

7 November 2013

Annual Shareholders' Meeting



MIGHTY RIVER POWER

Smart thinking.

▶ ANNUAL SHAREHOLDERS' MEETING

Your Board of Directors



Joan Withers



Trevor Janes



Mike Allen



Prue Flacks



James Miller



Tania Simpson



Keith Smith

▶ ANNUAL SHAREHOLDERS' MEETING

Agenda

Chair's Address

Chief Executive's Review

Ordinary Business and Resolutions

Other Business

➤ ANNUAL SHAREHOLDERS' MEETING

Your Company

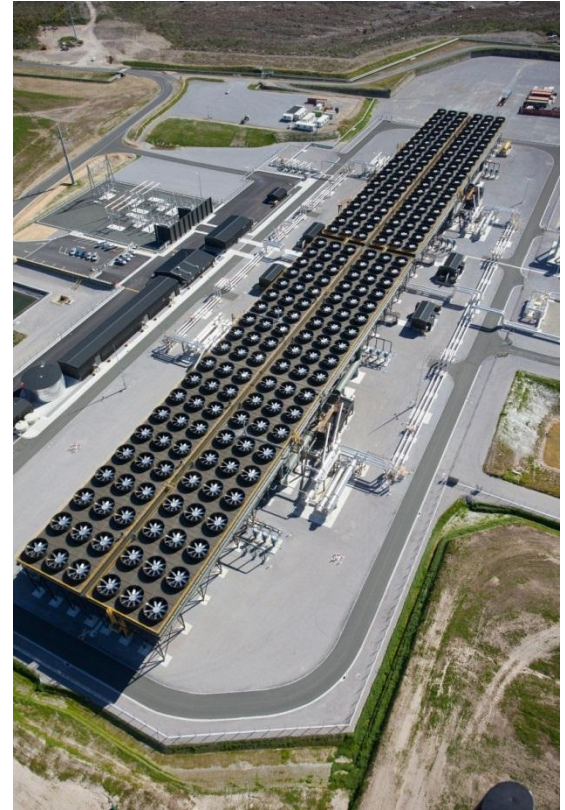
- > One of New Zealand's largest electricity companies
- > Supply nearly 1-in-5 New Zealand homes and businesses
- > More than 90% of electricity production from renewable sources
- > One of the world's largest geothermal power station owners



► ANNUAL SHAREHOLDERS' MEETING

Highlights of FY2013

- > Transition to a listed company
- > Financial results above IPO forecast
- > Consumer brands innovation
- > Direct control of international geothermal
- > Commissioning of Ngatamariki geothermal power station

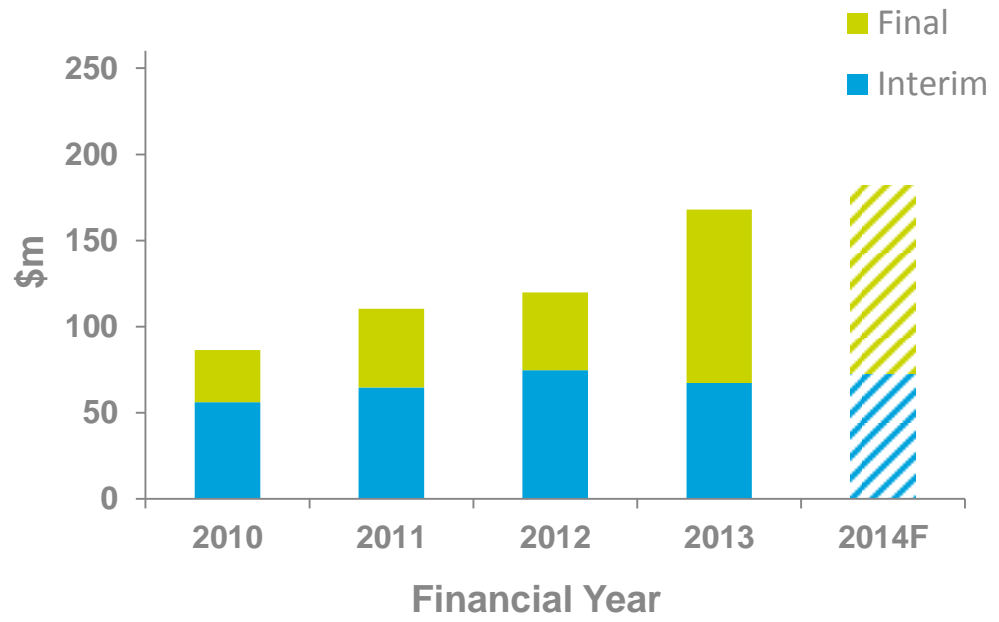


➤ ANNUAL SHAREHOLDERS' MEETING

Dividend

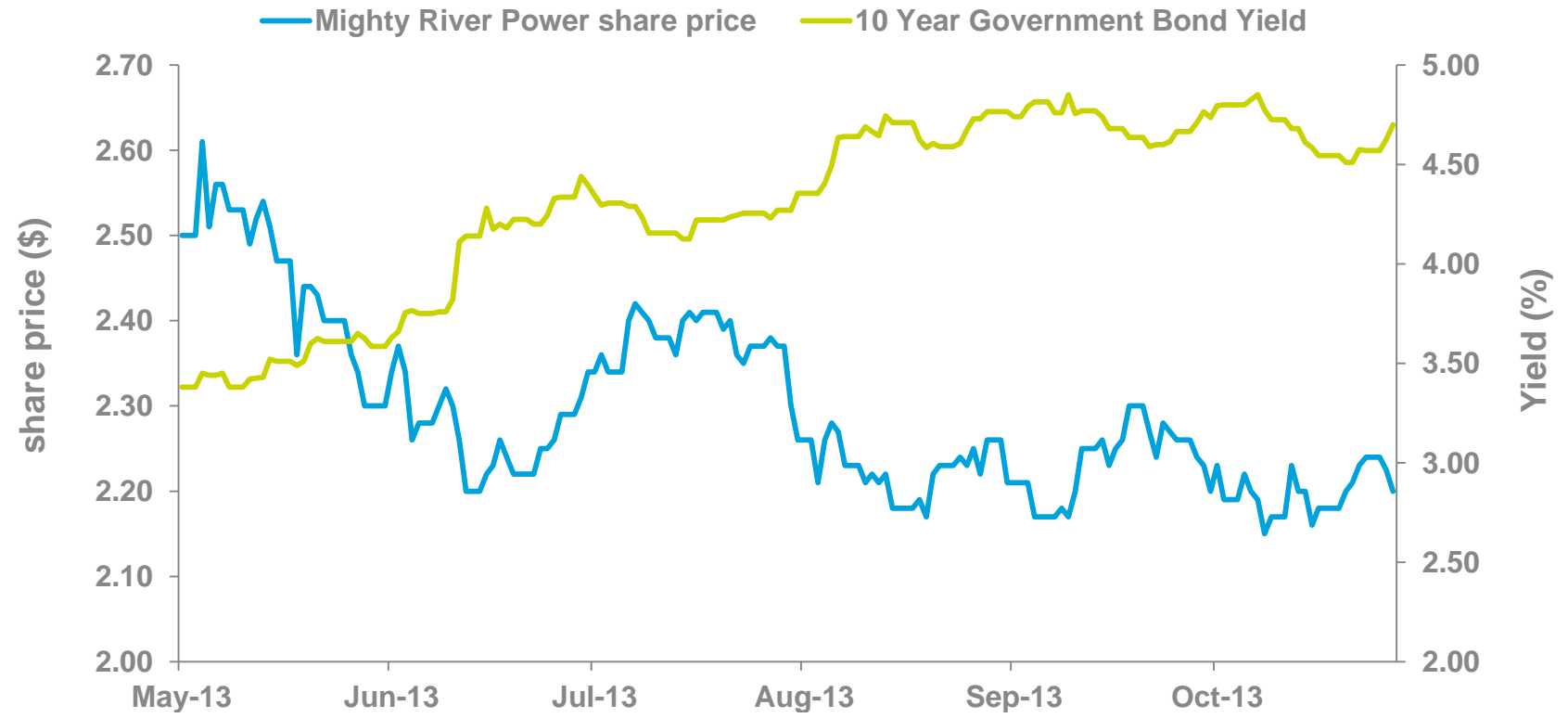
- > Fully imputed final dividend of 7.2 cents per share
- > Continuous review of capital management
- > Expect an interim dividend of 5.2 cents per share in March

Declared dividends



▶ ANNUAL SHAREHOLDERS' MEETING

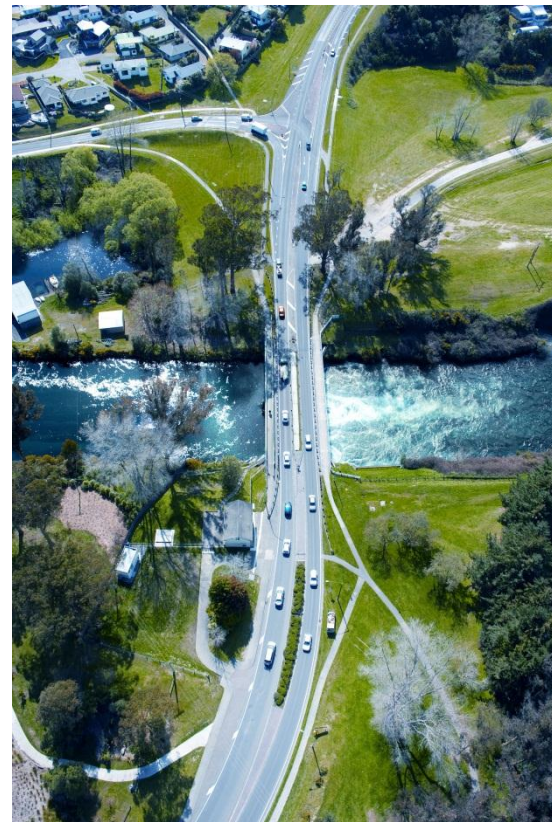
Share price performance



➤ ANNUAL SHAREHOLDERS' MEETING

Looking ahead

- > Delivering shareholder value
 - > Highly-competitive market
- > Regulatory predictability sought
- > International geothermal growth
- > Continue to review capital management
- > Commence selection programme for successor to our Chief Executive



Chief Executive's review



▶ ANNUAL SHAREHOLDERS' MEETING

Your Management Team



Doug Heffernan



William Meek



James Munro



Matthew Olde



Marlene Strawson



Mark Trigg

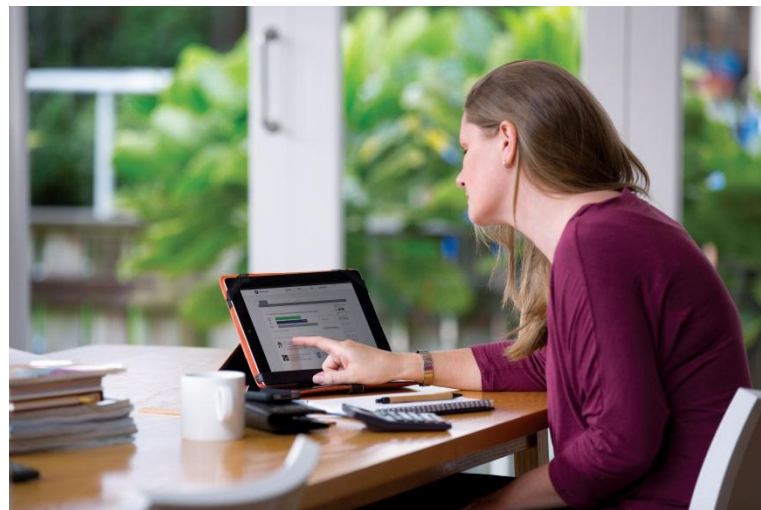


Fraser Whineray

► CHIEF EXECUTIVE'S REVIEW

FY2013 highlights

- > FY2013 financial results outperform IPO forecasts
- > Financial results held up despite Waikato drought
- > Consumer brands innovation and growth
- > Ngatamariki Geothermal Power Station online
- > Direct control of investments in US and Chile geothermal business

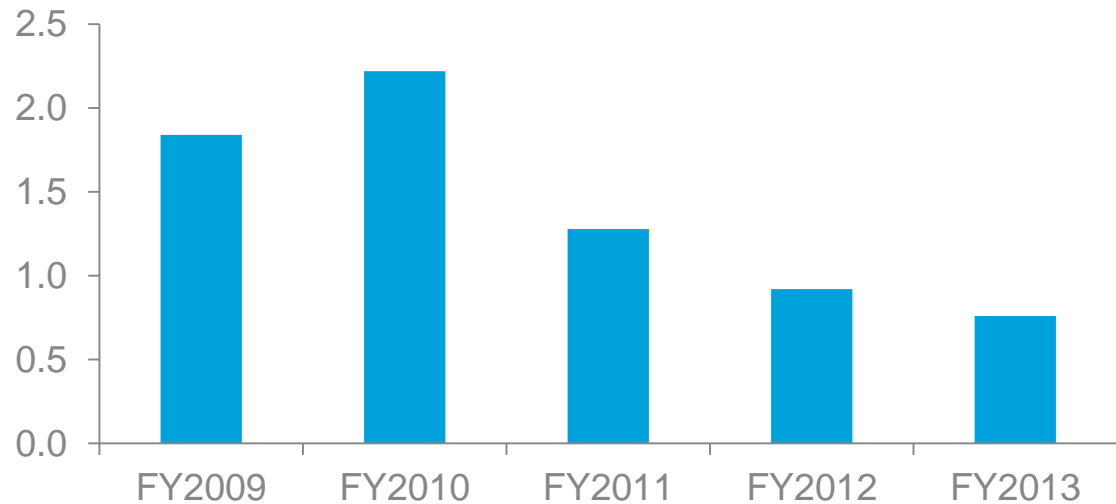


► CHIEF EXECUTIVE'S REVIEW

Health and Safety

- > 'Zero harm' aspiration
- > Improving Total Recordable Injury Frequency Rate performance
- > Focus with contractors on early identification of risks

Total Recordable Injury Frequency Rate per 100,000 hours



► CHIEF EXECUTIVE'S REVIEW

People and partnerships

A photograph of three people standing in a lush green field next to a stream. The man on the left is wearing a dark jacket and shorts, the man in the middle is wearing a dark jacket and pants, and the woman on the right is wearing a dark jacket and pants. They are all looking towards the stream. The background shows rolling green hills and a fence line.

► CHIEF EXECUTIVE'S REVIEW

People and partnerships

A group of men in suits are seated in a circle, listening attentively. The men are dressed in professional attire, including suits and ties. They are looking towards the center of the circle, suggesting they are participating in a meeting or a presentation. The background is a plain white wall, and there is a potted plant on the left side of the frame.

► CHIEF EXECUTIVE'S REVIEW

People and partnerships



► CHIEF EXECUTIVE'S REVIEW

Financial highlights

**OUT-
PERFORM**

FY2013 outperforms
IPO forecasts

\$18.4^M

lower domestic operating
expenditure than IPO forecasts

\$107^M

lower net debt than
IPO forecasts

\$21.5^M

higher free cash flow
than IPO forecasts

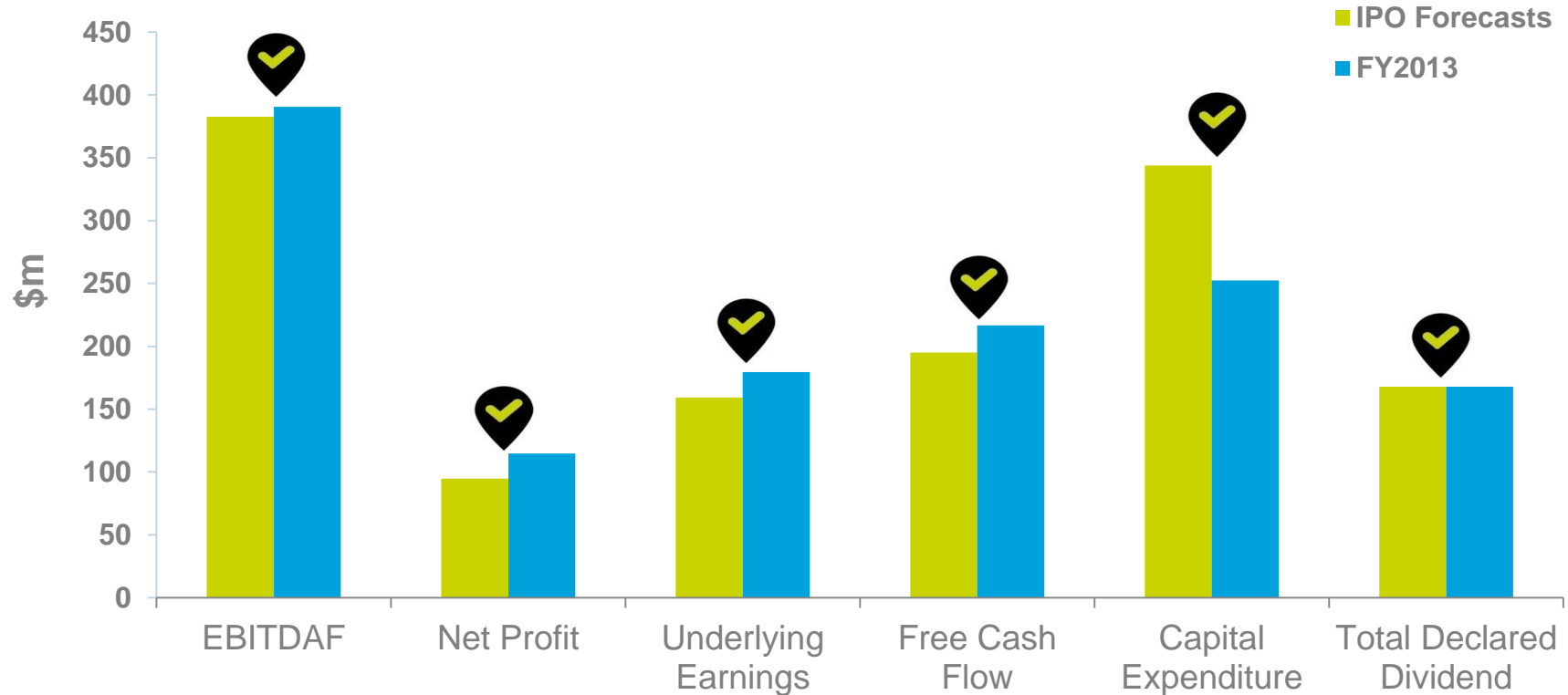
7.2^{cps}

fully imputed dividend
paid to shareholders

BBB⁺

credit rating

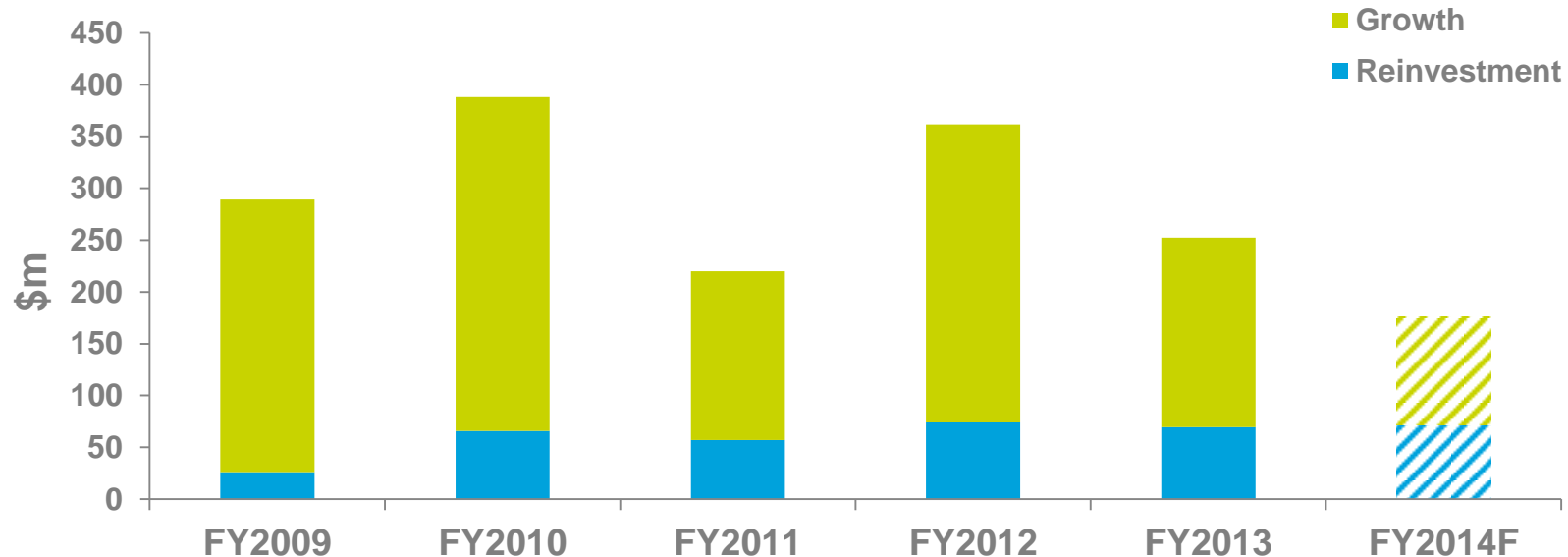
► CHIEF EXECUTIVE'S REVIEW

FY2013 outperformed IPO forecasts

► CHIEF EXECUTIVE'S REVIEW

Capital expenditure

- > Completed \$1.4 billion geothermal development programme
- > Continue to invest \$53-\$103 million growing business and \$72 million into our existing assets in FY2014



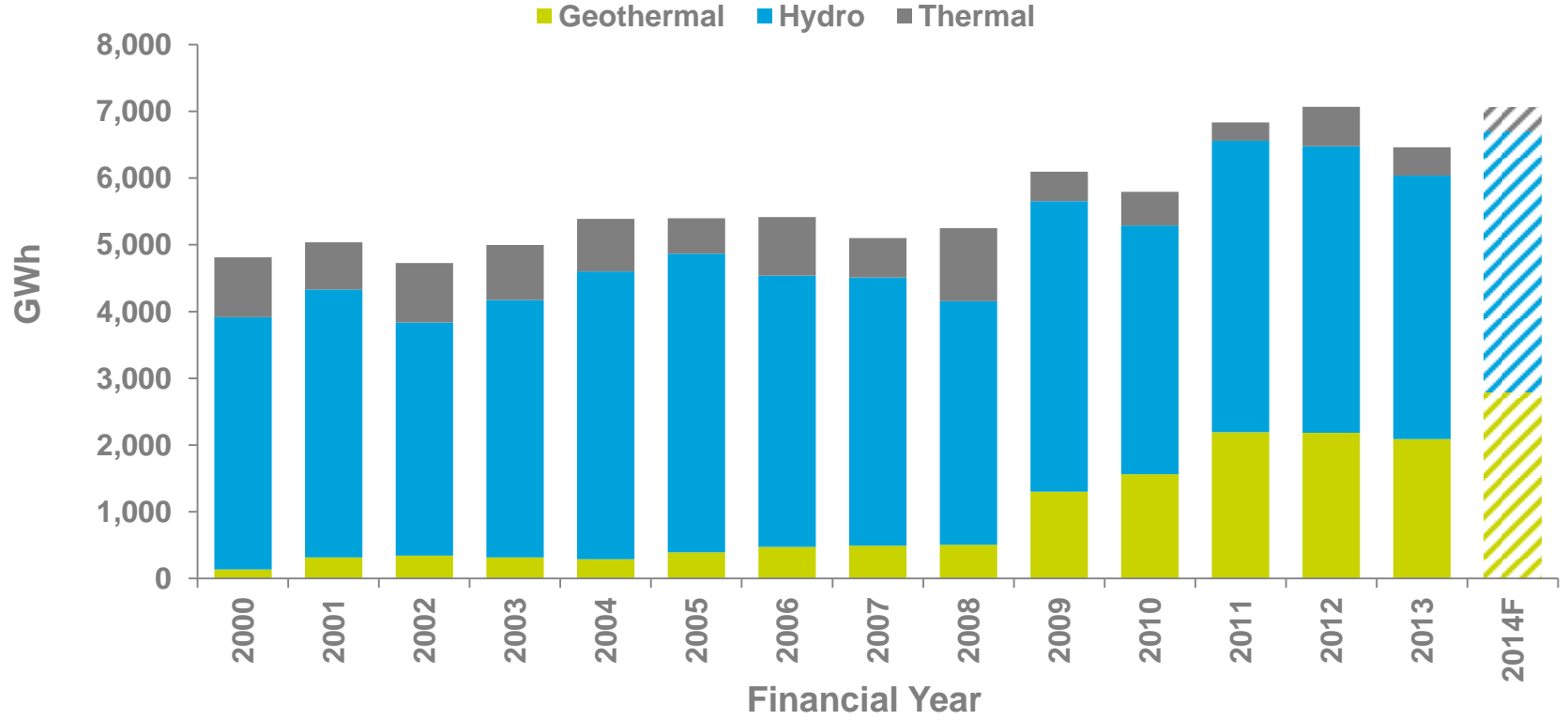
► CHIEF EXECUTIVE'S REVIEW

Updated FY2014 Guidance

Year ending 30 June 2014 \$m	New forecast	IPO forecast	\$m change
EBITDAF	498	498	No change
Net Profit for the year	> 195m	160	> +35
Underlying Earnings	175 -185	138	+37 to +47
Adjusted Net Profit	175 -185	170	+5 to +15
Operating Cash Flow	300 - 320	328	-8 to -28

► CHIEF EXECUTIVE'S REVIEW

Generation



► CHIEF EXECUTIVE'S REVIEW



► CHIEF EXECUTIVE'S REVIEW

Consumer brands

- > Sell to 1-in-5 New Zealand homes and businesses



► RETAIL MARKET SHARE (%)

0-9

30-49

10-29

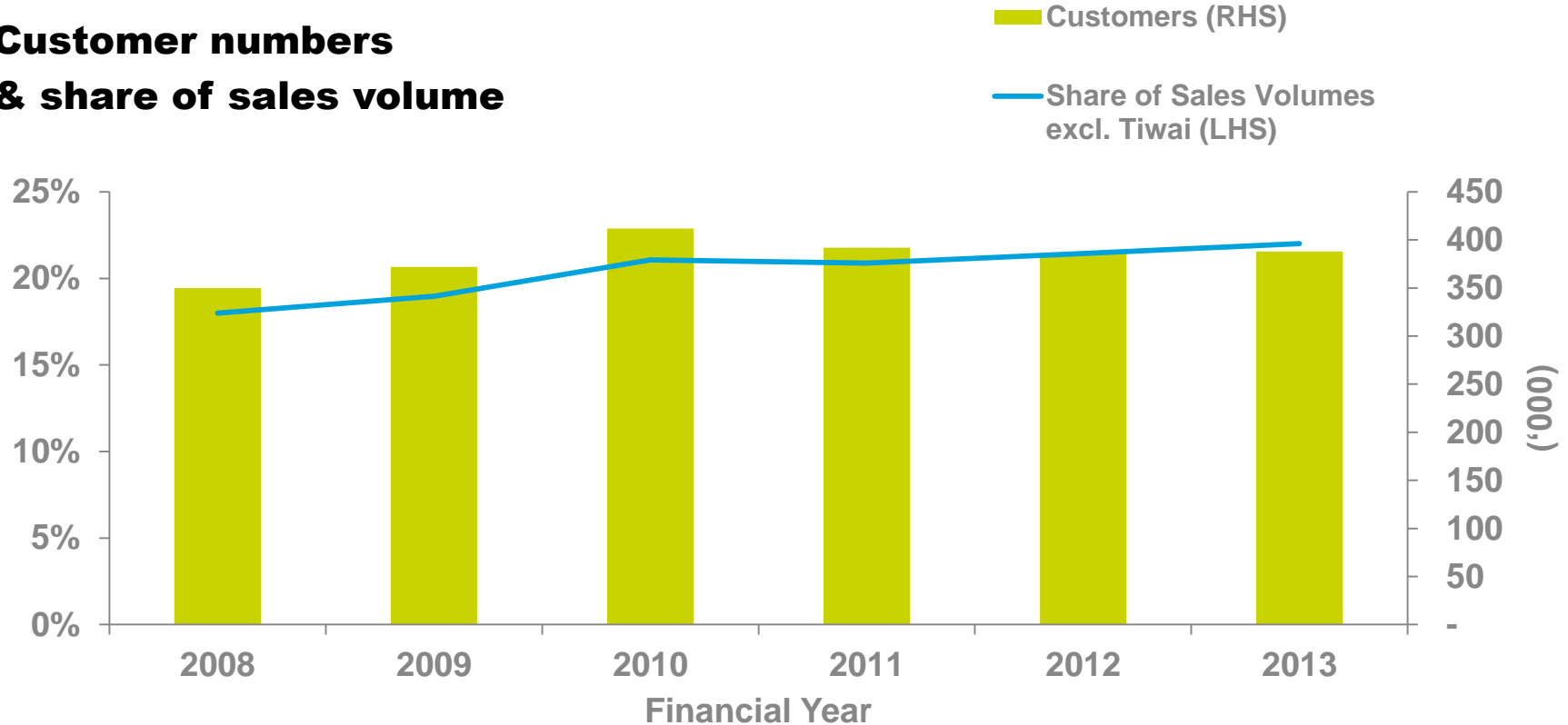
50-69



► CHIEF EXECUTIVE'S REVIEW

Our market share

Customer numbers & share of sales volume



► CHIEF EXECUTIVE'S REVIEW

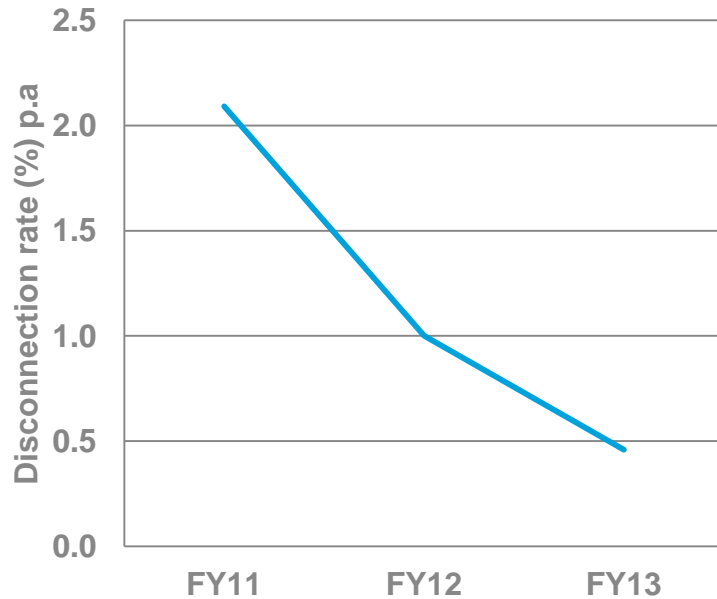
Good Energy Monitor



► CHIEF EXECUTIVE'S REVIEW

GLO-BUG

Mercury residential disconnection rate

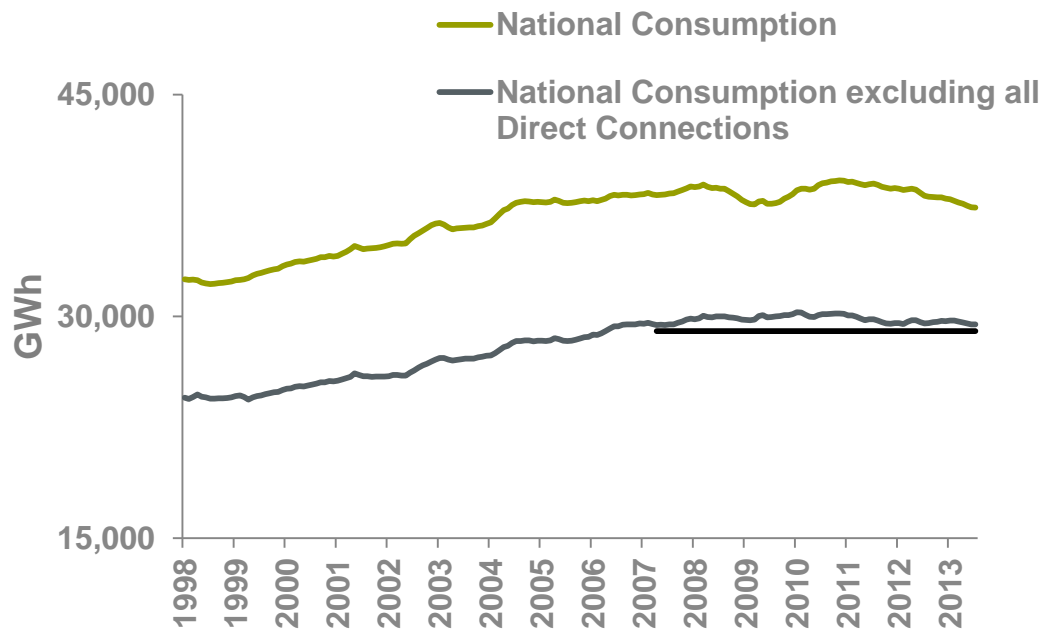


► CHIEF EXECUTIVE'S REVIEW

Demand and supply

- > Excluding industrial, demand flat over last six years
- > Meridian Tiwai negotiations more positive than expected
- > Renewables continue to displace thermal

National demand



► CHIEF EXECUTIVE'S REVIEW

A well-functioning market

- > Current market structure has led to highly-competitive markets which has resulted in world-best outcomes
 - > Competitive retail pricing
 - > Increased renewable investment
 - > Improved security of supply



► CHIEF EXECUTIVE'S REVIEW

Outlook

- > Flexible generation portfolio compensates for low hydro conditions in Q1 FY2014
- > Remain comfortable in FY2014 IPO forecasts
 - > 27% growth in EBITDAF and 8% growth in total dividends
 - > Profit figures higher by some \$35 million (non-cash accounting changes)
- > For FY2015 expect to return to normal hydro year and full-year impact from Ngatamariki

➤ **ANNUAL SHAREHOLDERS' MEETING**

Ordinary business and resolutions

► ORDINARY BUSINESS AND RESOLUTIONS

Resolution 1

> Re-election of Joan Withers



Postal and Proxy Voting

For	947,660,200
Against	2,552,525
Discretionary	1,070,850
Abstain	389,844

► ORDINARY BUSINESS AND RESOLUTIONS

Resolution 2

> Re-election of Keith Smith



Postal and Proxy Voting

For	943,839,602
Against	6,215,926
Discretionary	1,145,820
Abstain	472,071

► ORDINARY BUSINESS AND RESOLUTIONS

Resolution 3

> Re-election of Tania Simpson



Postal and Proxy Voting

For	947,195,520
Against	2,721,048
Discretionary	1,162,220
Abstain	594,631

► ORDINARY BUSINESS AND RESOLUTIONS

Resolution 4

> Directors' fees to increase by \$85,000 for a new director

Postal and Proxy Voting

For	943,655,487
Against	6,529,827
Discretionary	1,072,605
Abstain	415,500

> **ANNUAL SHAREHOLDERS' MEETING**

Voting

MIGHTY RIVER POWER

**Ngatamariki
Power Station**



▶ ANNUAL SHAREHOLDERS' MEETING

Questions

> **ANNUAL SHAREHOLDERS' MEETING**

The background of the slide features five yellow hard hats and five orange high-visibility safety vests hanging on a black rack. The vests have reflective grey stripes. The text is overlaid on the center of the image.

**Please join us for afternoon tea
at the conclusion of the meeting.**