



meridian

Release

Stock exchange listings: NZX (MEL) ASX (MEZ)

Meridian Energy monthly operating report for July 2018

10 August 2018

Attached is Meridian Energy Limited's monthly operating report for the month of July 2018.

Highlights this month include:

- In the month to 7 August 2018, national hydro storage increased from 114% to 116% of historical average
- South Island storage sat at 118% of average and North Island storage at 110% of average on 7 August 2018
- Meridian's July 2018 monthly total inflows were 161% of historical average
- Meridian's Waitaki catchment storage at the end of July 2018 was 119% of historical average
- Storage in Meridian's Waiau catchment was also above average at the end of July 2018
- National electricity demand in July 2018 was 0.1% lower than the same month last year
- July 2018 saw warmer than average temperatures across much of New Zealand, with below average rainfall except on the South Island's west coast
- Meridian's retail sales volumes in July 2018 increased by 1.7% compared to July 2017

ENDS

Neal Barclay
Chief Executive
Meridian Energy Limited

For investor relations queries, please contact:

Owen Hackston
Investor Relations Manager
021 246 4772

For media queries, please contact:

Polly Atkins
External Communications Specialist
021 174 1715

JULY 2018.



meridian



FTSE4Good

MERIDIAN ENERGY LIMITED MONTHLY OPERATING REPORT

MEMBER OF
**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM

July highlights.

In the month to 7 August 2018, national hydro storage increased from 114% to 116% of historical average

South Island storage sat at 118% of average and North Island storage at 110% of average on 7 August 2018

Meridian's July 2018 monthly total inflows were 161% of historical average

Meridian's Waitaki catchment storage at the end of July 2018 was 119% of historical average

Storage in Meridian's Waiau catchment was also above average at the end of July 2018

National electricity demand in July 2018 was 0.1% lower than the same month last year

July 2018 saw warmer than average temperatures across much of New Zealand, with below average rainfall except on the South Island's west coast

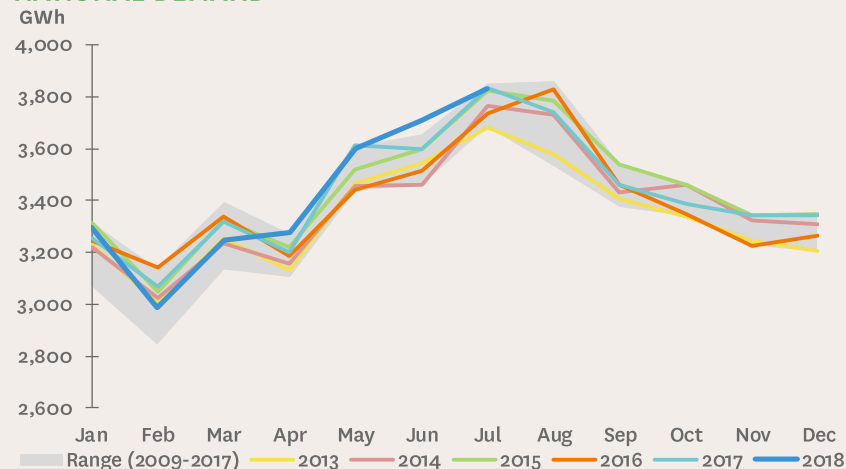
Meridian's retail sales volumes in July 2018 increased by 1.7% compared to July 2017

www.meridianenergy.co.nz/investors/

Market data.

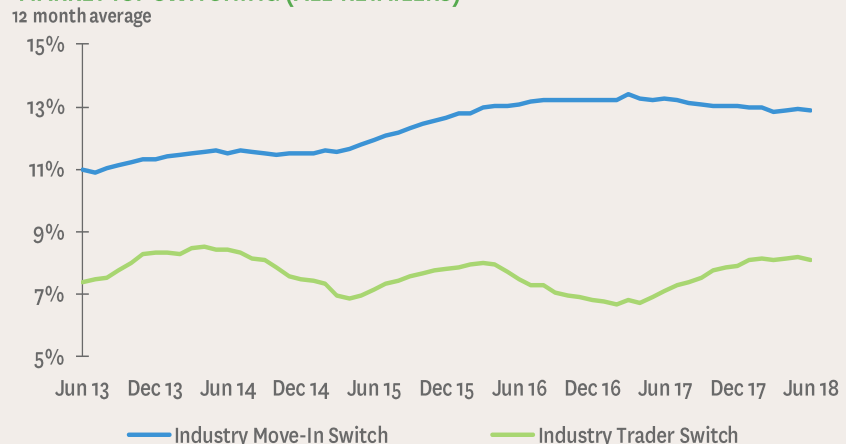
- National electricity demand in July 2018 was 0.1% lower than the same month last year
- July 2018 saw warmer than average temperatures across much of New Zealand, with below average rainfall, except on the South Island’s west coast
- Demand in the last 12 months was 0.5% higher than the preceding 12 months
- New Zealand Aluminium Smelter's average load during July 2018 was at the 572MW base quantity of the NZAS agreement
- 12-month average switching rate of customers changing retailers but not moving (“trader” switch) was 8.1% at the end of June 2018
- 12-month average switching rate of customers moving and changing retailers (“move-in” switch) was 12.9% at the end of June 2018

NATIONAL DEMAND



Source: Electricity Authority

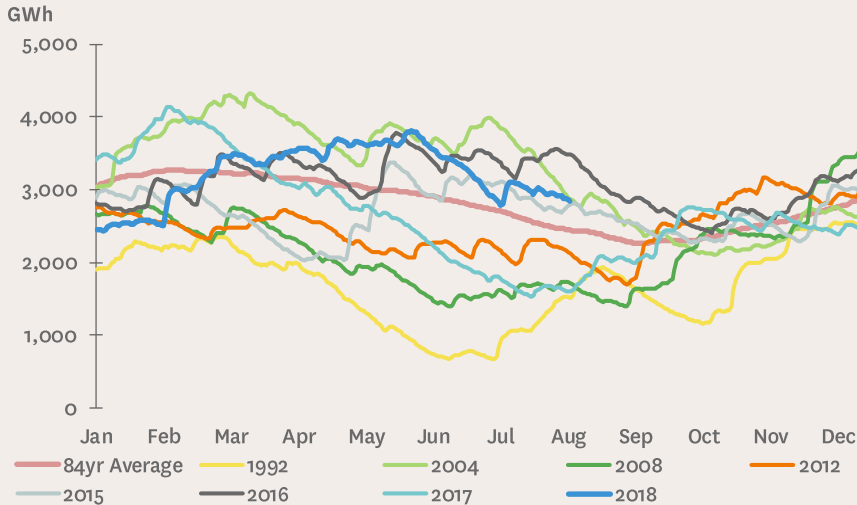
MARKET ICP SWITCHING (ALL RETAILERS)



Source: Electricity Authority

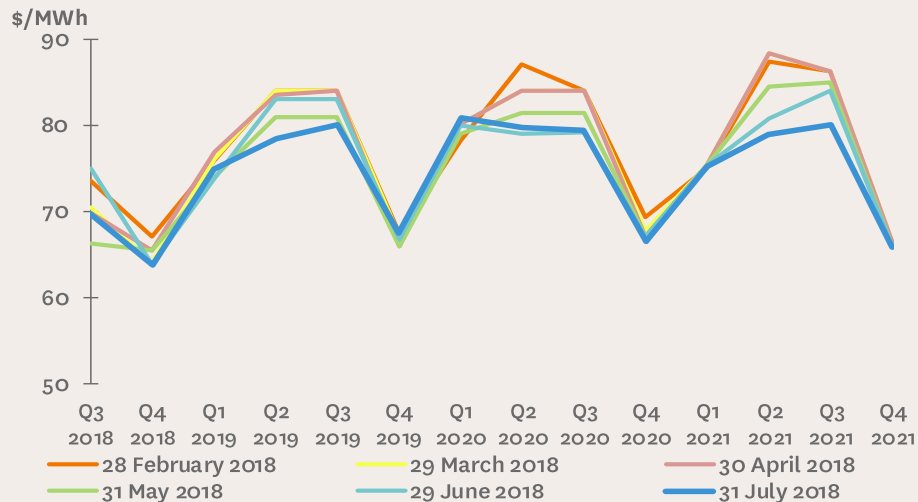
Market data.

NATIONAL HYDRO STORAGE (7 August 2018)

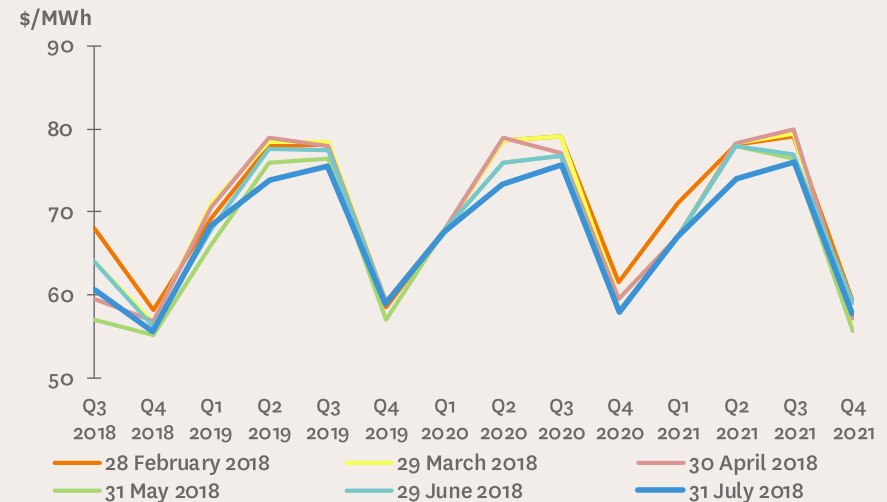


- July 2018 saw small decreases in forward ASX prices
- National storage increased from 114% of the 84 year average on 9 July 2018 to 116% of average on 7 August 2018
- South Island storage increased to 118% of historical average on 7 August 2018. North Island storage decreased to 110% of average

OTAHUHU ASX FUTURES SETTLEMENT PRICE



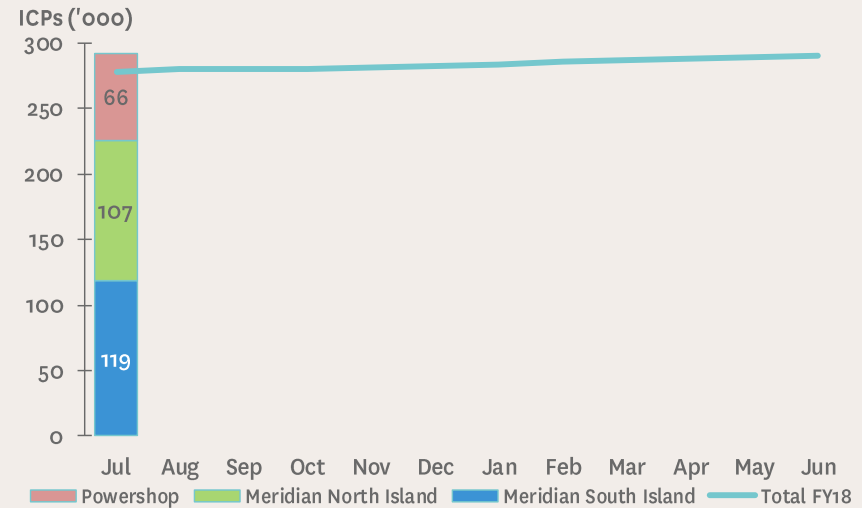
BENMORE ASX FUTURES SETTLEMENT PRICE



Operating information.

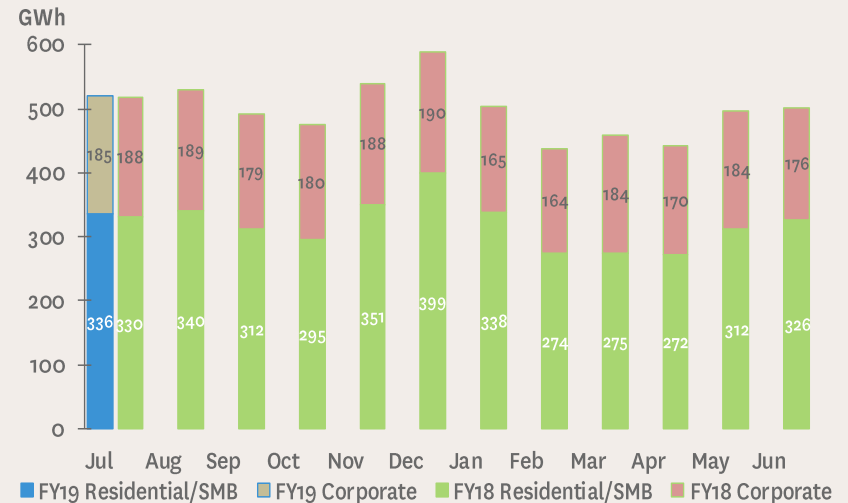
- Meridian's New Zealand customer connection numbers rose 0.5% during July 2018
- Retail sales volumes in July 2018 increased by 0.4% compared to July 2017
- Compared to July 2017, residential/SMB sales volumes increased by 1.7% (small volume increases in most segments) and corporate sales volumes decreased by 2.0% (large, short-term customer signing last year)

MERIDIAN'S NEW ZEALAND CUSTOMER CONNECTIONS



Source: Meridian

MERIDIAN'S RETAIL SALES VOLUMES*

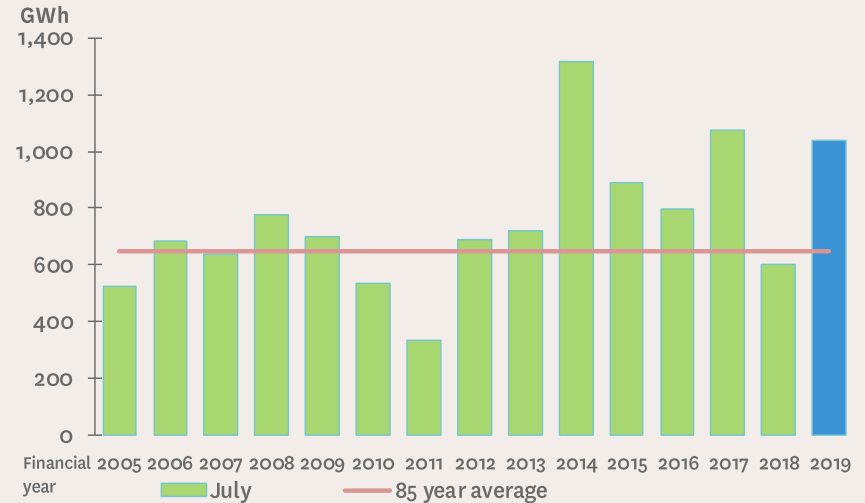


Source: Meridian

Operating information.

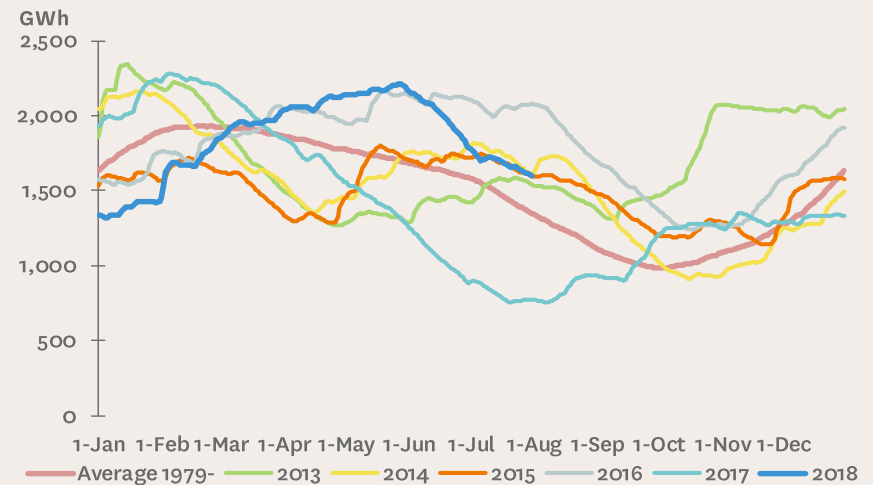
- July 2018 monthly inflows were 161% of historical average
- Meridian's Waitaki catchment storage moved from 1,790GWh to 1,601GWh during July 2018
- Waitaki storage at the end of July 2018 was 119% of historical average and 108% higher than the same time last year
- Storage in Meridian's Waiau catchment was also above average at the end of July 2018

MERIDIAN'S COMBINED CATCHMENT INFLOWS



Source: Meridian

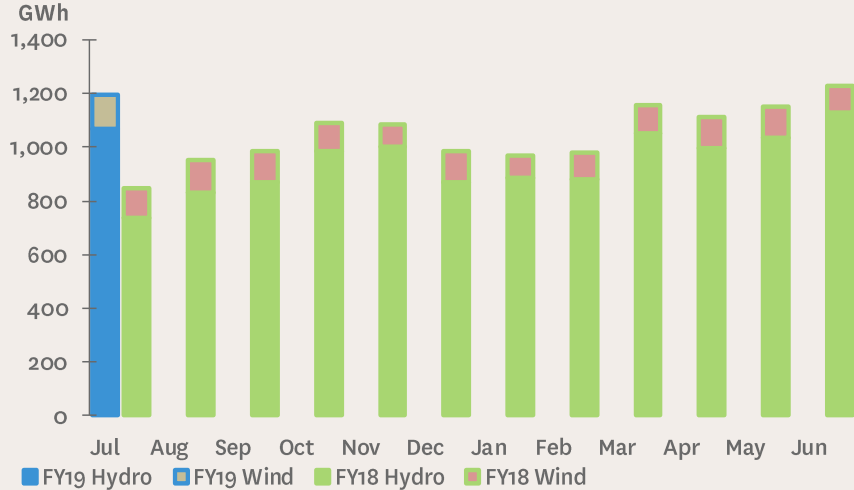
MERIDIAN'S WAITAKI STORAGE



Source: Meridian

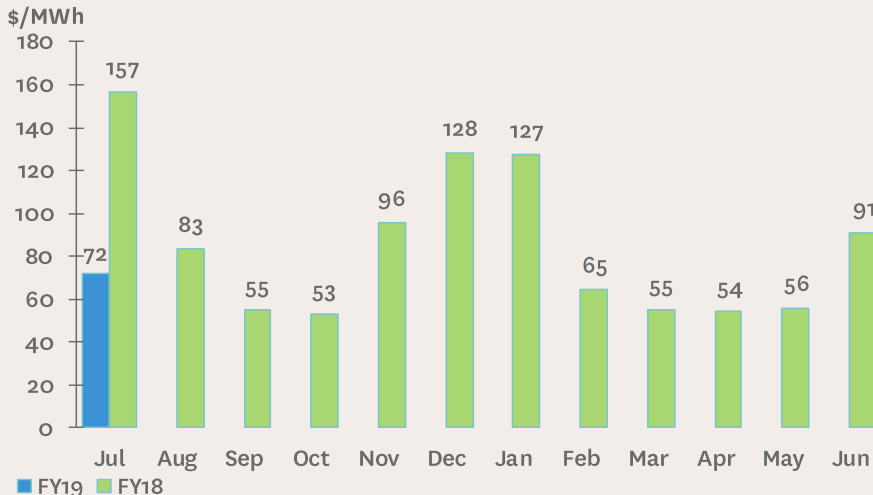
Operating information.

MERIDIAN'S NEW ZEALAND GENERATION



Source: Meridian

MERIDIAN'S AVERAGE GENERATION PRICE*



*price received for Meridian's physical generation

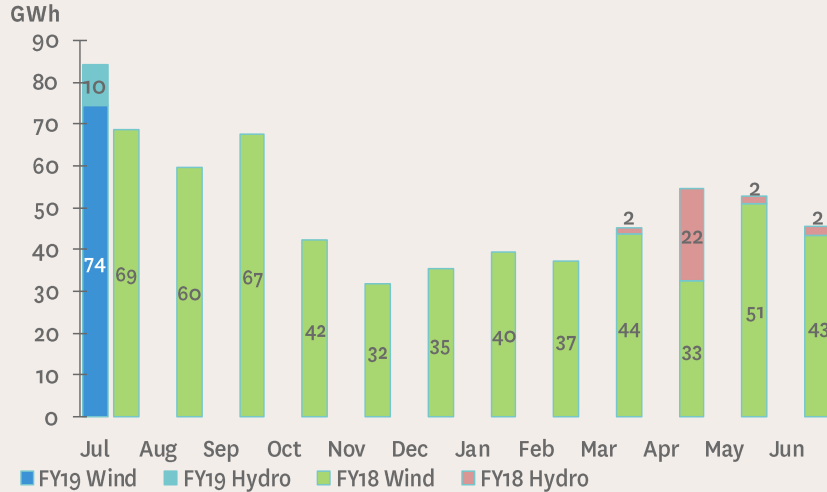
10 August 2018

Source: Meridian

- Meridian's New Zealand generation in July 2018 was 41.2% higher than the same month last year, reflecting higher hydro generation and higher wind generation
- The average price Meridian received for its generation in July 2018 was 53.9% lower than the same month last year
- The average price Meridian paid to supply contracted sales in July 2018 was 50.5% lower than the same month last year

Operating information.

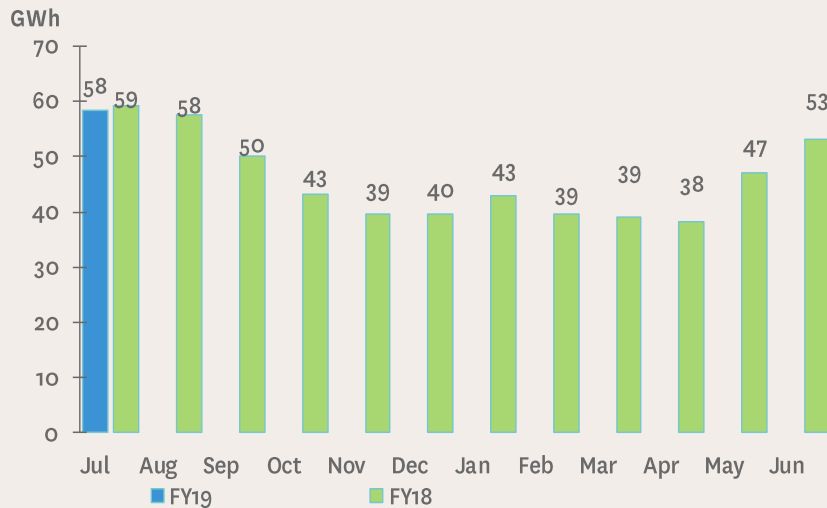
MERIDIAN'S AUSTRALIAN GENERATION



Source: Meridian

- Meridian's Australian generation in July 2018 was 22.9% higher than the same month last year
- Australian retail sales volumes in July 2018 decreased by 1.3% compared to July 2017

AUSTRALIAN RETAIL SALES VOLUMES



Source: Meridian

Operating information.

	JULY 2018 MONTH	JULY 2017 MONTH	JUNE 2018 MONTH	MAY 2018 MONTH
New Zealand contracted sales¹				
Retail contracted sales volume (GWh)	521	519	502	496
Average retail contracted sales price (\$/MWh)	\$113.1	\$114.6	\$115.9	\$112.5
NZAS sales volume (GWh)	426	426	412	426
Sell side derivative volumes ² (GWh)	386	95	280	244
Wholesale contracted sales average price ³ (\$/MWh)	\$63.9	\$60.9	\$60.5	\$62.5
Total New Zealand customer connections ⁴	292,091	278,595	290,756	289,431
New Zealand generation				
Hydro generation volumes (GWh)	1,070	739	1,131	1,037
Wind generation volumes (GWh)	126	108	96	113
Total generation volumes (GWh)	1,196	847	1,227	1,150
Average generation price ⁵ (\$/MWh)	\$72.1	\$156.5	\$91.1	\$56.1
Acquired generation volume ⁶ (GWh)	170	282	160	169
Cost of acquired generation (\$/MWh)	\$65.7	\$77.4	\$63.4	\$63.2
Acquired generation revenue average price (\$/MWh)	\$74.5	\$138.8	\$93.2	\$56.5
Future contract close outs (\$M)	-\$0.1	-\$0.7	\$0.0	-\$0.2
Contracted sales supply volumes (GWh)	1,353	1,067	1,225	1,191
Cost to supply contracted sales (\$/MWh)	\$77.0	\$155.0	\$95.3	\$58.4

Operating information.

	JULY 2018 MONTH	JULY 2017 MONTH	JUNE 2018 MONTH	MAY 2018 MONTH
Australia				
Wind generation volumes (GWh)	74	69	43	51
Hydro generation volumes (GWh)	10	-	2	2
Retail contracted sales volume (GWh)	58	59	53	47
Powershop customer connections ⁷	<i>not disclosed</i>	<i>not disclosed</i>	100,545	<i>not disclosed</i>

Footnotes

1. Contracted sales volumes and volume weighted average price received from contracted customers less distribution costs
2. Derivatives sold excluding the sell-side of virtual asset swaps
3. Average price of both NZAS sales volume and sell side derivative volumes
4. Meridian Retail and Powershop New Zealand installation control points (ICPs), excluding vacants
5. Volume weighted average price received for Meridian's physical generation
6. Over the counter and ASX contracts excluding the buy-side of virtual asset swaps
7. Financially responsible market participants

FY19 operating information.

	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
New Zealand Contracted Sales												
Retail contracted sales volume (GWh)	521											
Average retail contracted sales price (\$/MWh)	\$113.1											
NZAS sales volume (GWh)	426											
Sell side derivative volumes (GWh)	386											
Wholesale contracted sales average price (\$/MWh)	\$63.9											
Total New Zealand customer connections	292,091											
New Zealand Generation												
Hydro generation volume (GWh)	1,070											
Wind generation volume (GWh)	126											
Total generation volume (GWh)	1,196											
Average generation price (\$/MWh)	\$72.1											
Acquired generation volume (GWh)	170											
Cost of acquired generation (\$/MWh)	\$65.7											
Acquired generation revenue average price (\$/MWh)	\$74.5											
Future contract close outs (\$m)	(\$0.1)											
Contracted sales supply volume (GWh)	1,353											
Cost to supply contracted sales (\$/MWh)	\$77.0											
Australia												
Wind generation volume (GWh)	74											
Hydro generation volume (GWh)	10											
Retail contracted sales volume (GWh)	58											
Powershop Australia customer connections	not disclosed											

FY18 operating information.

	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018
New Zealand Contracted Sales												
Retail contracted sales volume (GWh)	519	529	491	475	539	589	503	438	459	442	496	502
Average retail contracted sales price (\$/MWh)	\$113.9	\$115.5	\$109.0	\$98.7	\$96.0	\$93.3	\$96.8	\$101.6	\$100.2	\$107.0	\$112.5	\$115.9
NZAS sales volume (GWh)	426	426	411	426	412	426	426	384	426	412	426	412
Sell side derivative volumes (GWh)	95	100	111	142	194	125	182	239	294	272	244	280
Wholesale contracted sales average price (\$/MWh)	\$60.9	\$59.0	\$58.1	\$54.9	\$57.6	\$58.5	\$63.0	\$61.3	\$58.7	\$60.1	\$62.5	\$60.5
Total New Zealand customer connections	278,595	279,967	280,209	280,211	281,314	282,396	283,724	285,611	287,167	288,538	289,431	290,756
New Zealand Generation												
Hydro generation volume (GWh)	739	831	867	985	1,000	867	888	878	1,049	994	1,037	1,131
Wind generation volume (GWh)	108	118	116	106	82	118	80	102	105	118	113	96
Total generation volume (GWh)	847	949	983	1,091	1,082	985	968	980	1,154	1,112	1,150	1,227
Average generation price (\$/MWh)	\$156.5	\$83.4	\$55.0	\$53.1	\$95.5	\$128.4	\$127.2	\$64.8	\$55.2	\$54.3	\$56.1	\$91.1
Acquired generation volume (GWh)	282	206	158	164	178	200	234	156	152	163	169	160
Cost of acquired generation (\$/MWh)	\$77.4	\$70.1	\$62.5	\$60.6	\$64.9	\$69.9	\$75.4	\$65.0	\$63.6	\$63.9	\$63.2	\$63.4
Acquired generation revenue average price (\$/MWh)	\$138.8	\$84.1	\$55.6	\$54.4	\$99.7	\$114.2	\$114.2	\$65.5	\$59.8	\$57.7	\$56.5	\$93.2
Future contract close outs (\$m)	(\$0.7)	(\$0.6)	(\$0.7)	(\$0.3)	\$0.1	(\$0.4)	(\$0.3)	(\$0.4)	\$0.0	\$0.0	(\$0.2)	\$0.0
Contracted sales supply volume (GWh)	1,067	1,077	1,053	1,054	1,174	1,163	1,140	1,086	1,205	1,150	1,191	1,225
Cost to supply contracted sales (\$/MWh)	\$155.0	\$88.2	\$59.2	\$54.4	\$100.1	\$126.8	\$130.2	\$69.1	\$59.8	\$57.5	\$58.4	\$95.3
Australia												
Wind generation volume (GWh)	69	60	67	42	32	35	40	37	44	33	51	43
Hydro generation volume (GWh)									2	22	2	2
Retail contracted sales volume (GWh)	59	58	50	43	39	40	43	39	39	38	47	53
Powershop Australia customer connections	not disclosed	not disclosed	101,096	not disclosed	not disclosed	101,460	not disclosed	not disclosed	100,773	not disclosed	not disclosed	100,545

FY17 operating information.

	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017
New Zealand Contracted Sales												
Retail contracted sales volume (GWh)	454	487	456	458	455	489	512	502	502	445	492	477
Average retail contracted sales price (\$/MWh)	\$122.9	\$119.7	\$112.2	\$100.1	\$98.7	\$99.6	\$96.9	\$98.6	\$101.5	\$108.4	\$115.7	\$109.5
NZAS sales volume (GWh)	426	426	411	426	412	426	426	384	426	412	426	412
Sell side derivative volumes (GWh)	64	87	128	102	110	87	137	182	144	240	149	168
Wholesale contracted sales average price (\$/MWh)	\$49.7	\$50.8	\$50.3	\$50.2	\$50.4	\$50.0	\$55.5	\$53.5	\$56.0	\$56.8	\$56.7	\$59.5
Total New Zealand customer connections	275,344	275,861	275,840	275,339	275,785	275,714	275,598	276,429	277,096	278,518	276,147	276,767
New Zealand Generation												
Hydro generation volume (GWh)	1,119	1,166	1,069	980	926	1,036	991	1,083	992	912	882	818
Wind generation volume (GWh)	143	91	114	125	144	116	138	84	110	93	96	87
Total generation volume (GWh)	1,262	1,257	1,183	1,105	1,070	1,152	1,129	1,167	1,102	1,005	978	905
Average generation price (\$/MWh)	\$48.1	\$48.5	\$48.3	\$44.4	\$40.0	\$35.9	\$41.4	\$42.3	\$48.9	\$43.3	\$69.5	\$122.5
Acquired generation volume (GWh)	102	112	72	49	64	56	172	136	158	175	210	259
Cost of acquired generation (\$/MWh)	\$46.2	\$58.2	\$52.1	\$70.0	\$66.8	\$65.6	\$59.6	\$61.0	\$61.0	\$58.4	\$59.8	\$75.8
Acquired generation revenue average price (\$/MWh)	\$48.3	\$57.8	\$51.5	\$49.1	\$47.2	\$43.9	\$45.4	\$45.7	\$51.1	\$45.2	\$64.6	\$112.4
Future contract close outs (\$m)	(\$0.2)	(\$0.1)	(\$0.1)	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	(\$0.1)	\$0.1	(\$1.1)	(\$1.6)
Contracted sales supply volume (GWh)	950	1,021	1,003	1,032	1,007	1,022	1,091	1,088	1,106	1,124	1,097	1,070
Cost to supply contracted sales (\$/MWh)	\$54.4	\$52.7	\$51.1	\$47.0	\$42.3	\$38.6	\$44.6	\$45.7	\$52.2	\$45.4	\$71.1	\$125.8
Australia												
Wind generation volume (GWh)	71	56	40	63	43	36	38	37	38	30	37	22
Retail contracted sales volume (GWh)	47	46	41	38	34	35	38	34	42	39	45	55
Powershop Australia customer connections	not disclosed	not disclosed	83,908	not disclosed	not disclosed	90,638	not disclosed	not disclosed	95,963	not disclosed	not disclosed	100,524

Glossary

Acquired generation volumes	buy-side electricity derivatives excluding the buy-side of virtual asset swaps
Average generation price	the volume weighted average price received for Meridian's physical generation
Average retail contracted sales price	volume weighted average electricity price received from retail customers, less distribution costs
Average wholesale contracted sales price	volume weighted average electricity price received from wholesale customers, including NZAS
Combined catchment inflows	combined water inflows into Meridian's Waitaki and Waiau hydro storage lakes
Cost of acquired generation	volume weighted average price Meridian pays for derivatives acquired to supplement generation
Cost to supply contracted sales	volume weighted average price Meridian pays to supply contracted customer sales
Contracts for Difference (CFDs)	an agreement between parties to pay the difference between the wholesale electricity price and an agreed fixed price for a specified volume of electricity. CFDs do not result in the physical supply of electricity
Customer connections (NZ)	number of installation control points, excluding vacants
FRMP	financially responsible market participant
GWh	gigawatt hour. Enough electricity for 125 average New Zealand households for one year
Historic average inflows	the historic average combined water inflows into Meridian's Waitaki and Waiau hydro storage lakes over the last 83 years
Historic average storage	the historic average level of storage in Meridian's Waitaki catchment since 1979
HVDC	high voltage direct current link between the North and South Islands of New Zealand
ICP	New Zealand installation control points, excluding vacants
ICP switching	the number of installation control points changing retailer supplier in New Zealand, recorded in the month the switch was initiated
MWh	megawatt hour. Enough electricity for one average New Zealand household for 46 days
National demand	Electricity Authority's reconciled grid demand www.emi.ea.govt.nz
NZAS	New Zealand Aluminium Smelters Limited
Retail sales volumes	contract sales volumes to retail customers, including both non half hourly and half hourly metered customers
Sell side derivatives	sell-side electricity derivatives excluding the sell-side of virtual asset swaps
Virtual Asset Swaps (VAS)	CFDs Meridian has with Genesis Energy and Mercury. They do not result in the physical supply of electricity

Thank you.



meridian