



<b>TRANSPOWER NEW ZEALAND LIMITED</b>	
Half year results for announcement to the market – 19 February 2010	
<b>Reporting Period</b>	6 months to 31 December 2009
<b>Previous Reporting Period</b>	6 months to 31 December 2008

	Amount (millions) 6 months to 31 December 2009	Percentage Change from 6 months to 31 December 2008
<b>Revenue from ordinary activities</b>	\$NZ379.6	11% increase
<b>Profit (loss) from ordinary activities after tax</b>	\$NZ87.6	30% increase
<b>Net profit (loss)</b>	\$NZ60.3	Previous period was a loss of \$NZ(108.5)

<b>Interim /Final Dividend</b>	Nil	Nil
<b>Dividend Payment Date</b>	Transpower continues to reinvest the operating surplus into major upgrade projects. Refer 2009/10 SCI.	

<b>Comments: (including:  (i) a brief explanation of any of the above figures necessary</b>	<p>Transpower's operating surplus after tax, prior to movements in the fair value of financial instruments and debt, was \$87.6 million for the first six months of the financial year 2009/10. This compares to \$67.5 million for the same period to December 2008.</p> <p>The net profit including the impact of fair value movements was \$60.3 compares to a loss of \$108.5</p>
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**to enable them to be understood**

for the same period last year. The significant loss last year related to movements in market interest rates and does not reflect underlying cashflows.

Operating revenue for the first six months of the year rose 11 per cent to \$379.6 million, from \$341.9 million for the corresponding period last year. This increase was in part due to higher transmission revenue of \$326.2 million compared to \$310.7 million for the corresponding period in 2008/09. It also recognises the receipt of the remaining income from the partial termination of the 2003 cross border lease of \$27 million.

The results also reflect the expected sale value of properties on the route of the North Island Grid Upgrade Project which has been reduced by \$18.6 million reflecting recent falls in property values.

Operating expenses decreased by 5 per cent to \$135.4 million compared to \$141.8 million over the same period last year. The decrease was due to less in instantaneous reserves being payable by Transpower in respect of the HVDC link.

Capital expenditure was \$239 million, an increase of \$109 million over the corresponding period in the previous year (\$130 million). The rise reflects the start of the significant build programme underway with around 60 projects in various stages of development or construction. Two of our major upgrade projects – the HVDC Pole 3 project and the North Island Grid Upgrade project – are now in construction

Transpower Chairman Wayne Brown said that the operating surplus continues to be reinvested into the capital investment programme which includes new build projects, technology platforms, and the refurbishment and replacement of existing assets.

“We will spend approximately \$3.8 billion until the end of the 2015 financial year to help build greater capacity, reliability and capability into the National Grid in order to meet future electricity demand, as well as connect new generation to the Grid.”

Transpower’s full half year accounts will be published once they are tabled in the House in March 2010.

<p><b>(ii) in respect of each half-year period, commentary on the outlook for the remainder of the financial year, including whether the SOE considers it will achieve the financial performance targets in its SCI)</b></p>	<p>Transpower considers that it will be materially in line with the financial performance targets in its SCI for the year ending 30 June 2010.</p>
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