



Infratil Investor Day

4 April 2014

Infratil Investor Day Trustpower Agenda

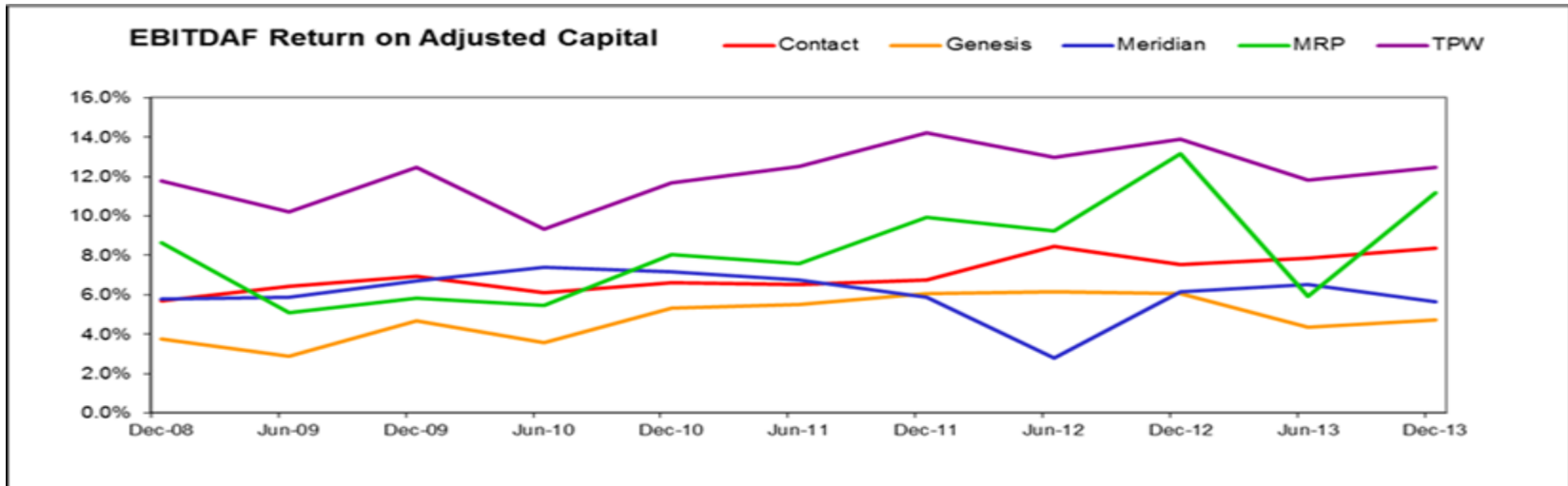
- Performance developing points of difference
- Focus on retail
- Update on Australia

Highlights 2014 financial year

- Acquisition of EDNZ accelerates retail multi-product strategy
 - 224,000 electricity customers
 - 54,300 telco services
 - 13,500 gas
- Re-brand and launch into new geographies
 - Ready for metro launch
- Significant progress on Snowtown Stage 2 wind farm
- Completion of Esk Hydro

Consistent performance focus

EBITDAF Return on adjusted capital



... and there are challenges

- Demand remains flat
- Government's MoM programme – provides greater sector choice for investors
- Labour / Green policy risk

... TRUSTPOWER response

Re-launching the Brand – a point of difference

Better
together.

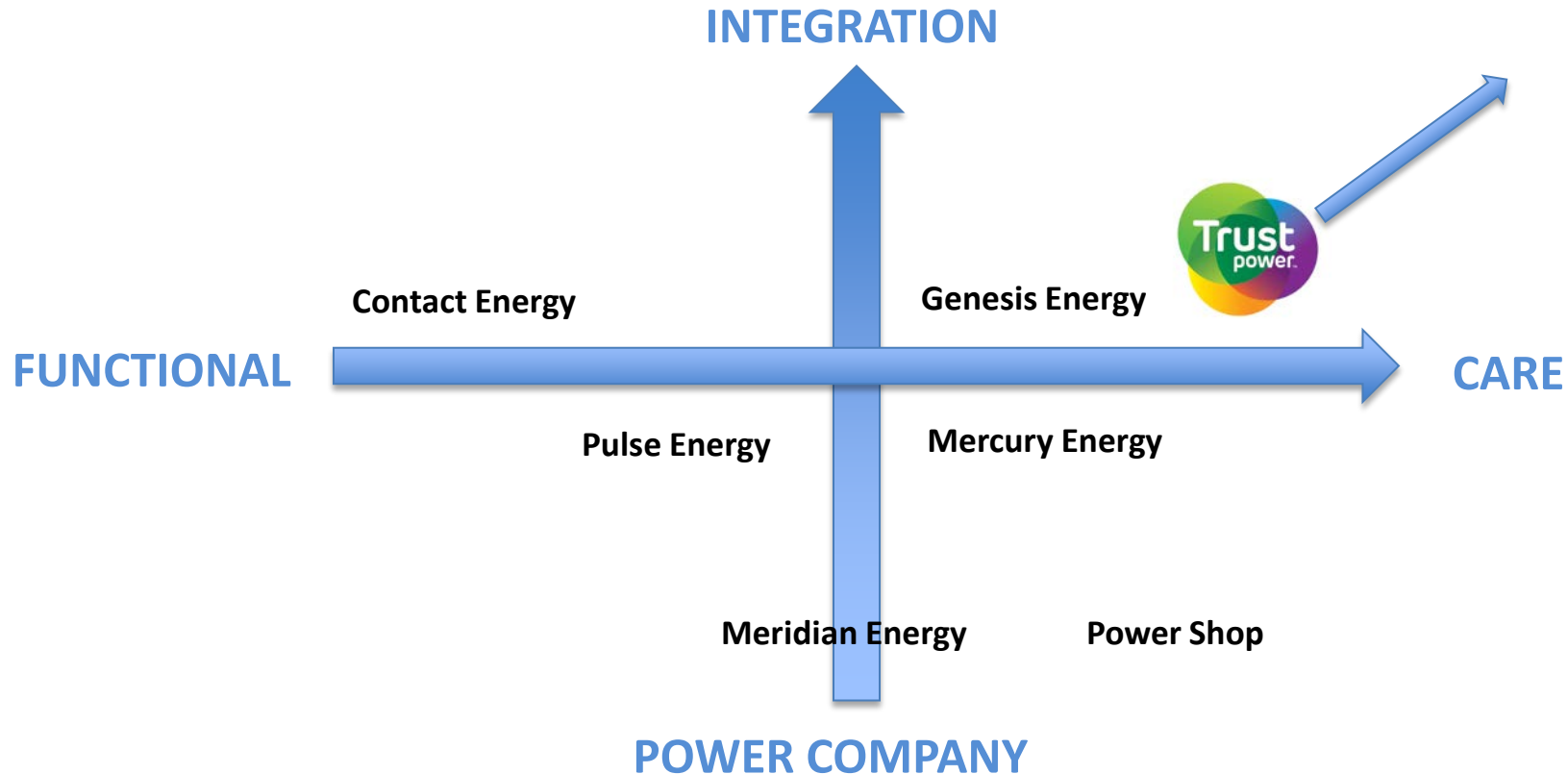


- Stable, trustworthy and reliable
- NZ owned and operated company
- NZ based call centre
- Excellent customer service
- Rewards loyalty via Friends Gold (55% of customers)
- Community involvement

“So it comes down to customer service and what they do with their profit, which is where Trustpower gets two big ticks.”



Building brand value



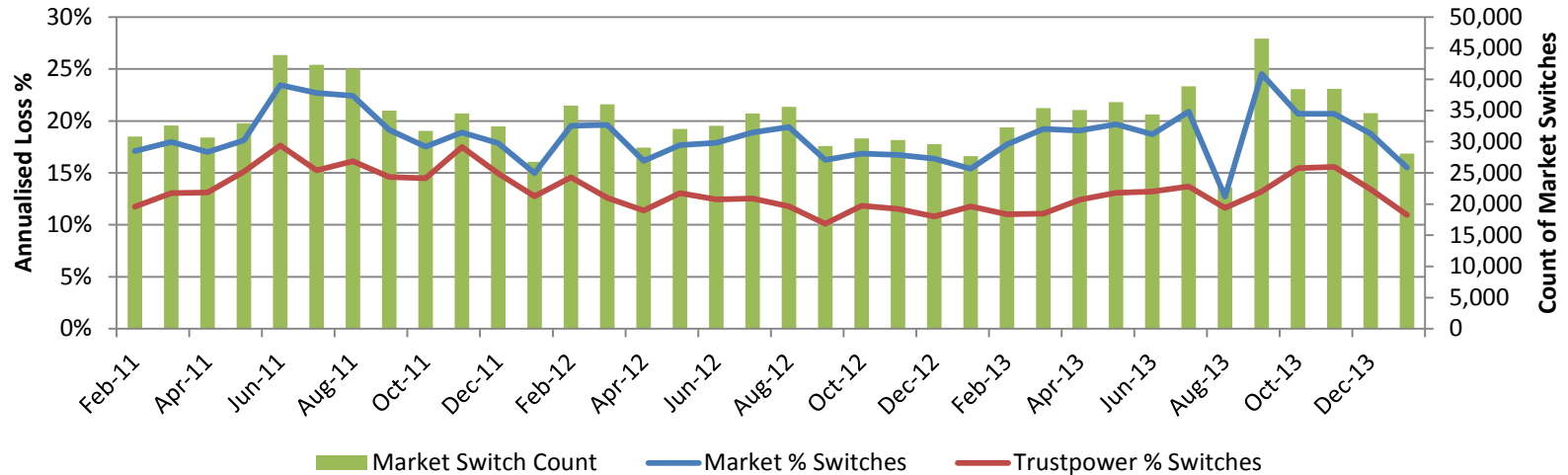
Retail success – also means doing the basics well

- Profitable customers that stay with you for a long time
- Upsell must add value and / or increase loyalty
- Cash is king and therefore processes must be excellent
 - meter to cash
 - credit and debt
- Churn increases cost to serve



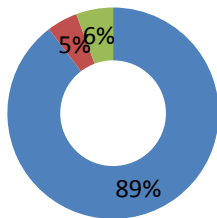
... loyalty is key to growth

Trustpower Switches vs Market

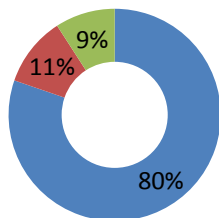


Multi product – builds loyalty, supports growth

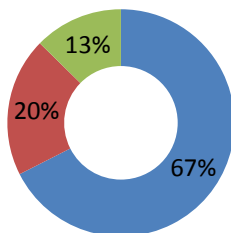
2010*



2014*



2019*



■ One Product
■ Two Products
■ Three + Products

*Indicative split

It pays to get
it together.



POWER

+



ULTRA FAST
BROADBAND

+



PHONE

+



GAS



Better together.
trustpower.co.nz

Multi-product success factors

Get more.
Save more.
(Yes, it's that simple)



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Success based on 3 key factors:

1. Trustpower brand equity: trusted, reliable, NZ owned/operated
2. Providing a great deal
3. Excellent customer service

“Why pay it in four places if you can pay it in one place. One phone call.”
“One stop shop customer service.”



Entering new metro-markets



We're big.

(But in a nice,
friendly way)



POWER



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BROADBAND



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Auckland campaign starts Monday



High speed.
Naked.
No cap.

(Not bad for someone who's almost 100)



ULTRA FAST BROADBAND



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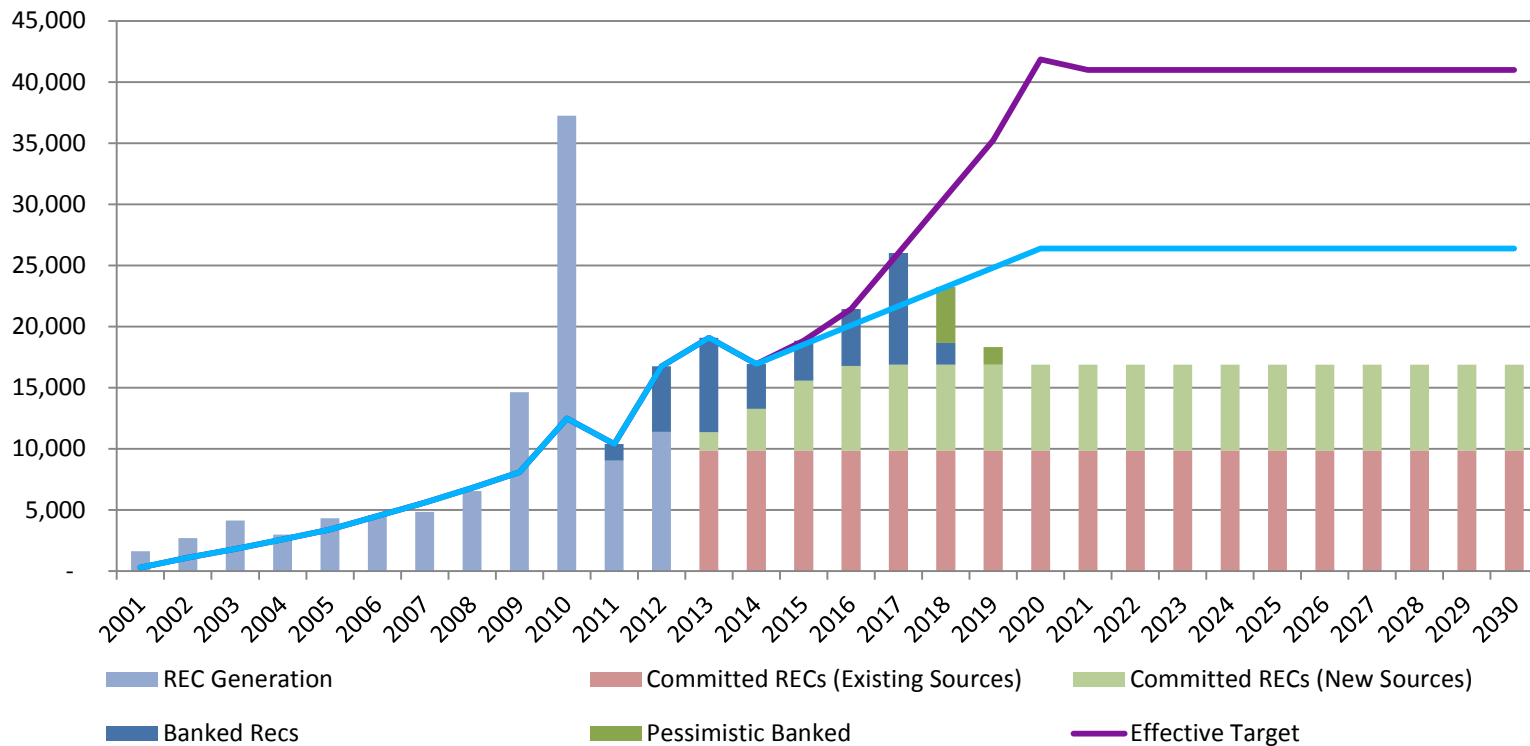


Trustpower's Australian strategy



Snowtown Stage 2 is a critical step

Renewable target review



Trustpower's Australian pipeline options

Wind Farm	Status	MW
Snowtown 1 - SA	Operational	100
Snowtown 2 - SA	Under construction	270
Dundonnell - VIC	In DA process	250 - 320
Salt Creek - VIC	DA in place – 2015 Expiry	10 - 30
Rye Park - NSW*	In DA process	Circa 300
New South Wales Project*	In DA process	Circa 500
Palmer - SA**	In DA process	Circa 260
Wingeel - VIC	Land options / Wind testing	Circa 400
Church Lane - VIC	Land options / Wind testing	Circa 350
Total Potential		Circa 2,500

* In collaboration with Epuron

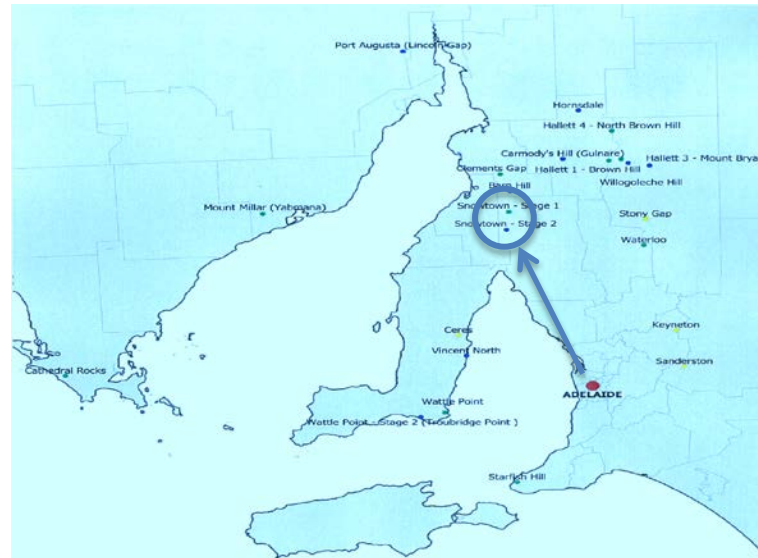
** High quality wind resource

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Snowtown Stage 2 project attributes

	SWF2 South	SWF2 North	SWF2 Total
Capacity (MW)	126	144	270
No. Machines	42	48	90
Net long term annual yield (GWh)	481	504	985
Capacity factor (%)	44	40	42
Cost/MW (A\$m)	1.44	1.78	1.63



Snowtown Stage 2 project status

	Number	%	Status
275kV Transmission (28km)			Complete
Blyth West Substation			Complete
WTG Erection	67	74%	On target
WTG Operating	55	61%	On target



Lifting hub and blades



Fitting hub to nacelle



Fitting hub to nacelle



Turbine complete



Snowtown Stage 2 impact on Trustpower

	SWF2 South	SWF2 North**	Total SWF2
CAPEX (A\$m)	182	257	439
Project IRR (%) (ungeared)	12.1	14.5	13.0
EBITDA (A\$m)	36.7	41.2	77.9
NPAT (A\$m)	11.3	8.6	19.9
Operating Free Cash Flow (after tax and debt service) (A\$m)	20.4	21.5	41.9
Earnings per share (NZ cps)*	4.2	3.2	7.4



* Exchange rate of NZD/AUD 0.8500 assumed

** Includes impact of wind shading on Snowtown Stage 1

Completion of Snowtown 2 creates options



- Sell and recycle
- Partial sell down
- Hold and harvest

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