

## ANNUAL SHAREHOLDERS' MEETING

7 November 2013

NZX: MRP

ASX: MYT

### Address by the Chair, Joan Withers

#### [SLIDE 1: TITLE – SMART THINKING]

Kia ora koutoa katoa. Haere mai ki tenei hui motuhake. Good afternoon ladies and gentlemen.

My name is Joan Withers and I am Chair of Mighty River Power.

On behalf of your Directors, the Chief Executive, Management and all of our team here today... a very warm welcome, and a special welcome to those shareholders who are following this meeting online from our webcast.

I am pleased to confirm that we have a quorum and therefore declare the 2013 Annual Shareholders Meeting of Mighty River Power Limited open.

This is our first meeting as a listed Company, with you our new shareholders having put your vote of confidence in Mighty River Power, our Board and our Management. That's a responsibility we take very seriously.

For all of us here on the Mighty River Power team, this is a proud and important occasion ...We are delighted to be able to talk directly with a large number of shareholders and share with you our confidence in this Company

The skills and expertise of our Board, the depth of talent and experience of our Management team, the calibre of our people across the company, our partnerships in the community... those resources are all directed towards a laser-sharp focus on delivering results and driving long term shareholder value.

#### [SLIDE 2: YOUR BOARD]

I am pleased to introduce to you the Mighty River Power Board... your Directors.

You will see in the composition of the Board, experience across a range of publicly-listed and private companies, along with extensive commercial sector and professional experience.

#### [CAMERA ON TREVOR JANES]

Our Deputy Chair Trevor Janes is a chartered accountant and a Fellow of the Institute of Directors and the Institute of Financial Professionals. Trevor joined the Mighty River Power Board in June 2005 and has been reappointed [twice] by the Crown as shareholders. Trevor is retiring from the board when his current term expires next month. He is Chair of Abano Healthcare, Deputy Chair of the Accident Compensation Corporation, Chair of the ACC Investment Committee of the Board and a director of ProCare Health.

**[CAMERA ON MICHAEL ALLEN]**

Mike Allen was appointed a director of Mighty River Power in November 2009 and is also a director of Mid Century Design and of Geothermal New Zealand. With a background in engineering, he has 25 years' experience in international geothermal engineering consulting. He has been involved in more than 20 geothermal developments in 12 countries and has undertaken project consultancy in South East Asia, Africa, Japan, and Central and South America.

**[CAMERA ON PRUE FLACKS]**

Prue Flacks is a barrister and solicitor with extensive specialist experience in commercial law and, in particular, banking and finance and securities law. Prue joined the Mighty River Power Board in May 2010. She is a consultant to Russell McVeagh, where she was a partner for 20 years. She is a director of Chorus and Bank of New Zealand, and a Trustee of the Victoria University of Wellington Foundation.

**[CAMERA ON JAMES MILLER]**

James Miller was appointed a director of Mighty River Power in May 2012. He is Deputy Chair of NZX, a director of the Accident Compensation Corporation and Auckland International Airport and is a member of the Financial Markets Authority. He has 15 years' experience in capital markets, including as a director and Head of NZ Wholesale Equities with Craigs Investment Partners in Auckland.

**[CAMERA ON TANIA SIMPSON]**

Tania Simpson became a director of Mighty River Power in November 2001, making her the longest serving member of the current Board. She is now Chair of our Human Resources Committee. Tania is the founding director of Māori policy advisor, Kōwhai Consulting. She has previously held management positions in Housing Corporation, Ministry of Māori Development and Office of Treaty Settlements and has worked on social policy, environment, economic development and Treaty-related matters. Tania is a Member of the Waitangi Tribunal, a director of Landcare Research, Oceania Group, and AgResearch. She is of Tainui, Ngai Tahu and Nga Puhi descent.

**[CAMERA ON KEITH SMITH]**

Keith Smith was appointed a director of Mighty River Power in May 2009 and is Chair of our Risk Assurance and Audit Committee. He is Chair of Goodman (NZ), Deputy Chair of The Warehouse Group and a director of Tourism Holdings. He also chairs and holds directorships in various private companies covering a range of industry sectors.

Keith will be retiring from the Tourism Holdings board at the end of this month.

**[CAMERA ON JOAN WITHERS]**

I was appointed a director of Mighty River Power in August 2009 and Chair of the Board in October 2009. I have just stepped down as Chair of Auckland International Airport a Board that I have served on for more than 15 years, I am Deputy Chair of Television New Zealand, a director of ANZ NZ Bank and of The Treasury Advisory Board.

Prior to my governance roles, I had 20 years' experience at a senior executive level in the New Zealand media industry, including as CEO of Fairfax New Zealand and the Radio Network of New Zealand.

I will talk a little more about my experience when I speak to the resolution regarding my re-election.

And on the topic of resolutions, I just want to make a brief comment about Resolution 4 on Directors' Fees. The resolution before shareholders today is for an additional \$85,000 to cover the fees of an additional director we intend to appoint in FY2014. There is no increase in fees for individual directors, the Chair or Deputy Chair from that previously approved by shareholders.

As some of you will be aware we have seen the retirement of two directors over the past year, and as I mentioned earlier our Deputy Chair Trevor Janes retires in December.

The Board regularly reviews the skills and experience it requires and we intend to increase our complement to eight directors which we believe is appropriate for a company of this scale. The proposed fee increase provides for the appointment of one additional director.

So now just completing the introductions...

Also with me on stage are: [to my left] our General Counsel and Company Secretary, Tony Nagel, [next to him] our Chief Executive, Doug Heffernan, and our Chief Financial Officer, William Meek. We have all of our Executive team here today, along with our auditors Ernst and Young and the Company's solicitors Chapman Tripp.

### **[SLIDE 3: AGENDA]**

Running through the order of events today...

This is an important meeting for many reasons including the fact that we are conveying in an Annual Meeting forum our performance and achievements against our IPO forecasts for FY2013.

We will also be updating you on how we are tracking against the very strong growth story we outlined at the time of our IPO for the 2014 financial year.

Following my overview of performance and areas of priority focus for your Board, our Chief Executive Doug Heffernan and our CFO William Meek will take you through the key areas of the business results and provide an update on performance since balance date.

We will then turn to each item of formal business, and will invite questions specific to those items. It will then be time to vote on the resolutions. I will outline the process for the discussion and voting on the Resolutions at that point in the agenda.

Following the resolutions we will take questions from you on our operational performance or other questions relating to the Company.

At the close of the meeting, you are invited to join your Directors and Management team for afternoon tea which will be hosted at the back of this room.

We also have some of our team from Mercury Energy here with us, who can talk with you about any questions you may have about your energy supply for your home or business and show off some of the innovative tools and services we now have available to our customers.

If you are already a customer, they can check that you are on the right plan and, if you are not yet a customer, they will make you an offer to join us [which is also available to those shareholders following on the webcast, by calling our customer contact centre on 0800 10 18 10].

The Mercury team are wearing distinctive blue polo shirts, so just approach any of them after the presentation and they will be happy to help.

#### **[SLIDE 4: YOUR COMPANY]**

As this is our first shareholders meeting, I thought I should offer a quick introduction on your Company.

The evolution of Mighty River Power over the past decade is a good illustration of the power of a Chief Executive and senior management team with the support of strong governance from the Board of Directors, working together to exploit value-enhancing opportunities. Over the past decade we doubled the output of our generation operations ...with now three fuel sources for generation, including five geothermal stations.

In total, your Company generates about 17% of New Zealand's electricity and more than 90% of that production is from renewable sources.

In addition to making electricity, Mighty River Power also sells electricity to nearly one-in-five New Zealand homes and businesses with a balanced customer base across all of the key segments and brands to cater to those segments.

And our metering business, Metrix, enables retailers to provide innovative solutions for their customers.

We have invested more than \$1.4 billion in new geothermal assets since 2006 through a disciplined strategic focus to build a more competitive and more resilient business that has been able to achieve market share gains in both generation and customer sales.

We have also created a renewable electricity business unlike any other in New Zealand. It is one that capitalises on the unique competencies we have within our organisation and our long term Maori partnerships that have been fostered and nurtured.

As Doug will discuss shortly, these competitive advantages have already proven successful in delivering value in a flat demand environment.

#### **[SLIDE 5: HIGHLIGHTS OF FY2013]**

Turning to the highlights of FY2013. This was an intensive year for Mighty River Power as we made the transition into the listed environment, and I think that evolution is hugely positive for the Company.

We have what I see as a very good ownership mix – with a diverse share register including a large retail shareholding base (28%), alongside New Zealand institutions (at 10%) with much of their investment on behalf of New Zealanders in Kiwisaver and domestic superannuation funds they manage. Offshore investors comprise around 10% and the Crown of course has the cornerstone holding of around 52%.

From the outset, we wanted to be first off the block with the mixed ownership programme, and we see the Crown's affirmative decision in that regard as an endorsement of our successful track record and the strong commercial pedigree of the Company.

From the Board's perspective, we have welcomed the greater transparency and oversight that comes from being listed on the stock exchange... and most importantly in that regard, we have more than delivered on our IPO forecasts for FY2013. Operating earnings (EBITDAF) at \$390.5 million and after-tax profit (NPAT) at \$114.8 million were both above the forecasts we signed off in the Offer Document.

We are operating in a highly-competitive, low-growth environment domestically. Despite these conditions in our core consumer brands businesses, we have completed a four-year period of high growth in sales and market share and are now focused on improving customer satisfaction and loyalty with new and innovative tools and solutions, such as GEM, the Good Energy Monitor.

In early 2013, we took direct control of our international geothermal interests that had been externally managed for the previous four years, and we are now applying our successful New Zealand model involving a very patient and measured approach to these geothermal opportunities in the US and Chile.

In terms of our balance sheet, at year-end the Company had less debt than we anticipated at the time of the IPO due primarily to lower than forecast capital expenditure in international geothermal in 2013, as well as our above forecast operating performance.

Since balance date our new major geothermal power station at Ngatamariki near Taupo was handed over to our control by the contractor. This is the third major geothermal power station we completed in just five years and it is a significant good news story for your Company and for New Zealand.

I will now share with you a short video on some of the highlights around this very successful project.

**[PLAY NGATAMARIKI VIDEO]**

**[SLIDE 6: DIVIDEND]**

Dividends...

We're pleased to have paid our first dividend as a listed company on September 30, to our more than 100,000 shareholders.

As previously announced, our Board declared a fully imputed final dividend of 7.2 cents per share in line with the IPO forecast.

This brings total dividends declared in FY2013 to \$168 million (or 12 cents per share), which is a 40% increase on the previous year. The final dividend, representing 60% of total dividends for the full year was paid to shareholders just four and a half months after the IPO.

We remain comfortable with our IPO forecasts for very strong growth in FY2014, which represents a 27% increase in EBITDAF and an 8.3% increase in full-year dividends to a fully-imputed 13 cents per share. On this basis, we expect to pay an interim dividend of 5.2 cents per share on 31 March next year, which equates to a \$72.8 million distribution.

You will be aware that on 10 October we announced an on-market share buyback programme to purchase up to \$50 million worth of shares as part of our capital management plans – reflecting the Board's view that the purchase of its own shares is in the best interests of the Company and you as shareholders.

The decision to proceed with the buyback was made after the successful opening and commissioning of the Ngatamariki power station. The buyback process is following best practice guidelines that limit the proportion of shares acquired over set periods and can only operate within certain windows. This means the buyback will be suspended from 1 December until after our Interim Results are announced in February 2014.

The buyback is about prudent capital management as we transition out of a period that involved significant capital expenditure – and was preferable at this point in time to the other tools we have available to us such as reducing debt, a special dividend or change in dividend policy.

We commenced the process as soon as practicable to allow the maximum time for implementing the buyback to fine-tune our capital structure. This buyback programme represents less than 2% of the Company's shares on issue, with just over five million shares – or a fifth of the maximum amount we stipulated – purchased in the first four weeks. These shares are being held as Treasury stock at present.

### **[SLIDE 7: SHARE PRICE PERFORMANCE]**

Our share price performance...

In the period since our listing, the Company has delivered; we have to date out-performed our IPO financial forecasts – but there has been a lot of external and political focus on what is often referred to in short hand as 'poor MRP performance' when the commentary is actually relating to our Company's share price post IPO.

Many analysts and commentators have opined on the final price set at the time of our listing. It is important to remember that this was an Offering by the Crown as the sole shareholder – the pricing decisions were made solely by the Crown and Shareholding Ministers – and with all of the proceeds from the IPO going to the Crown.

At the end of the day we have to accept that the share price today has impounded within it a myriad of different elements and reflects the current market view of value. As you will be aware, at times there appears to be no clear connection between how a company is performing and how its shares are trading.

But, as I said at the outset, what this Board and management team is fundamentally focused on is driving long term value for our shareholders.

It is worth noting that since listing, we've added about a 1,000 more shareholders – our domestic retail investor base has grown from 27% to 28% of our register which shows positive support from retail investors, with the stock now offering a gross yield of more than 8% at recent prices.

I'd like to provide some additional context in terms of external factors that have impacted on the generation sector both globally and specifically in New Zealand since the IPO:

- You will see [on the slide] how there has been a substantial lift in yields available for investors from 10-year Government bonds since our listing on May 10. In the main this has been driven by signals from the US Federal Reserve, which has affected all yield stocks globally to some degree, making utility type companies such as Mighty River Power relatively less attractive for investors [this has equally affected price regulated utilities such as Vector].
- The other significant overhang for our sector is the risk for dramatic policy changes that could adversely impact the profitability of the generation sector in New Zealand under a future Labour/Greens government.

### **[SLIDE 8: LOOKING AHEAD]**

Looking towards the future and key areas of focus for the Company...

We believe Mighty River Power, as the only predominantly renewable company with both geothermal and hydro, has a distinct competitive advantage in creating shareholder value in the current highly-competitive market.

Much of this competitive advantage has come from our recent investment in reliable renewable generation, which was only able to be funded because of the Company's strong cash flow and balance sheet.

This investment – including the Ngatamariki station that we opened last month – simply would not have happened without the underlying profits that have come from our Waikato Hydro assets. Those hydro profits were essential to provide the necessary equity, and the cash flow to service the required substantial increase in debt while maintaining key credit metrics for our investment-grade credit rating.

If one stands back from the almost inevitable political debates about electricity, you can observe that we are fortunate in New Zealand to have an electricity market that has in just over a decade delivered world-class efficiency, reliability and security of supply. We have also had a major shift in investment from fossil fuels to renewables without subsidies or government interference, a situation that is hard to find anywhere else globally.

The fact that we have achieved these outcomes, without subsidies and with renewables now making up about 80% of total national supply, is the envy of the world.

This investment in assets with around a 50 year lifespan has however required long-term planning horizons and has only been possible because of a prevailing regulatory and policy framework that is stable. Such investment could not have been made if it was known that rules would be changed dramatically overnight.

We do not expect the industry to stand still – it must continue to evolve and mature, and that has been the track record over the last 20 years of progressive reforms and re-regulation.

The consistent direction of these changes has however been predictable and consistent with policy objectives of delivering security of supply, targeting better national environmental outcomes and promoting competition for generation investment and at a wholesale and retail level delivering sustainable best price outcomes for customers.

This Company operates in an industry with investment horizons spanning decades and which is a critically important part of New Zealand's infrastructure.

Without durable policy frameworks, spanning multiple Parliamentary terms, these positive outcomes could be put at risk.

We will be continuing to represent your Company's interests and what we see as vital for New Zealand – the broader benefits of a healthy, well-functioning market that delivers co optimally on the goals of world best environmental outcomes, security of supply, sustainable pricing for consumers and fair risk weighted returns for investors.

With no growth in national demand, and the significant investment in renewables with low operating costs – including our own geothermal projects – competition at the customer level is stronger than ever.

At the time of the IPO we forecast no increases in effective retail prices in April 2014, and we see no reason to change that view.

A globally applied measure of retail electricity competition is the level of customer switching, or churn. In New Zealand, this is running at levels second only to Victoria in Australia (among about 30 different countries/markets) and our retail electricity prices are very much in the middle of the pack of comparable OECD countries.

Yes, it is true that residential prices have increased faster than other customer prices over the past two decades, but the prime driver of these increases has little to do with changes in the generation sector, as highlighted by an excellent piece of research recently published by Infratil.

The high level of competition for customers is why you are seeing investment from Mighty River Power and its competitors in innovative technology aimed at winning and keeping customers through better services and sharp pricing and product differentiation – again, this is evidence of a highly competitive market.

Other items of focus....

Since taking direct control of our overseas investments in Chile and the US, we have modified the capital development programme in Chile. This has resulted in lower capital expenditure in FY2013 and forecast for FY2014. The strong economic growth in Chile and the need for significant new generation capacity are positive factors for medium-term development of geothermal in Chile. In the US, our investment in the EnergySource business based on the Salton Sea reservoir in Southern California has been very successful.

This resource offers some of the best potential for meeting the continued demand for reliable renewable power in the US, and we see near-term opportunities for further investment through EnergySource.

We discussed our share buyback programme earlier. Capital management will continue to be an ongoing item for review as we monitor the progress of the buyback programme, and we will provide a further update when we release our Interim Results in February.

We have had some enquiries from shareholders about the possibility of a Dividend Reinvestment Programme, which would allow you to choose to reinvest your dividends to increase your shareholding. This is something that we will look at in due course as part of our capital management plans but, once again, it would have to be in the best interests of the Company and our overall shareholder base.

Another key priority for the Board through this coming year is the succession process for our Chief Executive, Doug Heffernan, who has led Mighty River Power since formation 16 years ago. We announced in March that we were pleased to confirm the extension of his tenure through to the end of August 2014. With Doug's decision to leave the Company, this extension provides certainty through a key period covering the IPO forecasts and the finalisation of the accounts for FY2014, and gives us the ability to plan for the appointment of a new Chief Executive.

Doug has provided an immense service and commitment to Mighty River Power since the Company's formation.

The multiple successes in the Deloitte Energy Excellence Awards since 2010 speak for themselves... Project of the Year, Executive of the Year [Doug Heffernan], Innovation Award, Retailer of the Year, and twice Overall Company of the Year and a finalist in all four years – is deserved external recognition of the quality and performance of Mighty River Power.

Doug has driven an important and major evolution of this business. If you read the first paragraph of his first Annual Report (for FY2000) it says: "Mighty River Power's commercial success and core activity is based on the eight dams and nine generating stations that make up the Waikato hydro system..."

Since that time the annual electricity output of plant under our operational control has doubled ... and added much greater diversity and resilience in the business with operating earnings forecast this year to be a six-fold increase.

Your Company has grown and built new strength under Doug's leadership. One of his most powerful legacies is the strategic commitment to develop geothermal as a core competency that has created a unique business here in New Zealand. The strategy is based on a partnership approach with Maori landowners that provides long-term value alignment.



It is vitally-important to ensure we have continued alignment of shareholder value creation with management objectives as we enter the next phase of the evolution of Mighty River Power.

I can confirm that the Board has engaged an executive search firm with international credentials. The search process, which will potentially include internal candidates, is now underway. I look forward to updating shareholders on progress on this appointment in the first half of calendar 2014.

Finally, before I hand over to Doug, I want to thank my fellow Directors and the Chief Executive and the management team – along our wider team and our business partners – for their exemplary contribution to the Company. I would like to thank Trevor particularly as this is his final shareholders' meeting, for the strong voice and valuable capital markets expertise he has provided over more than eight years as the Company has gone through a major evolution and growth.

Throughout 2013, we have shared and been energised by our collective responsibility to drive sustainable long-term shareholder value.

Thank you.

## Address by the Chief Executive, Doug Heffernan

### [SLIDE 9: CHIEF EXECUTIVE'S REVIEW]

Thank you Joan.

Once again, a big welcome to you all to our first Annual Shareholders' Meeting as a listed company.

This has been a big year – a big couple of years – for Mighty River Power with some important strategic milestones and change.

This time two years ago, we had one shareholder when we were selected as the company for the first IPO in the Crown's mixed ownership model process... now we have more than 100,000 shareholders who have a direct investment stake in our business – and of course there are many Kiwi's with indirect investments through the institutional investors on our register.

That large investor base was a key factor cited by the judges in Mighty River Power winning the Australian Financial Review *IPO of the Year* award announced last week.

It is great to have so many of you with us today.

William and I now look forward to taking you through the highlights of our financial results and achievements in the 2013 financial year and giving you an update on how we are performing in this new year.

We will be happy to answer your questions and provide more detail during the question session after the formal business, and I encourage you to talk with any of our team who are here today after the meeting [they will be wearing name badges].

Our people know the Mighty River Power story well. They can share with you our Company's approach, the importance of doing what we say we will do, and how we are driving shareholder value in different areas of the business with a focus on the long-term.

That requires a strong team with the best people applied in leadership and technical roles to drive performance – operational excellence and customer delivery – right across the business.

**[SLIDE 10: YOUR MANAGEMENT TEAM]**

All of the members of our Executive Management Team are here today.

***[CAMERA ON WILLIAM MEEK]***

Looking after the balance sheet... beside me is William Meek our Chief Financial Officer who I have spent a lot of time with over the past year, talking with investors.

***[CAMERA ON JAMES MUNRO]***

On the customer sales side, building our consumer brands and developing innovation and quality services for home and business users... is our General Manager Retail, James Munro.

***[CAMERA ON MATTHEW OLDE]***

Focused on our information and metering technologies and our core support services and strategy... is Matthew Olde our General Manager Business Strategy & Solutions.

***[CAMERA ON MARLENE STRAWSON]***

Helping us maintain the right mix of talent and get the best out of our people... is our General Manager Human Resources, Marlene Strawson.

***[CAMERA ON MARK TRIGG]***

Executing on our generation growth options, and building options for the future... Mark Trigg is General Manager Development.

***[CAMERA ON FRASER WHINERAY]***

And keeping our plants humming and our electricity portfolio positioned for value... is Fraser Whineray our General Manager Operations.

**[SLIDE 11: FY2013 HIGHLIGHTS]**

As Joan said, we have delivered in FY2013 with financial results above the IPO forecasts and with underlying growth on our results in FY2012.

Looking at the core business... we've grown sales to customers through particularly strong volume growth in the business market, controlled expenditures across the business, and demonstrated once again the inherent strengths of our generation and sales portfolio.

We have achieved this out-performance in what continues to be a highly-competitive flat demand environment, and with a lot less water than we would have liked in the Waikato catchment for most of this calendar year.

That demonstrates that your business has a lot of strength and resilience.

When we talk about strength in the business, it comes from the very low operating cost of our renewable hydro and geothermal generation...and that makes our generation plants extremely competitive. As Joan has mentioned, geothermal is a big part of our story and what makes us different, and distinctive.

Resilience comes from having a diverse generation base and sales portfolio. For you as a shareholder, that means greater surety in earnings because we have the flexibility to cope with different market conditions.

At the consumer end, we are continuing to roll-out innovative initiatives to win and keep customers.

The completion of Ngatamariki Geothermal Power Station is a major milestone – an investment of nearly \$475 million dollars for your Company. It was more than a decade in the planning, 21 months in the construction, and is now operating slightly above spec which is very positive for the plant's economics and cash flows into the future.

In the first month of operation after handover, Ngatamariki ran 24/7, every single day and night without a hiccup – that is truly world class.

During the year, we also took direct control of our international geothermal investment in EnergySource in the US, and the geothermal business based in Chile. In both of these geographies we are now applying our successful model from New Zealand, involving a patient and measured approach in line with commercial conditions.

As we have seen here in New Zealand, the development of a new geothermal plant can take up to a decade from initial conception to power production.

#### **[SLIDE 12: HEALTH AND SAFETY]**

The health and safety of our people, and those we work with, is central to our business and we all have to get it right.

Our aspiration is 'zero harm' and our focus is on building a strong proactive culture that embeds best practice in everything we do. It was great to see our key measure of Total Recordable Injury Frequency Rate improving 17% in FY2013 to 0.76... our third consecutive year of improvement.

We also achieved an excellent result of 0.98 on the Ngatamariki project involving more than 1 million work-hours – a big improvement compared with 3.54 for our previous major project (Nga Awa Purua).

Notwithstanding that the performance of the generating sector has been very good relative to most industrial sectors, we have areas for improvement and we are supportive of the direction being taken by the New Zealand government to reduce the incidence of serious injury and deaths in New Zealand workplaces.

For the last few years an area of focus for us, particularly with our major contractors and their sub-contractors, has been on early identification of situations that pose a risk of serious harm or fatality. Clearly there is room for improvement, as demonstrated with a serious near miss involving a contractor on our Ngatamariki project just over a year ago.

#### **[SLIDE 13: PEOPLE AND PARTNERSHIPS]**

One thing that hasn't changed with our transition from SOE to listed company, is the pride and passion of our people in what they do and within our many partnerships– and that approach now extends to you, our shareholders.

The IPO has significantly lifted awareness of Mighty River Power and reinforced an already-strong employer brand, helping us retain and attract quality talent... onto our Board and into management, customer services and technical roles, and all the support roles that make the business succeed.

A good number of our employees have invested directly or purchased shares through the Employee Share Purchase Programme, reinforcing their alignment with the Company and its shareholders.

## [SLIDE 14: PEOPLE AND PARTNERSHIPS]

A key foundation for Mighty River Power's successful track record of geothermal development has been our partnerships with Maori landowners and our joint focus on sustainable value creation related to their land and its resources.

The opening of our new Ngatamariki station last month was a great showcase of this – a plant that is tailored to sustain the resource for inter-generational benefit and longevity.

You may have read in our Annual Report that regulatory authorities have confirmed again this year the high level of compliance we achieved in FY2013, across 100 separate resource consents and 1,400 consent conditions, further evidence of this commitment to resource sustainability.

## [SLIDE 15: PEOPLE AND PARTNERSHIPS]

During the year, we celebrated our enduring support of New Zealand Rowing in the wins at the Olympics and World Championships, while Mercury Energy and the Star Supporters Club continued our decade-long relationship with Starship children's hospital raising a record one million dollars.

I'll now handover to William Meek, our CFO, who will take you through some of the detail of the financial performance in FY2013, and also review the IPO forecasts for FY2014.

**William Meek**

## [SLIDE 16: FINANCIAL HIGHLIGHTS]

Good afternoon. Let's begin by looking at the key financial metrics:

- FY2013 performance was above the forecasts we set out in the Offer Document for the IPO
- A primary driver of the out-performance was an \$18.4m lower domestic operating expense through targeted savings across the business
- This helped drive free cash flow to \$21.5 million higher than forecast
- We ended the year with net debt \$107 million lower than the IPO forecast mainly due to the reduced capital spend in international geothermal
- The FY2013 fully-imputed final dividend of 7.2 cents per share was paid at the end of September
- And, our credit rating was reaffirmed by Standard & Poor's in April this year at BBB+

## [SLIDE 17: FY2013 PERFORMANCE VS IPO]

Our full year 2013 results provided shareholders with the first real yardstick of our performance against the IPO forecast:

- Operating earnings (what the accounting folks like to call EBITDAF which is Earnings before net interest expense, income tax depreciation, amortisation, and change in fair value of financial instruments) at \$390.5 million was \$8 million, or 2%, favourable to the IPO forecast

- Which together with higher earnings from international investments due to accounting changes meant that Net profit out-performed the IPO forecast by \$20 million (21%)
- These factors also meant that Underlying Earnings were up \$20.2 million (13%) at \$179.5 million, and free cash flow was \$21.5 million higher than forecast

All-in-all, this is a very good outcome, coming just four months after our IPO forecasts were finalised

The big difference year-on-year, [FY2013 compared with FY2012], was in Operating Earnings or EBITDAF.

EBITDAF fell by \$71 million of which all but \$2.3 million was due to one-off costs related to international geothermal and the IPO.

The core business performed very well, with the 8% lower hydro output being almost entirely compensated by improvements elsewhere in the business.

Year-on-year the Company's Net Profit increased by \$47 million to \$114.8 million with the lower EBITDAF being more than offset by positive reversals in non-cash fair value movements and the accounting impact of higher earnings from the Company's EnergySource investment.

The Board declared fully imputed dividends of \$168 million (or 12 cents per share) for the full year which represents 78% of free cash flow and was an increase of 40% from the prior year.

#### **[SLIDE 18: CAPITAL EXPENDITURE]**

Our Capital Expenditure profile for the past five years shows that your Company has now completed a period of very high investment in strategic growth.

Our geothermal development programme involved three major domestic projects in this time: Kawerau, Nga Awa Purua and Ngatamariki and a major power plant in Southern California.

Our capital expenditure forecast for FY2014 has been reduced compared with our IPO forecast of \$199 million to a range of \$125 million to \$175 million, reflecting lower spending on international geothermal and a potentially small increase in growth investment in our smart metering business, Metrix.

Capital expenditure in FY2013 at \$252.4 million was lower than anticipated, principally due to reduced spend on international geothermal activity in the US and Chile.

You may recall at the time of the IPO we had just taken direct control of International geothermal and its plans at that time reflected significant capital expenditure, particularly in Chile, that we had not committed to at the time of the IPO. We subsequently decided to defer a significant amount of the capital planned for Chile in both FY2013 and FY2014.

Our growth capex for FY2014 is now forecast to be \$55 million to \$100 million, but we plan to continue to reinvest significant capital back into the business.

This reinvestment capex is dominated by the current programme of work on the Waikato Hydro assets which we currently expect to span more than a decade and cost around \$500 million – with \$33 million of the \$72 million re-investment capex committed to hydro in FY2014 – where we are investing in the long-term efficiency and reliability of the Waikato Hydro assets.

This is the largest-ever lifecycle and maintenance investment in these vital hydro assets, some of which have been operating for more than 80 years.

**[SLIDE 19: UPDATED GUIDANCE]**

The Board and Management are pleased to report that all key profit metrics are expected to meet or exceed forecasts outlined in the IPO offer document.

With regard to the current financial year, your Board and management remain comfortable with the guidance on operating earnings (EBITDAF)... with growth of some 27% to some \$498 million [as we were forecasting at the time of the IPO].

We are expecting adjusted net profit to be slightly ahead of the IPO forecast due to lower interest costs.

In the early months of FY2014 we had a couple of factors working against us, with significantly lower hydro generation than we had anticipated at the time of the IPO. In fact during the first quarter of FY2014, we had the lowest hydro generation for the quarter since the Company was formed in 1999. We also had a two-month delay in revenue recognition from the commissioning of Ngatamariki, where commissioning revenue and costs were capitalised rather than being recognised in the Income Statement.

Through this period however, our team have compensated for these factors by making best use of our flexible portfolio, and we have continued to focus across the business on driving gains in effectiveness and efficiency that deliver material cost savings.

Looking at the other key financial metrics...

Operating cash flow is forecast to be between \$300 million and \$320 million, lower than IPO forecast at \$328 million, mainly due to higher provisional tax payments in July caused by higher than expected earnings in FY2013 and tax adjustments related to Ngatamariki.

At the full year results, we reported that our equity accounted earnings were higher than expected due to changes in the equity accounting treatment resulting from better access to information following the restructure of your Company's international geothermal operations.

This also has flow-through effects on our equity accounted earnings and our deferred tax estimate, which affects tax expense. In addition to this, we are currently forecasting interest costs to be lower by some \$5 million to \$10 million reflecting higher capitalised interest and lower net debt at year-end.

It is important to note that we have left our estimate of fair value movements on financial instruments unchanged at some \$32 million.

The flow-through effect of these changes means our current forecast for Net Profit and Underlying Earnings shows us more than \$35 million ahead of the forecasts as outlined at the time of the IPO.

So in summary, we are on track for our core IPO forecast of EBITDAF with profit figures higher by more than \$35 million, but this is primarily due to non-cash accounting changes.

I'll now return you back to Doug.

**Doug Heffernan**

**[SLIDE 20: GENERATION]**

Hydro and geothermal now make up more than 90% of your Company's total production...a ratio that we expect to continue to climb in the future.

Our total generation was down 9% in FY2013, primarily due to the Company's lower hydro volumes. We achieved another excellent level of availability from our base-load geothermal generation, of over 96% for the year.

And, with the low wholesale prices, we reduced the use of our flexible gas-fired generation at Southdown to less than a third of capacity – preferring to purchase lower-cost wholesale electricity from the wholesale market to manage our customer sales requirements.

A key feature in delivering on performance again this year, was our use of the diversity and flexibility of our generation and sales portfolio. We were able to offset a large part of the weak inflows to the Waikato catchments through wider portfolio improvements..

As you are no doubt aware, all of our generation is located near to the majority of New Zealand's residential and commercial demand centres and the output of the Waikato Hydro System can be quickly ramped up and down to meet changing consumer demand patterns.

#### **[SLIDE 21: WAIKATO HYDRO]**

Another significant feature and benefit is that the output of the Waikato Hydro is relatively small compared with overall national supply. It typically produces 10% of national annual supply, meaning even a large variation in Waikato production has little influence on national wholesale electricity pricing.

In times when there is less rainfall and lower inflows to the Waikato Hydro catchment, your Company will normally be able to buy electricity cheaply from the market to make up any shortfall. This was the case through most of 2013.

These are distinctive competitive strengths for Mighty River Power in the electricity market because we do not typically experience the correlation between low hydro generation and high energy prices that drives the earnings variability experienced by South Island hydro generators who normally produce more than 40% of New Zealand's electricity.

In Q1 2014, we saw for the first time more than 40% of our total generation production coming from low operating cost, base-load geothermal generation. This boost in renewables from the completion of Ngatamariki is driving the very strong growth in operating earnings forecast this year and providing even greater surety around earnings, under most market conditions.

#### **[SLIDE 22: CONSUMER BRANDS]**

One of the other important strengths of Mighty River Power is that, in addition to making electricity, we also sell electricity through multiple sales channels and retail brands in most areas of New Zealand.

Mercury Energy is our largest, and one of the longest-established retail electricity brands in New Zealand – supplying the majority of our 385,000 customers. Because we make electricity and we sell it directly to customers, this helps us to manage earnings variability that is inherent in wholesale electricity markets.

#### **[SLIDE 23: OUR MARKET SHARE]**

Alongside the growth of our generation base over the past five years, we have grown customer sales volumes with an increase in market share from 17% to now over 20%, excluding Tiwai demand. The 5% growth in electricity sales we achieved in FY2013 shows the success we had in securing increased commercial volumes ahead of Ngatamariki coming online.

Following very strong growth in customer numbers in FY08 and FY09, they have been pretty flat since FY10. In FY2013, there was a small drop-off in residential demand – consistent with the national picture – more than offset by our commercial sales growth and we are continuing to actively manage our sales book to right size for our business and the external environment.

The roll out of AMI ‘smart meter’ technology to over 300,000 customer locations by your Company’s metering subsidiary, Metrix, along with other companies, has enabled retailers to introduce new products and services for customers.

**[SLIDE 24: GEM]**

In the case of Mercury Energy, the now widespread availability of AMI has resulted in the introduction of our new GEM (or Good Energy Monitor) product to residential customers, and this is allowing them to take more control of their energy usage and costs.

What we are doing in this space is exciting and we see considerable potential as AMI becomes universally available and we explore ways to deliver more innovative products and enhanced services to customers.

**[SLIDE 25: GLO-BUG]**

One area where we have already demonstrated success with innovative products is in pre-pay technology. The pre-pay GLO-BUG technology that we have developed in-house is an industry-leading solution that allows income-constrained customers to better manage their electricity costs and benefit from smart meter information.

We are very pleased to see customer disconnections by Mercury Energy bucking the industry trend and tracking towards our ‘zero disconnection’ aspiration, while we also maintain very low levels of bad debt.

Our experience is that customers who have previously had a track record of running up debts and disconnections end up reducing their total cost of their energy supply by an average of more than \$300 per annum when they convert to GLO-BUG’s pre-pay solution.

We have seen Mercury Energy’s annual disconnection rates drop from over 4% in the mid-2000s to 2% in FY11 and down to just 0.5% last year. This calendar year Mercury is on track for less than 1,000 customer disconnections – a massive improvement from around 12,000 a year in the mid-2000s. At the same time, net debt written off has also reduced.

These are remarkable statistics when put in the context of the global financial crisis over this time and the impact that has had on some people’s household budgets as evidenced by the fact that the disconnection rates from two of our major competitors and the largest new entrant retailer are trending in the other direction. GLO-BUG may offer one solution to those wider industry trends.

**[SLIDE 26: DEMAND AND SUPPLY]**

Our inherent advantage, as an operator of low-cost renewable generation, is that we are very well positioned for any reduction in demand or for supply side adjustments... we have already proven we can do well even in a weak market, with gains in generation and retail market share over the past five years despite demand, excluding industrial demand, that has been flat since 2007.

This period has seen the displacement of significant thermal capacity from the market, and a positive change in New Zealand’s energy mix as geothermal has climbed to well over 15% of national supply, pushing out high-cost, high-emission, fossil fuel generation.



The Tiwai aluminium smelter uses about 14% of New Zealand's electricity. We see the commercial settlement of the contract between Meridian and the smelter as a positive outcome, providing an increased confidence in medium-term demand – indeed smelter demand increased over the last quarter – and more time for the market to adjust should the smelter give notice to reduce demand sometime in the future.

We have made big changes over the past decade in the way the Southdown gas-fired plant operates – with no long-term gas contracts and without large 'take-or-pay' gas volumes – critical characteristics that provide the flexibility to adjust quickly for downside supply/demand scenarios, and that have allowed us to make those adjustments as low marginal cost renewable dominated by geothermal have displaced the higher marginal cost fossil fuel generators.

### **[SLIDE 27: WELL-FUNCTIONING MARKET]**

The current market structure that has evolved carefully over the last two decades has led to highly competitive markets at the retail and wholesale levels and in the competition for new generation capacity which has resulted in world-best outcomes for the country.

It has delivered:

- 1,200MW of investment in renewables over the past 10 years, displacing fossil fuel and putting New Zealand on track for its 90% renewable target by 2025
- The best generation projects consistently brought to the market and pushing out the old fossil fuel plants
- Security of supply is at the highest level for more than two decades with even severe droughts no longer threatening power cuts to consumers
- Retail electricity prices are in the middle of the range for comparable OECD countries
- Retail churn (customer switching), consistently running at about 20%, is second only to Victoria in reflecting the intensity of competition.

There have also been major, albeit overdue, improvements through investment in New Zealand's transmission infrastructure, with the restoration of capacity across the Cook Strait cable and the North Island grid upgrade – both of which provide a stronger foundation for competition at a wholesale and retail level.

That is why our IPO forecasts showed no increases in effective retail energy pricing in April 2014, our normal timing of price reviews for most customers. As Joan mentioned, our view has not changed, which means that whether that translates to reductions in a customer prices in 2014 will depend on what the lines companies do with their pricing in April.

Under the current wholesale market structure, we have very strong incentives to look after the old hydro assets, to increase their efficiency and reliability, and to optimise when to store water and when to release it.

While the low operating costs of hydro are a competitive advantage, particularly in a flat demand environment, it is important that we can continue to secure prices for our renewable production and sales that provide the level of profitability and cash flows required to service the significant levels of capital that have been committed by your Company in the last decade.

With a stable business and regulatory model in New Zealand, and by building a geothermal competence that is rare in an international sense, the Company has also had the confidence to invest in geothermal prospects internationally, with early success through our investment in the 50MW geothermal project developed by EnergySource in Southern California.

The opportunities in geothermal in the US and Chile, where our expertise and proven track record is sought after, offer positive long term growth for your Company, and you as shareholders. Fundamental changes to our regulatory environment that weaken your Company financially would cause these to be reviewed.

## [SLIDE 28: OUTLOOK]

Turning to FY2014.

As William mentioned, we had a challenging, and ultimately a solid but not poor, start to the year. Despite hydro volumes in the first quarter being down 34% year on year, we have used the flexibility in our portfolio to achieve market-leading prices for our generation, even while the cost of buying wholesale electricity for our customers was well below plan.

And of course geothermal generation was well up, making up 43% of total production in the quarter. Our customer sales volumes tracked very close to plan. You can see more detail in our quarterly operating results published three weeks ago.

In the seven weeks since the tail-end of the first quarter, Lake Taupo hydro storage has recovered to 20% above average for this time of year.

We remain comfortable with our exceptionally strong forecast growth in Operating Earnings, with EBITDAF (up 27% to \$498 million), based on the additional earnings contribution from the new Ngatamariki geothermal plant and the absence of the one-off cost impacts seen in FY2013.

Together with non-cash accounting changes this translates in FY2014 to a forecast increase in bottom line profitability and an 8.3% increase in fully imputed dividends, with dividends as a percentage of free cash flow of between 73% and 80% in FY2014, compared with 78% in FY2013.

A key issue for your Company is the Electricity Authority review of transmission pricing. The earliest implementation date has been pushed back to 2015 following extensive feedback to the EA on their initial proposal. We look forward to a positive response to the many constructive submissions made to the EA.

Further to Joan's comments about the need for a stable and predictable regulatory regime in a sector where large-scale investments are made in capital-intensive assets with long lives, we note comments by recent international regulatory experts: that *"it would be wrong to make unilateral changes to electricity markets"* and *"it is too much to ask investors to also deal with major changes in market structures"*.

This is not a plea for absolutism and no change, but for predictability, and where significant changes are made, for the transition periods to be long. New Zealand has an exemplary record in electricity markets regulation and outcomes.

It would be wrong to undo that reputation.

Looking further ahead, in FY2015 we would expect to have an additional two months of earnings from Ngatamariki, and a return to normal hydro volumes [which is about 4,000GWh per year]...in aggregate a further 7% increase in renewable generation volumes.

Finally, I would encourage you to talk with some of our people here today after the meeting.

You will get a sense of the passion they have for your Company; you will see that we know how important electricity is to our customers; how we share New Zealanders' pride in our country, and the pride we have in sustainably using New Zealand's natural resources to create the electricity lifeblood for the nation while respecting the wonderful environment we have...

And you will see that we are proud New Zealand has one of the greenest electricity supplies in the world... something that Mighty River Power has contributed to in no small part with our geothermal growth here in New Zealand, and which we have begun to deliver to the rest of the world.

Thank you. I'll now hand you back to the Chair of the meeting, Joan Withers.

Joan Withers

## Ordinary Business and Resolutions

### [SLIDE 29: ORDINARY BUSINESS AND RESOLUTIONS]

We now move on to the formal business of the day, and the procedure for this part of the meeting. All items of business are ordinary resolutions and are required to be passed by a simple majority of votes.

The resolutions that we will be voting on today are as follows:

Resolution 1: Re-election of Joan Withers as a director of Mighty River Power

Resolution 2: Re-election of Keith Smith as a director of Mighty River Power

Resolution 3: Re-election of Tania Simpson as a director of Mighty River Power

Resolution 4: Increase in directors' fees to be paid to a new director to be appointed by the Board

As stated in the Voting/Proxy Form, all voting at today's meeting will be by way of poll and, accordingly, in my capacity as Chair I require that a poll be held for each of the resolutions. Shareholders who are entitled to vote and proxies who have discretion as to how they vote have received a Voting/Proxy Form when they registered upon arrival at the meeting. If you have not received a Voting/Proxy Form, please go to the Computershare desk at the back of the room where their representatives will be able to assist you.

After voting, you should place your Voting/Proxy Form in one of the ballot boxes which will be passed around the room.

With regard to resolutions 1, 2 and 3... your Board supports the re-election of these directors. I and my co-directors hold undirected proxies:

- With respect to Resolution 1 [Joan Withers]: 1,070,850 shares
- With respect to Resolution 2 [Keith Smith]: 1,145,820 shares
- With respect to Resolution 3 [Tania Simpson]: 1,162,220 shares

We intend to vote all of these shares in favour of these first three resolutions. As we run through the Resolutions you will see on the presentation screens the votes cast as at 5pm on Tuesday, the 5<sup>th</sup> of November.

I will disregard any votes cast by a director for Resolution 4, relating to the approval of the Board's remuneration. However, votes cast by directors will count where that director is voting as a proxy in accordance with express instructions or where I have been appointed as proxy in my capacity as Chair of the meeting and have been given discretion to vote as I decide.

There will be an opportunity to ask questions on, or speak to each resolution being put to shareholders. I ask that, in the interests of fairness to all shareholders attending this meeting, anyone wishing to speak to a resolution be as concise as possible and be considerate to other shareholders who may also wish to ask questions.

Please remember that this meeting is being webcast, so you will also be heard by an audience outside of this room.

I will hand you over to Trevor Janes, Deputy Chair of the board, who will introduce the first resolution to be considered by the meeting.

**[SLIDE 30: RESOLUTION ONE]**

**Trevor Janes:** Thank you Joan.

Resolution one relates to the re-election of Joan Withers

Joan Withers was first appointed to the Board in August 2009 and appointed Chair in October 2009. She was last reappointed on 1 May 2012. Joan is retiring by rotation in accordance with the NZX Listing Rules and offers herself for re-election. The Board recommends Joan to you as a Mighty River Power director and unanimously supports her re-election.

Being eligible, Joan has confirmed she is available for re-election. I invite Joan to address the meeting on her proposed re-election.

**Joan Withers:** **[Address from Joan]**

**Trevor Janes:** Thanks Joan.

I now move, as an ordinary resolution, that Joan Withers be re-elected as a director. Is there any discussion on this resolution?

There appears to be no [further] discussion.

We will now move to the next resolution.

**[SLIDE 31: RESOLUTION TWO]**

**Joan Withers:** Thank you Trevor.

Resolution two relates to the re-election of Keith Smith.

Keith Smith was first appointed to the Board in May 2009. He was last reappointed on 1 May 2012. Keith is retiring by rotation in accordance with the NZX Listing Rules and offers himself for re-election. The Board recommends Keith to you as a Mighty River Power director and unanimously supports his re-election.

Being eligible, Keith has confirmed he is available for re-election.

I invite Keith to address the meeting on his proposed re-election.

**Keith Smith:** **[Address from Keith]**

**Joan Withers:** Thank you Keith.

I move, as an ordinary resolution, that Keith Smith be re-elected as a director. Is there any discussion on this resolution?

Thank you ladies and gentlemen. There appears to be no [further] discussion.

We will now move to the next resolution.

**[SLIDE 32: RESOLUTION THREE]**

Resolution three relates to the re-election of Tania Simpson.

Tania Simpson was first appointed to the Board in November 2001 and last reappointed by shareholders on 1 May 2012. That term was due to expire on 31 October 2013 but was extended by the Board on 29 July 2013 to continue up to today's date. Tania is retiring in accordance with the NZX Listing Rules and being eligible, offers herself for re-election. The Board recommends Tania to you as a Mighty River Power director and unanimously supports her re-election.

I invite Tania to address the meeting on her proposed re-election.

**Tania Simpson:** [Address from Tania]

**Joan Withers:** Thank you Tania.

I now move, as an ordinary resolution, that Tania Simpson be re-elected as a director. Is there any discussion on this resolution?

There appears to be no [further] discussion.

We will now move to the next resolution.

**[SLIDE 33: RESOLUTION FOUR]**

Resolution four relates to fees for a new director.

Following two retirements from the Board in the 2013 financial year, the Board has considered the optimal mix of skills and experience required going forward.

As a result of this review, the Board is considering the appointment of two directors in the near-term (being one additional director and one director to replace Trevor Janes on his retirement in December 2013). That will bring our complement to eight directors.

This resolution, if passed, will not increase the fees payable to any existing directors but proposes to increase the limit on the directors' annual remuneration by \$85,000 so that this can be available to an additional director payable on and from their appointment to the Board.

Apart from the Chair and Deputy Chair, each director is currently paid director's fees of \$85,000 plus additional fees for committee work. The Deputy Chair receives \$106,250 and the Chair receives \$150,000 with no additional compensation for committee work.

I now move, as an ordinary resolution, that the total remuneration payable to all directors taken together be increased by \$85,000 per annum, resulting in the aggregate pool moving from \$766,250 to \$851,250. Such additional amount to be available for fees payable to an additional director to be appointed by the Board.

In accordance with the Listing Rules, the directors and their associated persons are restricted from voting on this resolution. Accordingly, the directors will not vote on this resolution and will not exercise any discretion given to them by proxies in relation to this resolution.

Is there any discussion on this resolution? There appears to be no [further] discussion.

#### **[SLIDE 34: VOTING]**

If you wish to vote on all of these motions, you should have to hand either the Voting/Proxy Form that was sent to you with the Notice of Meeting or an alternative voting form given to you by Computershare when you entered the meeting. When you cast your vote, please tick one box, either for, against or abstain, alongside each resolution in the section marked Step 1: Voting Instructions/Voting Paper.

If you hold a proxy on behalf of a shareholder, you will need to cast that shareholder's votes in order for them to be counted. The Voting/Proxy Form given to proxy holders, sets out the number of proxy votes held and records directed votes.

If there are no undirected votes, the proxy holder need only sign the voting form. Where there are undirected votes, proxy holders may vote these as they see fit [by ticking the appropriate box].

Finally, in all cases, please ensure the voting form is signed. I remind you that you are voting on each separate resolution as detailed in the Notice of Meeting. After voting, you should place your Voting/Proxy Form in one of the ballot boxes which will be passed around the room. If anyone is unsure how to complete the voting form or hasn't got a form, if you go to the registration desk you passed as you walked in, someone will be able to help you.

Once all the votes have been cast, they will be counted by the Company's share registrar, Computershare, and scrutinised by the Company's auditor. The results of today's meeting will be released to the NZX and ASX on the completion of verification of voting.

#### **[SLIDE 35: QUESTIONS]**

At this point we will open the floor to any questions on the financial results, business update or any other matters you would like to raise.

We have roving microphones available around the room. I ask that any shareholders wishing to speak raise your hand and a microphone will be brought to you. In the interests of other shareholders who may want to ask a question, please keep your questions brief and state your name and whether you are a shareholder or a proxy holder.

Are there any items of general business to be discussed? **[That brings this meeting to a close].** Ladies and gentlemen, that brings us to the end of formal business for Mighty River Power's 2013 Annual Shareholders' Meeting.

Thank you for taking the time to participate and join us here today. We hope you are able to stay and join us for afternoon tea. We are always looking to improve on how we do things and we would love to hear your views as to how the meeting went today. If you didn't get a feedback form when you arrived, there are spare forms at the back of the room for you to complete if you wouldn't mind.

We look forward to updating you after the Interim Results in February next year.

Thank you.

#### **[SLIDE 36: MEETING CLOSE]**

**For further information:**

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**Mighty River Power** is one of New Zealand's largest electricity companies – with its core business based on reliable, low fuel-cost electricity generation complemented by sales to homes and businesses.

The Company generates about 17% of New Zealand's electricity. It operates the nine hydro stations on the Waikato River, five geothermal power stations in the Central North Island and a multi-unit gas-fired station in Auckland. More than 90% of its electricity production is from renewable sources. Mighty River Power sells electricity through multiple channels and retail brands, including Mercury Energy, GLO-BUG, Bosco Connect and Tiny Mighty Power. Mighty River Power's metering business, Metrix, provides electricity retailers with advanced metering infrastructure solutions for their residential and commercial customers.

Mighty River Power is one of the world's largest geothermal power station owners, and has a successful track record in geothermal development, investing more than \$1.4 billion in geothermal development since FY2006. The Company is applying this capability and experience – gained through domestic geothermal exploration, development, construction and operations – to invest in international growth opportunities.

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