



Meridian reports 29 per cent improvement in underlying earnings

For immediate release: Tuesday 24 August 2010

Meridian Energy has announced a net profit of \$184.0 million for the year ended June 2010.

Underlying profit for the year was \$251.9 million, compared with last year's \$195.0 million.

Meridian will pay a final dividend of \$68.5 million, following an interim dividend of \$ 89.6 million paid in April.

Today Chief Executive Tim Lusk described the result as an outstanding performance, with record earnings before interest, tax, depreciation, amortisation and fair value movements (EBITDAF) of \$641.7 million.

The result was achieved despite flat electricity demand with good lake storage and inflows and the doubling of our wind generation capacity.

"We also experienced an improvement in retail performance which was achieved, despite a price freeze, by enhanced coordination of our wholesale and retail businesses and refining our customer mix, including increasing our North Island customer base by 17 per cent," said Mr Lusk.

"We are also delighted at the impact of online retail subsidiary Powershop. This new channel has transformed the retail electricity market and was the fastest growing electricity retailer this year, offering unprecedented choice for electricity consumers."

Mr Lusk said other highlights for the year were the commissioning of the 62-turbine West Wind wind farm, near Wellington, which doubled Meridian's wind generation to seven per cent of the company's generation volumes.

Meridian's progress on the 28-turbine Te Uku wind farm near Raglan was also highlighted, with the wind farm due to start generating electricity in December.

Resource consents were granted for a wind farm Central Wind in Waiouru. A hydro project at Mokihinui on the West Coast also gained consent and is currently under appeal.

Meridian raised \$200 million by releasing New Zealand's first issue of online retail bonds.

"The success of our bond issue is testament to New Zealanders' confidence in Meridian's renewable based business," said Mr Lusk.

This year Meridian developed its first solar power plant in the United States, commissioned three turbines at Ross Island in Antarctica and purchased the Mt Millar wind farm in South Australia.

Planning is also underway for the recently announced joint venture with Australian energy company AGL to build what will be the southern hemisphere's biggest wind farm in southwest Victoria.

“This is the fruition of our strategy to leverage our capability and broaden our base in stable and supportive overseas markets. This will enhance our continuing ability to bring world class energy solutions and technology to New Zealand,” said Mr Lusk.

For more information contact:

Claire Shaw

External Communications Manager

Meridian Energy

021 370 677

claire.shaw@meridianenergy.co.nz

