

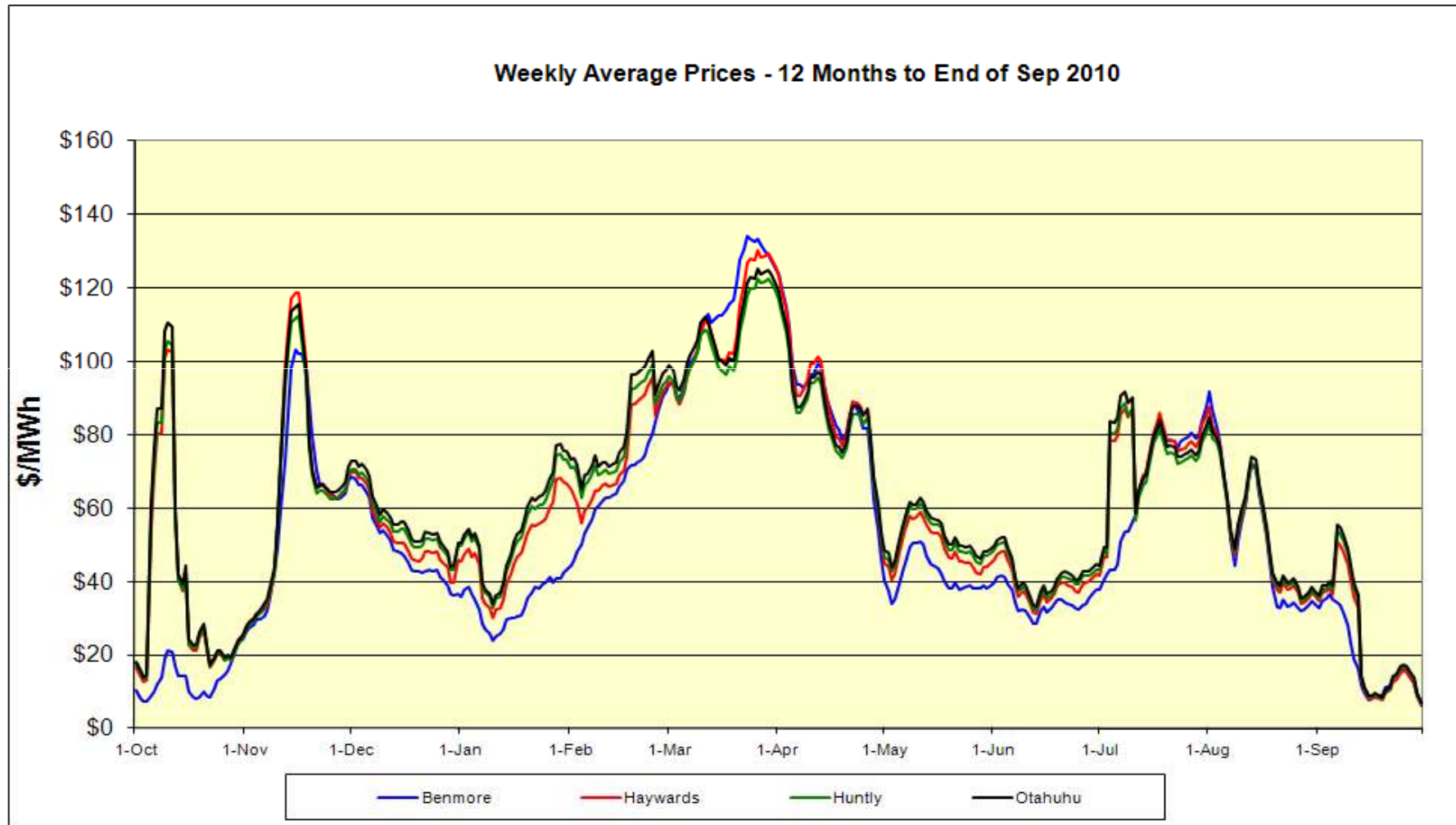
Investor Briefing November 2010

TrustPower Key Facts

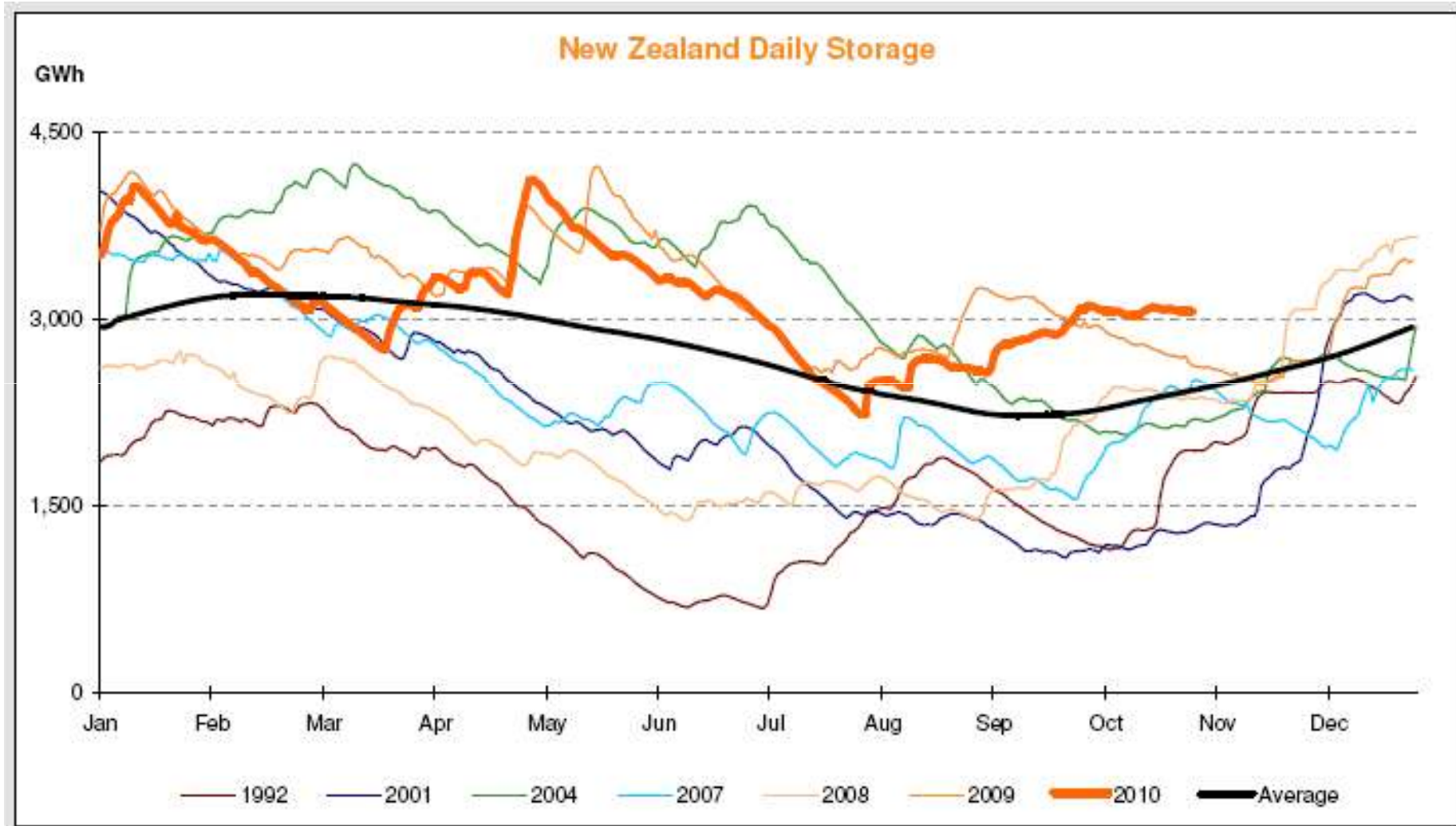


- Tauranga based national electricity generator / retailer.
- Market capitalisation circa NZD 2.35 billion.
- Key Shareholders Infratil (50.4%), TECT (32.9%).
- Freefloat 16.7%.
- NZ generation capacity (hydro/wind) 585MW producing circa 2,260 GWh per annum in average year.
- 99MW wind farm in South Australia.
- 222,000 electricity customers and 34,000 telco services.
- 412 employees.

NZ Electricity 7 Day Rolling Spot Prices Last 12 Months



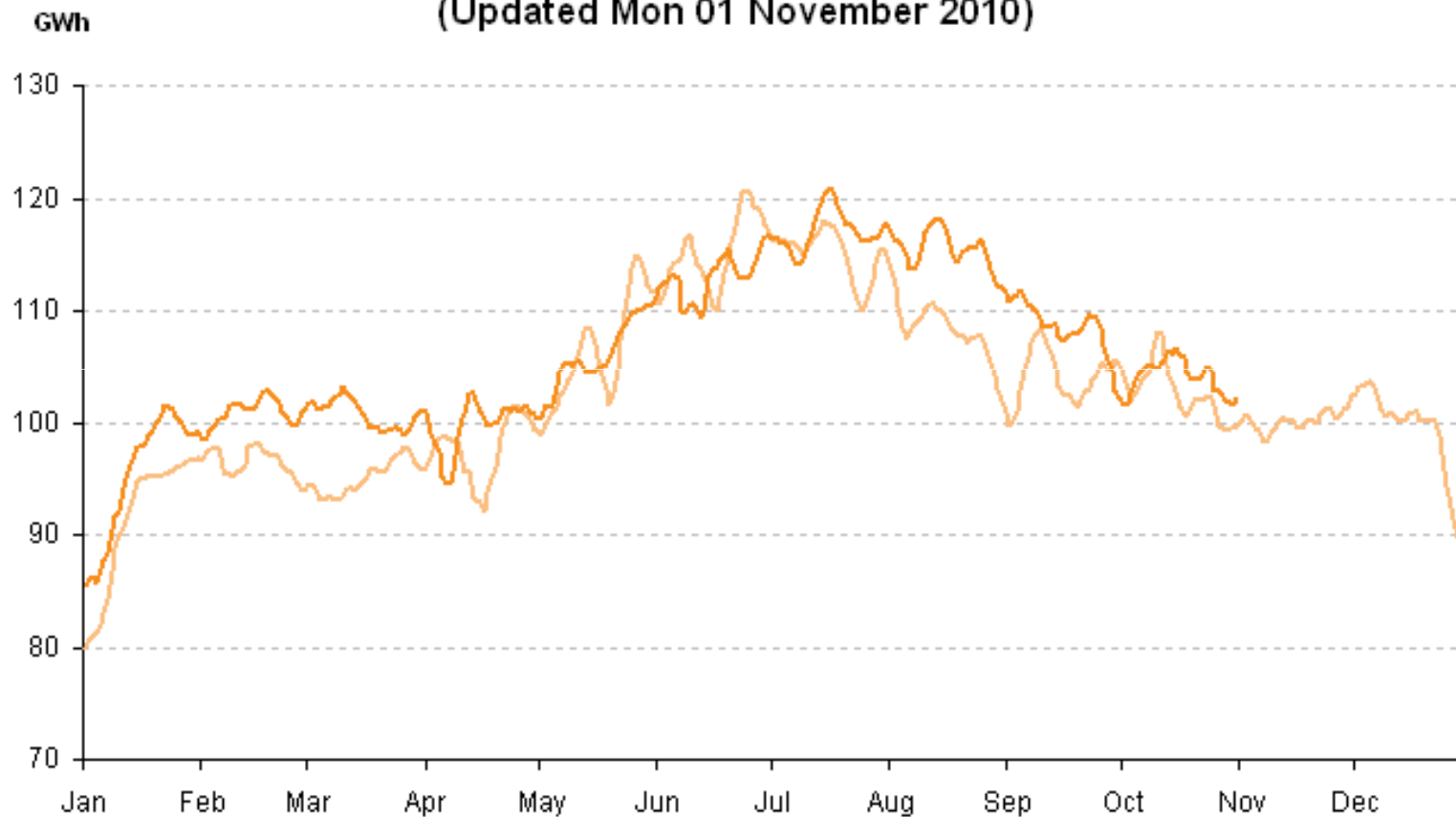
New Zealand Daily Storage



NZ Rolling 7 Day Demand Last 12 Months



Demand - seven day rolling average 2009-2010
(Updated Mon 01 November 2010)



Note: Based on unreconciled gxp metering information that is subject to change
Source: Commit Free

— 2009 — 2010

Financial Summary First Half FY11



Extracted from Unaudited Accounts	HY Sep 11 \$m	HY Sep 10 \$m	% Change
Operating Revenue	403.5	409.0	(1.3)
Operating Costs	255.8	254.1	0.7
EBITDAF	147.7	154.9	(4.6)
Depreciation and Amortisation	28.9	25.7	12.5
Fair Value (Gains) / Losses on Financial Instruments	(3.2)	(14.1)	(77.3)
EBIT	122.0	143.3	(14.9)
Net Interest	30.3	28.2	7.4
Tax	32.0	32.7	(2.1)
Net Surplus After Tax	59.7	82.4	(27.5)
Underlying Earnings After Tax	63.8	72.5	(12.0)

Comments on Financial Result Key Points



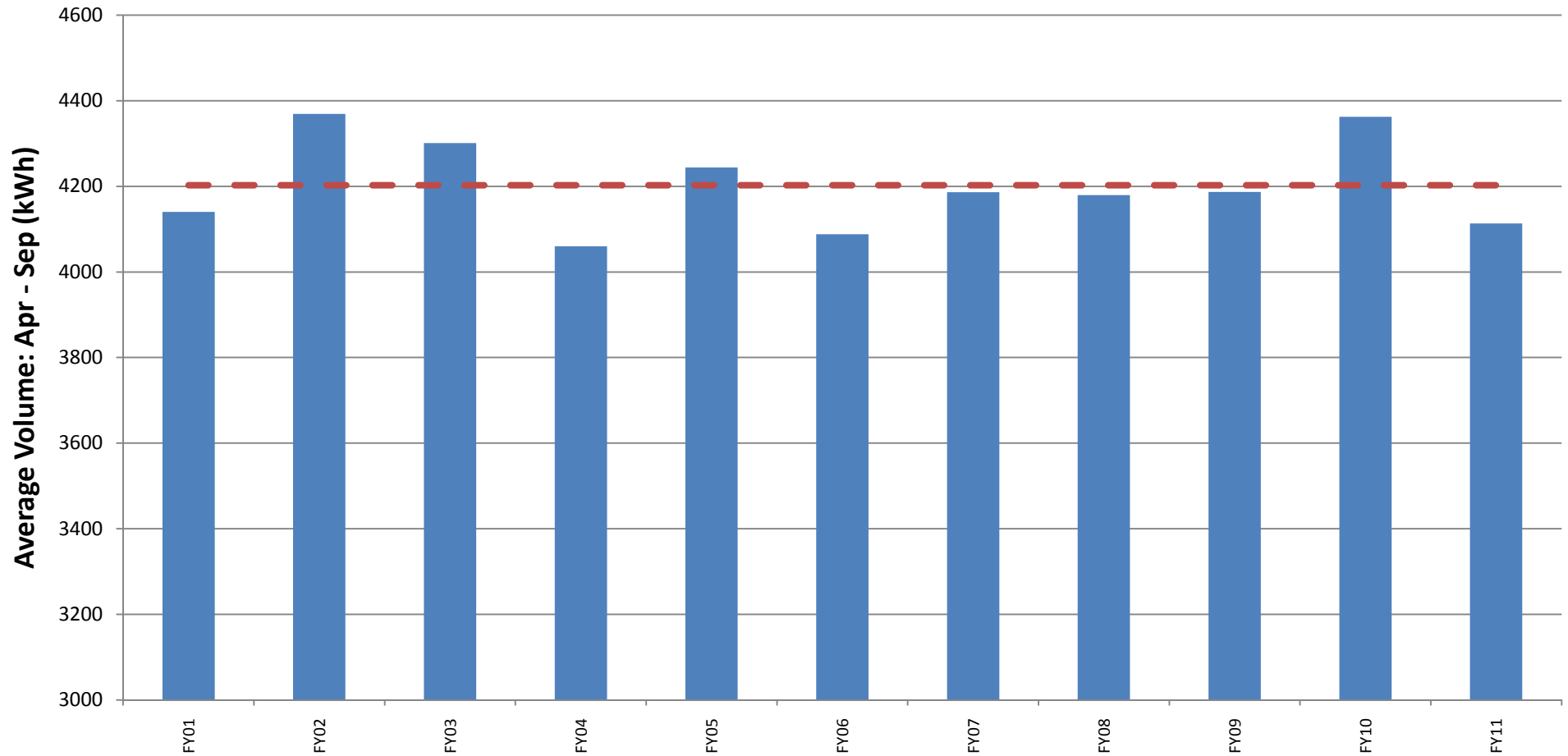
Revenue

- Low South Australia wind meant Snowtown wind farm contributed NZD3.5 million less to revenue.
- TrustPower took a conservative book position into winter due to dry period through late summer and elevated prices. Strategy was not rewarded due to high inflows from April onwards leaving higher than normal exposure to low spot prices.
- Mass market sales down 120GWh (10%) on prior period. Milder winter temperatures contributed to lower mass market consumption. Third lowest average consumption for the six month period for last 10 years. Residential customer losses also contributed.
- However loss offset to some extent by increased ToU Sales 55GWh (up 5%) to small business and commercial customers with gross margin impact as expected.

TrustPower Domestic Average Consumption (April – September) Last 10 Years



Total Domestic Average Consumption: Apr - Sep



Comments on Financial Result Key Points



Operating Expenses

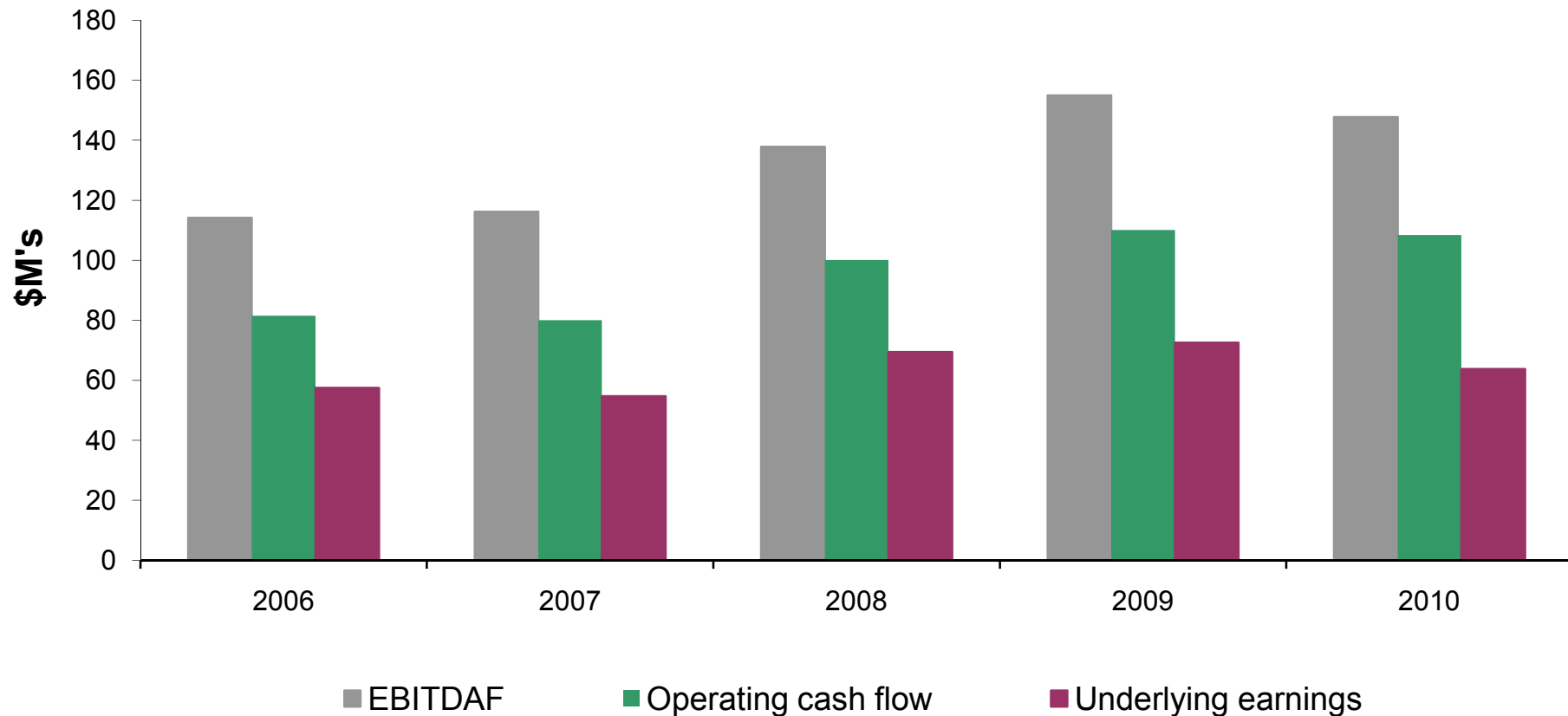
- Prior period costs impacted by strong trading gains in H1 FY10. TrustPower benefited from price separation between South Island and North Island during June – August 2009. Consequently South Island energy costs in that period were \$5 – 7 million lower.
- Salary and wages – Increased FTE.
- Other operating expenses – around \$1m of IT time capitalised in 1H FY10 prior to pause on replacement of customer billing systems.
- Depreciation - \$1.5m higher than expected and under review.
- Finance Costs – Higher average debt and increased weighting of longer term facilities.
- Tax – Impact of 2010 Budget tax changes. Adjustments required to deferred tax taken through income tax expense.

Depreciation deductibility on long life buildings	11.1
Company tax rate reduction	(4.8)
	6.3m

EBITDAF, Underlying Earnings After Tax and Operating Cash Flow Six Months to 30 September



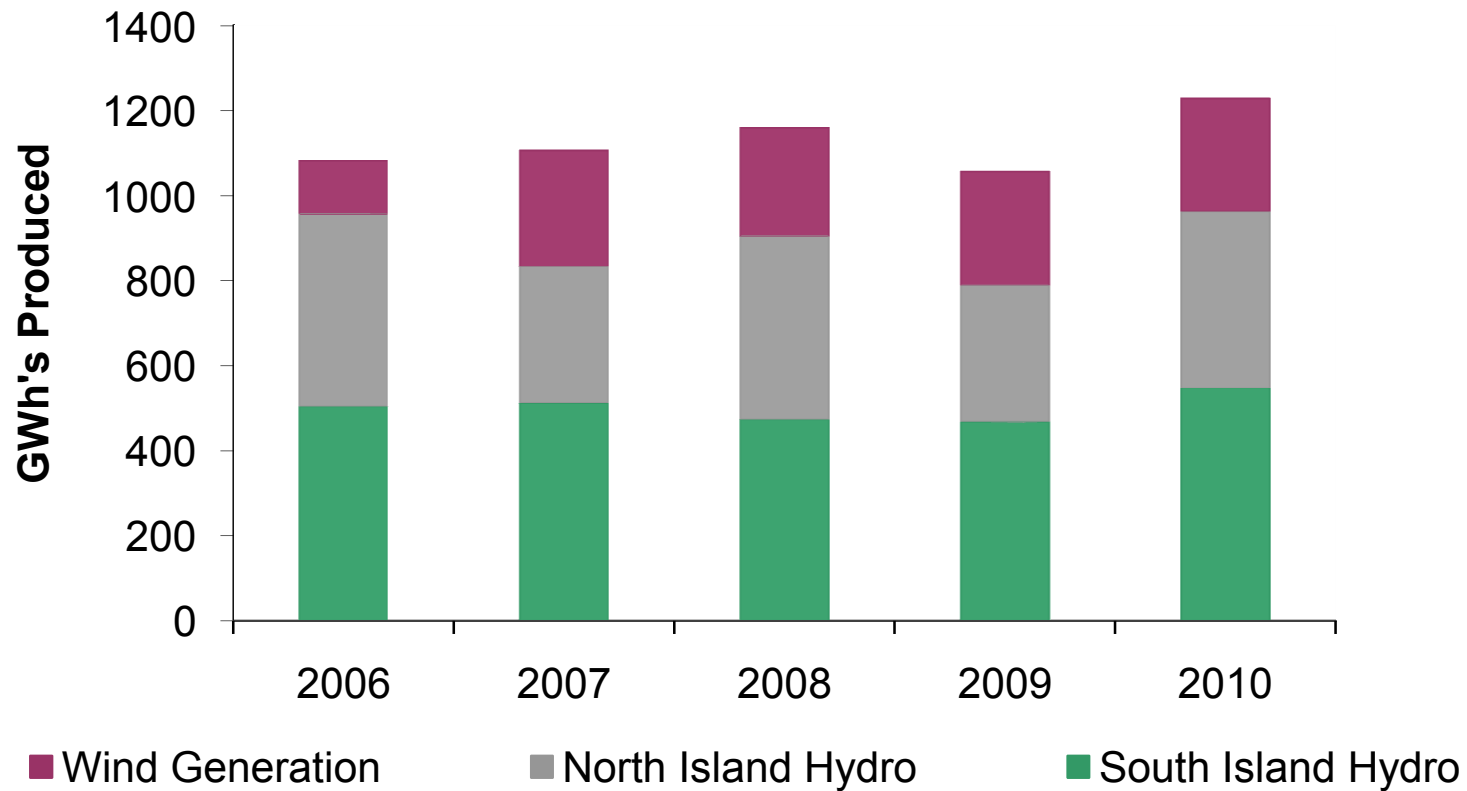
EBITDAF, Underlying Earnings After Tax & Operating Cash Flow



Sources of Own Generation Six Months to 30 September



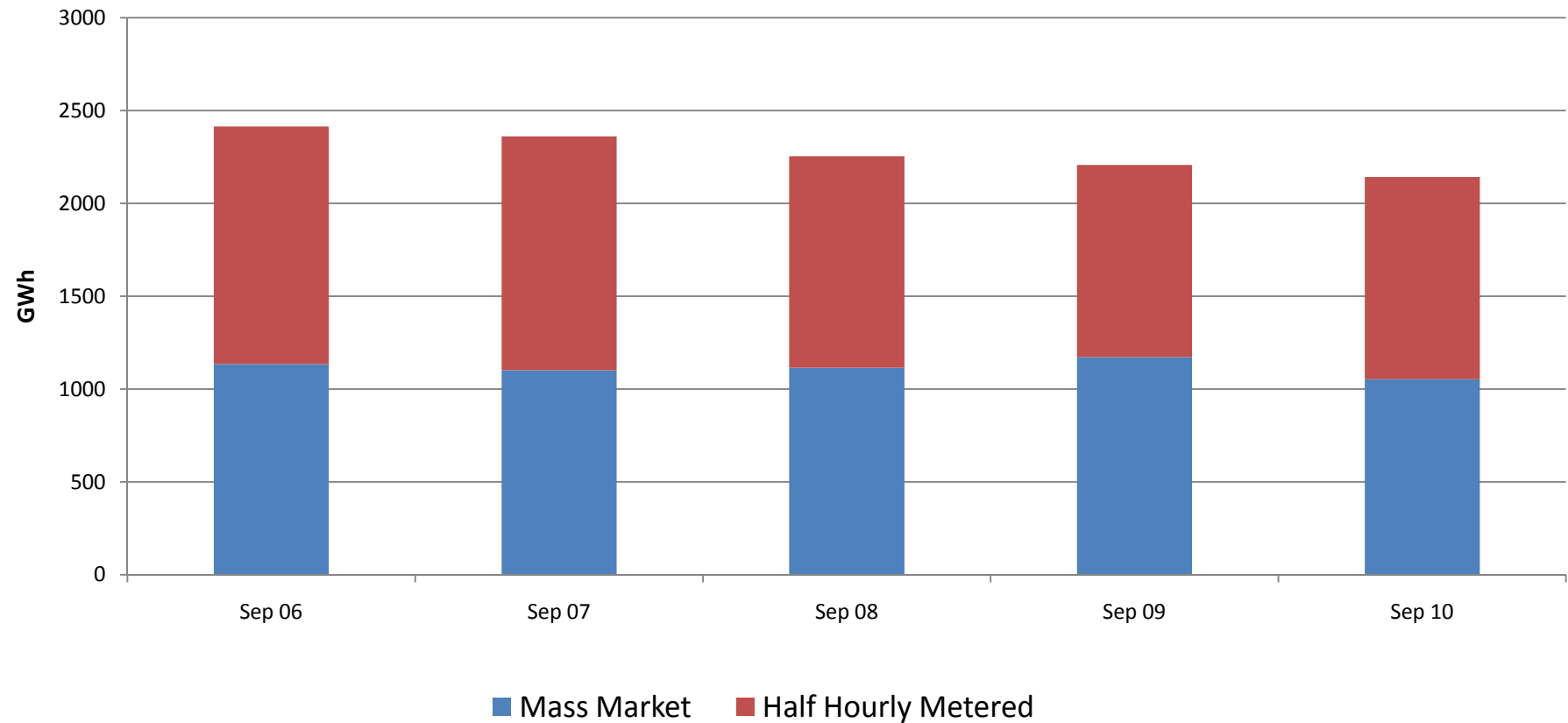
Source of Own NZ Generation - 6 months to 30 September



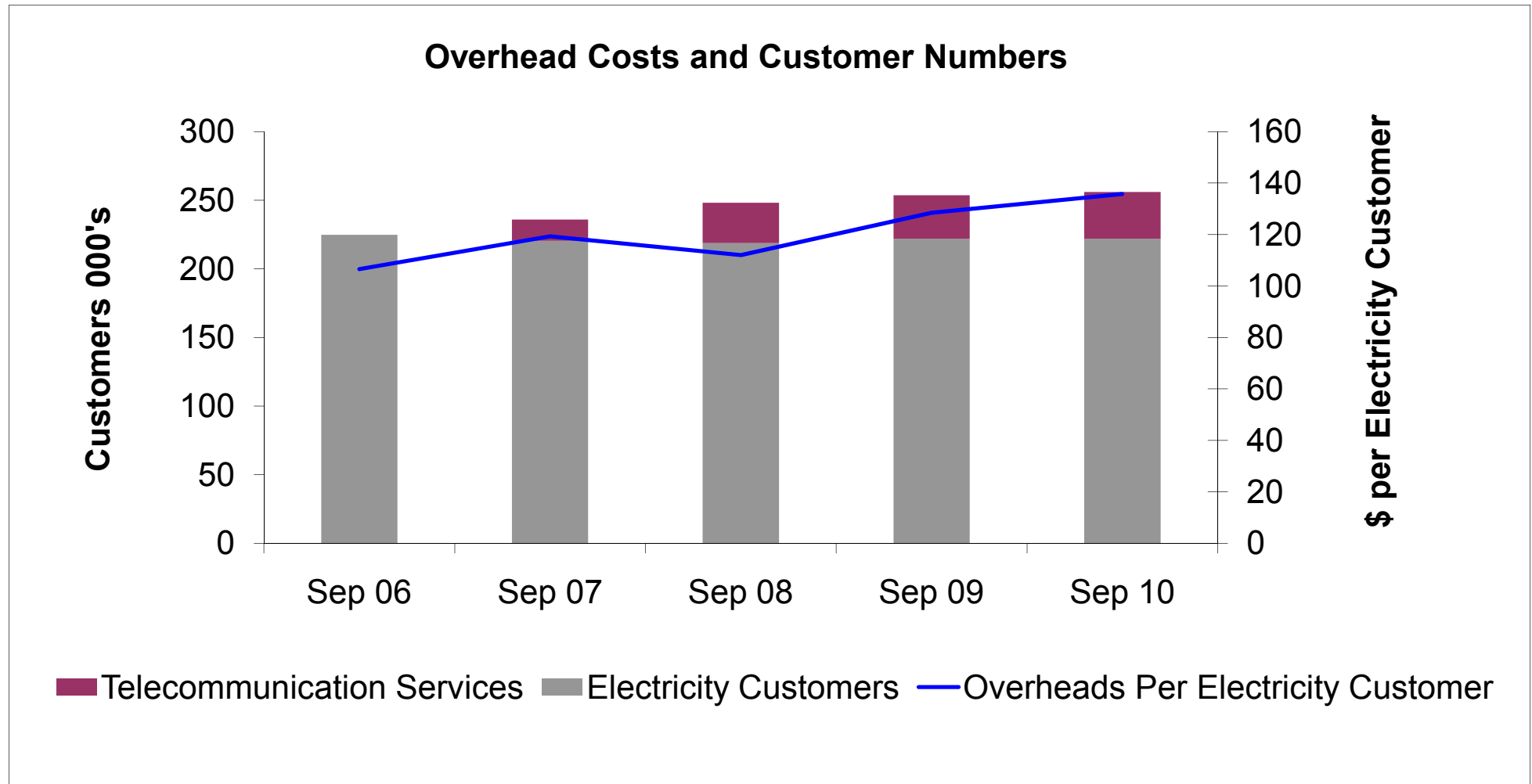
Electricity Volume Sold – Six Months to September



Electricity Volume Sold



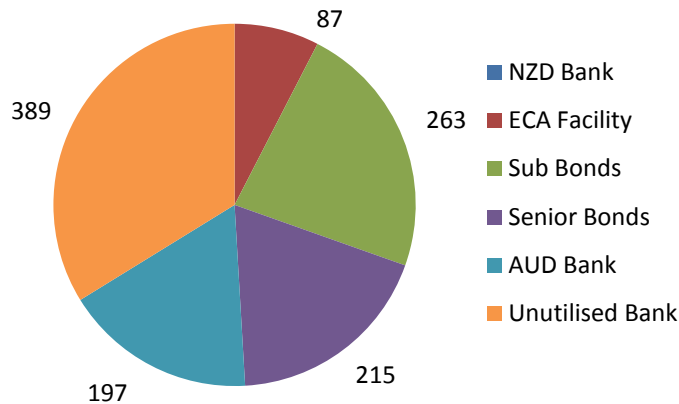
Overhead Costs and Customer Numbers



Current Sources of Debt Funding

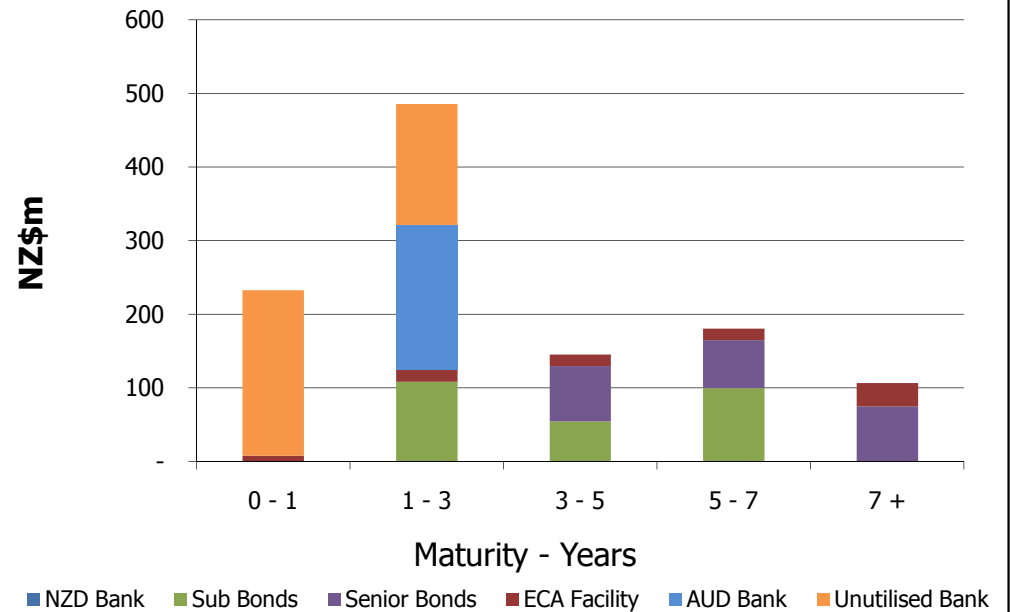


Funding Sources - NZDm



- Good mix of funding sources.
- Recent 7 year retail senior bond issue has added length to maturity profile.
- Debt capacity available to fund new generation investment.

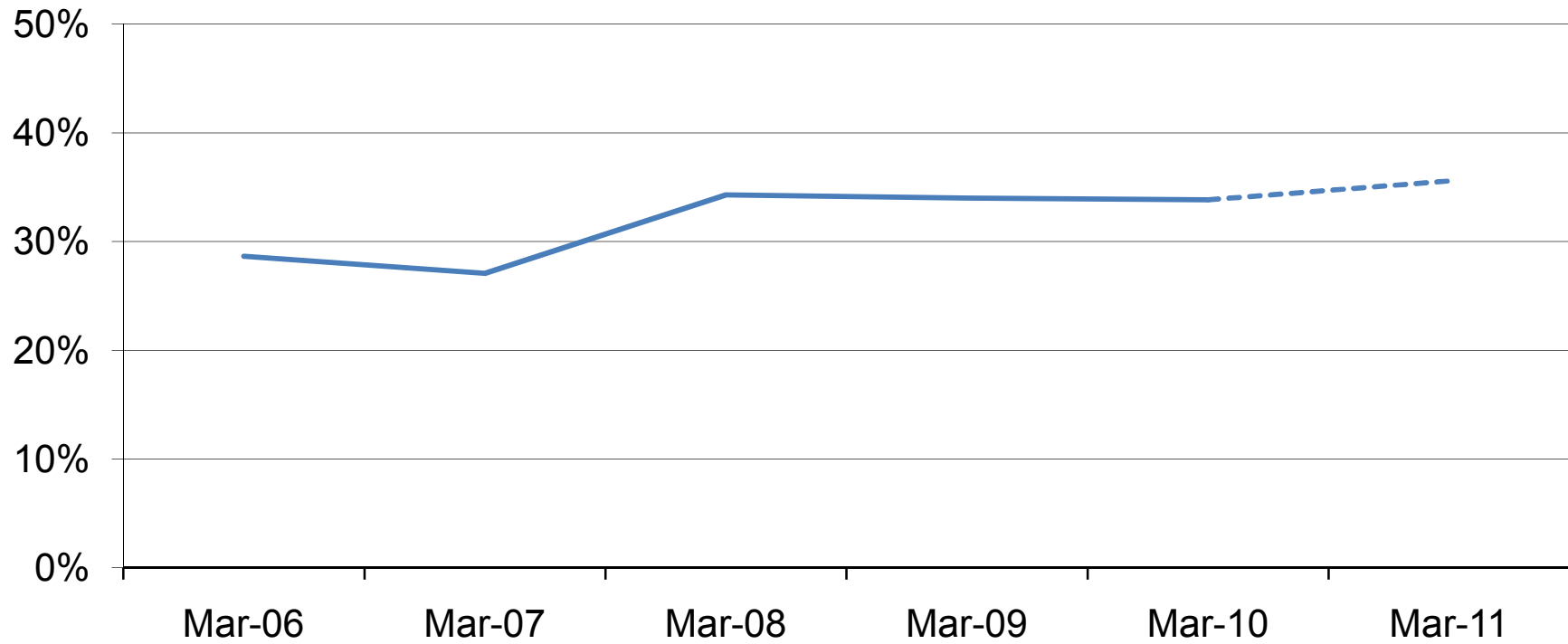
Debt Maturity



Gearing



Debt to Debt + Equity

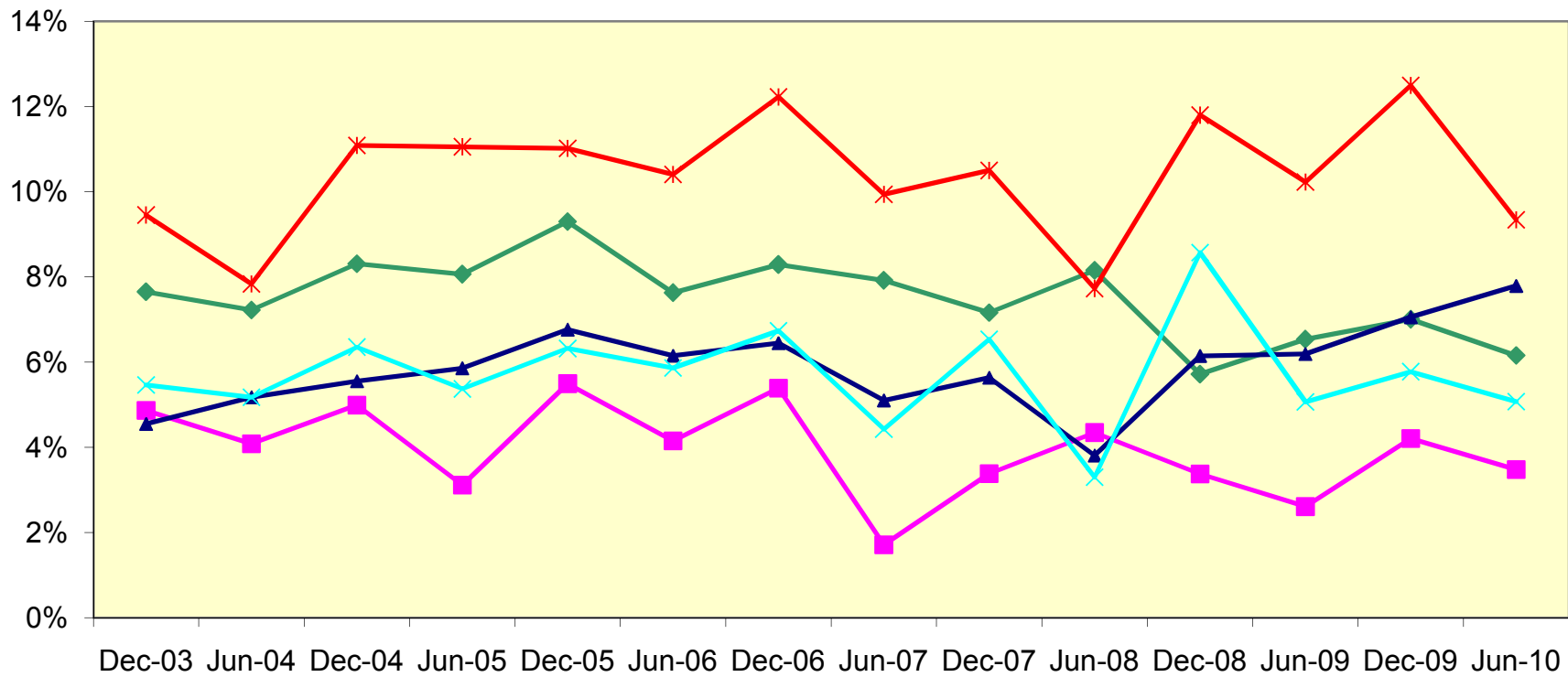


Competitor Benchmarking



EBITDAF Return on Adjusted Capital

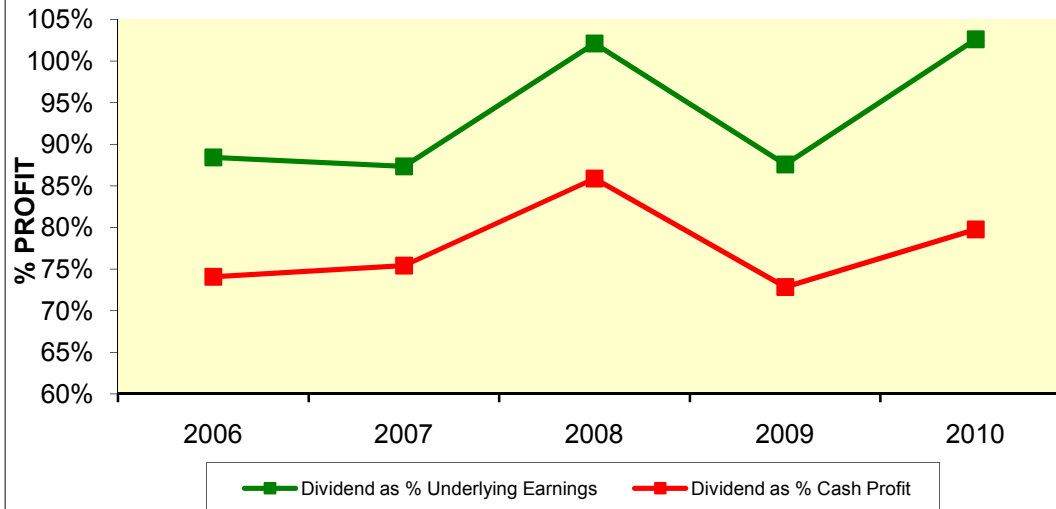
◆ Contact ■ Genesis ▲ Meridian ✕ MRP ✕ TPW



Dividends

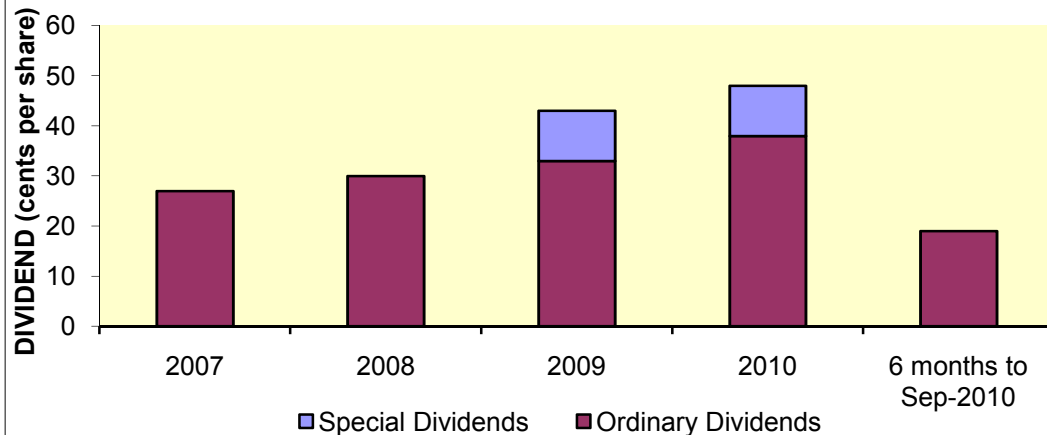


Dividends (excluding special dividends) as % of Underlying Earnings and Cash Earnings



- Interim dividend of 19cps announced payable 10 December 2010.
- Partially imputed to 13cps.

Dividends Per Share



Regulatory Update - NZ



Ministerial Review Outcomes

- Electricity Industry Bill now enacted.
- SOE asset swaps and hedging arrangements being finalised.
- Implementation of other key initiatives ongoing.

Emissions Trading Scheme

- Stationary energy and fossil fuels started 1 July 2010
- Emitters will face 50% of cost in transition period to end of 2012.
- Cap of NZD 25/tonne during transition.

Electricity Industry Authority

- EIA has assumed responsibility for industry governance from the Electricity Commission as at 1 November 2010.
- HVDC Transmission pricing methodology currently being reviewed by Industry Working Group. Will need reprioritisation on EIA agenda.

Regulatory Update - Australia



Australian MRET Legislation

- MRET target increased from 9,500 GWh pa to 45,000 GWh pa by 2020 (increase equivalent to 12,000 MW of new wind).
- Small scale and large scale targets now separated into different schemes. Large scale renewable target now 41,000 GWh.
- Scheme in place until 2030.
- REC shortfall penalty increased to \$65 MWh post tax.

Australian CPRS

- Subject to renewed political debate following Australian elections.
- Possibility of carbon tax as an alternative mechanism to put a price on carbon.
- Difficult to see CPRS “Take 2” emerging in the short term.

Project Under Construction – Mahinerangi Wind Farm Stage I



Capacity:	36MW
Commissioning:	May 2011
Wind Turbines:	Vestas V90
Capital Cost:	Circa NZD 75m
Expected Output:	105 GWh pa
Project IRR:	>12%
Transmission:	Embedded into Local Network
Currency Hedging:	Completed at favourable rates

Project currently on schedule and under budget.

Project Under Construction – Highbank Pumping



- Four pumps to be installed by December 2010 with a fifth pump by April 2011.
- Project will enable irrigation capacity to Barrhill Chertsey Irrigation Co-operative using existing water use consents that the co-operative has from the Rakaia River.
- TrustPower will pump water from the Rakaia through Highbank penstocks up to the Rangitata Diversion Race.
- Improve irrigation reliability for up to 9,000 hectares of land.
- First Stage of wider irrigation initiatives in Canterbury.

Group Strategic Focus



- Generation Development
 - Complete Mahinerangi Stage I and Highbank Pumping on time and on budget.
 - Complete resource consent conditions for Arnold Hydro and commence detailed design and geotech studies.
 - Complete Wairau Hydro resource consent.
 - Progress Canterbury Irrigation strategy.
 - North Island wind option – Waverly feasibility studies and resource consent application.
 - Hydro generation enhancements.
- Australia
 - Snowtown Stage II – complete transmission studies and key counterparty negotiations.
 - Rework Pipeline of additional wind sites.
- Protecting TrustPower's premium Retail position.
- Implementation of customer care and billing system – decision likely to be made shortly.

Outlook



- TrustPower has provided EBITDAF guidance for FY11 in line with FY10.
- CAPEX for FY11 now likely to be circa NZD110 m from original outlook of NZD125 m due to delay in start of customer information systems replacement.