

26 February 2014

# Financial Results

Six months ended 31 December 2013



**Presented by:**

**Doug Heffernan**  
Chief Executive

**William Meek**  
Chief Financial Officer

## ► FINANCIAL RESULTS

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## ► FINANCIAL RESULTS

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## ➤ FINANCIAL RESULTS

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# Highlights

An aerial night photograph of a coastal town and harbor. The harbor is filled with numerous sailboats and yachts. The town is illuminated by streetlights and building lights, with a large hill in the background. The word 'Highlights' is overlaid in large white text on the left side of the image.



## ► HIGHLIGHTS

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### Financial performance

- > EBITDAF up 4% to \$270 million despite record low inflows
- > Operating costs down \$34 million to \$108 million - \$8 million of permanent cost savings
- > Capital expenditure down \$95 million to \$51 million
- > Interim dividend up 8% to 5.2 cents per share in line with PFI

### Operating performance

- > Significant and ongoing effort into Health and Safety culture
- > Over 97% of production from renewables – geothermal reached 40% for the first time
- > Portfolio decisions delivering value
  - > reduced commercial volumes to 2012 levels in lower price market
  - > reduced high cost thermal generation
  - > concentrated hydro generation when most valued by the market

### Outlook

- > On track to meet FY2014 PFI of \$498 million EBITDAF
  - > lower Energy Margin offset by operating cost savings
- > Return to mean inflows assumed – Lake Taupo storage currently sitting just over 60% of average

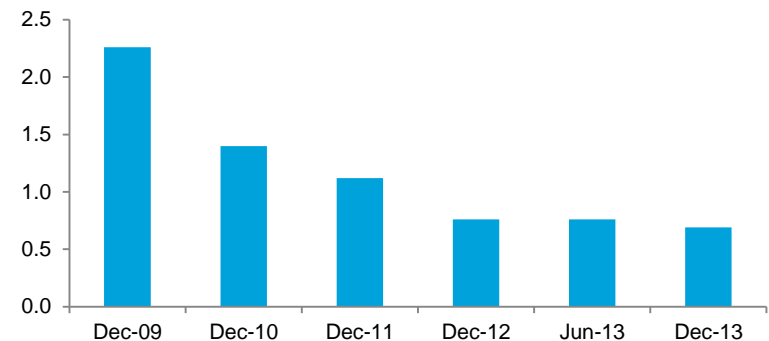
## ► HIGHLIGHTS

### Health and Safety

- > Health and Safety focus on 'zero harm' is an absolute priority
- > No serious harm injury events in the period
- > In HY2014 1.1 million hours were worked on our sites with five non-serious harm injury incidents
- > Particular focus on extending safety culture to contractors and sub-contractors
- > Industry-wide initiatives through StayLive

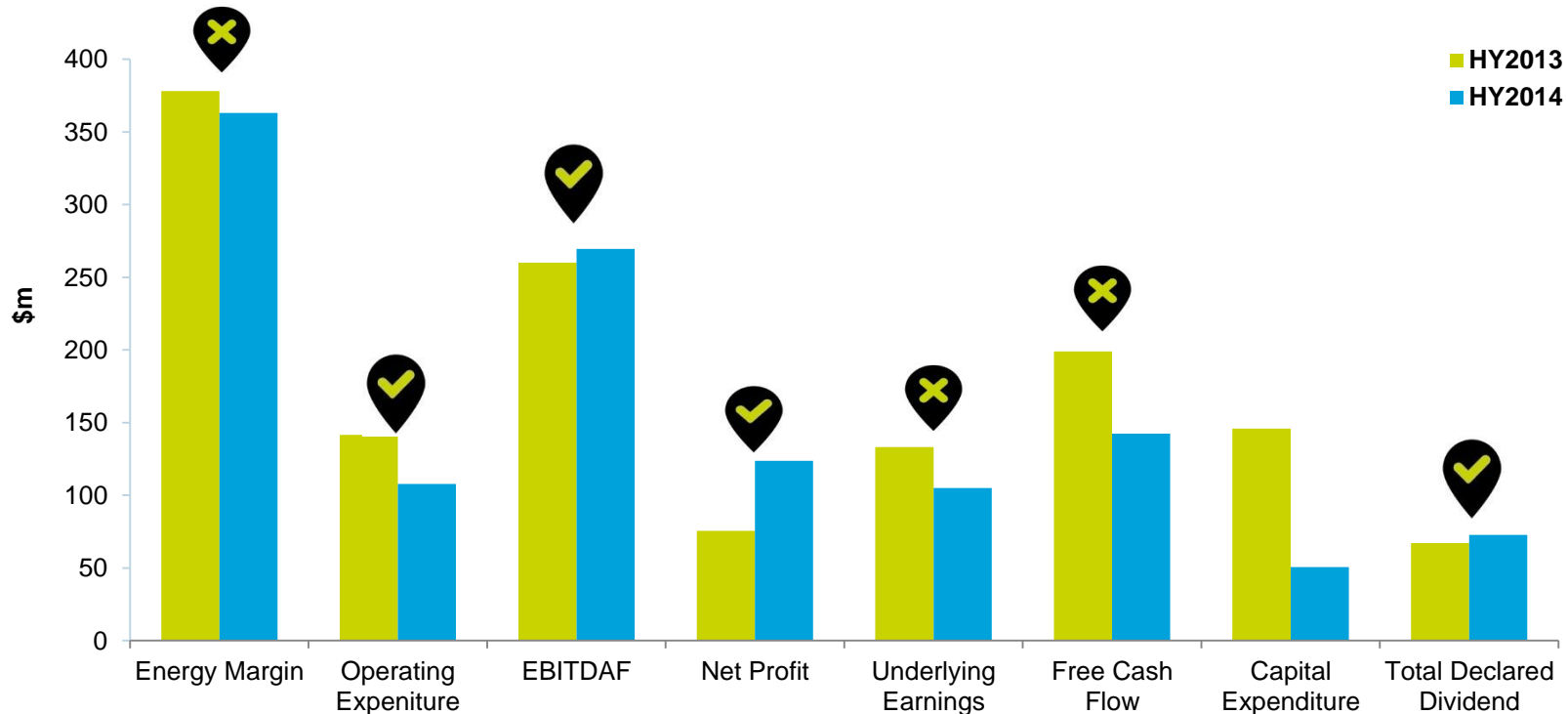
#### TOTAL RECORDABLE INJURY FREQUENCY RATE

(rolling 12 month, per 100,000 hours)



## ➤ HIGHLIGHTS

### HY2013 vs HY2014



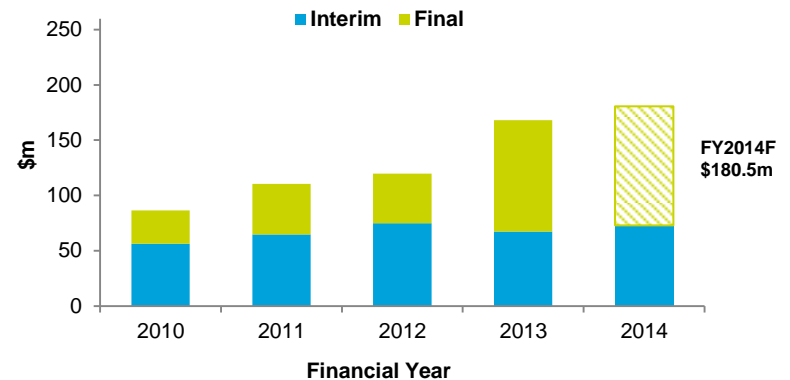
- > Net Profit up – lower operating costs, positive non-cash fair value movements and impairments in HY2013
- > Underlying Earnings down – lower earnings from JVs and Associates, higher interest and depreciation costs relating to Ngatamariki post-commissioning
- > Free Cash Flow down – lower underlying earnings and higher provisional tax payments

## ► HIGHLIGHTS

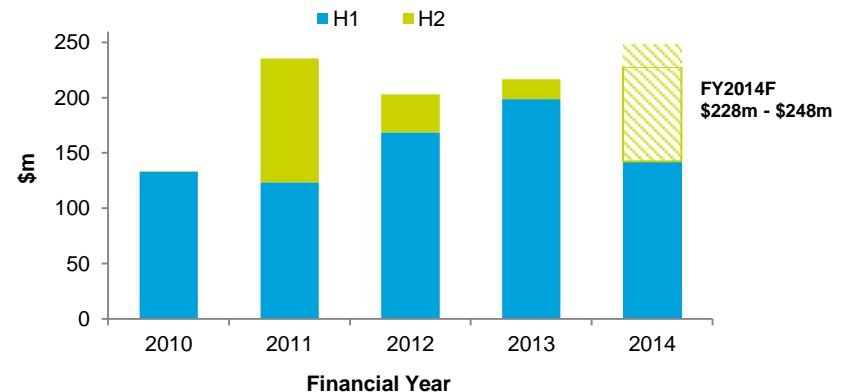
### Dividend

- > Fully imputed Interim dividend up 8% to 5.2 cents per share to be paid on 31 March 2014
- > FY2014 PFI forecasts dividend of 13 cents per share (\$180.5 million<sup>1</sup>)
  - > forecast payout 98% -103%<sup>2</sup> of Adjusted Net Profit and 73% - 80%<sup>2</sup> of Free Cash Flow
- > Ongoing review of capital management
  - > lower-than-expected net debt and capital expenditure
  - > growth initiatives progress
  - > share buyback programme from October 2013 – October 2014 to purchase up to 25 million shares (12 million completed)

#### DECLARED DIVIDENDS



#### FREE CASH FLOW



1. Based on 1,388,112,331 shares which equates to Issued Share Capital less Treasury shares (purchased via share buyback programme) as at 31 December 2013
2. As per latest guidance issued at the Annual Shareholders' Meeting held in November 2013



## ➤ FINANCIAL RESULTS

# Market Dynamics

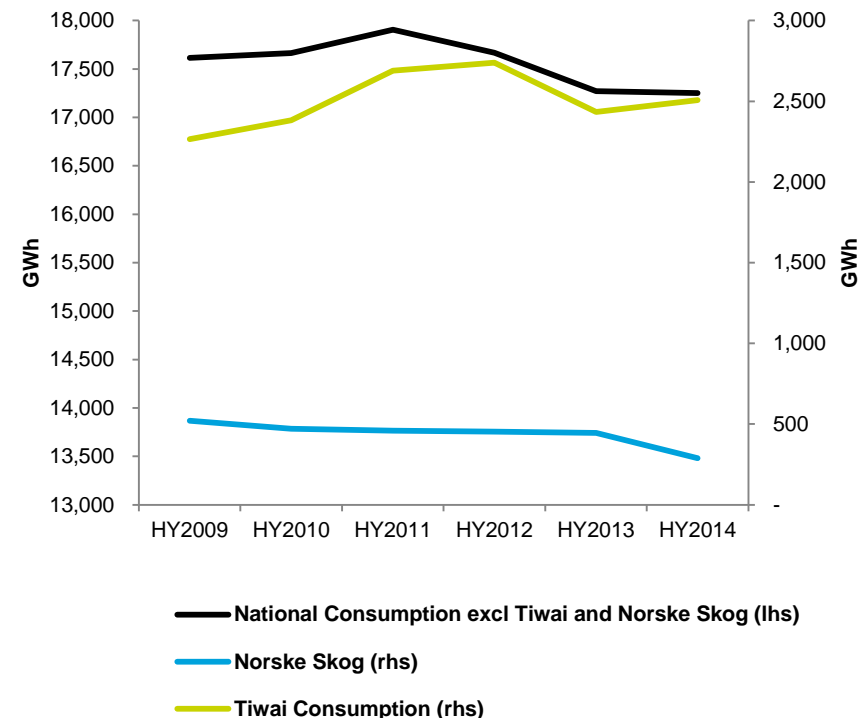


## ➤ MARKET DYNAMICS

### Demand

- > National electricity demand down 1% on pcip
- > Excluding Tiwai and Norske Skog demand broadly flat HY2014 vs HY2013
- > Tiwai consumption up 3% (74GWh) as NZAS benefits from negotiated lower-priced contract with Meridian
- > Norske Skog down 35% (156GWh) reflecting reduction to one paper line
- > Residential demand down
  - > warm temperatures
  - > ongoing reductions by households

### ELECTRICITY CONSUMPTION



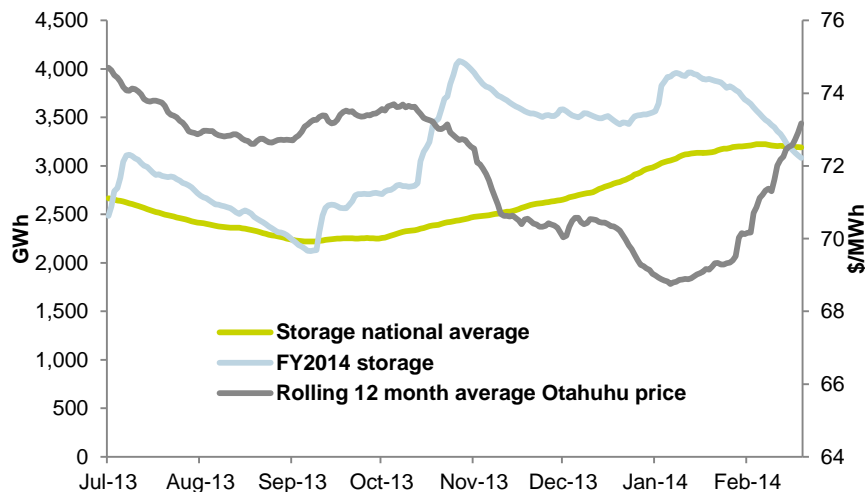


## MARKET DYNAMICS

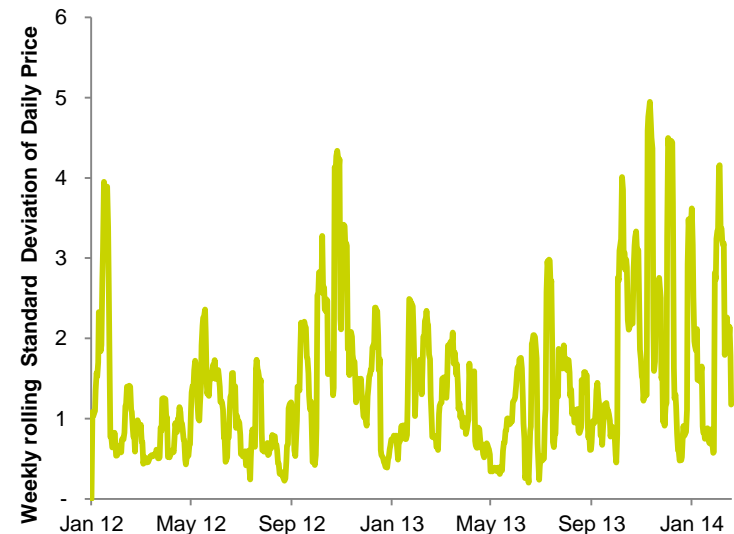
### Changing wholesale market dynamics

- > Significantly higher-than-average national inflows and storage levels in period
- > Thermal utilisation declining
  - > 1,200MW renewable (geothermal and wind) generation added over last 10 years displacing thermal generation – renewables now 80% of energy mix which ranks in the top three in the OECD
  - > lower must-run/inflexible fuel commitments in 2013/2014 enabling thermal response
- > Decreased thermal utilisation coupled with variable wind production – reduces correlation between wholesale prices and national hydro storage and increases volatility

#### OTAHUHU WHOLESALE PRICE AND NATIONAL STORAGE LEVELS



#### VOLATILITY

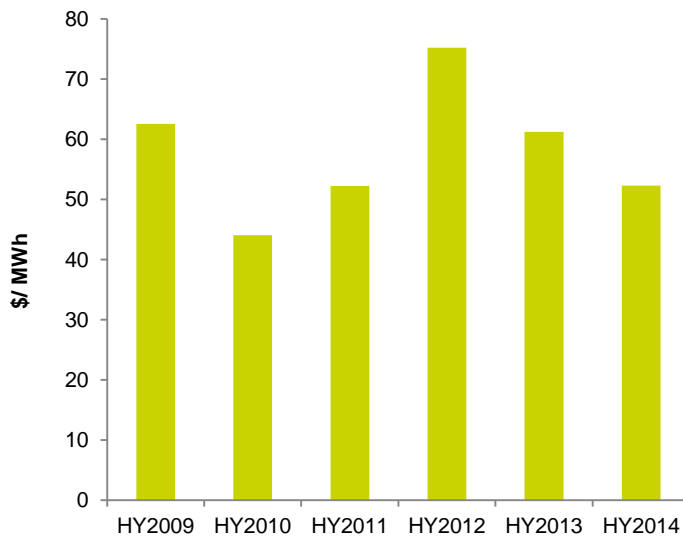


## ➤ MARKET DYNAMICS

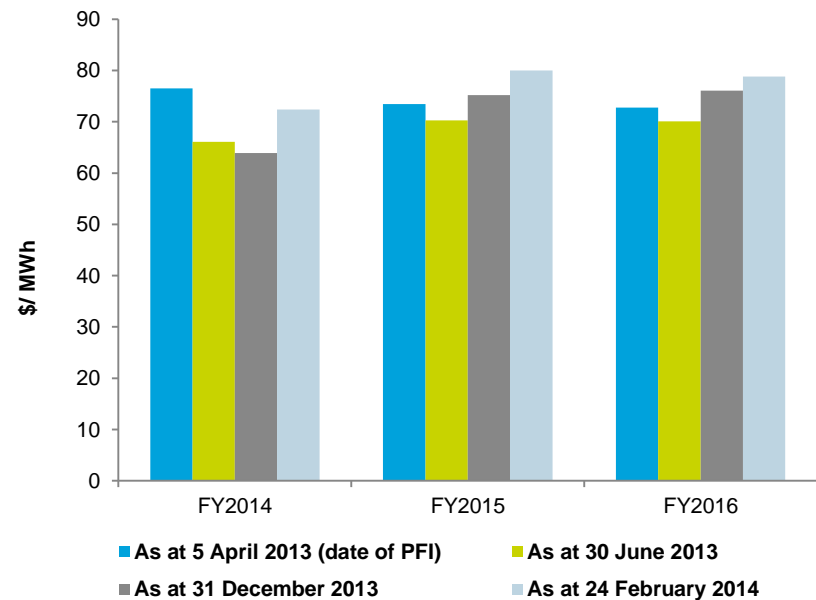
### Wholesale prices

- > Demand/supply potentially reached its peak due to reduced thermal fuel commitments
- > Short-term ASX price trough reverses since 30 June 2013
  - > FY2014 ASX prices increased by \$6/MWh
  - > FY2016 ASX prices up \$9/MWh

**AVERAGE WHOLESALE PRICE (WKM)**



**ASX FUTURES SETTLEMENT PRICE (OTA)**

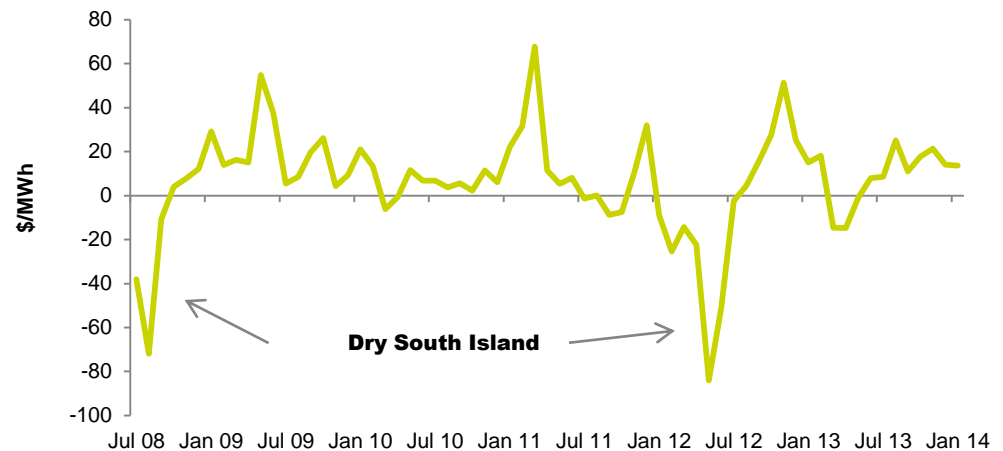


## ➤ MARKET DYNAMICS

### Changing retail market dynamics

- > High supply/demand margin and low wholesale price levels and volatility has led to an estimated 10% – 15% of commercial and industrial volumes unhedged
  - > increased risk with reducing security margins and increased volatility of market
- > HVDC expansion complete during the period
  - > South Island generators benefit from HVDC expansion – better prices for higher volumes
  - > less risk of negative spread under dry South Island conditions – good for South Island customers

**SPREAD (OTA-BEN)**

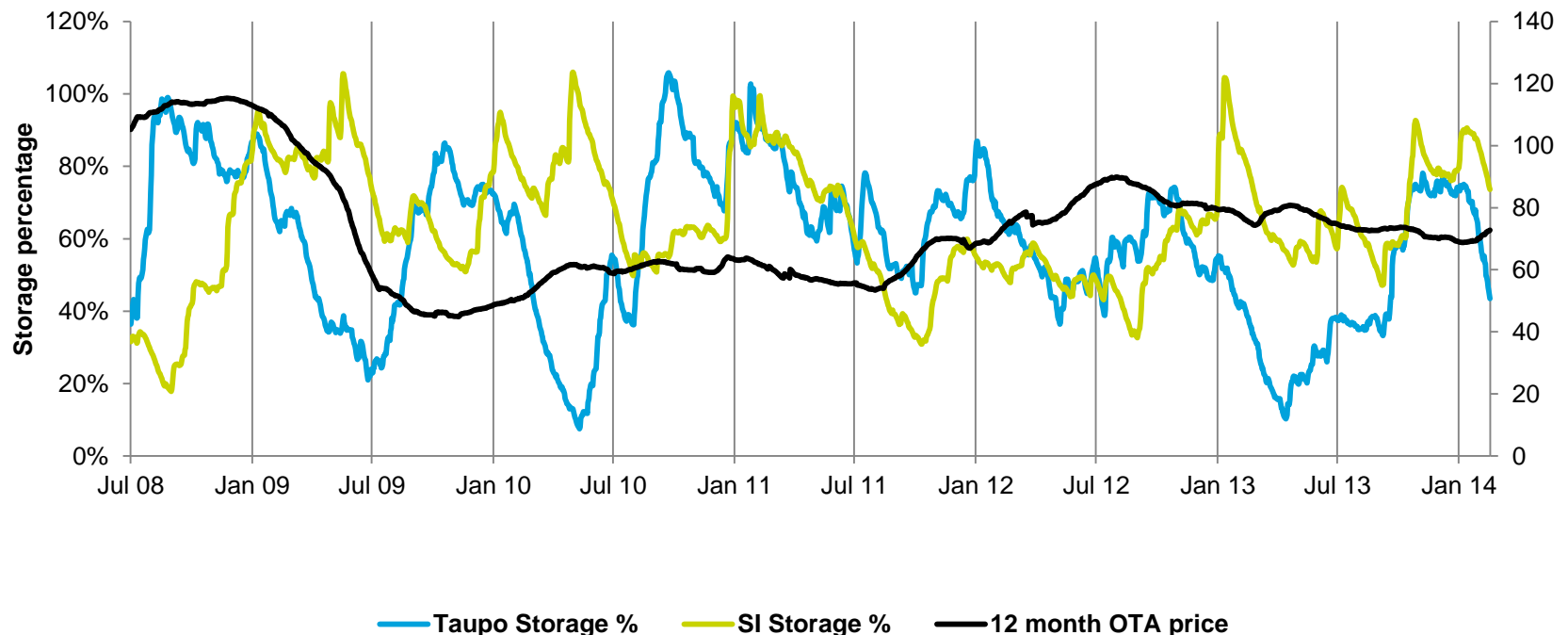


## ➤ MARKET DYNAMICS

### Negative correlation with South Island inflows

- Taupo inflows typically not correlated with South Island and wholesale price
- Over time this limits downside variability but has opportunity for upside
- Tend to build storage when South Island has inflows

#### TAUPO AND SOUTH ISLAND STORAGE





## ► FINANCIAL RESULTS

# Operational Update

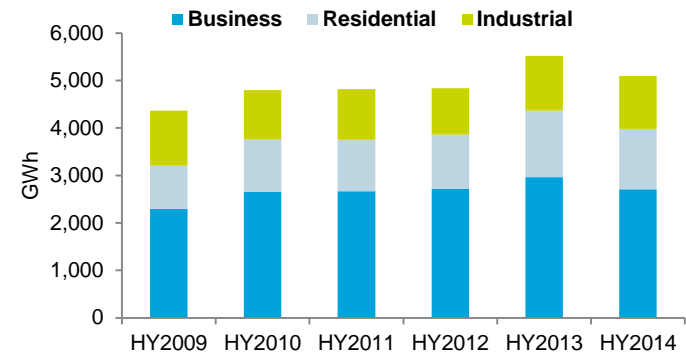


## ➤ OPERATIONAL UPDATE

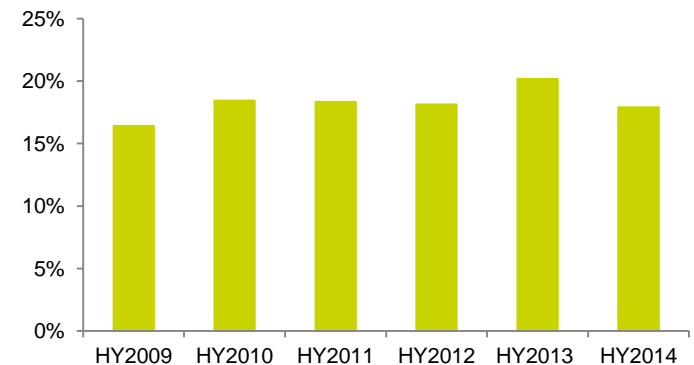
### Electricity sales

- > Residential sales down 63GWh (5%)
  - > warmer temperatures
  - > consumer savings
  - > reduced acquisition and retention in South Island pre-HVDC expansion
- > Commercial sales adjusted down 132GWh (9%)
  - > commercial contracts renewals increased during 2012 South Island drought and reduced as prices fell through 2013
  - > FY2016 ASX prices up \$9/MWh since July 2013
  - > average contract length approx three years
- > Average electricity price up 2% on pcg
  - > supported by reduced lower price commercial volumes
  - > in line with PFI - no energy price increase for residential until at least April 2015

#### SALES



#### RETAIL MARKET SHARE<sup>3</sup>



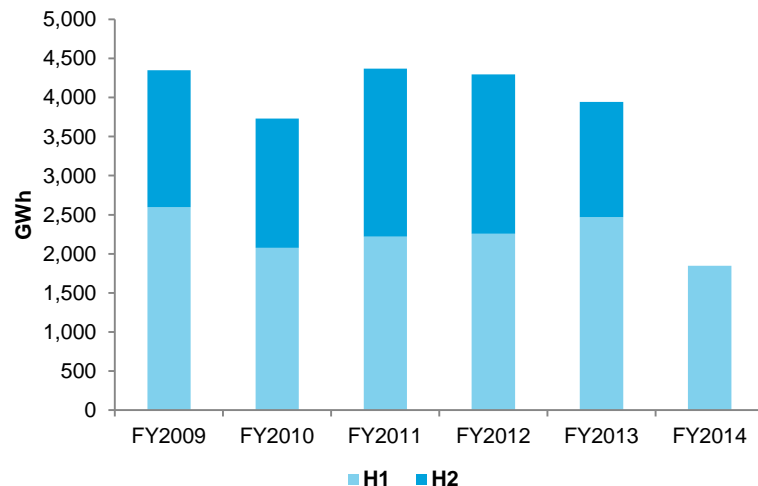
3. Source: Mighty River Power purchases and Transpower SCADA

## ➤ OPERATIONAL UPDATE

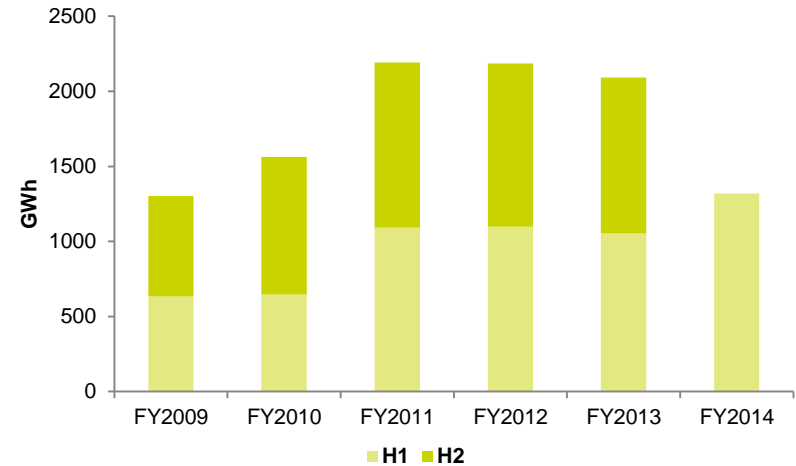
### Electricity generation

- > Hydro generation down 619GWh (25%)
  - > generation 332GWh below average
  - > hydro storage rebuilt from low in June
- > Lower wholesale prices led to lower utilisation of gas-fired Southdown
- > Geothermal generation up 267GWh (25%)
  - > Ngatamariki contributed 329GWh to production for HY2014 and 233GWh since handover
  - > Nga Awa Purua repair successful – 10MW lower output until rotor repair in HY2016

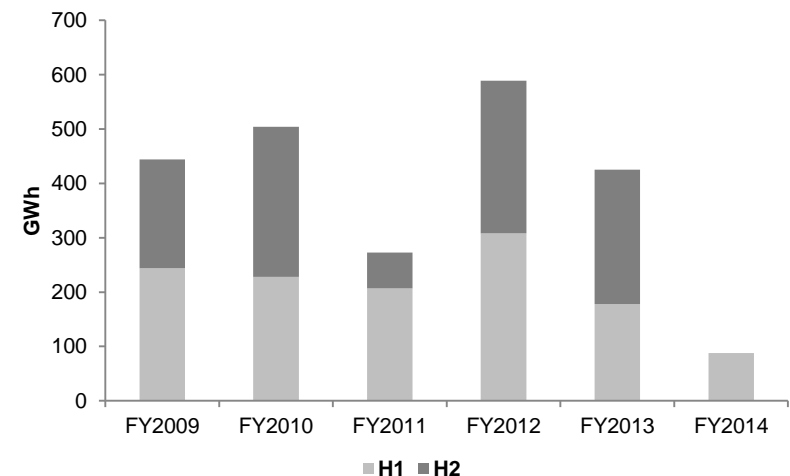
#### HYDRO



#### GEOTHERMAL



#### GAS-FIRED

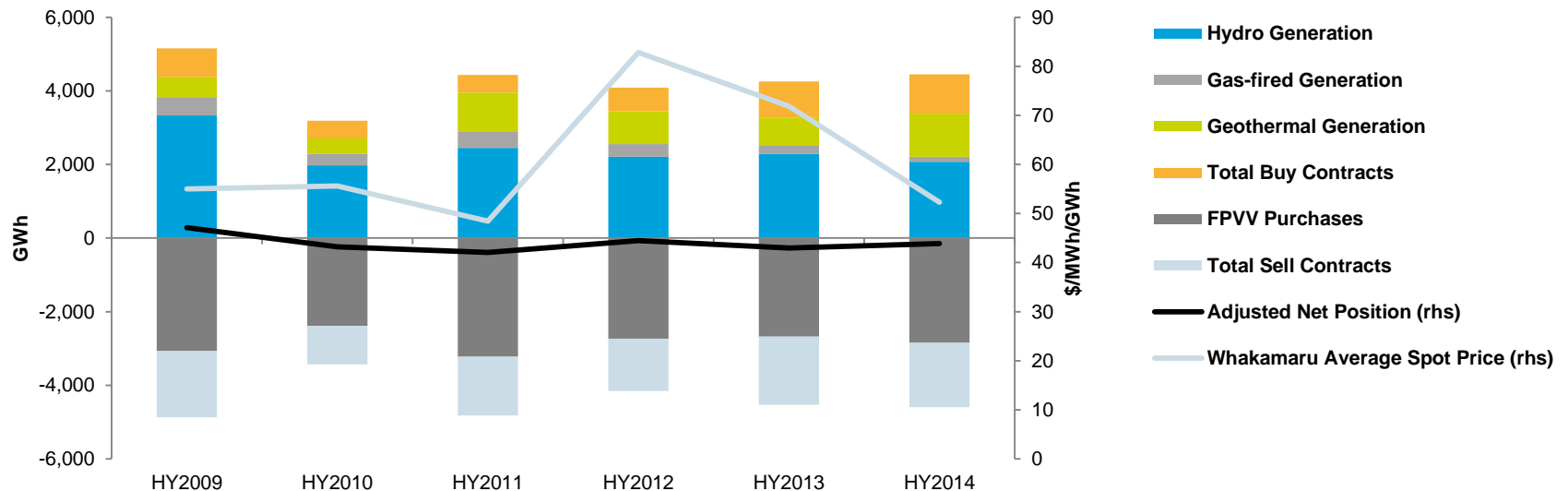


## ➤ OPERATIONAL UPDATE

### Net position

- > Net position moved towards square reflecting view of commercial market
  - > adjusted net position decreased from 272GWh to 146GWh short
  - > unadjusted net position decreased from 242GWh to 110GWh short
- > Adjusted hydro position only marginally down due to higher relative price for hydro generation
  - > reflects flexibility of hydro assets
- > Higher cost thermal Southdown production required less to cover position – ASX lower cost option

#### ADJUSTED NET POSITION<sup>4</sup>



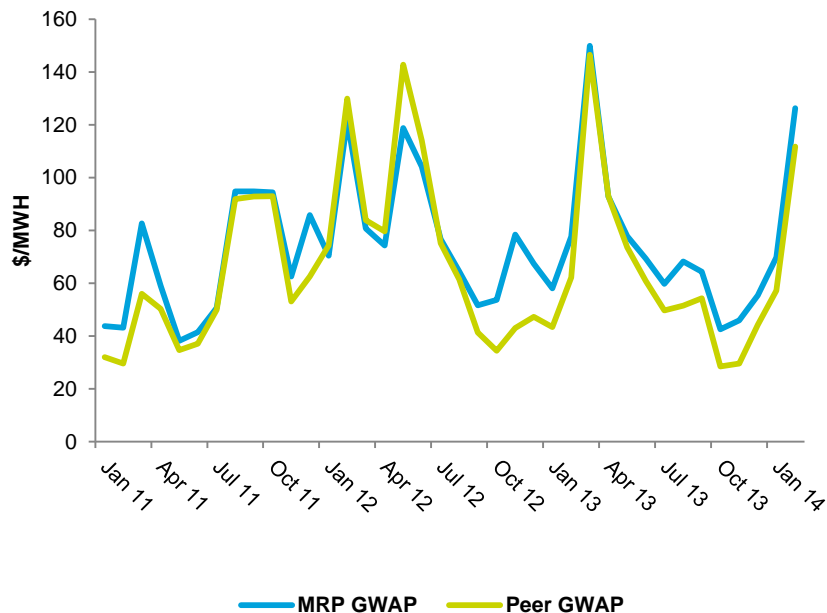
4. To illustrate our portfolio position we adjust our disclosed operating statistics for both nodal location and profile of generation and load

## ► OPERATIONAL UPDATE

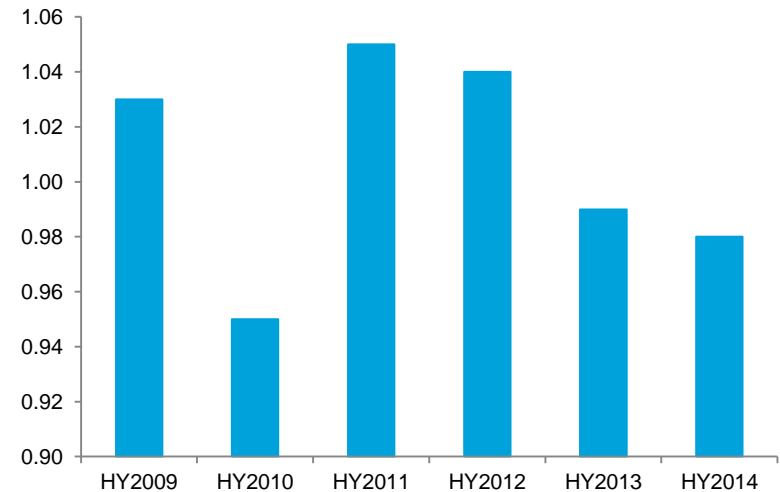
### LWAP/GWAP

- > LWAP/GWAP – ratio of cost of electricity purchase (LWAP) relative to the price received for generation (GWAP)
- > Lower sales volumes increased portfolio flexibility to optimise value in the market and improve GWAP hydro performance
- > Loss of margin from reduced commercial contracts offset by improved GWAP performance

**AVERAGE GWAP**



**LWAP/GWAP**





## ► FINANCIAL RESULTS

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# Financial Update





## ➤ FINANCIAL UPDATE

### Financial highlights

**\$15.0**  

Energy Margin only down  
\$15m despite \$33m impact  
from lower hydro

**\$9.5**  

EBITDAF up \$9.5m reflecting  
lower operating expenditure

**\$8.3**  

\$8.3m permanent cost savings

**\$95-\$120** 

Capital expenditure now expected  
for FY2014

**5.2** 

per share fully imputed interim  
dividend in line with PFI

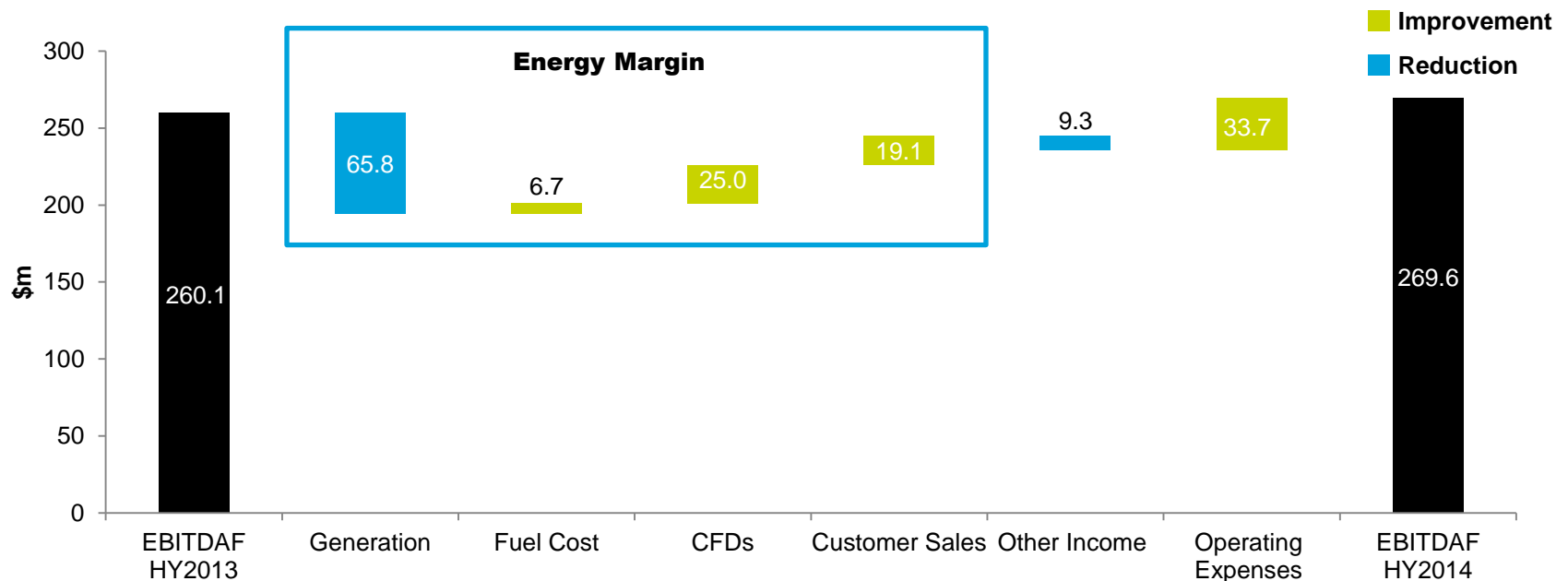
**BBB+**

No impact from Standard and  
Poor's revised Global Ratings  
Criteria

## ➤ FINANCIAL UPDATE

### EBITDAF (HY2013 vs HY2014)

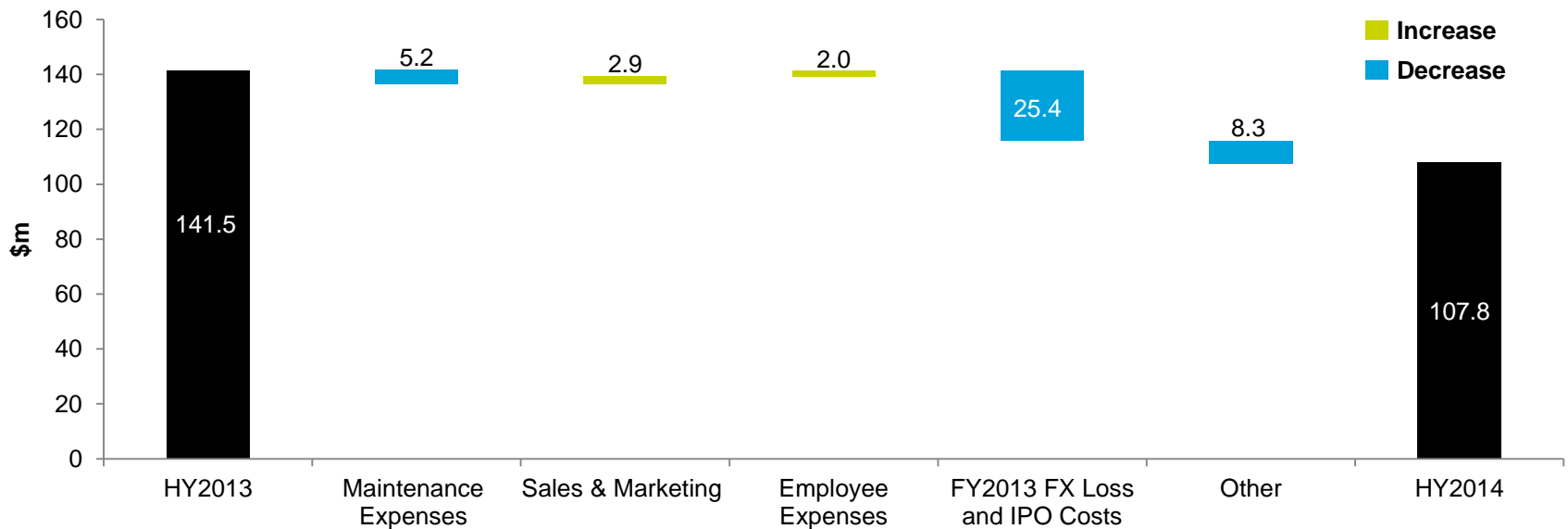
- > EBITDAF up \$9.5 million (4%) on FY2013 and in line with forecast
  - > Energy Margin only down \$15 million due to hydro down 619GWh (worth \$33 million) offset by additional geothermal production and making best use of our flexible generation (GWAP/LWAP)
  - > HY2013 Other Income benefited from proceeds from the one-off cash distribution associated with John L Featherstone
  - > Operating Costs down \$33.7 million, including \$8.3 million of permanent savings



## ➤ FINANCIAL UPDATE

### Operating expenses

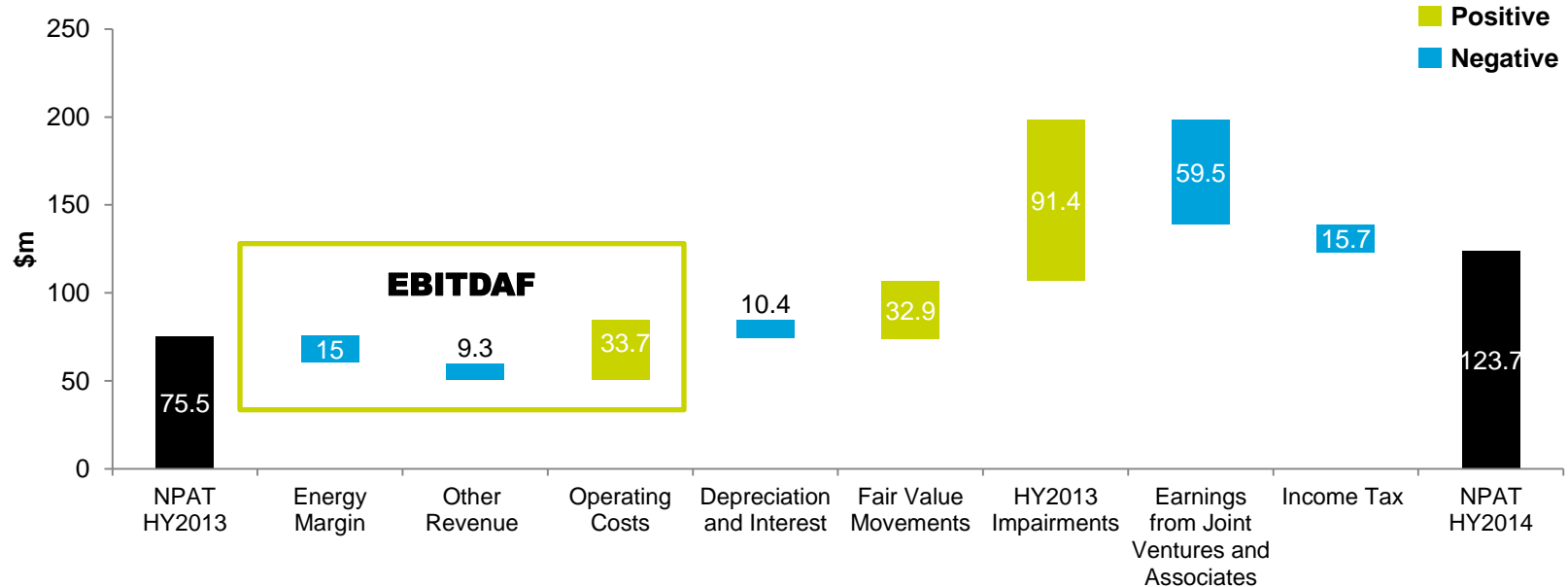
- > Operating expenses down \$33.7 million reflecting \$25.4 million of one-off costs in prior period and \$8.3 million of permanent cost savings
- > Operating costs lower than forecast reflecting savings in maintenance, professional fees and administrative expenses
  - > shift from domestic geothermal growth to operational efficiencies and customer solutions
  - > full review identifying key areas of focus and initiatives
  - > internalisation of international geothermal operations
- > Looking forward cost savings will offset sales margin deterioration



## FINANCIAL UPDATE

### NPAT (HY2013 vs HY2014)

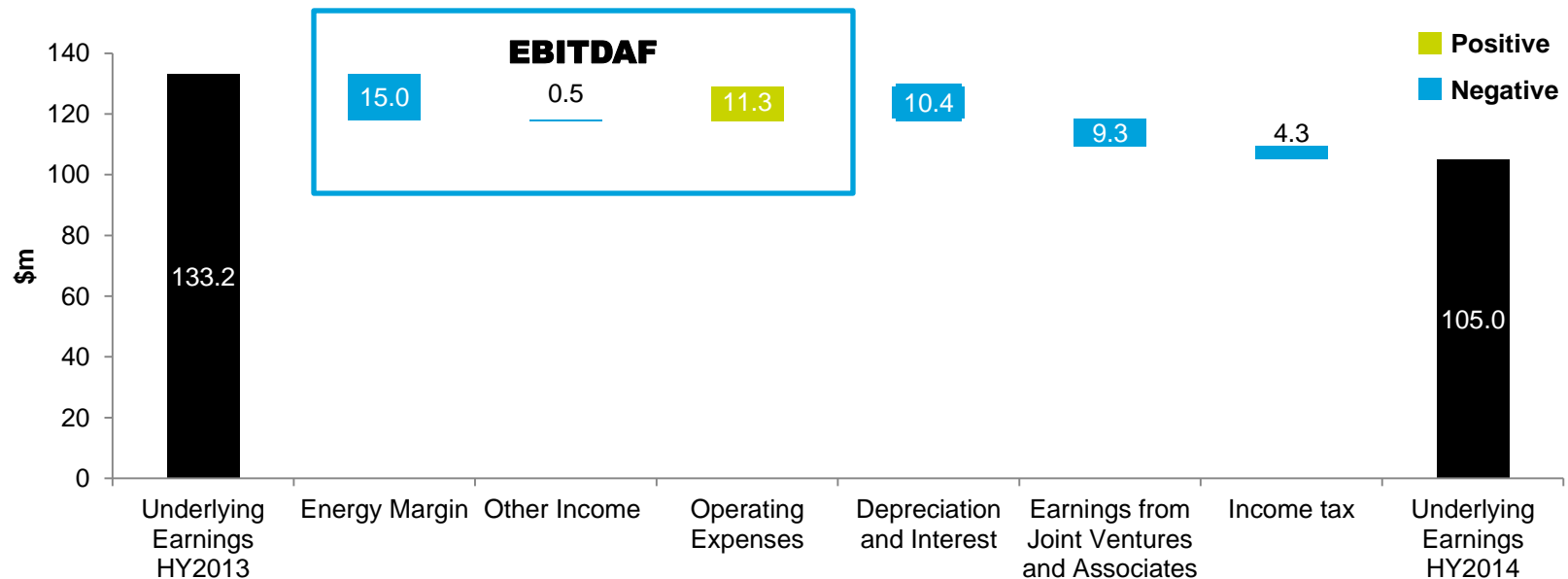
- NPAT up \$48.2 million to \$123.7 million due to lower operating costs, a positive change to fair value movements and impairments made in the prior period



## ➤ FINANCIAL UPDATE

### Underlying earnings (HY2013 vs HY2014)

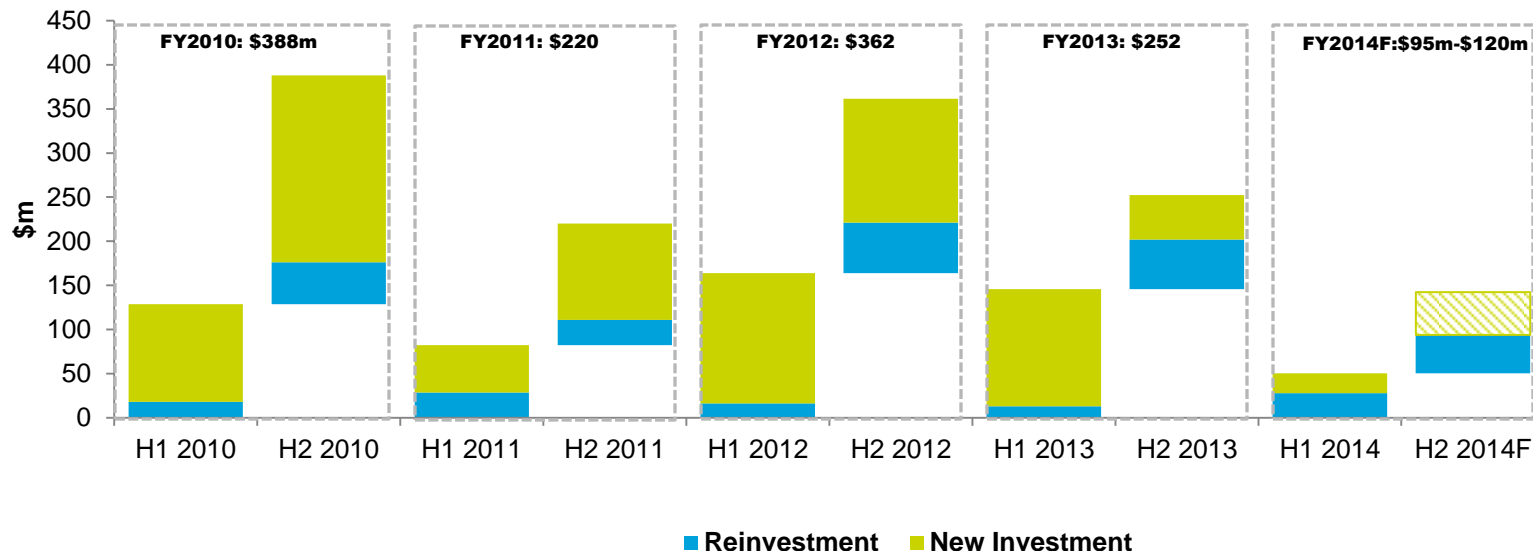
- > Underlying earnings down due to lower earnings from Joint Ventures and Associates and higher depreciation and interest costs following the commissioning of Ngatamariki



## ➤ FINANCIAL UPDATE

### Capital expenditure

- > Capital expenditure of \$50.5 million (HY2013: \$145.7 million)
  - > geothermal down from \$129.1 million to \$17.9 million due to commissioning of Ngatamariki
  - > reinvestment up from \$13.1 million to \$28.2 million due to Whakamaru refurbishment project and Kawerau injection wells
- > FY2014 capital expenditure forecast reduced to \$95 million - \$120 million (August forecast: \$125 million - \$175 million)
  - > lower domestic investment due to cost containment
  - > more patient approach to international
- > FY2015 reinvestment capital expenditure will be reviewed in light of regulatory uncertainty





## ➤ FINANCIAL UPDATE

### Consolidated cash flow

- > Operating cash flow down by \$41.3 million due to lower Underlying Earnings and higher provisional tax payments in July
- > H2 Operating Cash Flow expected to be higher on pcp due to \$37.2 million one-off costs included in FY2013 relating to the restructure of international geothermal and additional cash flow from Ngatamariki
- > Cash flows from financing impacted by \$25.1 million share buyback

\$m	HY2014	HY2013	\$m change to HY2013	% change to HY2013
Net cash provided by operating activities	170.7	212.0	(41.3)	(19.5)
Net cash used in investing activities	(63.8)	(2.1)	(61.7)	2976.8
Net cash (used in)/provided by financing activities	(85.9)	(185.0)	99.1	(53.6)
Cash and cash equivalents at end of the period	35.4	62.5	(27.1)	(43.4)

## ► FINANCIAL UPDATE

### Financial ratios

- > Net debt lower than in PFI given lower capital expenditure partly offset by buyback
- > S&P revised credit criteria issued in November - no impact of revised criteria on Mighty River Power
  - > key ratio for stand alone credit rating bbb requires Net Debt / EBITDAF between 2.0x and 2.5x
  - > Net Debt / EBITDAF for FY2014 ~ 2.2x
- > Rating last confirmed by S&P in April 2013 as BBB+/Stable/A2
  - > "moderate" likelihood of extraordinary government support gives one notch uplift to BBB+

	31 December 2013	30 June 2013	31 December 2012
Net debt (\$m)	1,043.9	1,027.8	951.8
Equity/total assets (%)	56.1%	54.8%	54.5%
Net debt/net debt+equity (%)	24.7%	24.4%	23.4%
Interest (net) cover (times) <sup>5</sup>	6.0x	4.4x	5.7x

5. Includes capitalised interest

## ➤ FINANCIAL RESULTS

# Business Update



## ➤ BUSINESS UPDATE

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### Growth initiatives

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- > AMI expansion opportunities for Metrix
  - > deploying AMI into new regions for Mighty River Power consumer brands
  - > providing exclusive AMI services on the Counties Power network
  - > working on other AMI opportunities to increase Metrix national footprint
- > Continued focus on existing geothermal investments in offshore markets with higher growth potential than New Zealand
  - > operating cost reductions following internalisation
  - > discussions with EnergySource partners for greater shareholding ongoing
  - > John L Featherstone operating above expectations (96.5% availability)
  - > exploratory drilling by EnergySource to extend resource boundary unsuccessful (\$4.4 million loss)
  - > Chile exploration deferred until commercial pre-conditions satisfied

## ► BUSINESS UPDATE

### Value initiatives

- > Land for future developments
  - > review of portfolio
  - > assess potential for disposal
- > Review Southdown role
  - > future contribution to portfolio
  - > optimal configuration of station
  - > identify new revenue streams
  - > optimise asset management – cost management, runtime, number of starts

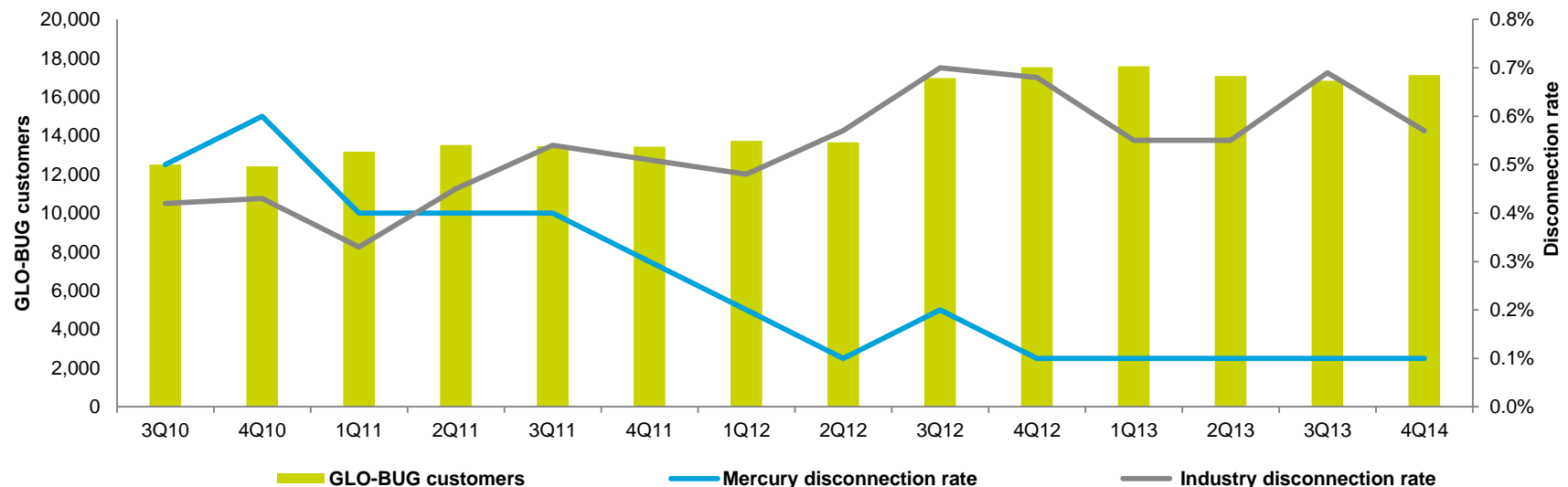


## ► BUSINESS UPDATE

### Our retail innovation spurred by competitive market

- > Our focus on innovative technology to provide a value-differentiated service to customers
- > Good Energy Monitor (GEM) introduced in March 2013
  - > leverages availability of AMI
  - > enables customer empowerment to manage household bills
  - > 80,000 customers actively engaged with product
- > GLO-BUG is a robust, commercially viable and convenient pre-pay solution
  - > successfully lowers disconnection rates and bad debts
  - > reduces targeted customers' annual cost of energy by over \$300 pa

#### DISCONNECTION RATES & GLO-BUG CUSTOMERS

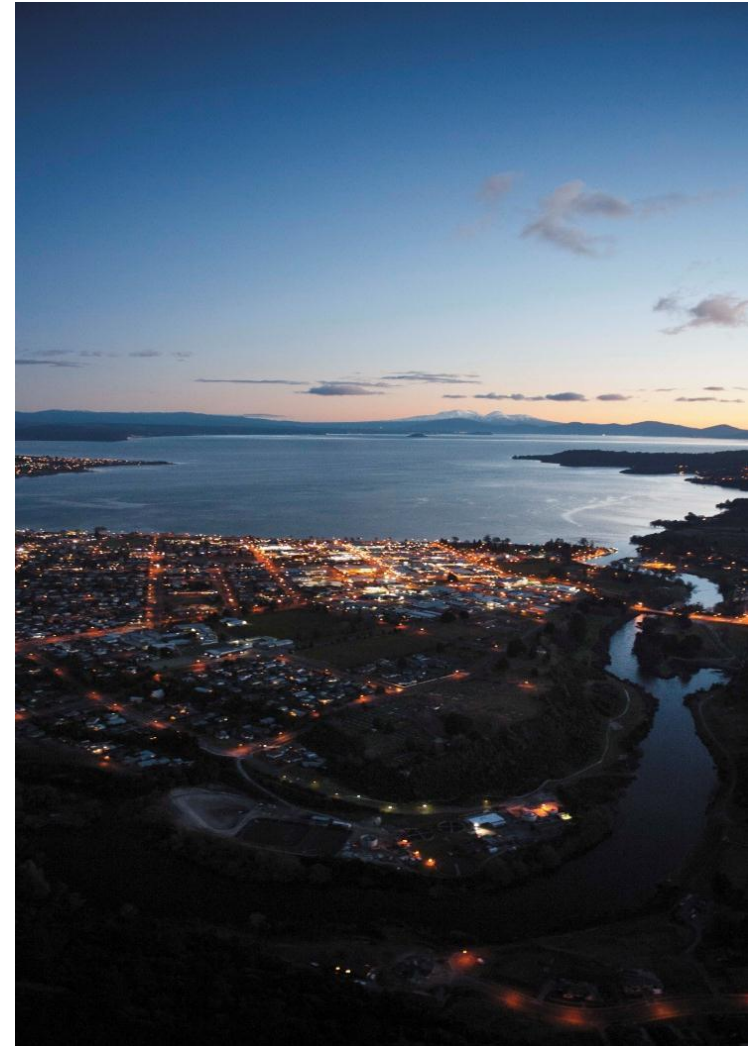




## ► BUSINESS UPDATE

### Policy – Labour/Greens

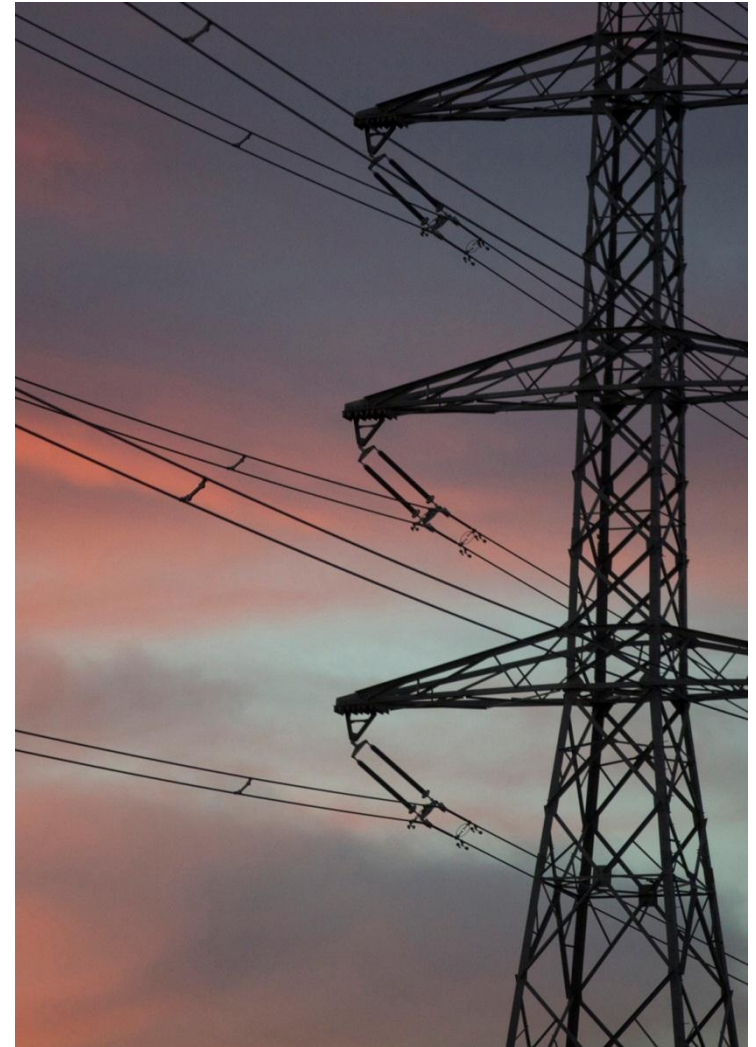
- > Adjustment to a renewable future now well advanced
  - > security of supply; without subsidy
- > Prices increased in last decade
  - > residential energy prices now forecast flat; declining household bills
- > Rest of world going through the rebalance
  - > NZ advantage in future
- > Consumers now in greater control
  - > innovative information technology
  - > switching control
  - > efficient appliances
- > Affordability a real issue for small segment
  - > social issue wider than electricity
  - > technology can help to reduce bills
- > Better transparency desirable – more lights, less heat



## ► BUSINESS UPDATE

### Transmission Pricing Methodology (TPM)

- > Electricity Authority mid-way through release of consultation papers
  - > beneficiary pays paper released in January
  - > residual charge paper publication delayed two months to around May
  - > acknowledged need for both issues to be considered together
  - > key issue on residual charge is cost recoverability
- > Don't expect final decision on Transmission Pricing Methodology until late 2014
- > Implementation unlikely before FY2017 - FY2018

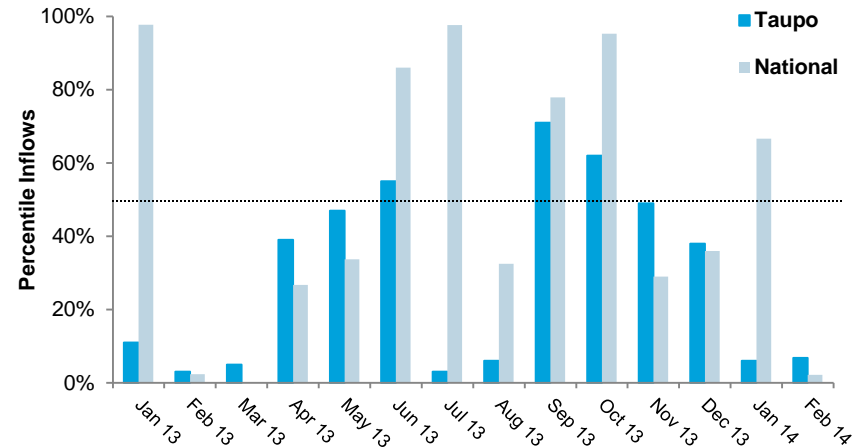


## BUSINESS UPDATE

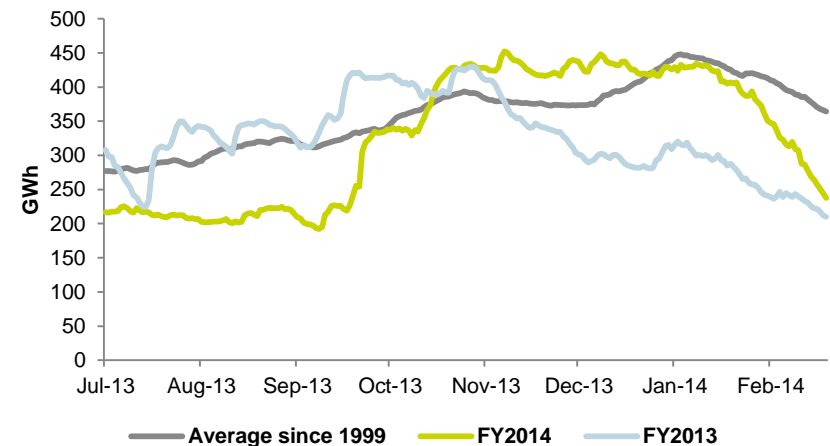
### Since period end

- > Significant increase in wholesale price volatility reflecting lower thermal fuel commitments
- > Low inflows into Lake Taupo continued from 2013
  - > storage currently sitting just over 60% of average
  - > forecasts show return to more normal inflows in Autumn
- > South Island storage just under average
- > Southdown returns to service in March/April
- > FY2016 ASX prices lifted \$9/MWh since mid-2013
  - > should flow through to commercial contracts

#### TAUPO AND NATIONAL HYDROLOGY – PERCENTILE INFLOWS



#### TAUPO STORAGE



## ► BUSINESS UPDATE

### Outlook

- > On track to meet IPO FY2014 forecasts and guidance given at ASM
  - > lower Energy Margin offset by operating cost savings
- > Assume mean inflows for remainder of the financial year
- > Progress on value and growth initiatives
- > Board process well underway with Chief Executive recruitment
  - > announcement likely in next quarter
- > Board membership to be restored to eight

FY2014 \$m	Forecast	ASM Forecast	IPO Forecast
EBITDAF	No change	498	498
Net Profit for the year	No change	>195m	160
Underlying Earnings	No change	175-185	138
Adjusted Net Profit	No change	175-185	170
Operating Cash Flow	No change	300-320	328
Capital Expenditure	95-120	125-175	199



## ► FINANCIAL RESULTS

# Appendix

## ➤ APPENDIX

### Operating information HY2014 vs HY2013

	Six months ended 31 December 2013		Six months ended 31 December 2012		Twelve months ended 30 June 2014 PFI <sup>6</sup>	
<b>Electricity Sales</b>	<b>VWAP<sup>7</sup> (\$/MWh)</b>	<b>Volume (GWh)</b>	<b>VWAP<sup>7</sup> (\$/MWh)</b>	<b>Volume (GWh)</b>	<b>VWAP<sup>7</sup> (\$/MWh)</b>	<b>Volume (GWh)</b>
<b>FPVV sales to customers</b>	<b>117.74</b>	<b>2,582</b>	<b>115.32</b>	<b>2,777</b>	<b>118</b>	<b>5,255</b>
Residential customers		1,312		1,375		
Commercial customers		1,270		1,402		
FPVV purchases from market		2,710		2,964		
Spot customer purchases		859		1,089		
Total NZEM Purchases	54.80	3,568	64.82	4,053	65-75	
<b>Electricity Customers ('000)</b>		382		391		
North Island Customers		345		348		
South Island Customers		37		43		
Dual Fuel Customers		39		41		
<b>Contracts for Difference</b>		<b>Volume (GWh)</b>		<b>Volume (GWh)</b>		<b>Volume (GWh)</b>
Buy CFD		1,226		1,285		
Sell CFD		1,780		2,139		
<b>Net Sell CFD</b>		<b>554</b>		<b>854</b>		<b>2,064</b>

6. Prospective Financial Information (PFI) as outlined in Mighty River Power's Investment Statement and Prospectus dated 5 April 2013

7. VWAP is volume weighted average energy only price sold to FPVV customers after lines, metering and fees



## ➤ APPENDIX

### Operating information HY2014 vs HY2013

	Six months ended 31 December 2013		Six months ended 31 December 2012		Twelve months ended 30 June 2014 PFI <sup>8</sup>	
<b>Electricity Generation</b>	<b>VWAP (\$/MWh)</b>	<b>Volume (GWh)</b>	<b>VWAP (\$/MWh)</b>	<b>Volume (GWh)</b>	<b>VWAP (\$/MWh)</b>	<b>Volume (GWh)</b>
Hydro	58.78	1,849	66.79	2,468		3,900
Gas	78.69	88	85.98	178		359
Geothermal (consolidated) <sup>9</sup>	50.47	1,217	59.69	930		2,560
Geothermal (equity accounted) <sup>10</sup>	51.64	104	61.26	124		241
<b>Total</b>	<b>55.98</b>	<b>3,258</b>	<b>65.74</b>	<b>3,700</b>	<b>65-75</b>	<b>7,060</b>
<b>LWAP/GWAP<sup>11</sup></b>	0.98		0.99			
<b>Gas Purchases<sup>12</sup></b>	<b>\$/GJ</b>	<b>PJ</b>	<b>\$/GJ</b>	<b>PJ</b>		
Retail purchases	8.83	0.60	8.93	0.61		
Generation purchases	8.74	1.09	8.87	1.80		
<b>Carbon Emissions (‘000 tonnes CO<sub>2</sub>e)</b>	217		255			

8. Prospective Financial Information (PFI) as outlined in Mighty River Power's Investment Statement and Prospectus dated 5 April 2013

9. Includes share of Nga Awa Purua generation

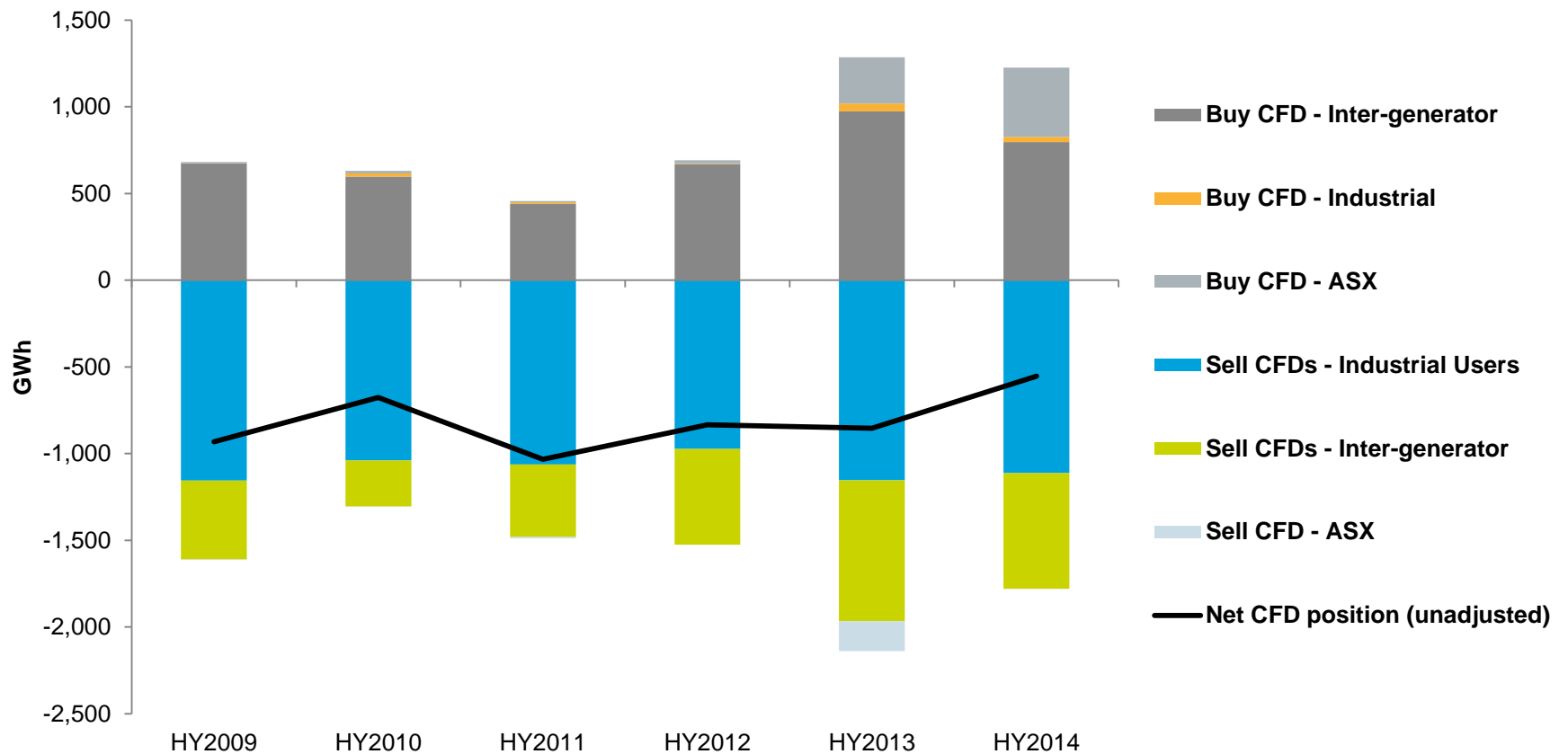
10. Tuaropaki Power Company (Mokai) equity share

11. Load weighted and generation weighted average price. This ratio gives an indication of electricity purchase costs compared with the sales price of the electricity produced

12. Prices exclude fixed transmission charges

## ► APPENDIX

### Contracts for difference



## ➤ APPENDIX

### Income statement

Year ended 30 June \$m	HY2014	HY2013	\$m change to HY2013	% change to HY2013
<b>Energy Margin</b>	<b>363.2</b>	<b>378.2</b>	<b>(15.0)</b>	<b>(4.0)</b>
Other revenue	14.2	23.4	(9.3)	(39.5)
Operating expenses	107.8	141.5	(33.7)	(23.8)
<b>EBITDAF</b>	<b>269.6</b>	<b>260.1</b>	<b>9.5</b>	<b>3.7</b>
Depreciation and amortisation	(78.5)	(75.3)	(3.2)	4.2
Change in fair value of financial instruments	20.5	(12.4)	32.9	(265.1)
Impaired assets	-	(91.4)	91.4	(100.0)
Equity accounted earnings of associate companies and interests in jointly controlled entities	(0.7)	58.8	(59.5)	(101.1)
Net interest expense	(38.7)	(31.5)	(7.2)	22.9
Income tax expense	(48.6)	(32.9)	(15.7)	47.7
<b>Net profit for the year</b>	<b>123.7</b>	<b>75.5</b>	<b>48.2</b>	<b>63.8</b>
<b>Underlying earnings after tax</b>	<b>105.0</b>	<b>133.2</b>	<b>(28.2)</b>	<b>(21.2)</b>

## ➤ APPENDIX

### Balance sheet

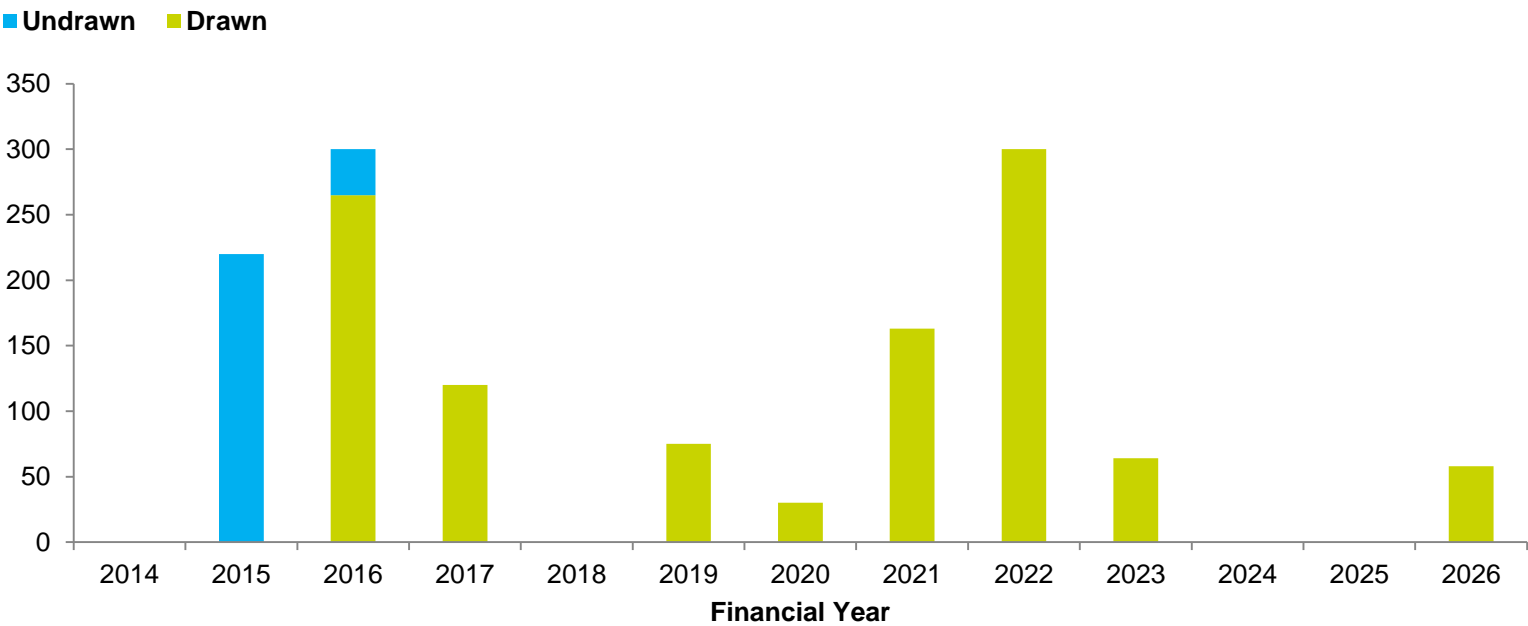
\$m	As at 31 December 2013	As at 30 June 2013	\$m change on 30 June 2013	% change on 30 June 2013
<b>SHAREHOLDERS' EQUITY</b>				
Total shareholders' equity	3,185.0	3181.7	3.3	0.1
<b>ASSETS</b>				
Current assets	273.0	311.5	(38.5)	(12.4)
Non-current assets	5,404.8	5,490.5	(85.7)	(1.6)
<b>Total assets</b>	<b>5,677.8</b>	<b>5,802.1</b>	<b>(124.2)</b>	<b>(2.1)</b>
<b>LIABILITIES</b>				
Current liabilities	314.1	399.4	(85.3)	(21.4)
Non-current liabilities	2,178.7	2,220.9	(42.2)	(1.9)
<b>Total liabilities</b>	<b>2,492.8</b>	<b>2,620.3</b>	<b>(127.5)</b>	<b>(4.9)</b>
<b>TOTAL NET ASSETS</b>	<b>3,185.0</b>	<b>3,181.7</b>	<b>3.3</b>	<b>0.1</b>

# ➤ APPENDIX

## Funding profile

- > Average maturity profile of 4.9 years (30 June 2013: 5.2 years)
- > No refinancing requirement in FY2014

### DEBT MATURITIES AS AT 31 DECEMBER 2013



Note: Undrawn facilities excludes commercial paper programme

## ➤ APPENDIX

### Non-GAAP measure: Energy Margin

\$m	HY2014	HY2013
Sales	826.6	927.2
Less: lines charges	(226.7)	(244.3)
Less: energy costs	(215.8)	(289.5)
Less: other direct cost of sales, including metering	(20.9)	(15.2)
<b>Energy Margin</b>	<b>363.2</b>	<b>378.2</b>

- > Sales down \$100.6 million reflecting lower production and sales
- > Energy Margin provides a measure that, unlike sales or total revenue, accounts for the variability of the wholesale spot market and the broadly offsetting impact of wholesale prices on the cost of retail electricity purchases



## ➤ APPENDIX

### Non-GAAP measure: Free Cash Flow

\$m	HY2014	HY2013
Net cash provided by operating activity	170.7	212.0
Less: Reinvestment Capital expenditure (including accrued costs)	(28.2)	(13.1)
<b>Free cash flow</b>	<b>142.5</b>	<b>198.9</b>

- > Free cash flow down predominately due to higher provisional tax payments in July
- > Free cash flow is expected to be up on pcg by year-end
- > Free cash flow is a measure that the Company uses to evaluate the levels of cash available for debt repayments, growth capital expenditure and dividends

## ➤ APPENDIX

### Non-GAAP measure: Net Debt

\$m	HY2014	FY2013
Current loans at carrying value	105.5	105.4
Add: Non-current loans at carrying value	971.6	952.4
Add: Fair value adjustments US Private Placement	2.1	(18.8)
Less: cash and cash equivalents	(35.4)	(11.2)
<b>Net debt</b>	<b>1,043.9</b>	<b>1,027.8</b>

> Net Debt is a metric commonly used by investors