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POWER

Quarterly Operating Report | June 2017



Overview



Mass market volume per customer reflects a colder temperature during the quarter vs same period last year. Noting that overall electricity connections have dropped due to Trustpower losing a small number of commercial customers with large numbers of connections. Multi-product customer churn rates continue to track well below market average.



392,000 total utility accounts (up 4,000 for the quarter) including 94,000 customers with more than one service (up 4,000 for the quarter, and 12,000 year-on-year). 80% of customer acquisitions in Q1-18 have taken 2+ products.



NZ wholesale prices were strong this quarter, up ~17% on the 10-year average across the period. NZ generation volumes were up 38% on the same quarter last year, driven predominantly by North Island hydrology.



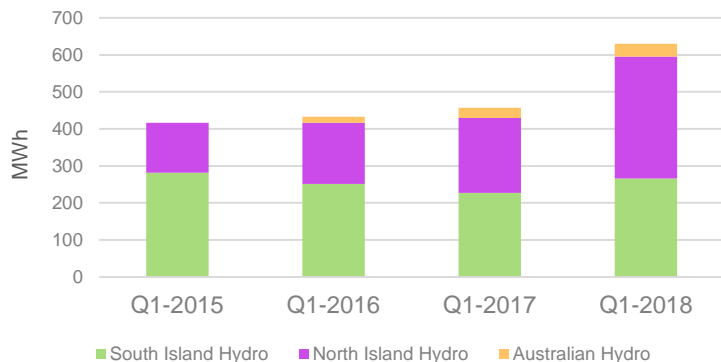
Australian volume and price have remained strong throughout the quarter.



Given the strong performance this quarter, Trustpower is currently on track to achieve a year-end EBITDAF towards the top end of its guidance range of \$215m to \$235m. This assumes average hydrology, temperatures and wholesale prices for the remainder of the year.

Wholesale electricity market

Generation Volumes



\$80/MWh

New Zealand Load Weighted Average Price

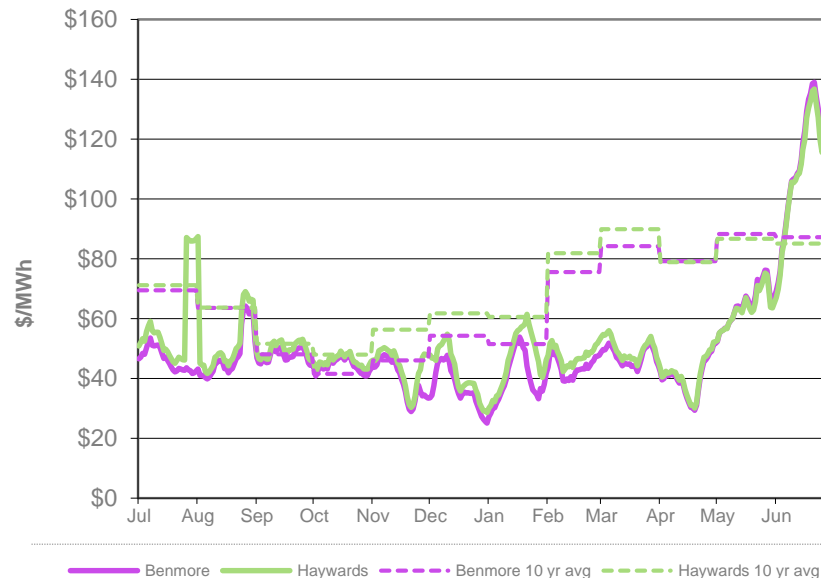
\$79/MWh

New Zealand Generation Weighted Average Price

A\$103/MWh

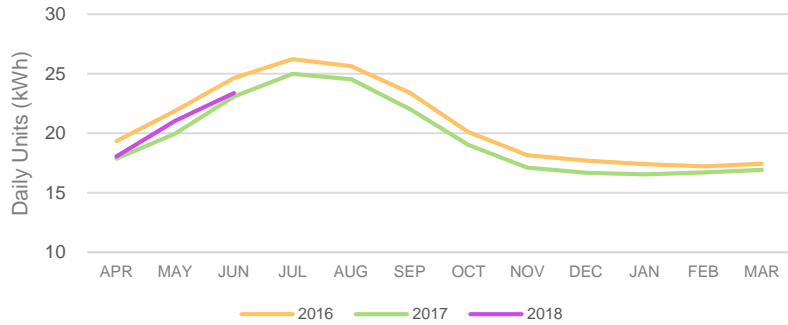
Australian Generation Weighted Average Price

Weekly Average Prices - 12 Months to End of Jun 2017

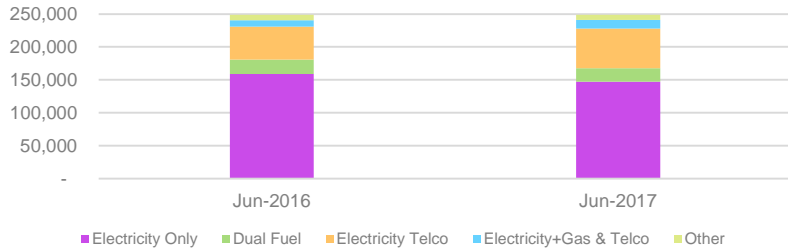


Retail

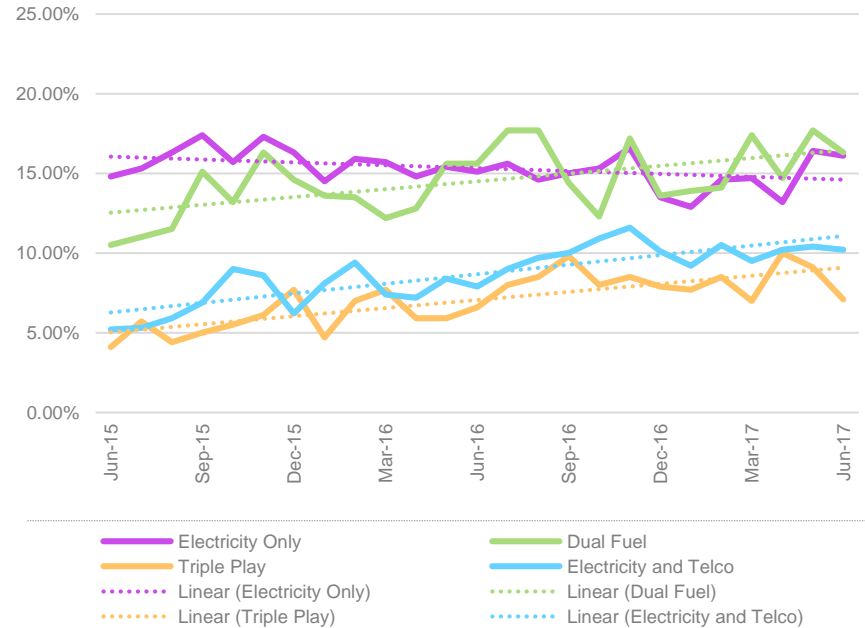
Average Electricity Mass Market Units Per Day



Customer Mix



Electricity Only vs Multi-Product Churn



NOTE: Excludes C&I customers



Operating stats

Customers, Sales and Service	3 Months June 2017	3 Months June 2016	12 Months March 2017
Electricity connections (000s)	276	279	276
Telecommunication connections (000s)	79	66	76
Gas connections (000s)*	37	35	36
Total utility accounts*	392	380	388
Customers with two or more services (000s)	94	82	90
Mass market sales - fixed price (GWh)	476	481	1,895
Time of use sales - fixed price (GWh)	227	201	835
Time of use sales - spot price (GWh)	287	332	1,244
Total customer sales (GWh)	990	1,014	3,974
Average spot price of electricity purchased (\$/MWh)	79	63	55
Gas Sales (TJ)	308	258	1,013
Annualised customer churn rate	21%	16%	17%
Annualised customer churn rate - total market	21%	21%	20%
Generation Production and Procurement			
North Island generation production (GWh)	330	203	1,010
South Island generation production (GWh)	266	227	1,007
Total New Zealand generation production (GWh)	595	430	2,017
Average spot price of electricity generated-NZ (\$/MWh)	81	60	52
Net third party fixed price volume purchased (GWh)	409	448	1,726
Australian generation production (GWh)	35	28	359
Average spot price of electricity generated-AUST (\$/MWh)	103	71	78
Other Information			
Resource consent non-compliance events	3	3	15
Staff numbers (full time equivalents)	782	787	786

Contact

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