



Media Statement  
Tuesday 15 February 2011

### **TrustPower Limited Third Quarter Operating Results for the Nine Months Ended 31 December 2010**

TrustPower's operating statistics for the nine months ended 31 December 2010 together with prior period comparatives are provided at the end of this announcement.

Total electricity sales were 3,113 GWh for the current reporting period which was down 2 per cent on the prior period.

Retail competition remains strong and is expected to continue for some time as the SOE generator retailers rebalance their North and South Island customer bases.

Electricity customer numbers as at 31 December 2010 were 5,000 down on the same time a year earlier, and 1,000 below the position at the end of the second quarter. TrustPower has however successfully increased commercial and industrial time of use sales in response to competitor activity and as a result third quarter total volume sold was slightly up on prior period.

TrustPower's total New Zealand generation production for the reporting period was 1,763 GWh up 9 per cent on prior period due to stronger hydro production in both the North and South Islands. However, New Zealand wind generation was down 7 per cent on prior period due to lower wind production at the Tararua Wind Farm during the third quarter.

Lower than expected wind conditions at the Snowtown Wind Farm continued during the third quarter with year to date production down 18 per cent versus prior period which is consistent with the experience of other South Australian wind generators. However, in recent weeks wind production has improved.

TrustPower's main hydro storage catchments are currently at or above average levels for this time of year following good inflows during the end of the third quarter and January 2011.

The Commissioning of pumping equipment at the Company's Highbank hydro generation scheme was completed on schedule in December 2010. The pumping equipment provides additional irrigation capacity to local irrigators and is seen by TrustPower as an important first step in providing greater irrigation capacity to the Canterbury region.

The 36MW Mahinerangi wind project continues to progress to schedule and budget. All wind towers are now on site with the first two sections erected. Turbine blades and nacelles have now been delivered to site. The project's twelve 3MW wind turbines are expected to be progressively commissioned during February to May 2011.

During December 2010 TrustPower was granted consents for both the Arnold and Wairau hydro generation schemes. The proposed Arnold scheme is located inland from Greymouth with an installed capacity of up to 46MW, while the proposed Wairau scheme is located inland from Blenheim with an installed capacity of 72MW. These consents were granted in line with TrustPower's expectations and neither are subject to further appeal. These consents are the only two major hydro consents achieved since the introduction of the Resource Management Act. Within its overall development portfolio TrustPower now has 400MW of wind generation and over 100MW of hydro generation options in the South Island fully consented. Attention will now focus on the economic viability of these options. However TrustPower notes the negative impact the

current pricing methodology for allocation of the cost of the high voltage direct current (“HVDC”) has on these generation development options.



**BJ HARKER  
CHAIRMAN**

<b>Operating Statistics</b>	<b>9 Months</b>	<b>9 Months</b>	<b>12 Months</b>
	<b>December 2010</b>	<b>December 2009</b>	<b>March 2010</b>
Electricity customer numbers (000's)	221	226	225
Telecommunication services provided (000's)	34	32	33
Mass market sales (GWh)	1,491	1,633	2,057
Time of use sales (GWh)	1,622	1,536	2,046
<b>Total customer sales (GWh)</b>	<b>3,113</b>	<b>3,169</b>	<b>4,103</b>
Average spot price of electricity purchased (\$/MWh)	57	47	56
North Island hydro generation production (GWh)	598	509	615
South Island hydro generation production (GWh)	756	672	820
Total hydro generation production (GWh)	1,354	1,181	1,435
Wind generation production (GWh)	409	439	582
<b>Total New Zealand generation production (GWh)</b>	<b>1,763</b>	<b>1,620</b>	<b>2,017</b>
Average spot price of electricity generated (\$/MWh)	52	43	50
Australian wind production (GWh)	232	283	373
Resource consent non-compliance events	8	2	5
Staff numbers (full time equivalents)	409	403	411