



Market Announcement
Friday, 3 August 2012

TrustPower Limited First Quarter Operating Results for the Three Months Ended 30 June 2012

TrustPower's operating statistics for the quarter ended 30 June 2012 together with prior period comparatives are provided at the end of this announcement.

The first quarter of the 2013 financial year has seen higher than average wholesale electricity prices due to below average hydro storage levels and inflows across the country.

TrustPower's New Zealand generation production was 604GWh in the first quarter, 14 per cent below same period last year but less than 2 per cent below expected long term average production, reflecting very strong hydro production in prior period. Wind production for the quarter at the Tararua and Mahinerangi wind farms was in line with prior period.

New Zealand hydro storage levels have improved during July and wholesale electricity prices have fallen as a result.

The Snowtown Stage 1 Wind Farm produced 89GWh during the first quarter which was 6 per cent up on prior period and slightly above long term expectation.

Mass market customer sales were down 5 per cent for the first quarter compared to prior period predominantly due to lower customer numbers. Time of Use sales were down 30GWh (5 per cent) on prior period. However, TrustPower sold 35GWh more volume through the ASX during the quarter than prior period as this was determined to be the best product placement channel given high wholesale electricity prices. Mass market competition remains strong although a moderation in customer churn has been experienced during the quarter with customer numbers reducing by 1,000 since 31 March 2012.

The 3.8MW hydro project at Esk Valley in the Hawkes Bay is progressing well towards target commissioning in June 2013. The decision to proceed with the 2.6MW residual flow project at the existing Arnold hydro scheme has been delayed as project economics remain under review.

Announcements in relation to financial close of the 270MW Snowtown Stage 2 development were made last week. Notice to proceed under the Engineering, Procurement and Construction Contract with Siemens Ltd has been issued by TrustPower during this week and funding arrangements are in the process of being signed.

A simplified disclosure prospectus for an offer of 7 year unsecured subordinated bonds has been registered. The indicative interest rate for the offer is 6.75 – 7.0% with a final interest rate (which may be outside this indicative rate range) to be determined and announced by TrustPower through NZX on or prior to the offer opening date, following a book build process with market participants. Proceeds from the offer will be utilised to refinance an existing subordinated bond maturing on 14 September 2012 and for general corporate purposes.

While it is too early to make predictions with respect to TrustPower's full year trading result the Directors are satisfied with the Company's year-to-date trading performance.

A handwritten signature in blue ink, appearing to read "B. J. Henke". The signature is fluid and cursive, with a period at the end.

BJ HARKER
CHAIRMAN

Operating Statistics	3 Months June 2012	3 Months June 2011	12 Months March 2012
Electricity customer numbers (000's)	208	220	209
Telecommunication services provided (000's)	38	35	38
Mass market sales (GWh)	432	455	1,761
Time of use sales (GWh)	541	571	2,199
Total customer sales (GWh)	973	1,026	3,960
Average spot price of electricity purchased (\$/MWh)	127	45	78
North Island hydro generation production (GWh)	182	277	922
South Island hydro generation production (GWh)	266	271	1,012
Total hydro generation production (GWh)	448	548	1,933
North Island wind generation production (GWh)	131	133	548
South Island wind generation production (GWh)	25	24	100
Total wind generation production (GWh)	156	157	648
Total New Zealand generation production (GWh)	604	705	2,582
Average spot price of electricity generated (\$/MWh)	135	42	72
Australian wind generation production (GWh)	89	84	376
Resource consent non-compliance events	4	4	10
Staff numbers (full time equivalents)	463	439	458