

Thursday, 30 March 2017

## ERM POWER ANNOUNCES IMPROVED AUSTRALIAN RETAIL OUTLOOK

ERM Power Limited [ASX: EPW] today announced it expected the outlook for its Australian Retail gross margin for FY2017 to improve to about \$3.50/MWh, from a previously advised \$3.00/MWh.

ERM Power also expects its Australian Retail gross margin for FY2018 to improve to about \$3.50/MWh, which is materially above current market consensus.

Coming to the end of the peak summer period, and as flagged in the half-year results presentation on 23 February, ERM Power can confirm the improved outlook for Australian Retail margin, driven by a number of factors including improved operating conditions and a wholesale counterparty exiting administration.

ERM Power is realising improved margins with positive results from forward sales, portfolio optimisation and risk management activities.

A contributing factor relates to a wholesale counterparty exiting administration, resulting in outstanding settlements and favourable mark-to-market exposure for transactions in FY2017 and FY2018.

Other components of the FY2017 outlook remain broadly in line with the announcement made on 23 February 2017.

### About ERM Power

ERM Power is an Australian energy company operating electricity sales, generation and energy solutions businesses. The Company has grown to become the second largest electricity provider to commercial businesses and industrials in Australia with operations in every state and the Australian Capital Territory. A growing range of energy solutions products and services are being delivered, including lighting and energy efficiency software and data analytics, to the Company's existing and new customer base. ERM Power also sells electricity in several markets in the United States. The Company operates 497 megawatts of low emission, gas-fired peaking power stations in Western Australia and Queensland. [www.ermpower.com.au](http://www.ermpower.com.au)

### For further information

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