



Investor
presentation
Sydney
25 July 2008



TrustPower – Key Facts

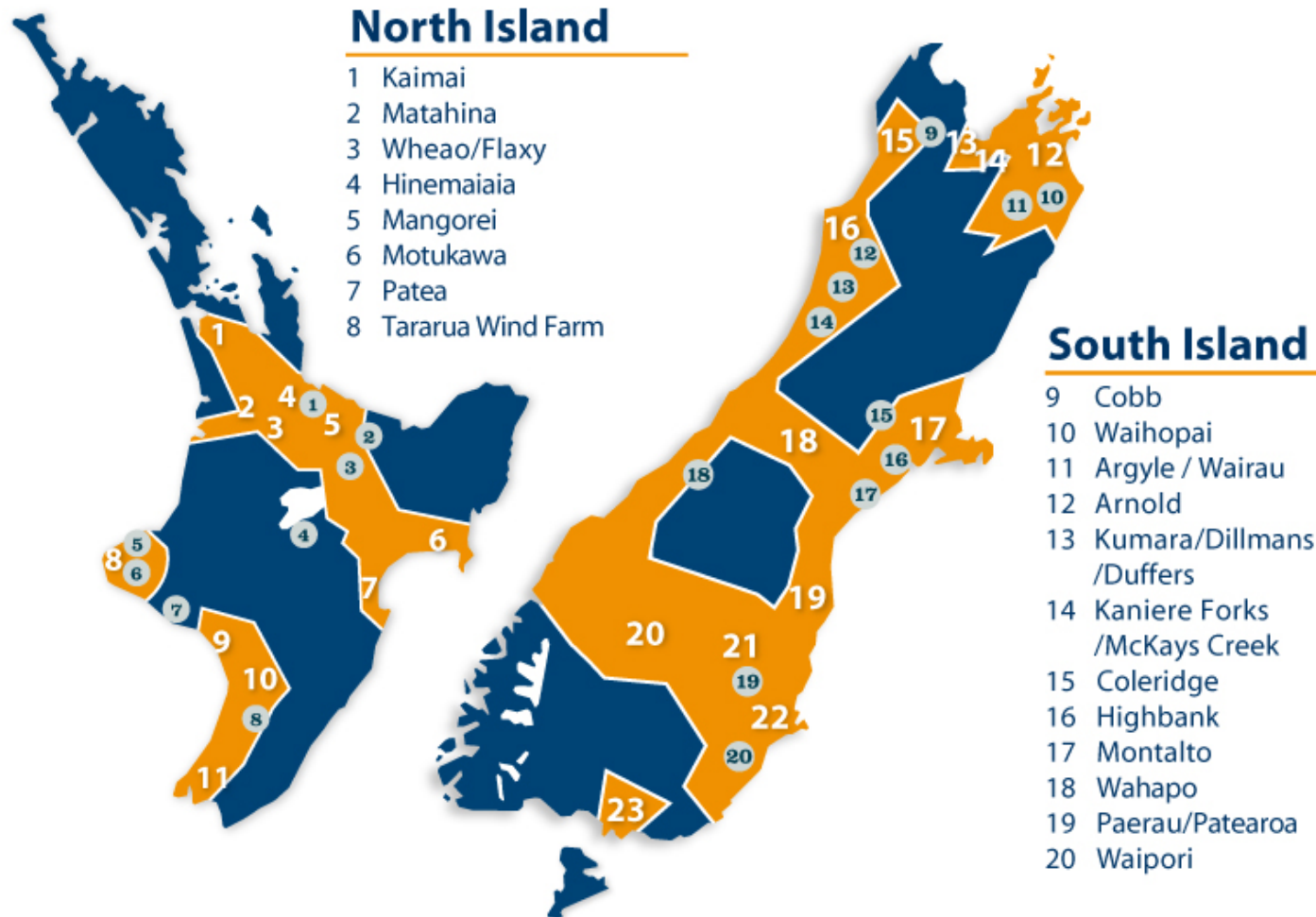


- Tauranga based national electricity generator / retailer
- Market capitalisation circa NZD 2.4 billion
- Key Shareholders Infratil (50.5%), TECT (33%)
- Freefloat 16.5%
- By FY 08 generation capacity (hydro / wind) 594MW producing circa 2,320 GWh per annum in average year
- Constructing a 98 MW wind farm in South Australia (expect to be fully commissioned by Aug 08)
- 222,000 electricity customers, 22,000 telco customers
- 385 employees

NZ Generation / Customer Map



TRUSTPOWER GENERATION ASSETS



Retail Customers

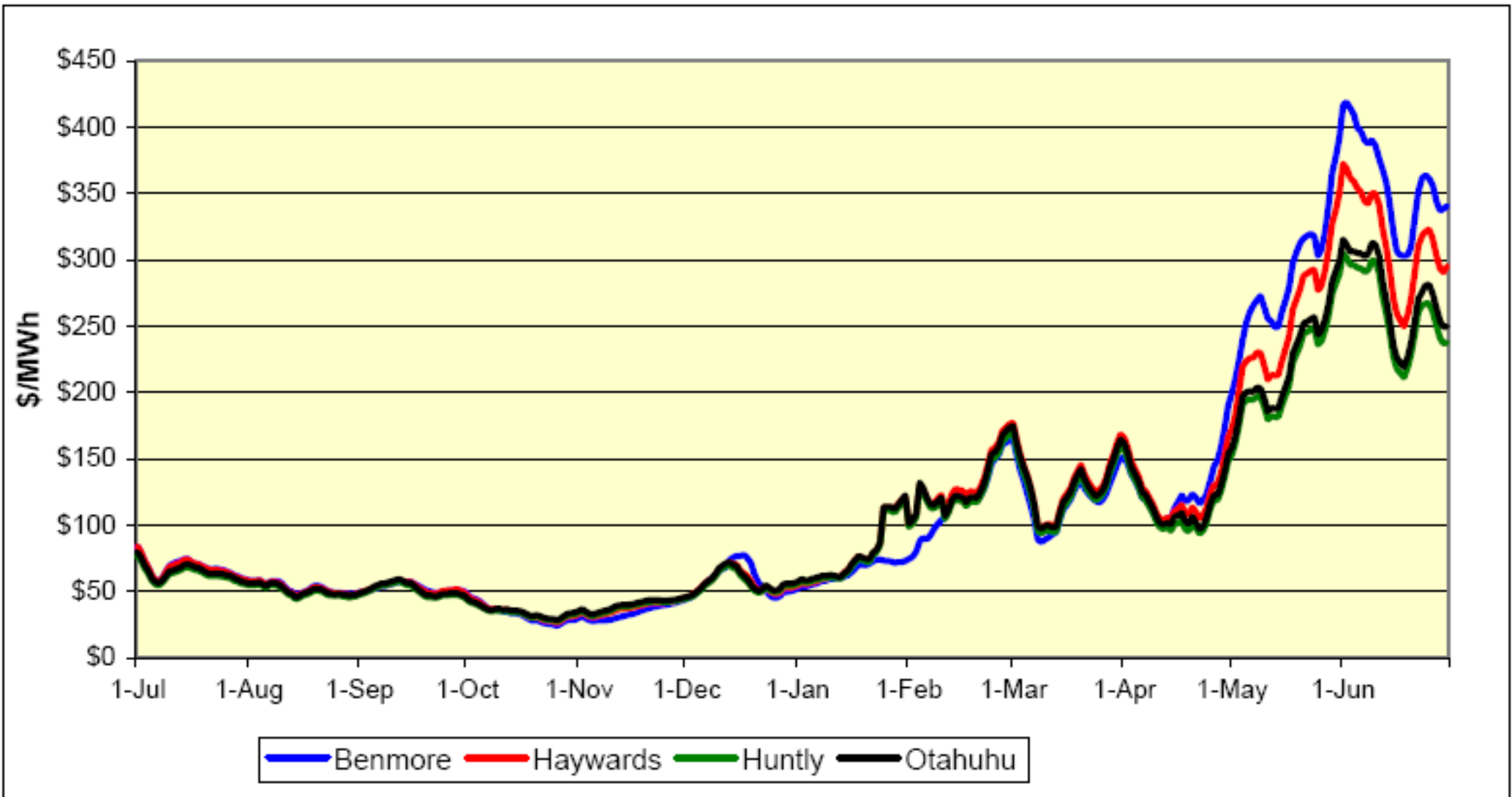
- 1 Counties
- 2 Waipa
- 3 Central Waikato
- 4 Southern Thames Valley
- 5 Tauranga/Rotorua/Taupo
- 6 Wairoa
- 7 Hawkes Bay
- 8 New Plymouth
- 9 Wanganui
- 10 Manawatu
- 11 Wellington
- 12 Marlborough
- 13 Tasman
- 14 Nelson
- 15 Buller
- 16 West Coast
- 17 Christchurch
- 18 Ashburton
- 19 Oamaru
- 20 Central Otago
- 21 Otago
- 22 Dunedin
- 23 Invercargill/Gore

TrustPower Generation Assets



TrustPower's New Zealand Generation Assets		
Assets	Generation Capacity (MW)	Average Annual Output (GWh)
North Island		
Bay of Plenty Hydro	151	582
Taranaki Hydro	40	152
Tararua Wind	161	620
TOTAL North Island	<u>352</u>	<u>1,354</u>
South Island		
Nelson / Marlborough Hydro	44	244
West Coast Hydro	25	90
Canterbury Hydro	72	362
Otago Hydro	101	270
TOTAL South Island	<u>242</u>	<u>966</u>
TOTAL NZ	<u>594</u>	<u>2,320</u>

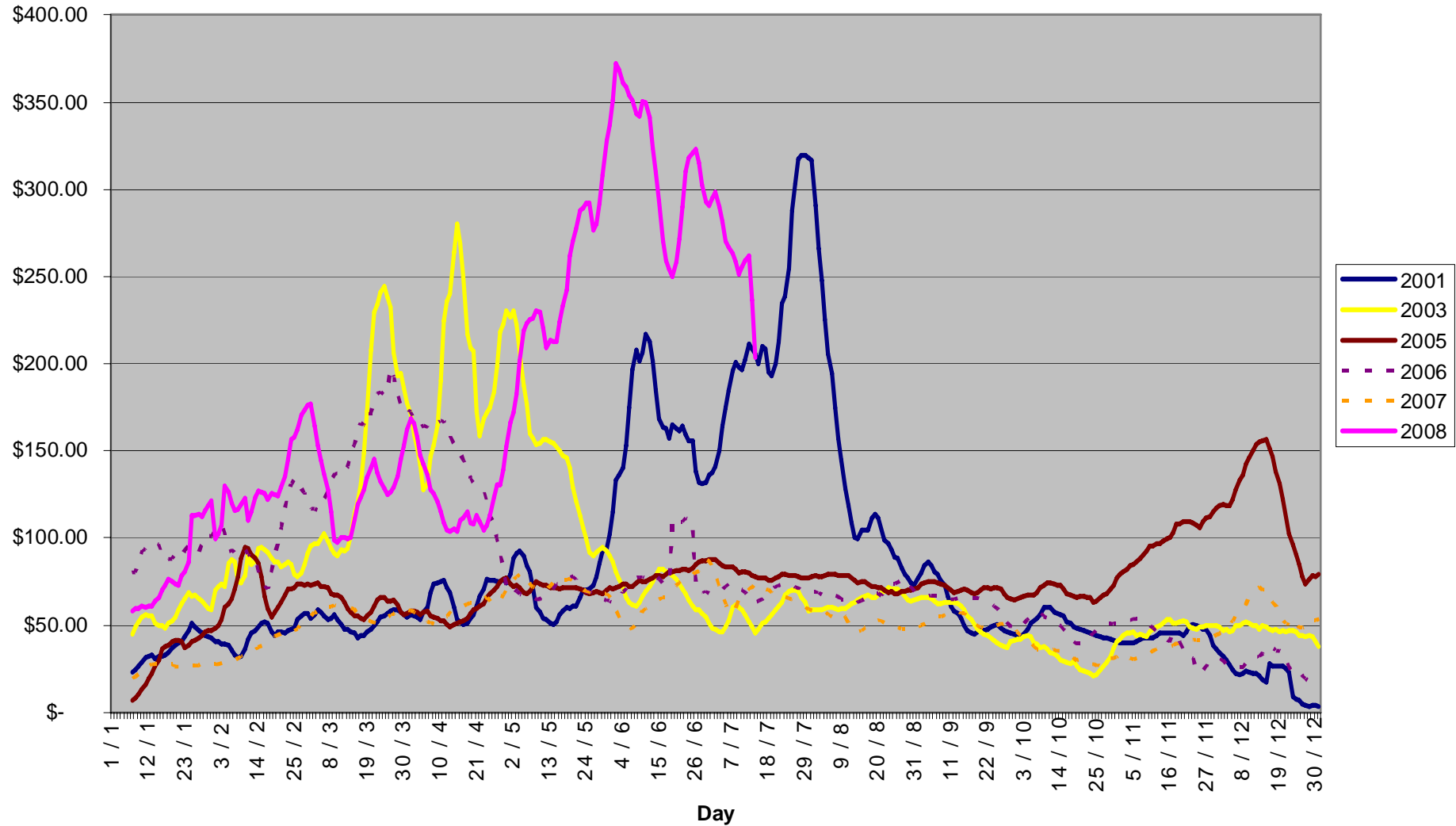
NZ Electricity 7 Day Rolling Spot Prices Last 12 Months



Rolling Weekly Prices 2001 – July 2008



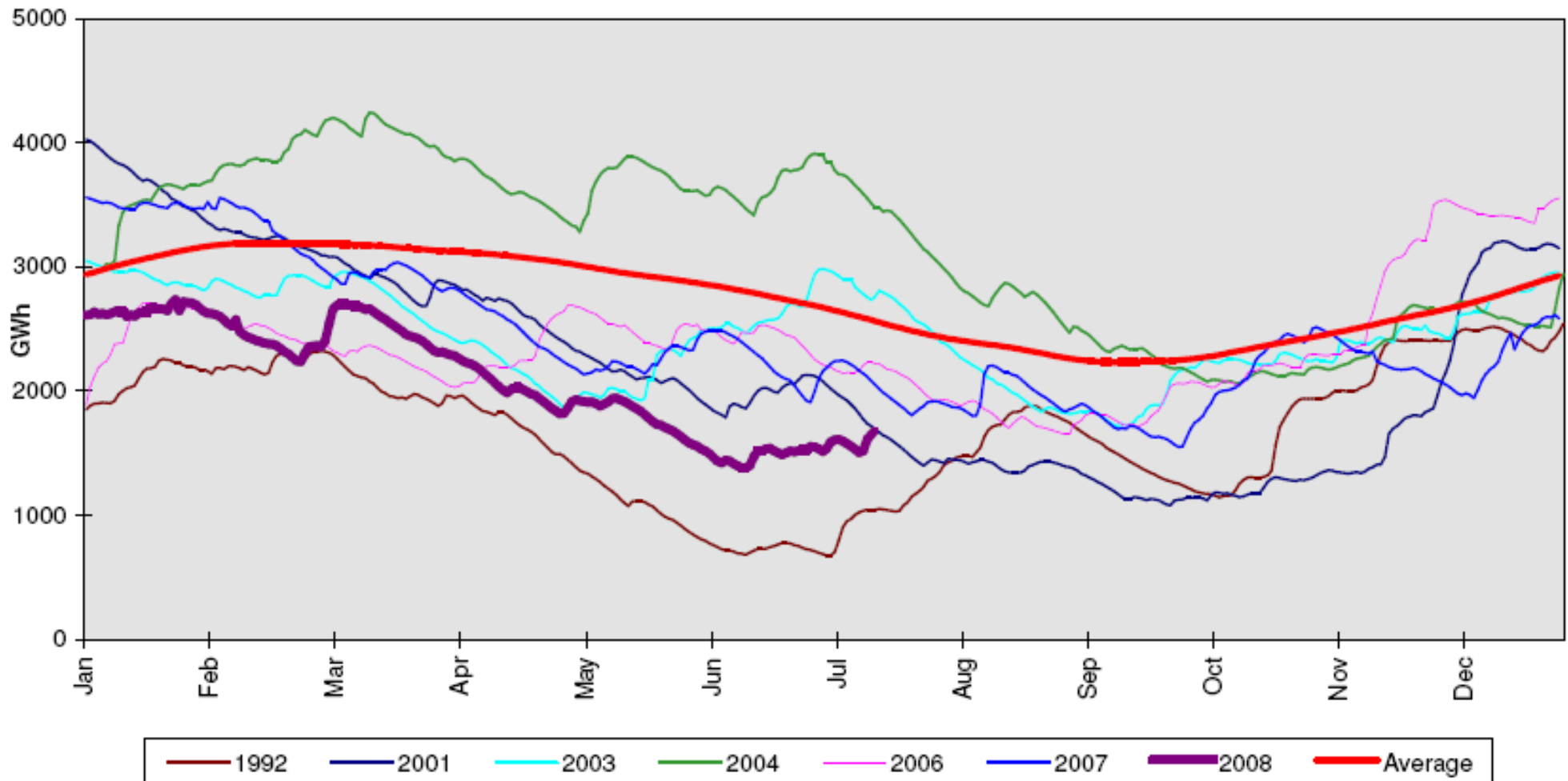
Price Comparison 2001 - 2008
Rolling Weekly Avg Prices (HAY2201)
\$/MWh



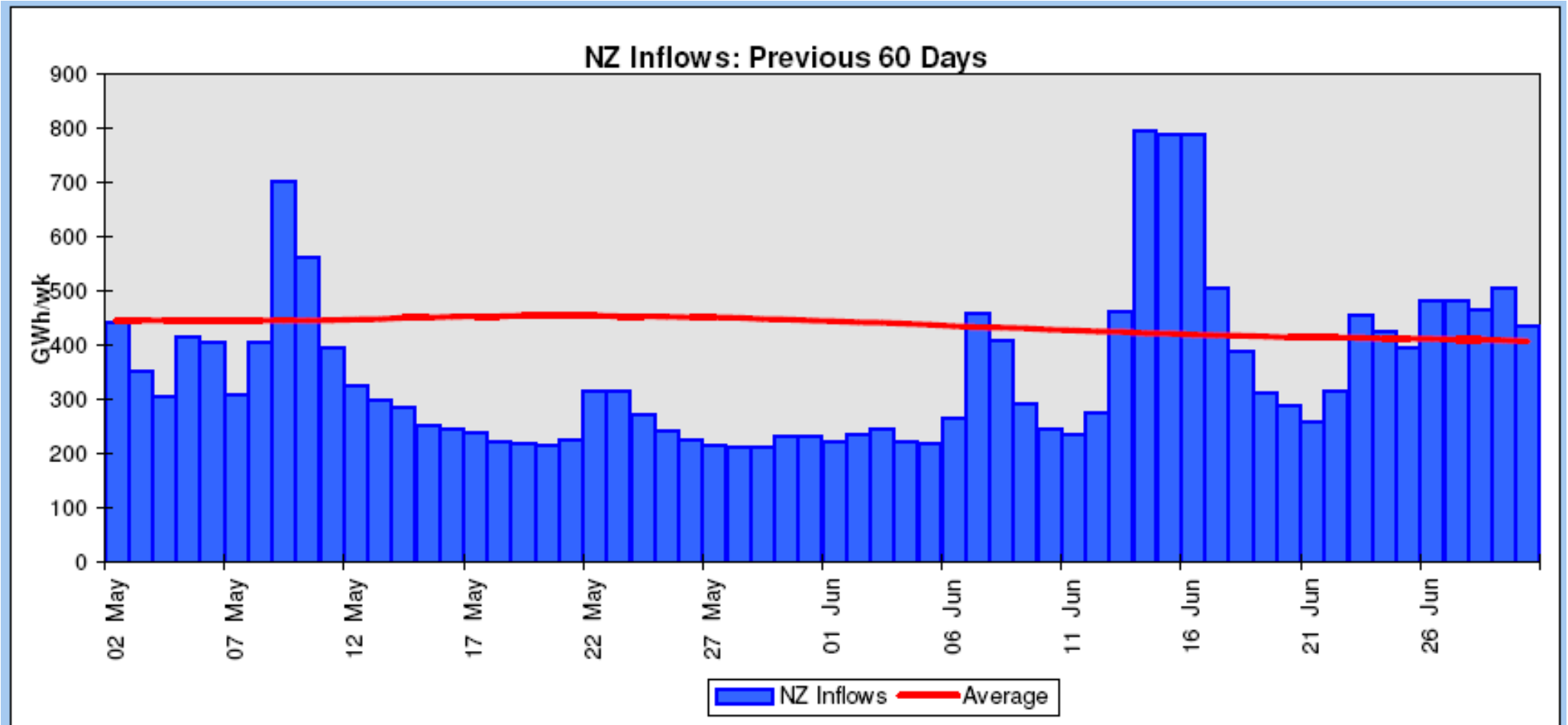
New Zealand Daily Storage



New Zealand Daily Storage



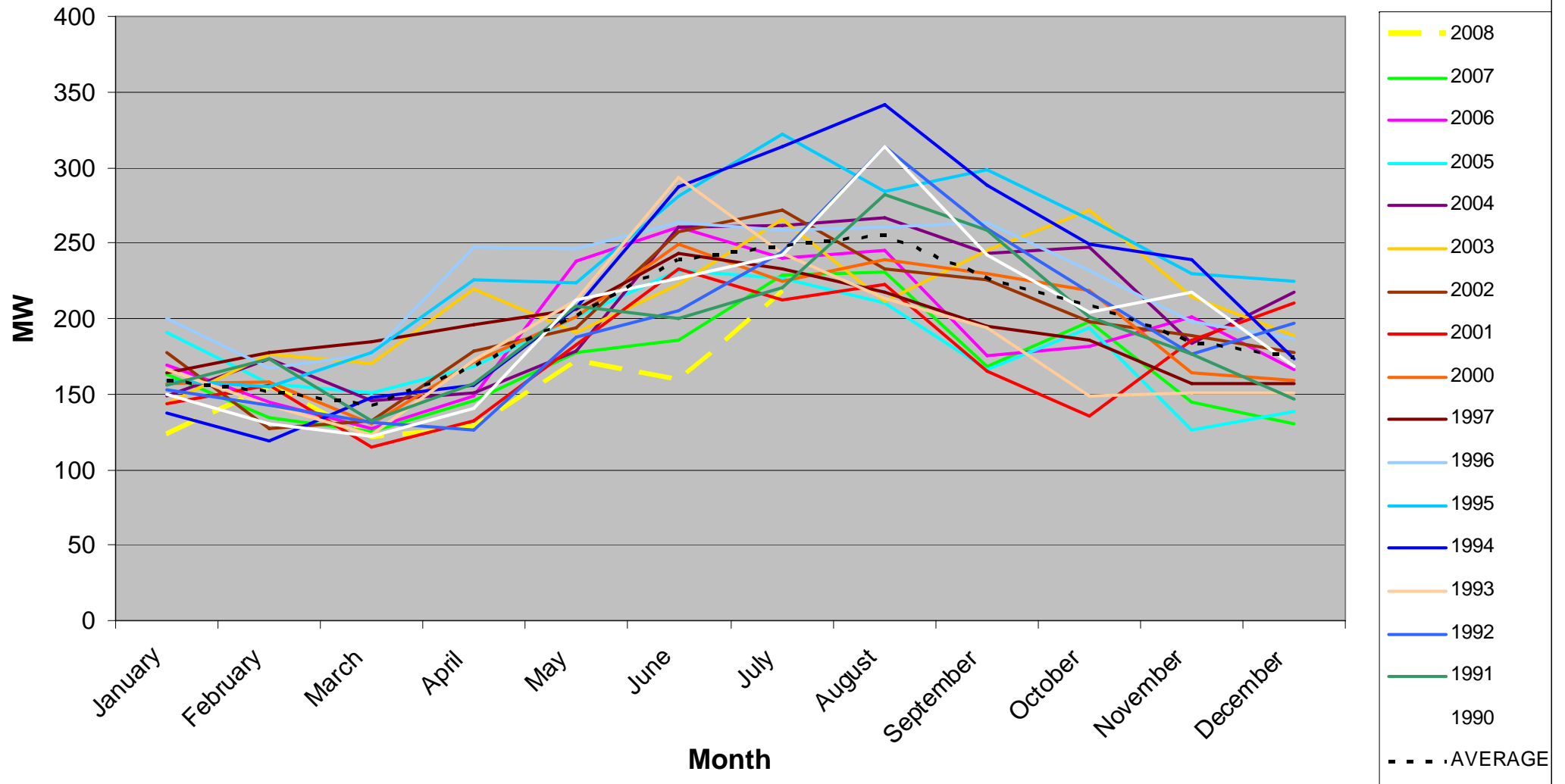
NZ Inflows: Previous 60 Days (May – June 08)



TrustPower Hydro Monthly Averages



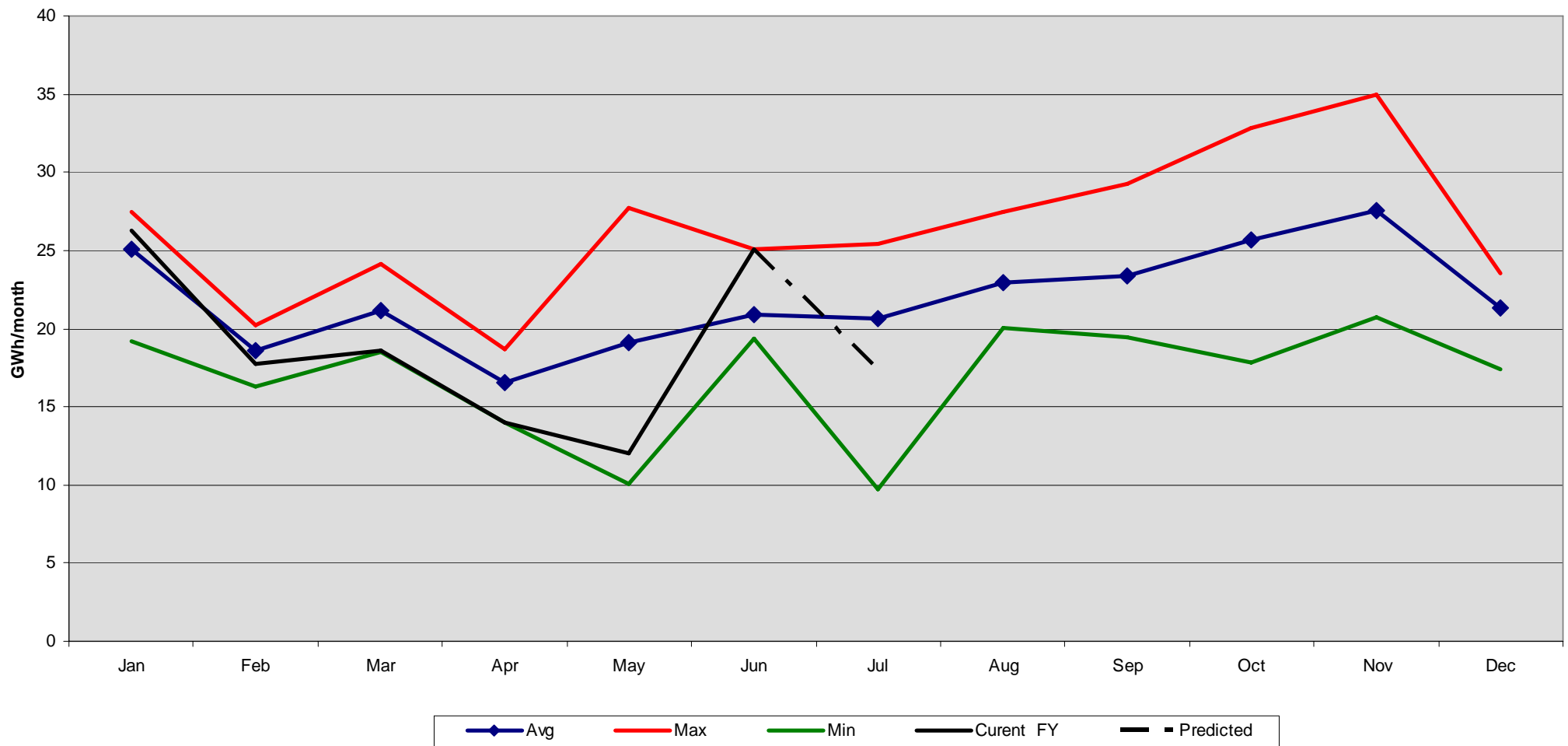
Total Hydro Generation Monthly Averages



Wind Farm Production T 1 & 2



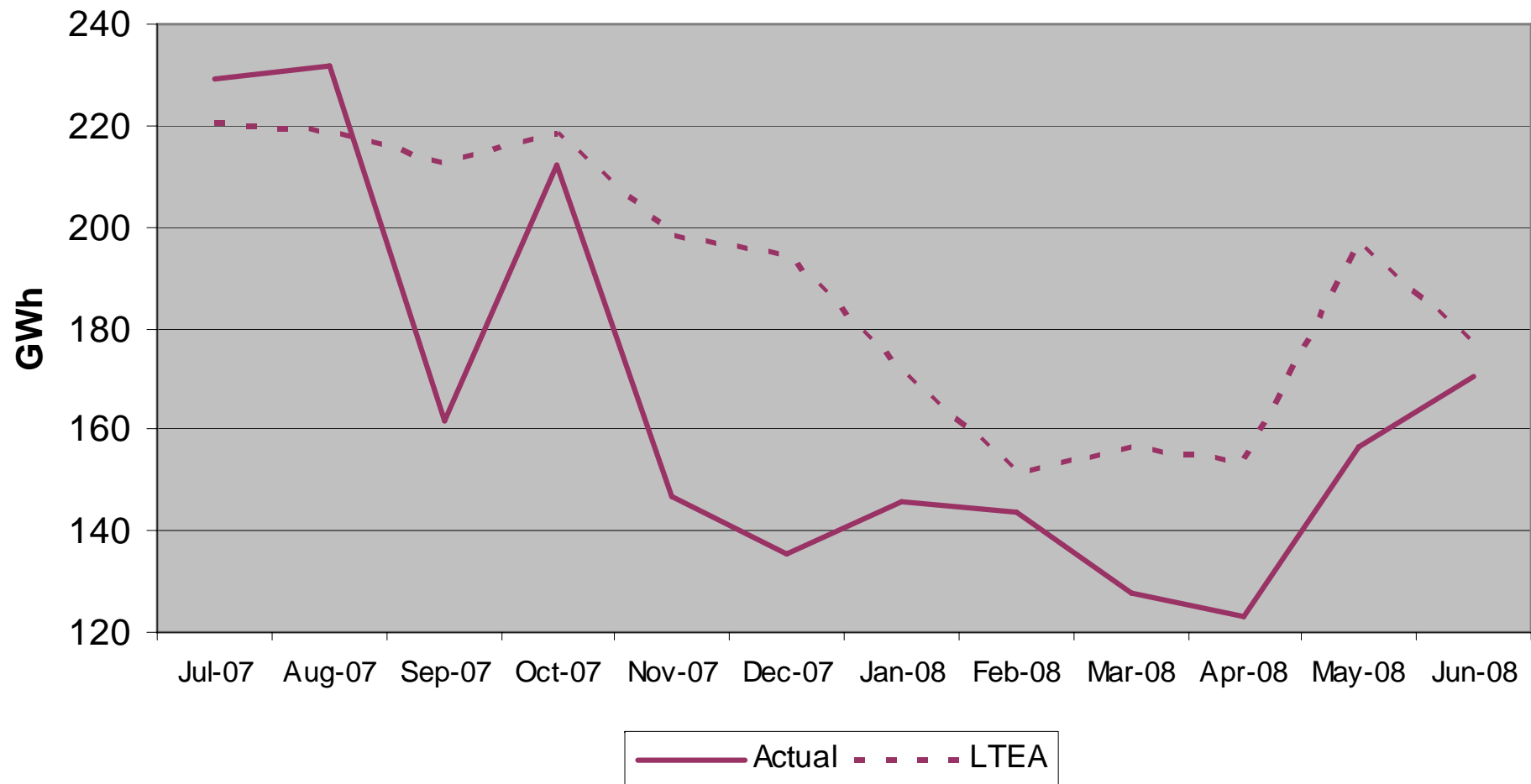
Tararua I & II Production (Jan 2005- Jun 2008)



TrustPower Generation last 12 Months Versus Long Term Expectations



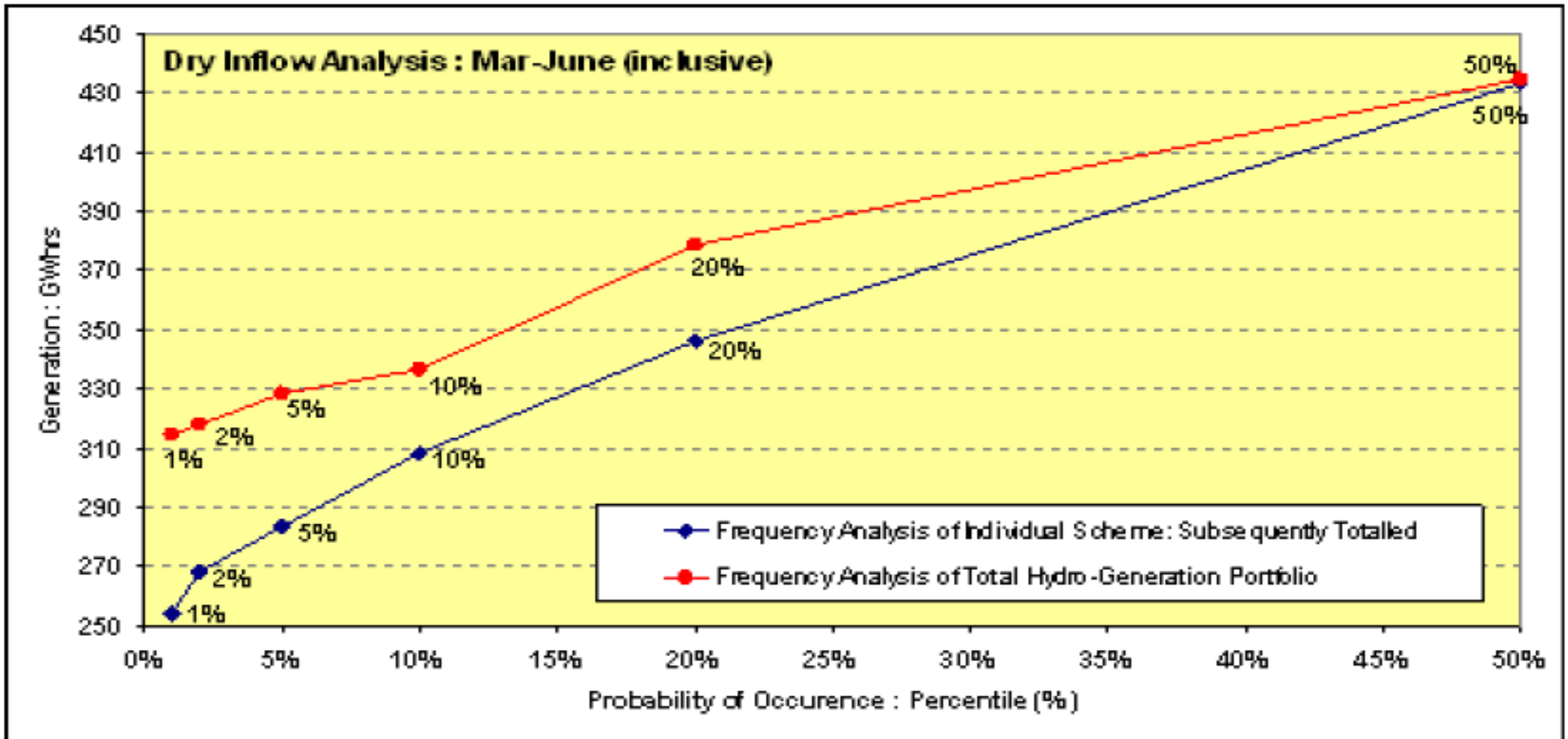
Total Generation Production versus Long Term Expected Average



Cobb Dam



Dry Event In Context



- TrustPower's portfolio generation inflow for the period was 315 GWh versus average of 435 GWh – close to a 1 in 100 outcome

Dry Event Impact



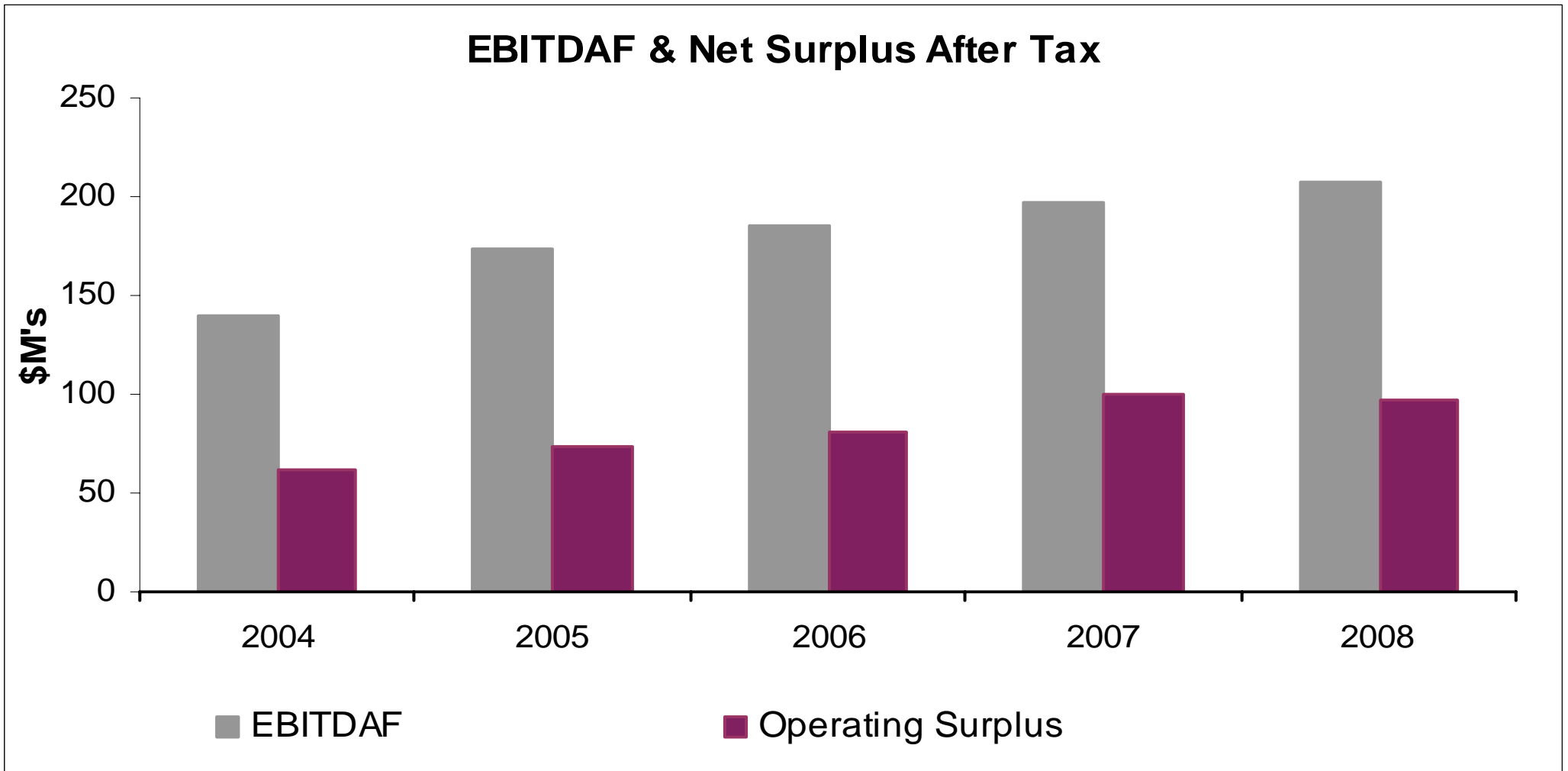
Financial Impact

- 3 Month EBITDAF result to end of June was within the range of NZD 15 to 20 million lower than expectation announced in mid-June.

TrustPower Actions

- Ceased mass market acquisition campaigns in March.
- Requested exemptions from regional councils to run Coleridge and Waipori schemes longer in dry year zones without penalty.
- A full review of the Company's risk management performance will be undertaken at the end of Winter – best done in hindsight.

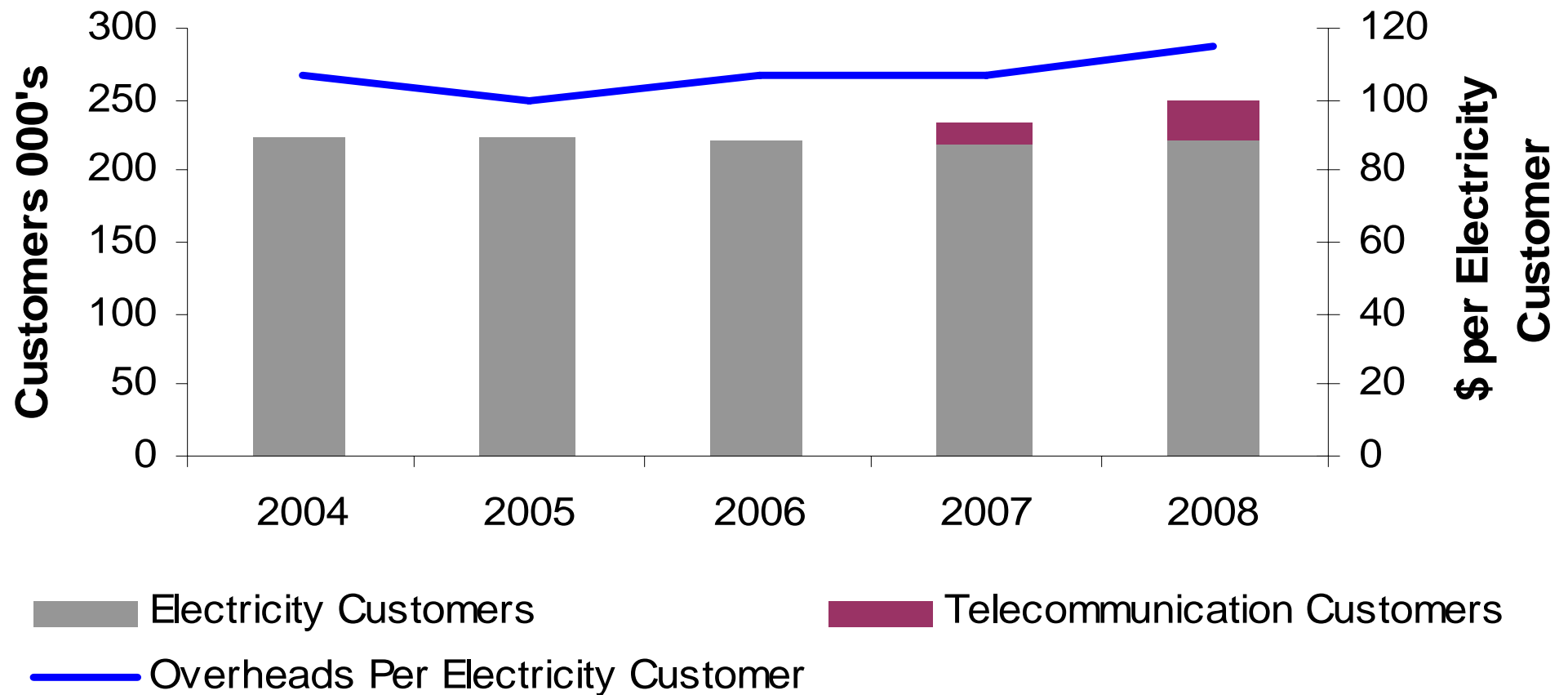
EBITDA & Net Surplus After Tax



Overhead Costs and Customer Numbers



Overhead Costs and Customer Numbers



Current Sources of Debt Funding



Funding Source	Committed Amount	Maturity	Tranches
Banks	NZD 450m	2009 - 2012	4
Amortising ECA Backed Funding	NZD 108m	2020	1
AUD Bank Facility	AUD 160m	2010	1
Subordinated Bonds	NZD 214m	Dec 2008 – March 2014	3
Total NZD Equivalent	965m		

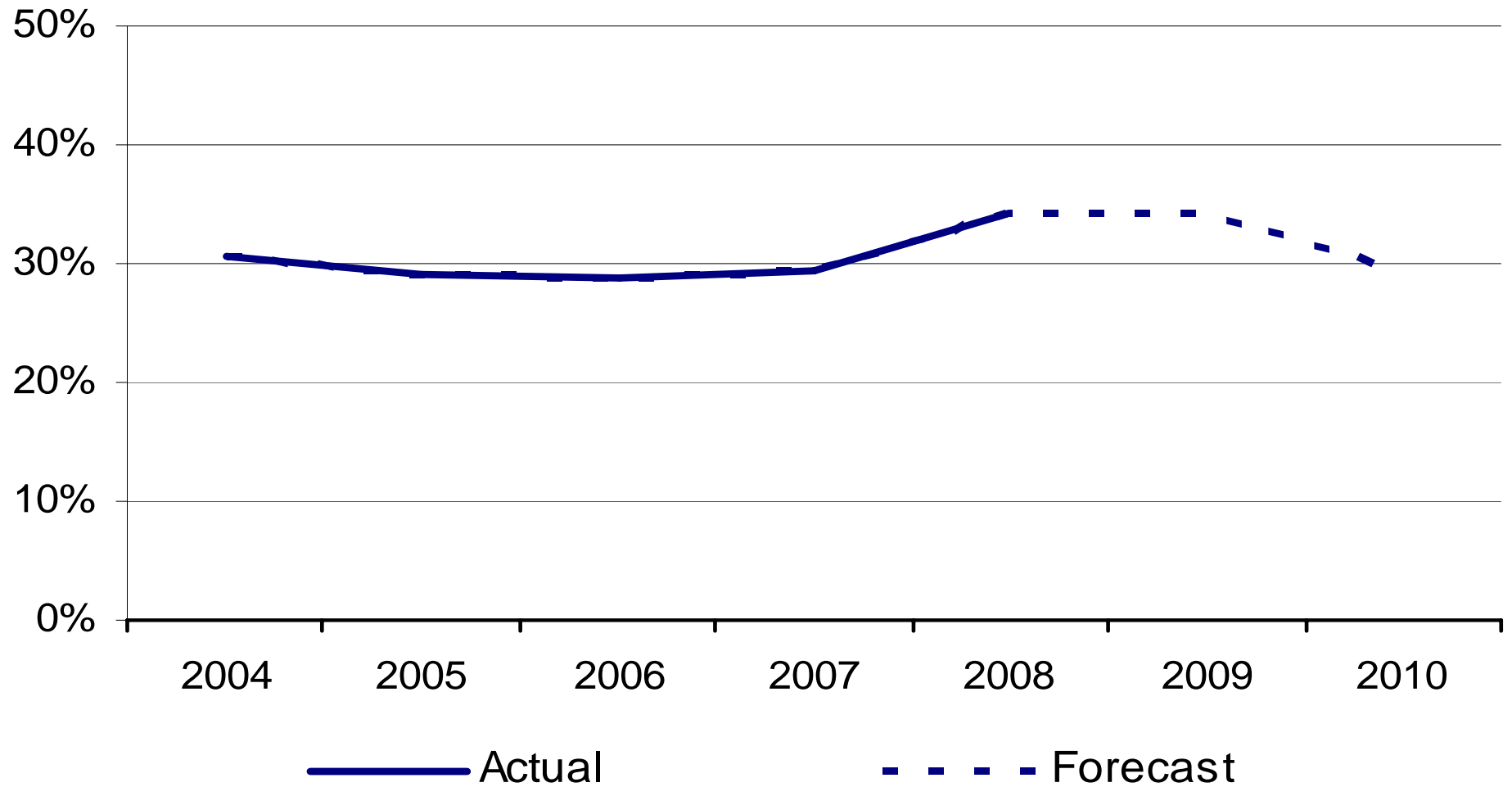
Debt Facilities drawn to NZD 774m at 30 June 08

- NZD 100m Bank Facilities maturing July 08 extended to July 09
- New NZD 100m 3 year facility arranged.

Gearing



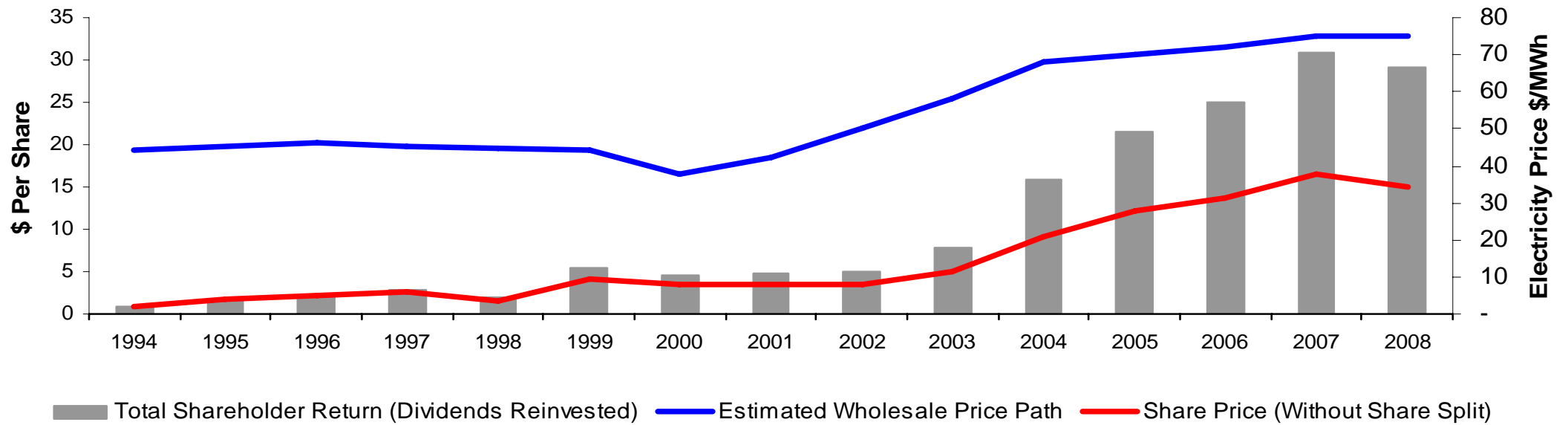
Debt to Debt + Equity



TrustPower Total Shareholder Return since 1994



TrustPower Total Shareholder Return



NZ Regulatory Environment



Climate Change Bill tabled in Parliament in December 07.
Enactment of legislation dependent on multi-party support.

- Reasonable chance it won't be passed ahead of Election in November.

Key aspects of the legislation as currently proposed:

- Emissions Trading Scheme – electricity sector included from January 2010.
- 10 Year moratorium on base load fossil fuel thermal generation except as required to maintain security of supply.
- Policy target of 90% renewable generation by 2025.

Electricity Commission – Market Design Review



Key take-aways:

- No major change to industry structure proposed.
- EC key concern is sufficiency of competition in retail market.

EC's key steps to promoting competition:

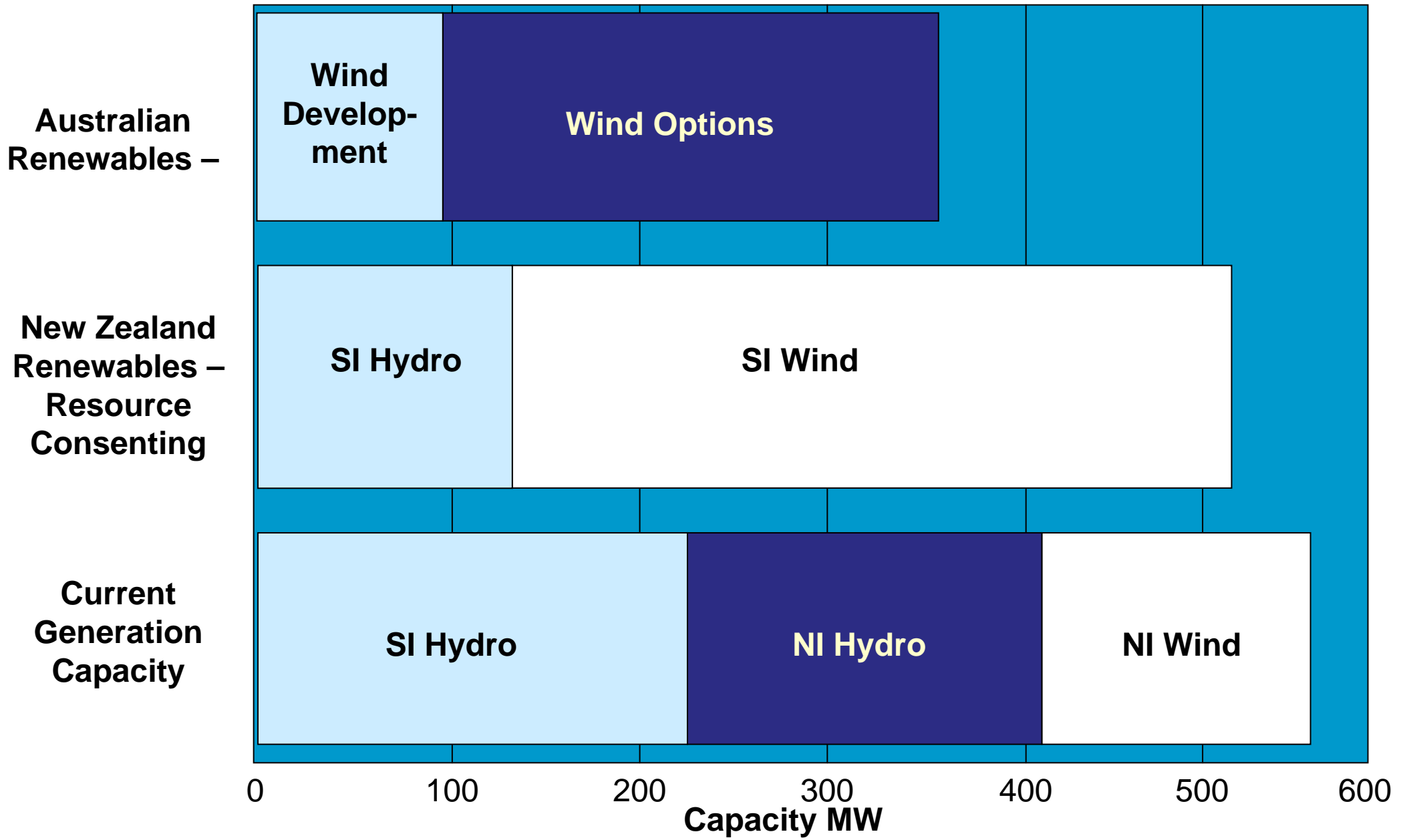
- Improving retailer ability to manage nodal pricing risk through:
 - Development of transmission hedges
 - Supporting transmission investment
- Lower customer search and switching costs through:
 - Further promotion and improvement of power-switch service

Strategic Focus



- Generation Development
 - Resource Consents for Mahinerangi Wind, Wairau Hydro, Arnold Hydro, Kaiwera Downs, should be concluded in 2008
 - North Island Wind – New Opportunities becoming available
- Australia
 - Completion of Snowtown Stage I
 - 40MW at Myponga remains as work in progress
 - Pursue other opportunities that align with further expansion of Snowtown
- Maximising Carbon Trading Opportunities
- Protecting TrustPower's Premium Retail Position

TrustPower's renewable energy options could double generation capacity



NZ Investment Issues



Positives

- Emissions Trading Scheme should assist new renewables investment.
- TrustPower has a number of good renewables sites.

Negatives

- HVDC cost allocation disadvantages new South Island generation.
- Resource Management Act processes continue to frustrate.
- Drop in NZD may make wind farm economics more challenging.

Australia Investment Issues



Positives

- Momentum growing for renewable generation incentives.
- TrustPower has options over two good quality wind sites.

Negatives

- Fewer higher quality wind sites identified on mainland Australia.
- Uncertainty around legislation to support renewable investment and its timing.

98.7MW Snowtown Wind Farm – Progress Update as at 21 July



	Number	% Complete
Turbines erected	31	66
Turbines commissioned	28	60

- Targeted full commissioning by 31 August 2008.
- Three months ahead of original schedule.

Snowtown Wind Farm – South Australia



Snowtown Wind Farm – South Australia



Snowtown Wind Farm – South Australia



Snowtown Wind Farm – South Australia





Questions

