



Infratil Investor Day

31 March 2015

Infratil Investor Day Trustpower Agenda

- Performance developing points of difference
- Focus on multi-product retail
- Global renewables - a context for growth
- Update on Australia and the Renewable Energy Target

2015 performance

Execution highlights 2015 financial year

- Retail multi-product strategy – takes off
 - 240,000 electricity connections, up 16,000
 - 37,000 telco customers, up 6,000 (69,000 services)
 - 23,000 gas connections, up 9,000
 - includes 7,300 fibre connections and 52,000 customers with two or more services
- Completion of Snowtown stage 2 wind farm
- Purchase of Green State Power from NSW Government

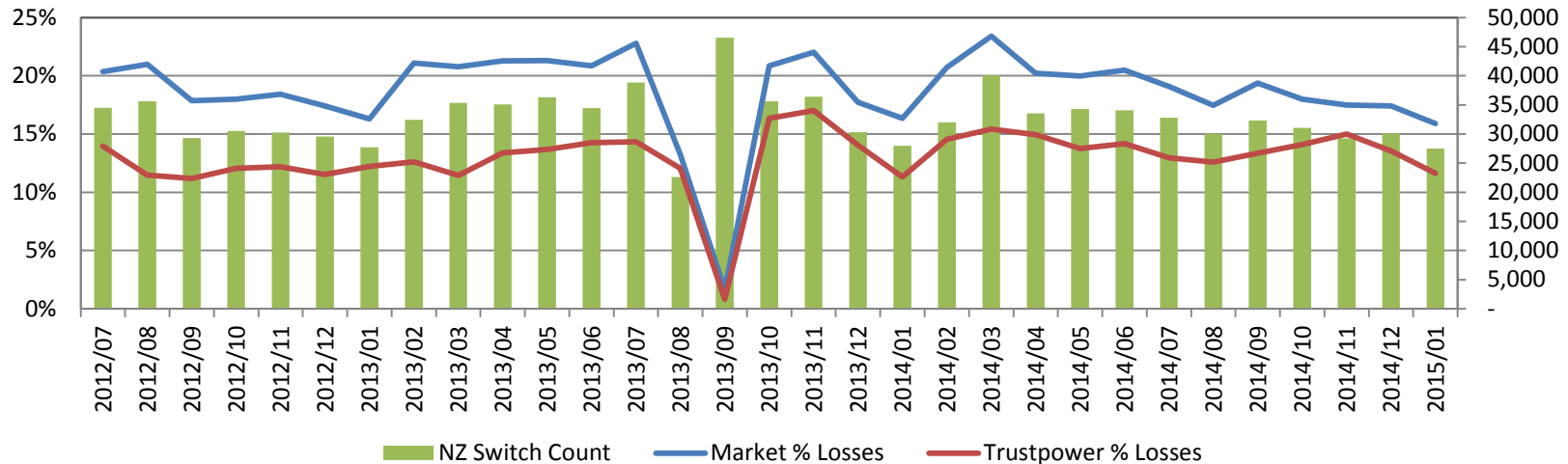
... and challenges remain

- Competition remains fierce
- NZ demand remains flat – with some potential upside
- Tiwai still uncertain
- Renewable Energy Target as yet unresolved

... Trustpower strategic response

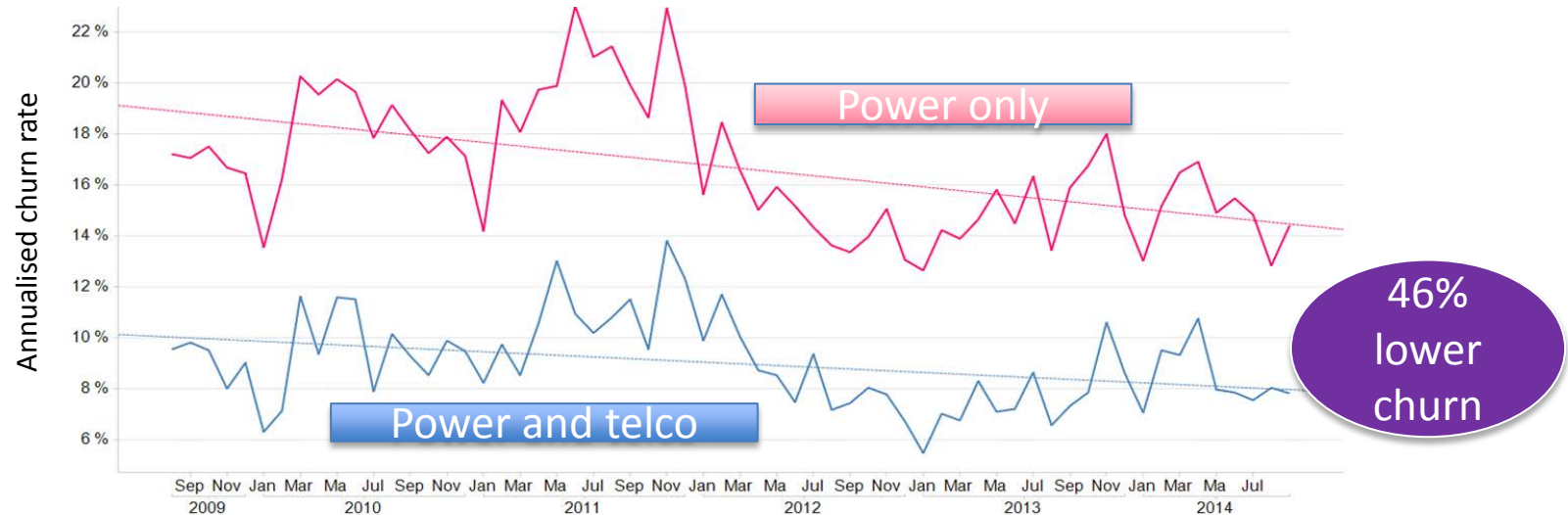
... loyalty is key to growth

Trustpower Losses vs Market



Multi product – builds loyalty, supports growth

Market Churn = 19%, TPW Churn = 14%,
TPW power and telco = 8%



Investment in systems and processes is critical

Brand re-launch – provided a growth platform

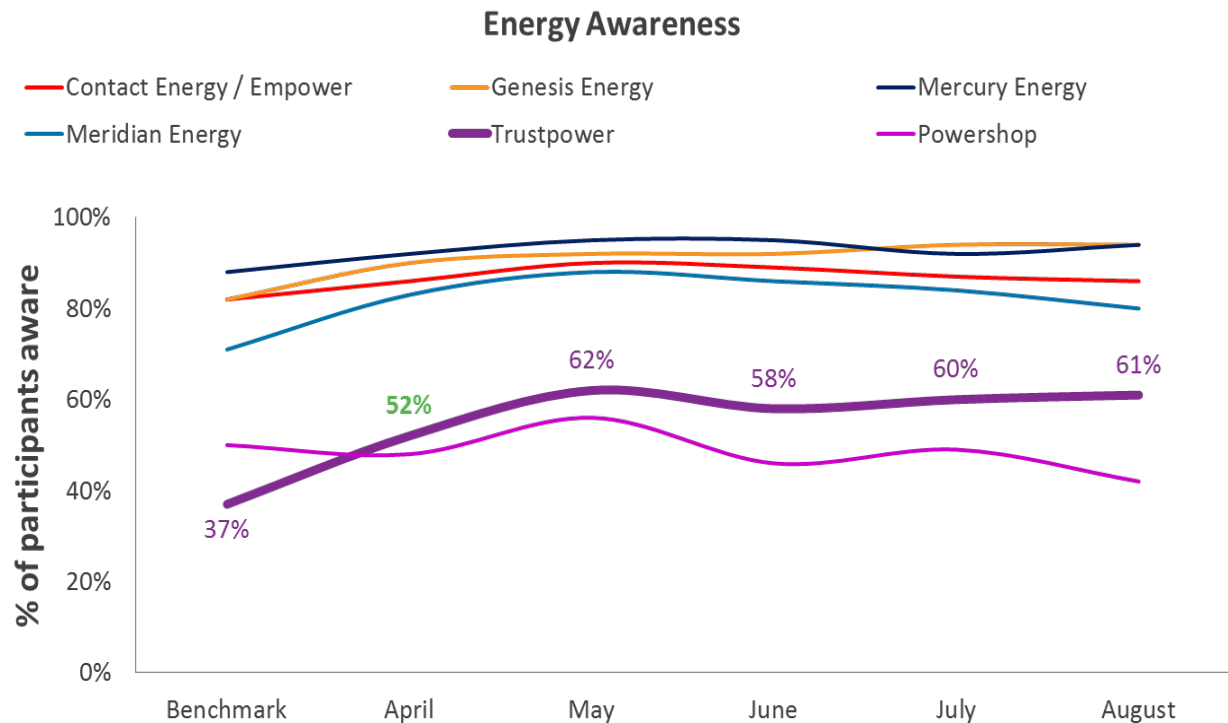
Better
together.



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- Provides a focus for integrated multi-product strategy
- Creates awareness and consideration in major metro markets
- Provides the platform to redefine the target market – Customers who value Comfort, Connectivity and Convenience

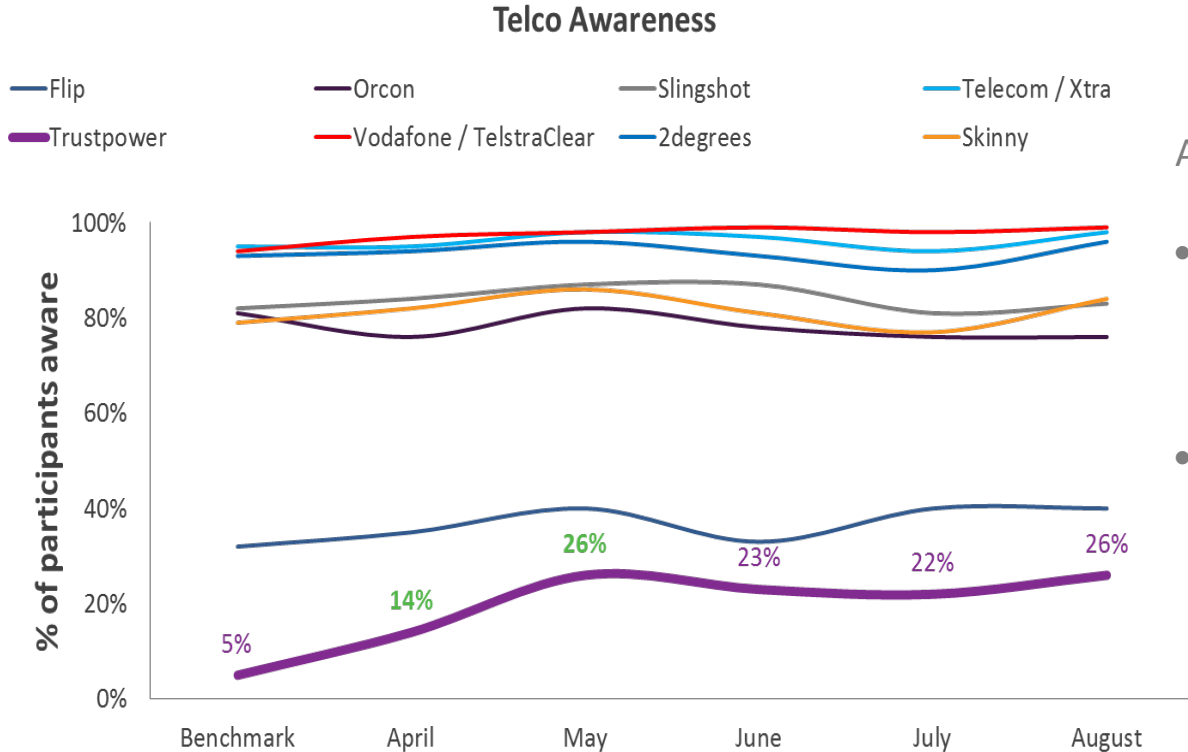
Auckland building brand value...



Auckland energy gains 12,900

- Growth in awareness leads to consideration and sales.

Auckland telco brand value takes time...



Auckland Telco/energy sales 2,600

- Demonstrates opportunity for increased consideration of “bundle”.
- Provides the reason for sales engagement.

Increasing consideration and the pace of execution – leads to new campaign



The advertisement features a man and a woman dressed as superheroes. The man is in a purple suit with a yellow lightning bolt on his chest and a yellow cape. The woman is in a green suit with a white lightning bolt on her chest. They are standing against a background of colorful circles and dots. The text reads: "UNLIMITED BROADBAND \$49 A MONTH FOR 12 MONTHS* WHEN YOU JOIN FOR BROADBAND + POWER TOGETHER". The Trustpower logo is on the right. Small text at the bottom right states: "24 month term, exit fees, and Fair Use and Traffic Management Policy apply."

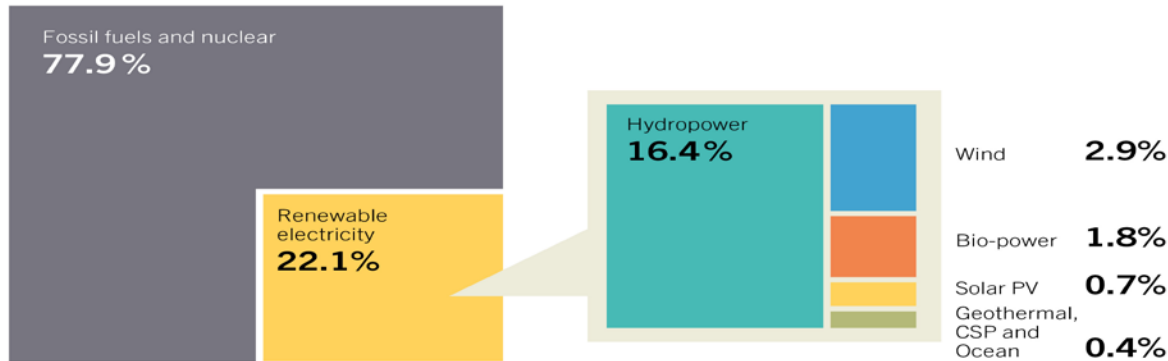
- By bringing together **energy** and **telco** Trustpower can offer customer better value - \$49 a month for unlimited broadband for a year

“Great things happen when you get power and broadband together”

Globally renewables are growing....

- China - renewables now > 20% of electricity generation
- Denmark - wind produced 33% of electricity in 2013
- USA - 2014 wind produced 4.4% of electricity, but >15% in 7 states

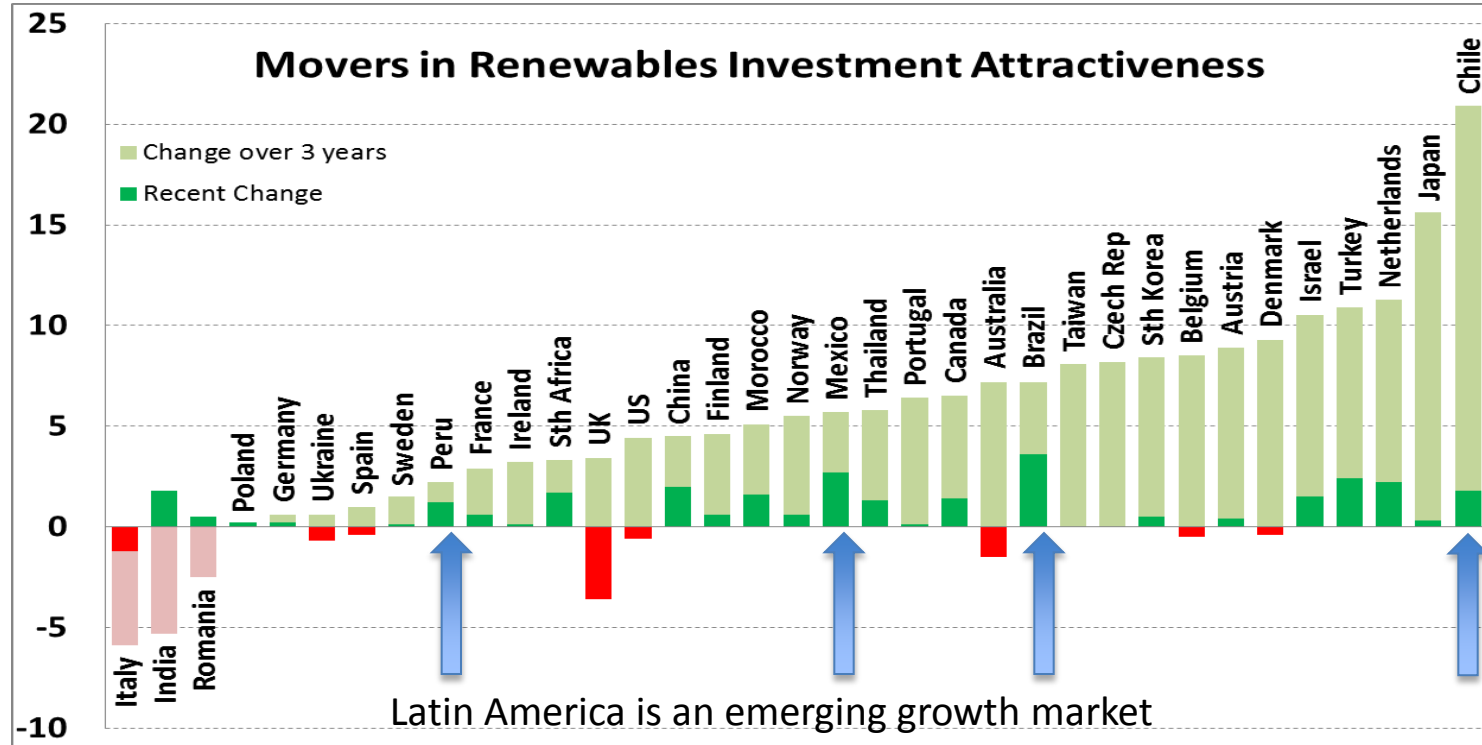
Estimated Renewable Energy Share of Global Electricity Production, End-2013



Based on renewable generating capacity in operation end-2013.
Data do not add up due to rounding.

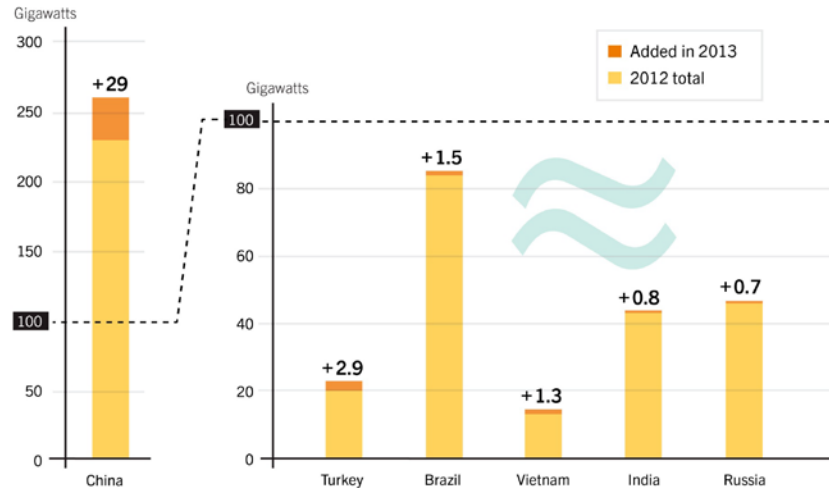
REN21. 2014. *Renewables 2014 Global Status Report* (Paris: REN21 Secretariat).

Not all jurisdictions are equal



Hydro power minor outside China

Hydropower Capacity and Additions, Top Six Countries for Capacity Added, 2013



Additions are net of repowering and retirements.

REN21. 2014. *Renewables 2014 Global Status Report* (Paris: REN21 Secretariat).

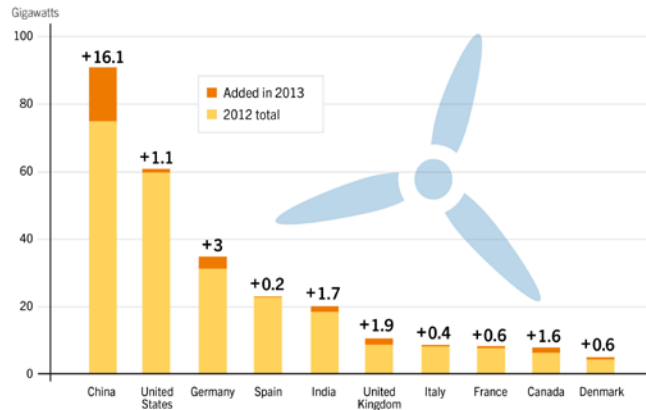


Wind deployment continues to grow

Outside of China and India most deployment is in developed nations, this leaves huge potential in the developing nations.

Despite the GFC deployment has continued.

Wind Power Capacity and Additions, Top 10 Countries, 2013

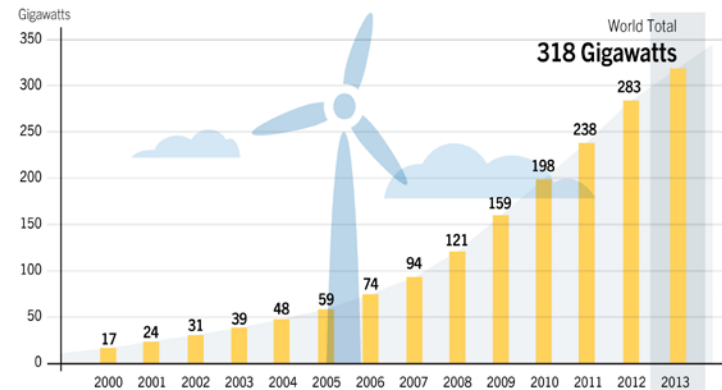


Additions are net of repowering.

REN21. 2014. *Renewables 2014 Global Status Report* (Paris: REN21 Secretariat).



Wind Power Total World Capacity, 2000–2013



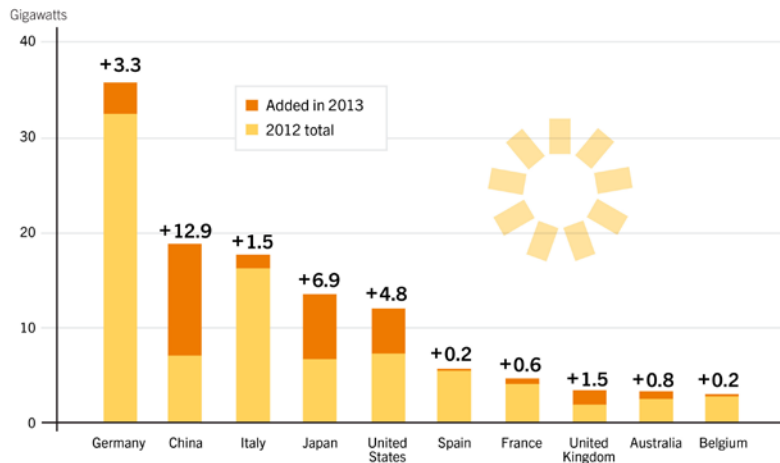
REN21. 2014. *Renewables 2014 Global Status Report* (Paris: REN21 Secretariat).



Solar is growing faster

The rate of deployment is increasing as prices reach grid parity

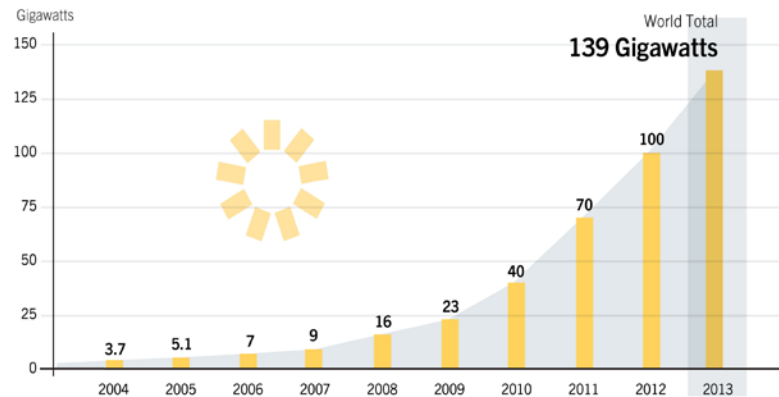
Solar PV Capacity and Additions, Top 10 Countries, 2013



REN21. 2014. *Renewables 2014 Global Status Report* (Paris: REN21 Secretariat).



Solar PV Total Global Capacity, 2004–2013



REN21. 2014. *Renewables 2014 Global Status Report* (Paris: REN21 Secretariat).



Australian strategy



**Strategy remains valid subject to
RET review**

Strategy execution - Green State Power

Power Station	MW	Built
Hume	58	1957
Burrinjuck	27.2	1928
Keepit	7.2	1960
Blayney (Wind)	9.9	2000
Crookwell	4.8	1998

- Excellent fit with strategy and NZ operations
- Provides platform for further growth

Valuation uplift of A\$25 million on acquisition

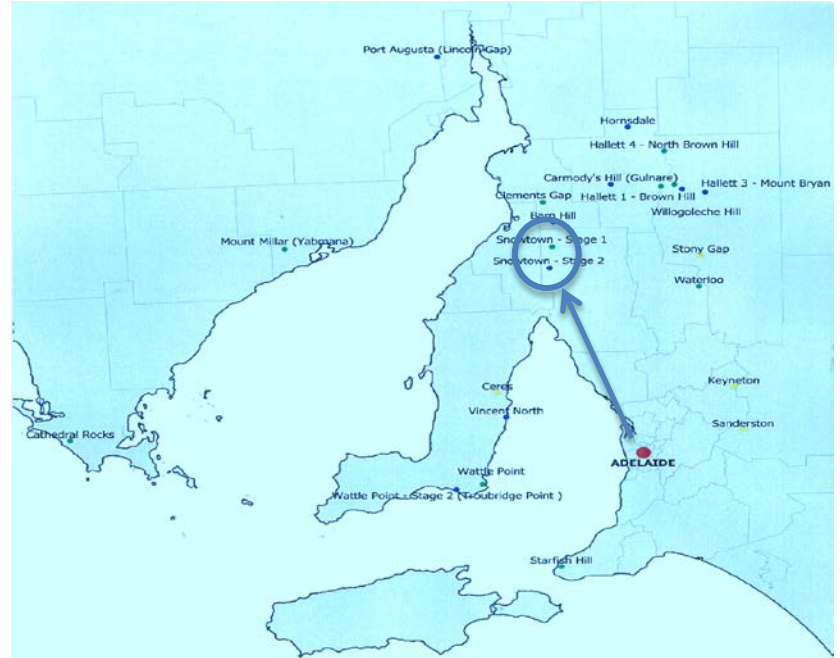


Hume Power Station

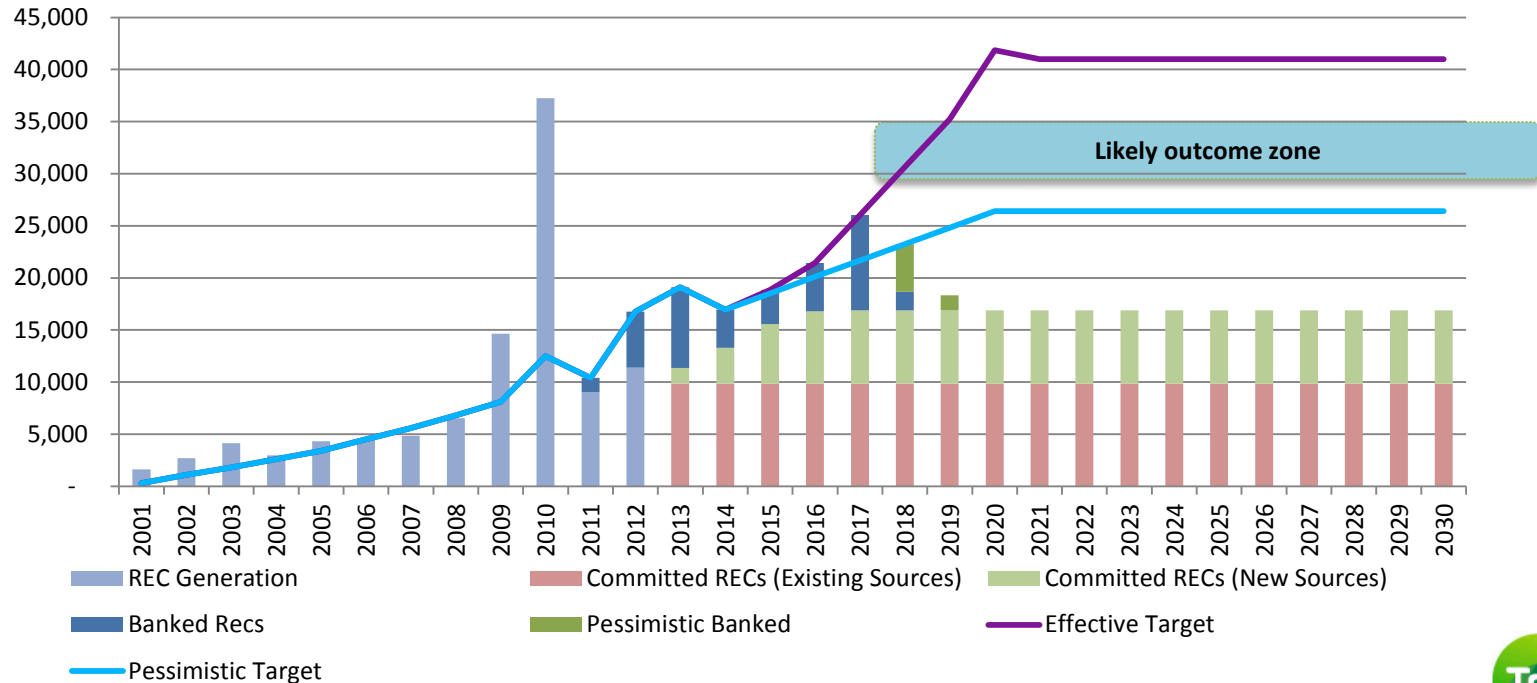
Strategy execution - Snowtown stage 2

	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

- Project delivered on time and under budget



Renewable target review



Trustpower's Australian pipeline options

Wind Farm	Status	MW
Snowtown 1 - SA	Operational	100
Snowtown 2 - SA	Operational	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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Looking forward

- Maintain focus on core operations

Seek opportunities to:

- Leverage multi-product approach
 - Customers with two or more products increase from 24% to 40%
- Develop and acquire value accretive opportunities in hydro, wind and grid connected solar
 - focussed on Australasia, and
 - consider other jurisdictions

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Thank you

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