



Quarterly Operational Update

Three months ended 31 December 2013

▶ QUARTERLY HIGHLIGHTS

0.6%

AVERAGE ENERGY PRICES
paid by customers increased
less than inflation

88%

TAUPO STORAGE increased by
88GWh

39%

GEOTHERMAL GENERATION
made up 39% of total generation

▶ COMMENTARY

Mighty River Power's average price received for its electricity sales was up just 0.6% in the three months to 31 December 2013 compared with the prior comparable period (pcp: three months to 31 Dec 2012). Customer sales volumes were down on the pcp as the Company actively managed its portfolio for value and risk in a quarter of high seasonal temperatures, high national hydro storage levels and correspondingly low wholesale prices. Base-load geothermal generation made up 39% of total production, partially compensating for lower hydro output as storage was re-built following the drought in the preceding three quarters.

SALES PRICING UP JUST 0.6%, FALL IN VOLUMES WITH FOCUS ON MEDIUM-TERM VALUE

Mighty River Power's average sales price to residential and commercial customers for the quarter was \$111.17/MWh (up 0.6%) compared with \$110.52/MWh in the pcp. During the quarter the Company committed to no increase in energy prices for its residential customers until at least 1 April 2015. Overall customer sales volumes were down 9% as the Company continued to reduce sales volumes in the low-price, low-margin commercial market (down 11% on pcp). In the residential market, seasonal demand was 5% lower on a per customer basis primarily due to high seasonal temperatures. Lower South Island customer numbers (down 14%) was the result of the Company temporarily reducing acquisition and retention activity over the past year in the South Island due to the market risks prior to final commissioning of Transpower's upgraded inter-island link.

TAUPO STORAGE INCREASED 88GWh (up 26%)

A strong increase in competitors' hydro inflows over the quarter resulted in increased South Island storage, which peaked at 182% of average in late October, and led to significantly reduced wholesale electricity pricing. During this time, Mighty River Power used inflows to Lake Taupo to build up storage for future use. After a year of extremely low inflows, Lake Taupo storage was up 26% over the quarter from 338GWh at 30 September to 426GWh (97% of average) at 31 December.

Total generation was down 5% (94GWh) on pcp largely as a result of lower hydro generation (down 15% or 169GWh), while the average price the Company achieved for its generation, which outperformed the market for the second quarter running, was \$47.67/MWh (compared with \$66.25/MWh in the pcp). The lower hydro generation volume was partially offset by higher geothermal production (up 19% or 99GWh on pcp) with the additional output from the new Ngatamariki plant, completed in September last year, and increased fuel availability at Kawerau with a new larger consent secured for fuel. Generation at the Nga Awa Purua geothermal station was lower because of an unplanned outage to improve reliability, and the station currently has a reduced operating capacity (down about 10MW) until the first half of FY2016 when the turbine is scheduled to be repaired and restored to full capacity. Geothermal production for the quarter was 39% of total generation, versus 31% in the pcp. In line with the lower wholesale prices and the general industry trend of lower thermal plant utilisation, Mighty River Power decreased its generation from its Southdown gas-fired plant, with a load factor of only 5% for the quarter.

Mighty River Power will release its financial results for the six months ended 31 December 2013 on 26 February 2014. ■



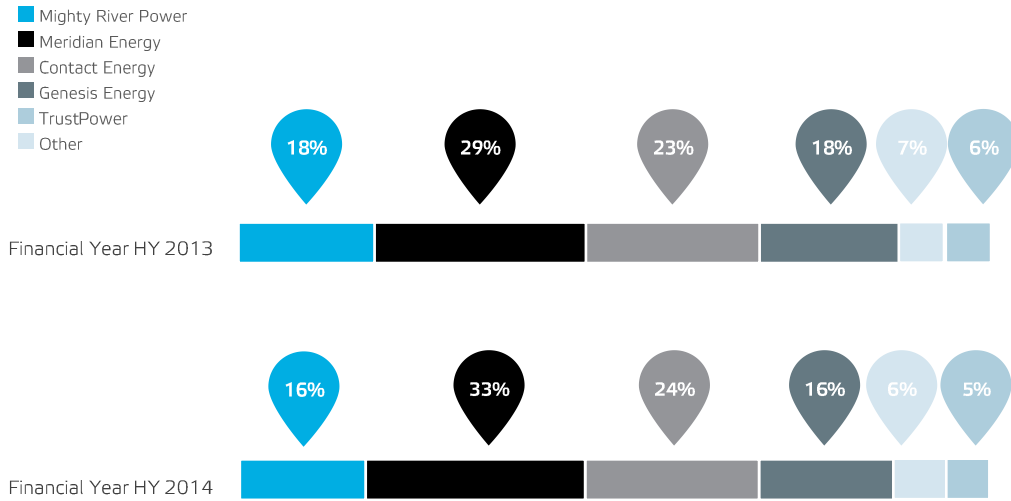
OPERATING STATISTICS

Operating Information	Three months ended 31 December 2013		Three months ended 31 December 2012		Six months ended 31 December 2013		Six months ended 31 December 2012	
Electricity Sales	VWAP² (\$/MWh)	Volume (GWh)	VWAP (\$/MWh)	Volume (GWh)	VWAP (\$/MWh)	Volume (GWh)	VWAP (\$/MWh)	Volume (GWh)
FPVV sales to customers	111.17	1,152	110.53	1,272	117.74	2,582	115.32	2,777
FPVV sales to residential customers		546		590		1,312		1,375
FPVV sales to business customers		606		682		1,270		1,402
FPVV purchases from market		1,212		1,335		2,710		2,964
Spot customer purchases		404		543		859		1,089
Total NZEM Purchases	45.44	1,615	61.14	1,878	54.80	3,568	64.82	4,053
Electricity Customers (000's)		382		391		382		391
North Island Customers		345		348		345		348
South Island Customers		37		43		37		43
Dual Fuel Customers		39		41		39		41
Contracts for Difference		Volume (GWh)		Volume (GWh)		Volume (GWh)		Volume (GWh)
Buy CfD		544		519		1,226		1,285
Sell CfD		838		966		1,780		2,139
Net Sell CfD		294		447		554		854
Electricity Generation	VWAP (\$/MWh)	Volume (GWh)	VWAP (\$/MWh)	Volume (GWh)	VWAP (\$/MWh)	Volume (GWh)	VWAP (\$/MWh)	Volume (GWh)
Hydro	51.28	985	68.05	1,154	58.78	1,849	66.79	2,468
Gas	73.22	21	106.12	46	78.69	88	85.98	178
Geothermal (consolidated) ³	40.96	572	58.73	471	50.47	1,217	59.69	930
Geothermal (equity accounted) ⁴	43.56	58	60.24	60	51.64	104	61.26	124
Total	47.67	1,636	66.25	1,730	55.98	3,258	65.74	3,700
LWAP/GWAP		0.95		0.92		0.98		0.99
Gas Purchases	\$/GJ	PJ	\$/GJ	PJ	\$/GJ	PJ	\$/GJ	PJ
Retail purchases ⁵	8.77	0.18	9.16	0.21	8.83	0.60	8.93	0.61
Generation purchases	8.79	0.34	9.16	0.54	8.74	1.09	8.87	1.80
Carbon Emissions ('000 tonnes CO₂e)		86		104		217		255

1. VWAP is volume weighted average energy-only price sold to FPVV customers after lines, metering and fees
2. Includes Mighty River Power's 65% share of Nga Awa Purua generation.
3. Tuaropaki Power Company (Mokai) equity share
4. Prices exclude fixed transmission charges

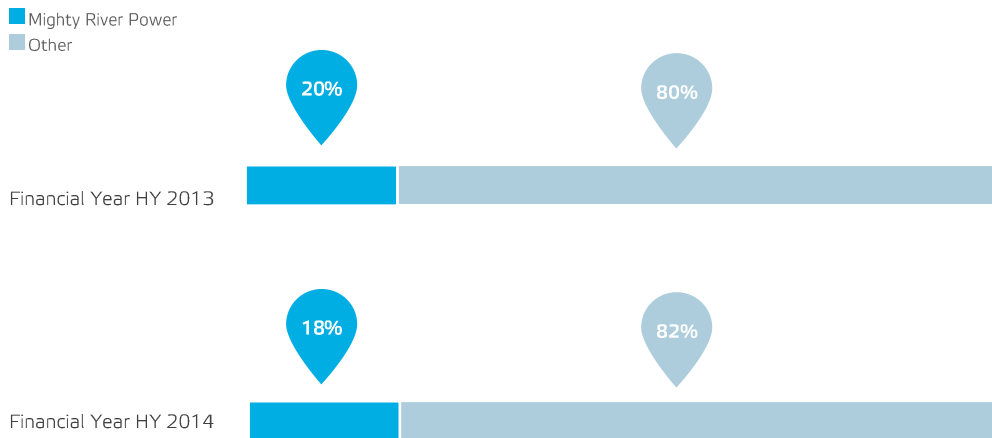
MARKET DATA

ELECTRICITY GENERATION BY COMPANY FOR THE SIX MONTHS ENDED 31 DECEMBER



Source: Electricity Authority Centralised Dataset, Transpower SCADA

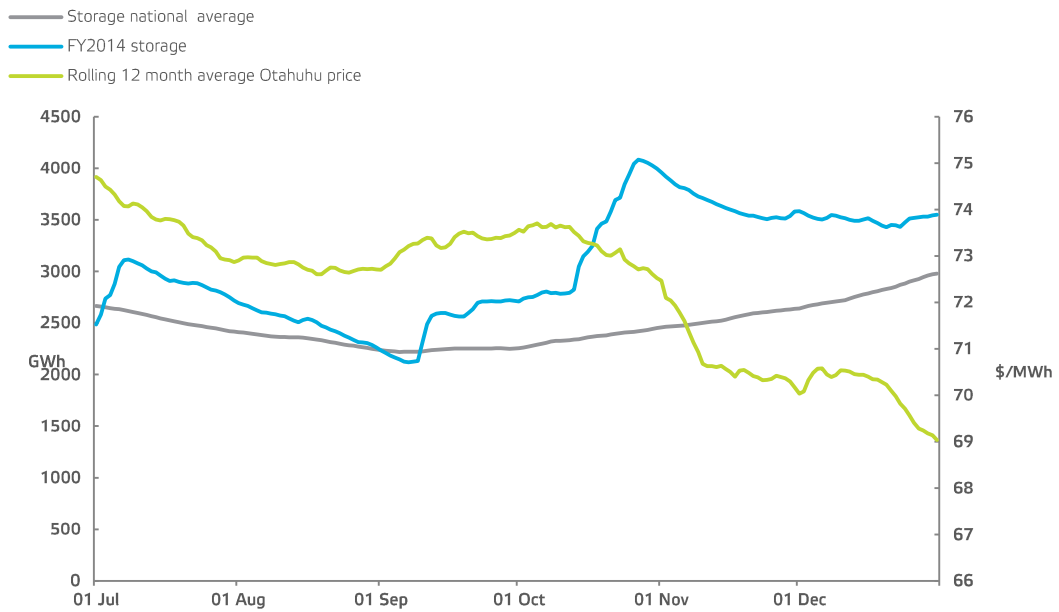
SHARE OF ELECTRICITY SALES (GWh) FOR THE SIX MONTHS ENDED 31 DECEMBER



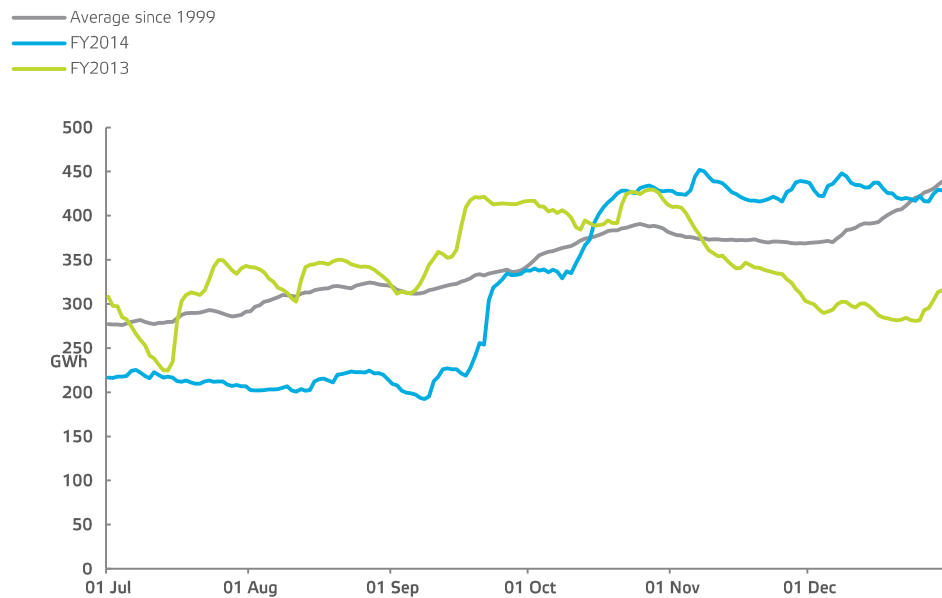
Source: Mighty River Power Purchases and Transpower SCADA



OTAHUHU WHOLESALE PRICE AND NATIONAL HYDRO STORAGE LEVELS



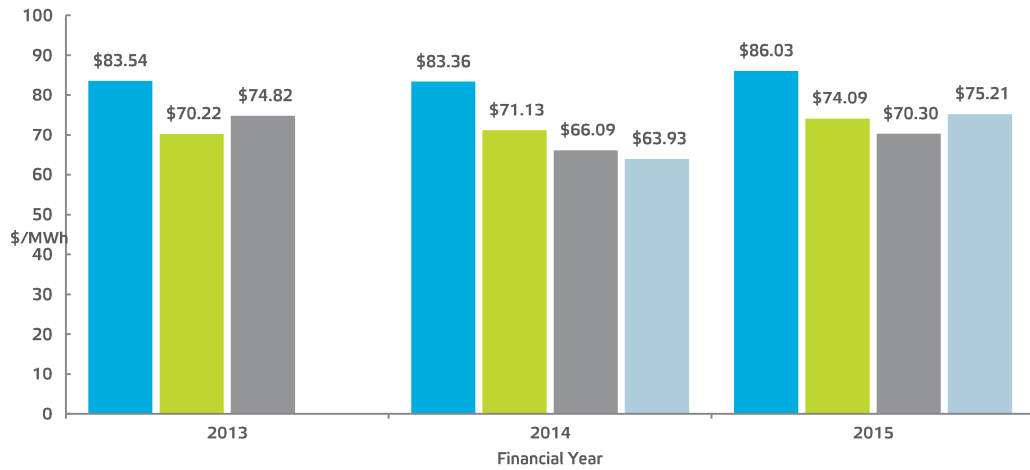
TAUPO STORAGE





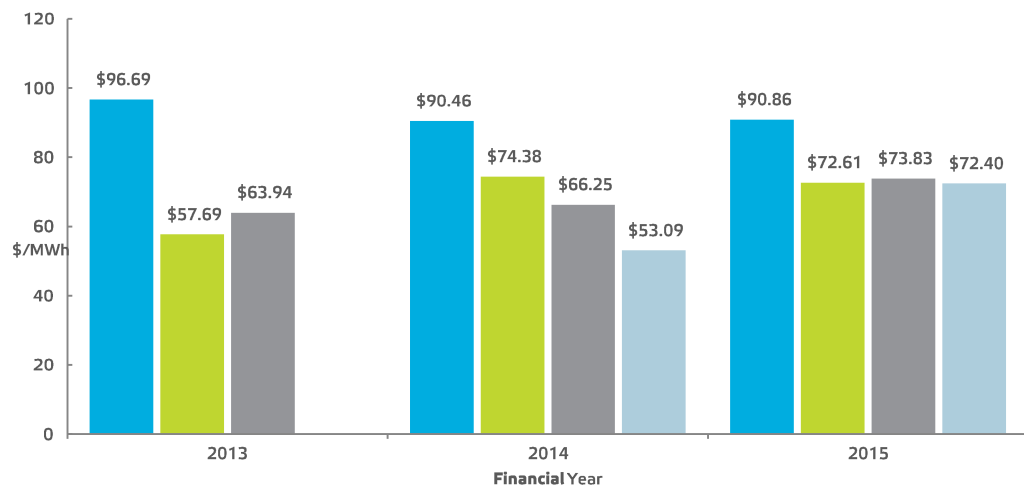
OTAHUHU ASX FUTURES SETTLEMENT PRICE

- As at 30 June 2012
- As at 31 December 2012
- As at 30 June 2013
- As at 31 December 2013



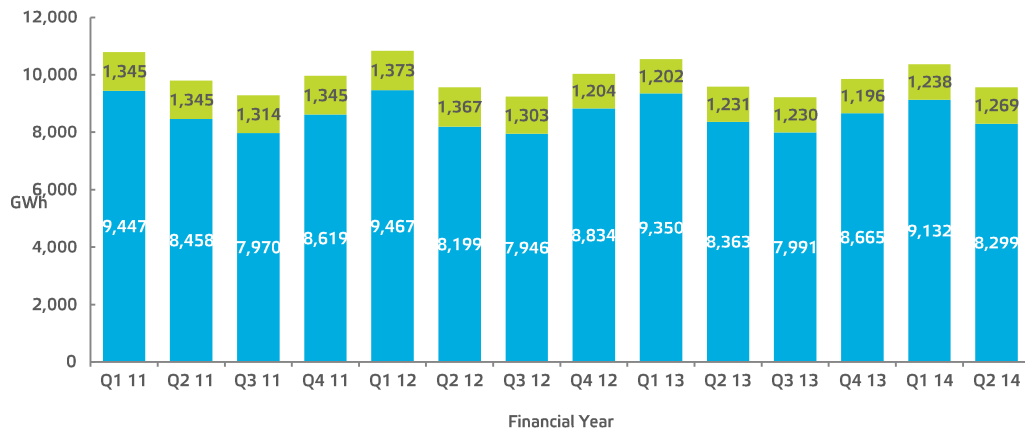
BENMORE ASX FUTURES SETTLEMENT PRICE

- As at 30 June 2012
- As at 31 December 2012
- As at 30 June 2013
- As at 31 December 2013



NATIONAL CONSUMPTION

■ National consumption
■ Tiwai Point Aluminium Smelter consumption



Source: Transpower Information Exchange

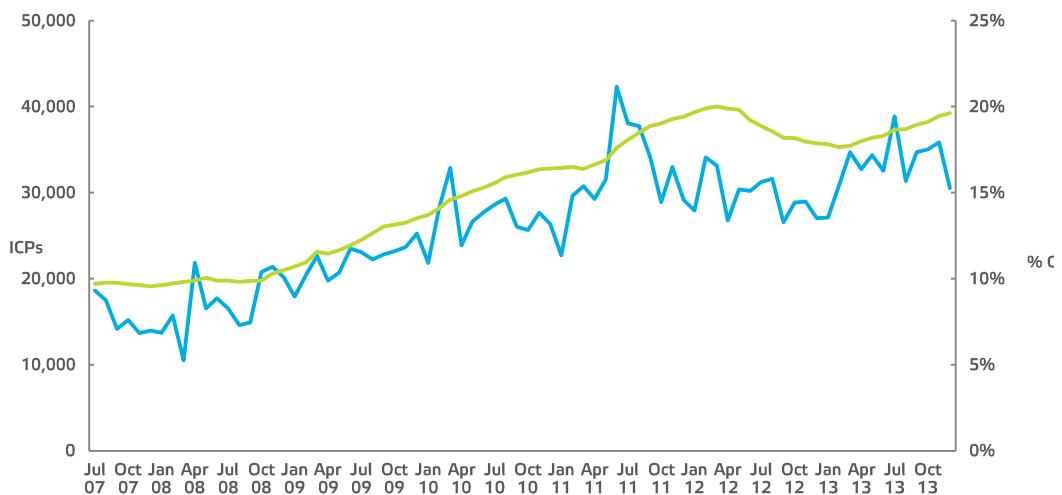
NATIONAL CLIMATE SUMMARY

Financial Year	Q1	Q2	Q3	Q4
2014	12.3° C	16.7° C	n/a	n/a
2013	12.3° C	16.5° C	19.6° C	14.4° C
2012	11.5° C	16.6° C	18.9° C	14.0° C
Historical Average (since 1999)	11.9° C	16.1° C	19.4° C	14.1° C

Source: NIWA, Met Service

MONTHLY TOTAL CONSUMER RETAIL SWITCHING (ICP)

— ICP Retail Switching
— % Churn



Source: Electricity Authority