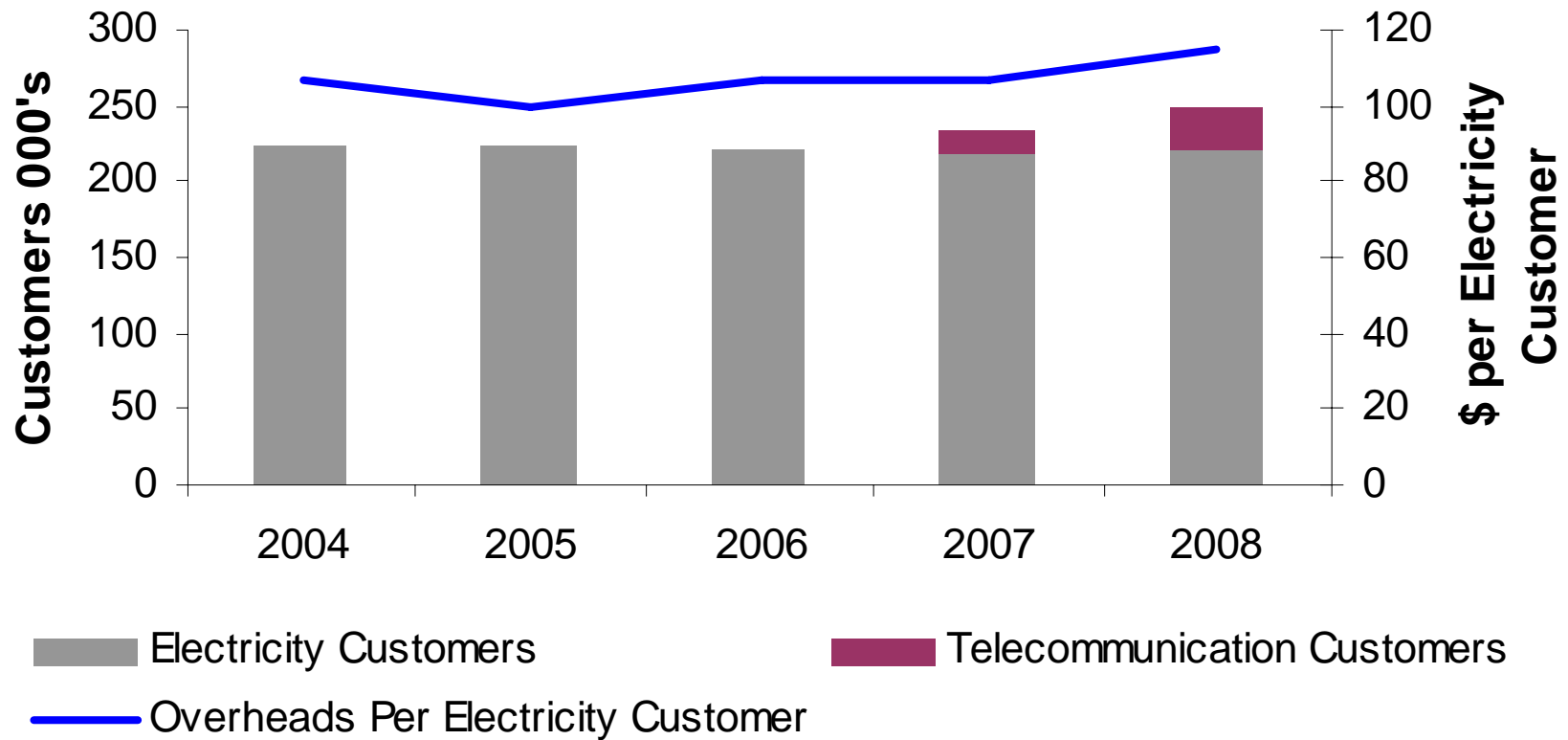
Sources of Generation



Overhead Costs and Customer Numbers



Overhead Costs and Customer Numbers



Current Sources of Debt Funding



Funding Source	Committed Amount	Maturity	Tranches
Banks	NZD 450m	2009 - 2012	4
Amortising ECA Backed Funding	NZD 108m	2020	1
AUD Bank Facility	AUD 160m	2010	1
Subordinated Bonds	NZD 214m	Dec 2008 – March 2014	3
Total NZD Equivalent	965m		

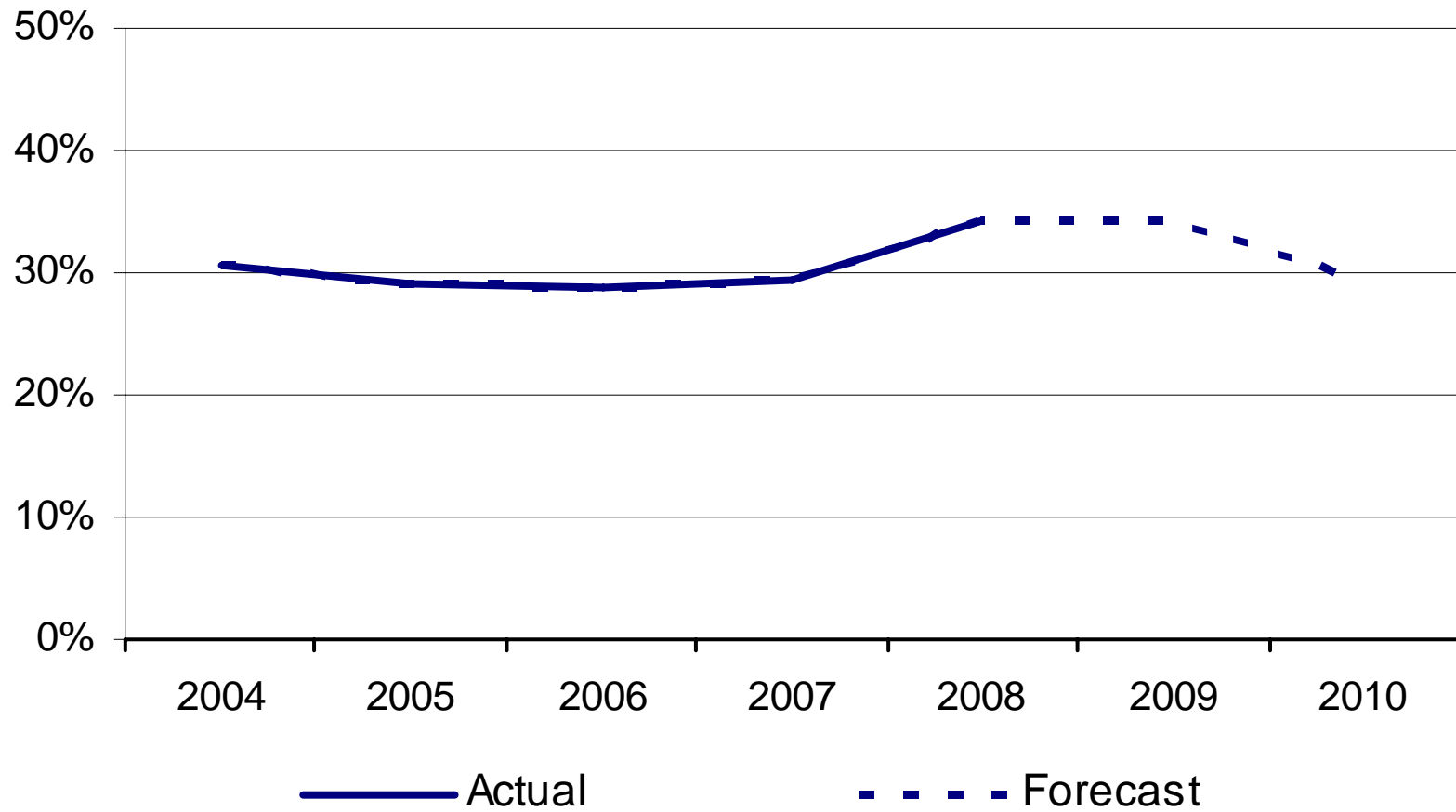
Debt Facilities drawn to NZD 658m at March 08

- NZD 100m Bank Facilities maturing July 08 extended to July 09
- New NZD 100m 3 year facility arranged.

Gearing



Debt to Debt + Equity



Share Buyback

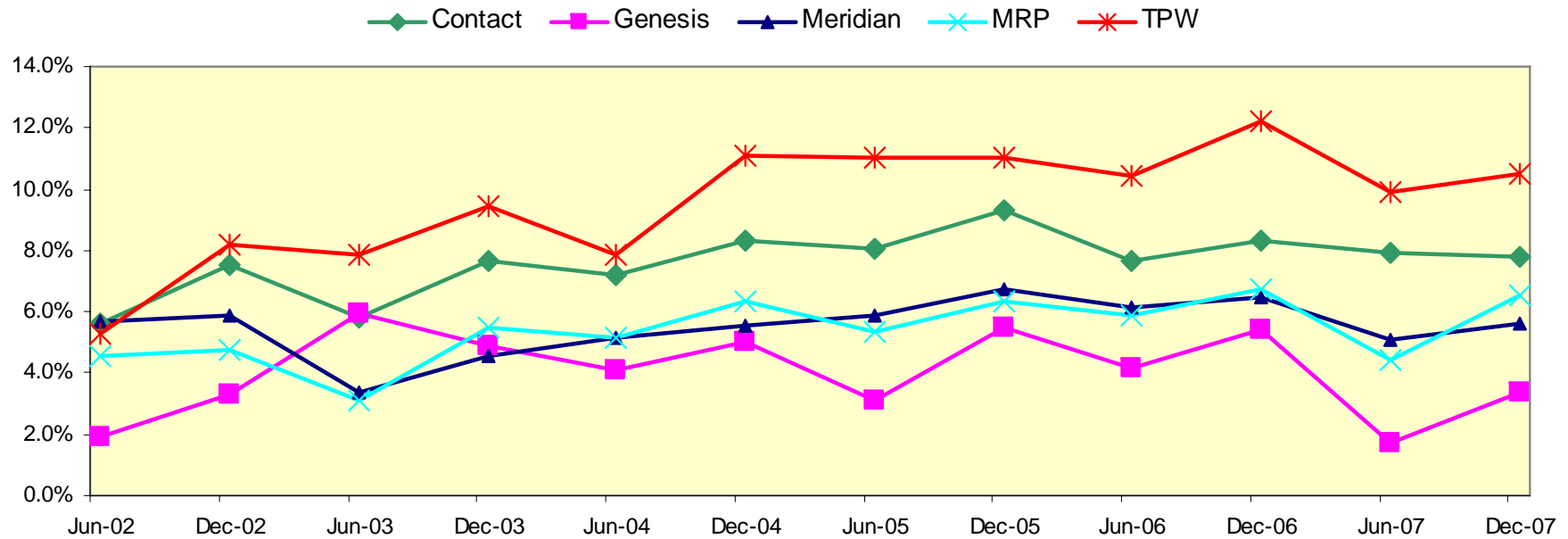


- Approval for on-market purchase of up to 5 million shares announced.
- Provides the Company with flexibility to buy shares if market undervalues TrustPower.

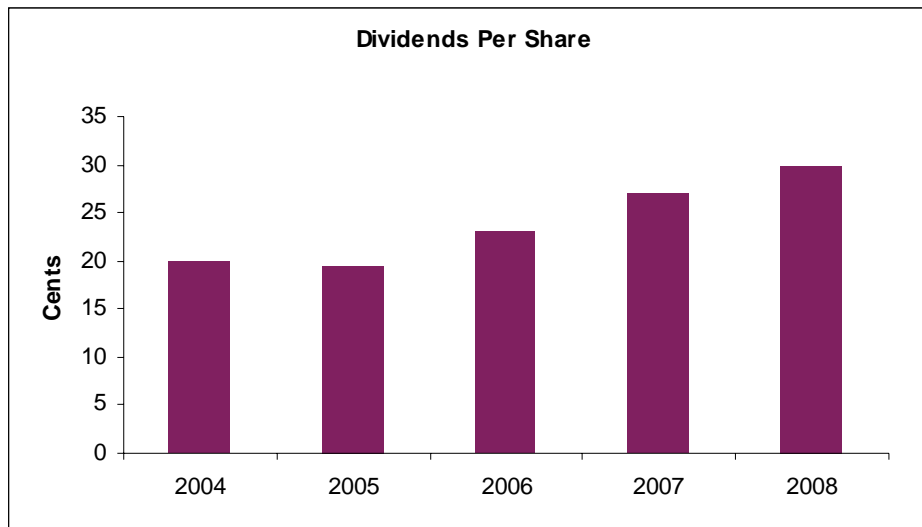
Competitor Benchmarking



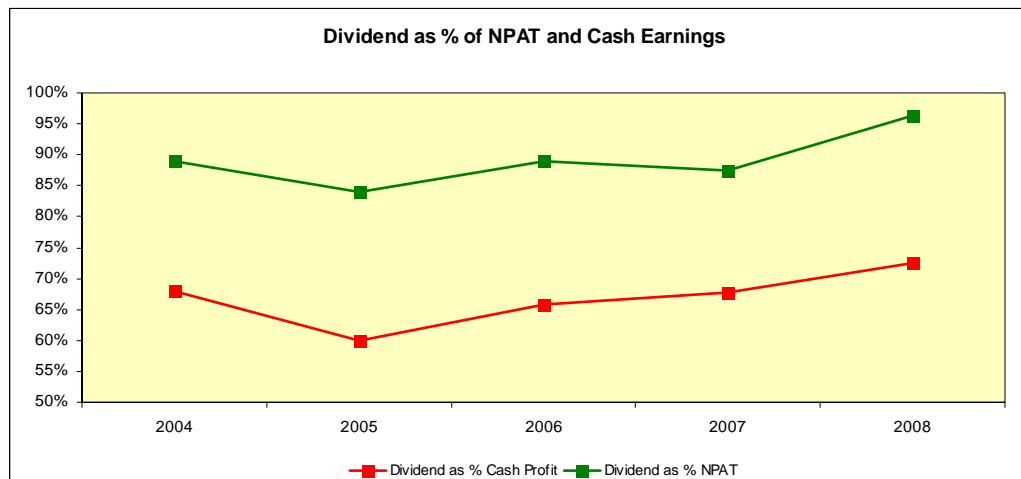
EBITDA Return on Adjusted Capital



Dividends



- A final dividend of 15 cps announced payable 6 June 2008. Partially imputed to 11 cps.

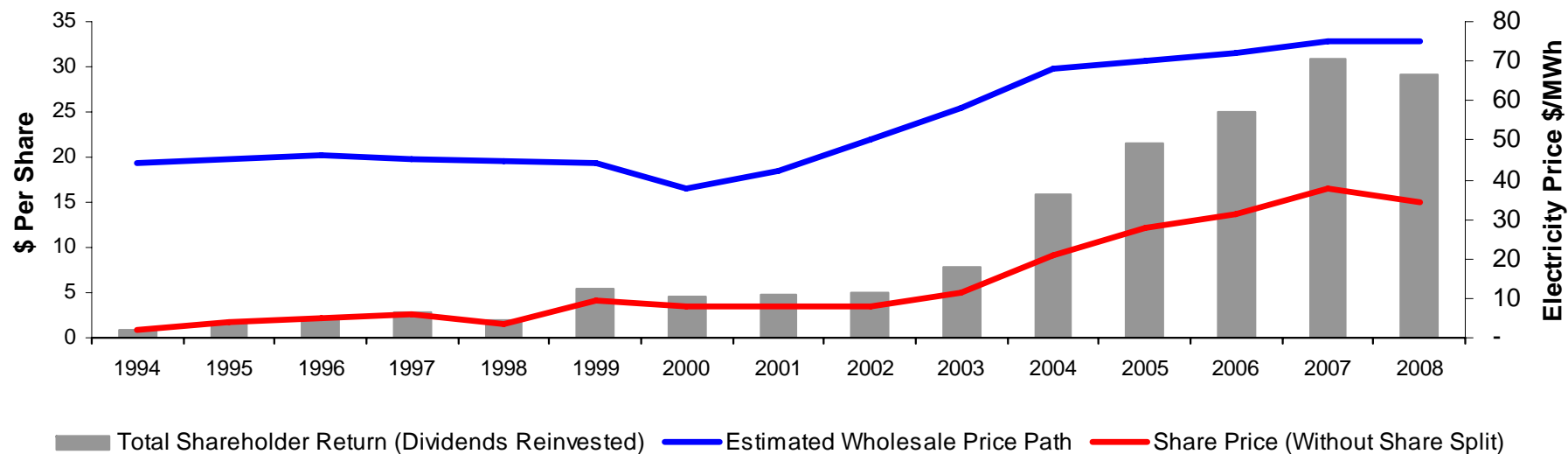


- Total dividend for the year of 30.0 cps represents growth of 11%

TrustPower Total Shareholder Return since 1994



TrustPower Total Shareholder Return



Regulatory Environment



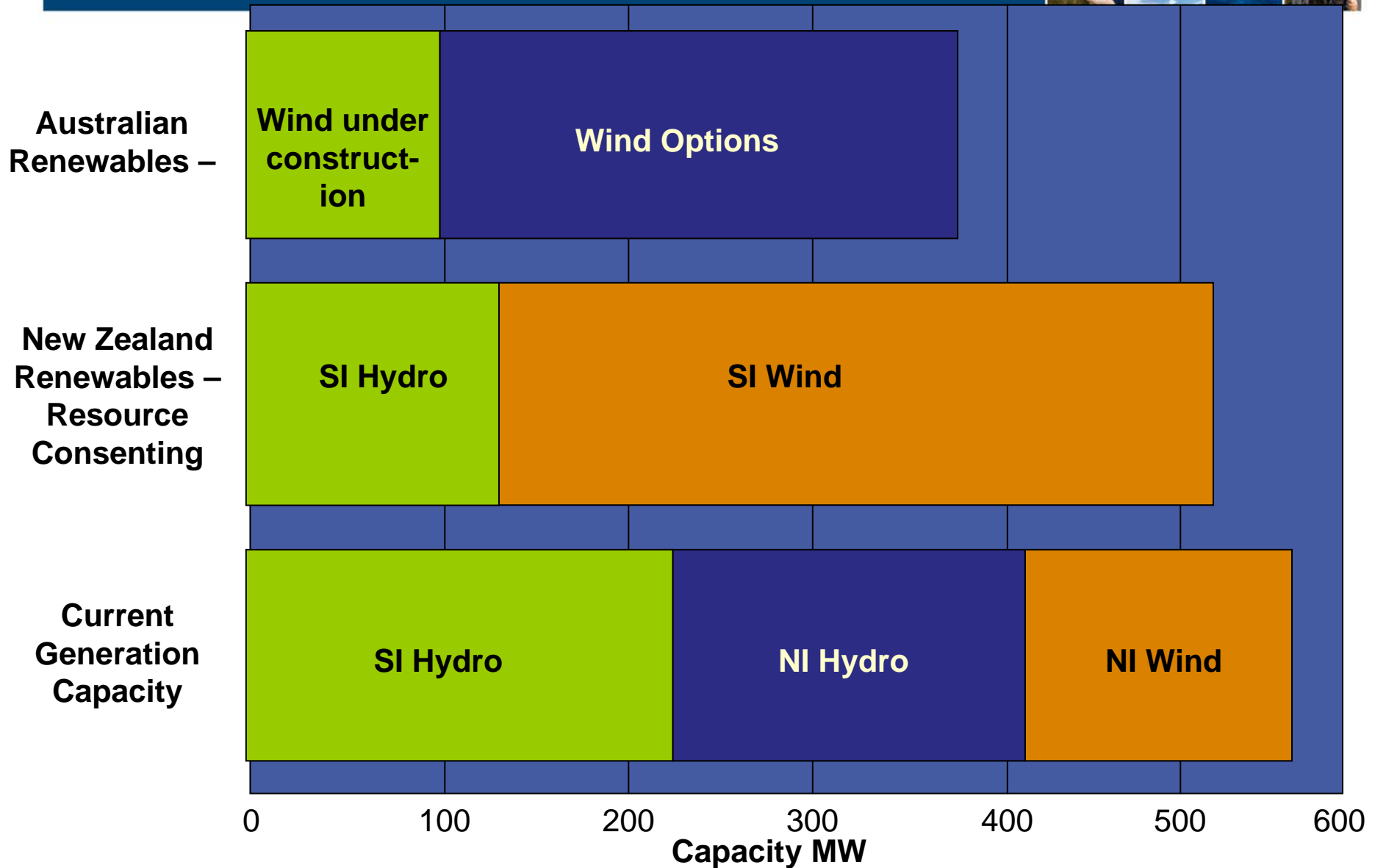
- Climate Change Bill tabled in Parliament in December. Enactment of legislation dependent on multi-party support.
- Emissions Trading Scheme – electricity sector included from January 2010.
- 10 Year moratorium on base load fossil fuel thermal generation except as required to maintain security of supply.
- Policy target of 90% renewable generation by 2025.

Strategic Focus



- Generation Development
 - Resource Consents for Mahinerangi Wind, Wairau Hydro, Arnold Hydro, Kaiwera Downs, should be concluded in 2008
 - North Island Wind Options
- Australia
 - Completion of Snowtown Stage I
 - 40MW at Myponga still a possibility
 - Pursue other opportunities that align with further expansion of Snowtown
- Maximising Carbon Trading Opportunities
- Protecting TrustPower's Premium Retail Position

TrustPower's renewable energy options could double generation capacity



FY09 Outlook



- Retail Pricing – expect retail price rises of 4-6% across mass market customers.
- Generation Development Expenditure – expect around 7m to be expensed in FY09.
- Interest Expense will increase due to higher borrowing levels, high floating rates and final commissioning of Snowtown Stage I in Q209.
- Capitalisation of interest on Snowtown expected to be about \$2.5m.

CAPEX Forecast Update



Generation CAPEX FY 09	NZDm	
Snowtown	47	First Half
Generation Portfolio	10	Even Spread
Corporate / Retail	5	Even Spread
	<u>62</u>	

Customer Mix



Customer Mix - FY09	Pricing	Number	GWh
Mass Market - Incumbent	Fixed	180,000	1,618
Mass Market – non Incumbent	Fixed	42,000	482
Time of Use – Small to Medium	Fixed	<u>380</u>	<u>510</u>
TOTAL Fixed Price Demand		222,380	2,610
Time of Use – Commercial & Industrial	Spot	3,620	1,658
		<u>226,000</u>	<u>4,268</u>

Total Fixed Price demand increased due to non-incumbent customers following targeted acquisitions and higher level of hedging from small / medium ToU customers.

How TrustPower will meet fixed price demand



	Pricing	Term to Maturity	GWh FY09 Outlook
Hydro Generation – 10 year average	Internal	None	1,700
Wind Generation – average year output	Internal	None	620
			<u>2,320</u>
Rotokawa Geothermal Field Output	Fixed	5 yrs	185
Independent Generator Output	Fixed	1-5 yrs	172
Market Participant Hedges	Fixed	1-3 yrs	635
Total Own Generation + Contracts			<u>3,312</u>
Fixed Price Sales			<u>2,610</u>
Long Position / Dry Year Cover Range			0 - 700

New Generation Improves Risk Management



New Generation Improves Risk Management

