



Quarterly Operational Update

Three months ended 31 December 2014



QUARTERLY HIGHLIGHTS

No.2

GEOTHERMAL now New Zealand's second largest electricity fuel source.

\$77.⁶⁶



ASX FY2016 FUTURE PRICES UP

159



HYDRO GENERATION down – lowest Q2 production in Company history



COMMENTARY

Mighty River Power's quarterly operating statistics for the period ended 31 December 2014 show a decrease in generation volume, down 1% (24GWh) on the pcp due to a continuation of weak inflows across the catchment. Hydro production of 826GWh was down 159GWh (16%) on pcp – almost 200GWh below the Company's average, making it the lowest second quarter hydro production since the Company was formed in 1999. However, Lake Taupo storage increased by 37% during the quarter, ending the period at 95% of average.

NZ HAS LESS THERMAL GENERATION AND INCREASED DEMAND; ASX FUTURES UP

ASX futures prices have increased across all maturities, reflecting the significant reduction in contracted gas electricity generation in New Zealand, as well as lower coal commitments by Genesis Energy. The reduction of more than 5,000GWh of thermal fuel commitments since 2013 has restored the balance of market supply and demand from an energy perspective. National demand increased by 2% during the period on pcp, meaning electricity consumption was back up to 2011 levels.

GEOTHERMAL NOW NZ'S SECOND ELECTRICITY FUEL SOURCE

During the second half of CY2014 New Zealand reached a significant milestone in renewable electricity supply, with geothermal generation replacing gas as the second most important electricity fuel source behind hydro. Geothermal generation has increased by more than 150% in the past decade. Unsubsidised investment, including \$1.4 billion by Mighty River Power, has boosted geothermal output from 6.5% of national supply, to 16%. Geothermal is the only renewable not dependant on the weather – running 24/7. It has played an important role in displacing non-renewable generation, and overtaken both coal and gas-fired generation in the past six years, cutting millions of tonnes of emissions. Geothermal made up 40% of Mighty River Power's total generation for the quarter.

SMART METER DEPLOYMENT CONTINUES TO GAIN MOMENTUM

The deployment of AMI smart meters by the Company's metering business Metrix continued to increase, with 16,000 installations completed during the quarter. A total of 25,000 smart meters have been deployed so far in FY2015, increasing the number of smart meters to 367,000. Metrix expects to commence the deployment of 225,000 smart meters to Trustpower's residential customers later this year.

Mighty River Power will release its financial results for the 6 months ended 31 December 2014 on 24 February 2015.



OPERATING STATISTICS

Operating Information	Three months ended 31 December 2014		Three months ended 31 December 2013		Six months ended 31 December 2014		Six months ended 31 December 2013	
Electricity Sales	VWAP ¹ (\$/MWh)	Volume (GWh)	VWAP ¹ (\$/MWh)	Volume (GWh)	VWAP ¹ (\$/MWh)	Volume (GWh)	VWAP ¹ (\$/MWh)	Volume (GWh)
FPVV sales to customers	112.68	1,077	111.17	1,152	117.31	2,409	117.74	2,582
FPVV sales to residential customers		570		546		1,338		1,312
FPVV sales to business customers		506		606		1,070		1,270
FPVV purchases from market		1,134		1,212		2,532		2,710
Spot customer purchases		359		404		719		859
Total NZEM Purchases	78.76	1,493	45.44	1,615	73.05	3,251	54.80	3,568
Electricity Customers ('000's)		385		382				
North Island Customers		350		345				
South Island Customers		35		37				
Dual Fuel Customers		41		39				
Contracts for Difference		Volume (GWh)		Volume (GWh)		Volume (GWh)		Volume (GWh)
Buy CfD		469		544		894		1,226
Sell CfD		843		838		1,739		1,780
End User CfD		415		554		844		1,112
Net Sell CfD ²		374		294		846		554
Electricity Generation	VWAP (\$/MWh)	Volume (GWh)	VWAP (\$/MWh)	Volume (GWh)	VWAP (\$/MWh)	Volume (GWh)	VWAP (\$/MWh)	Volume (GWh)
Hydro	79.51	826	51.28	985	75.82	1,755	58.78	1,849
Gas	82.69	138	73.22	21	76.60	294	78.69	88
Geothermal (consolidated) ³	74.28	593	40.96	572	67.65	1,237	50.47	1,217
Geothermal (equity accounted) ⁴	74.18	55	43.56	58	67.97	116	51.64	104
Total	77.67	1,612	47.67	1,636	72.65	3,404	55.98	3,258
LWAP/GWAP		1.01		0.95		1.01		0.98
Gas Purchases	\$/GJ	PJ	\$/GJ	PJ	\$/GJ	PJ	\$/GJ	PJ
Retail purchases ⁵	9.16	0.21	8.77	0.18	9.21	0.61	8.83	0.60
Generation purchases	5.74	1.37 ⁶	8.79	0.34	6.93 ⁶	2.79	8.74	1.09
Carbon Emissions ('000 tonnes CO ₂ e)		128		86		294		217
Metrix AMI Meters ('000)		367		338				

1. VWAP is volume weighted average energy-only price sold to FPVV customers after lines, metering and fees

2. Includes Virtual Asset Swap volumes in both Buy and Sell CfD volumes of 176GWh for the 3 months ended 31 December 2014 and 164GWh for the 3 months ended 31 December 2013 and of 352GWh for the 6 months ended 31 December 2014 and 327GWh for the 6 months ended 31 December 2013

3. Includes Mighty River Power's 65% share of Nga Awa Purua generation

4. Tuaropaki Power Company (Mokai) equity share

5. Prices exclude fixed transmission charges

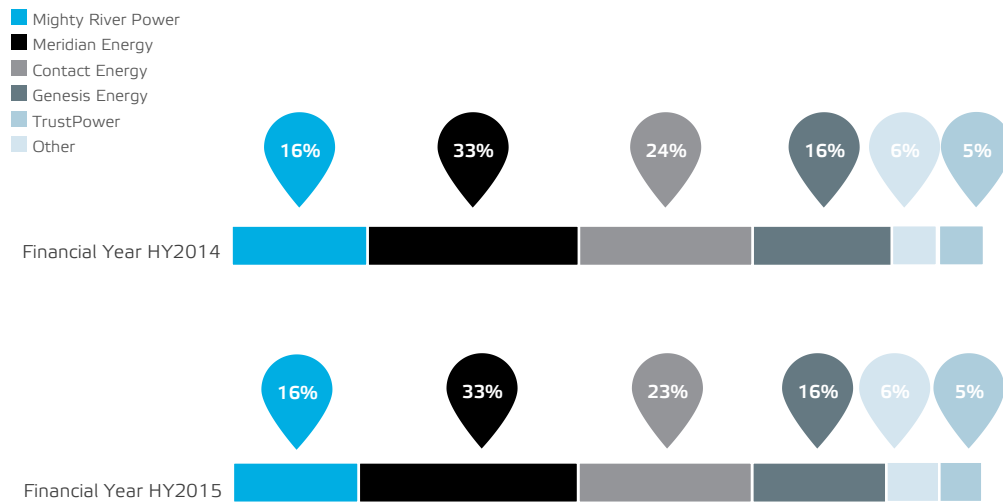
6. Includes the virtual peaker operation



MARKET DATA



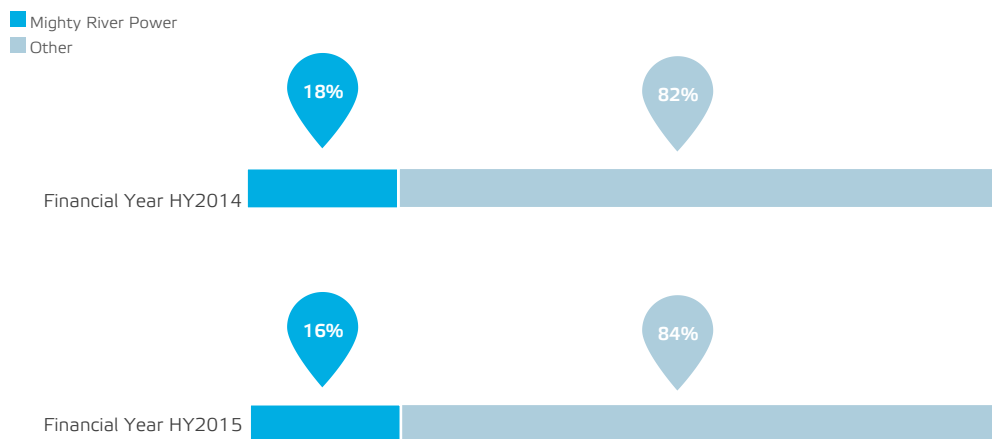
ELECTRICITY GENERATION BY COMPANY FOR THE SIX MONTHS ENDED 31 DECEMBER



Source: Electricity Authority Centralised Dataset, Transpower SCADA



SHARE OF ELECTRICITY SALES (GWh) FOR THE SIX MONTHS ENDED 31 DECEMBER

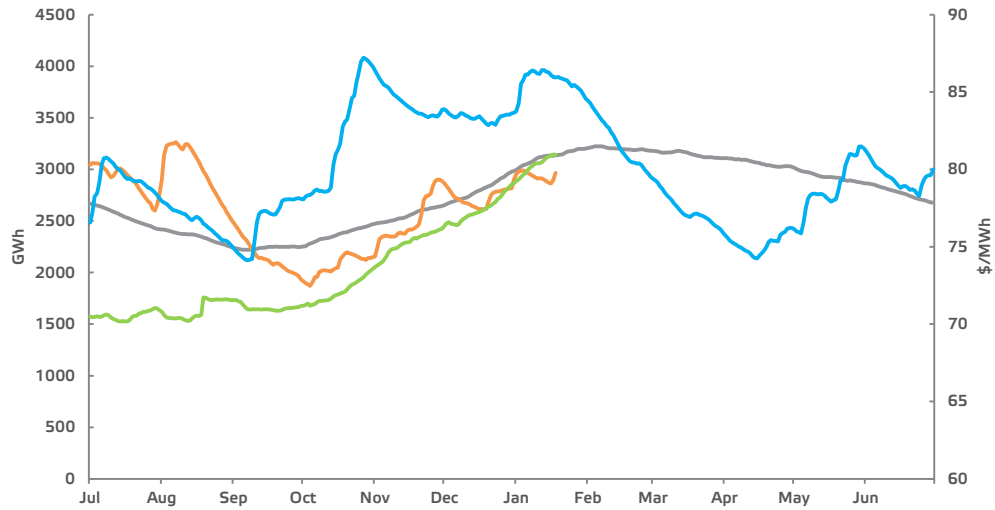


Source: Mighty River Power Purchases and Transpower SCADA



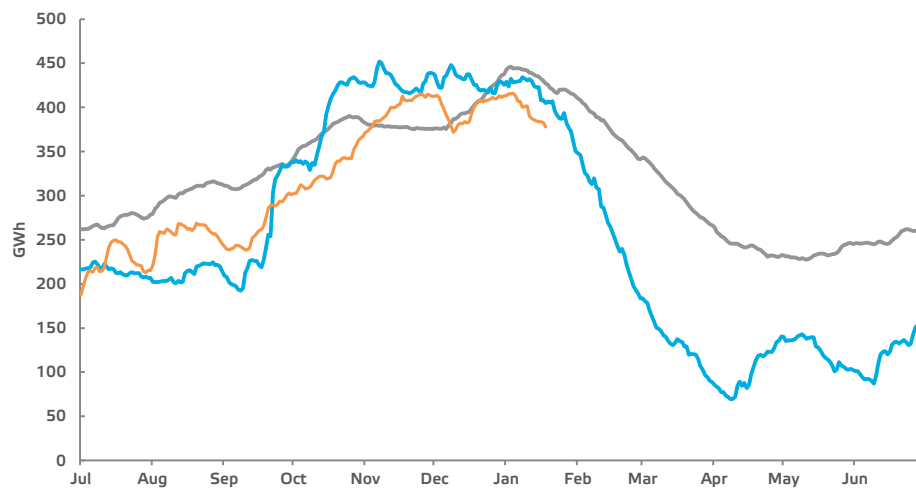
OTAHUHU WHOLESALE PRICE AND NATIONAL HYDRO STORAGE LEVELS

- Storage national average
- Storage FY2015
- Storage FY2014
- Rolling 12 month average Otahuhu price



TAUPO STORAGE

- Average since 1999
- FY2014
- FY2015





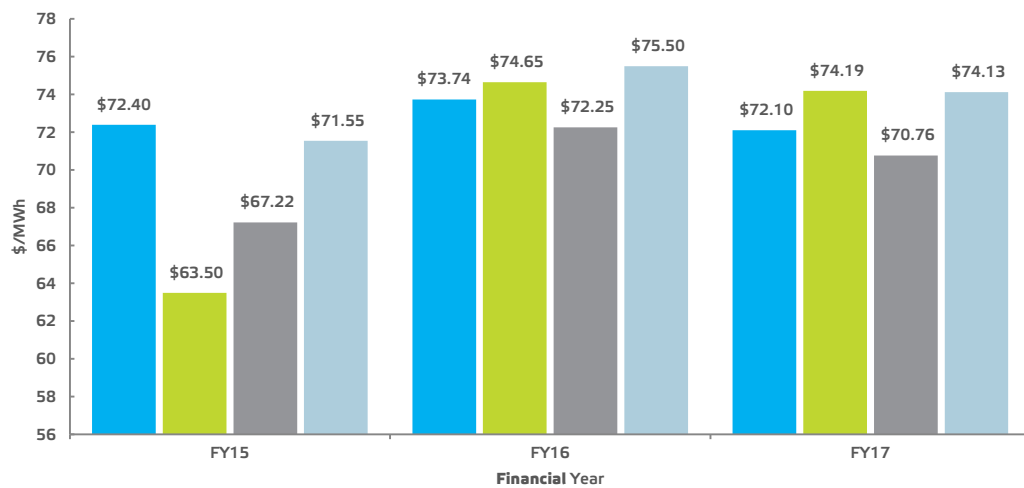
OTAHUHU ASX FUTURES SETTLEMENT PRICE

- As at 31 December 2013
- As at 30 June 2014
- As at 30 September 2014
- As at 31 December 2014



BENMORE ASX FUTURES SETTLEMENT PRICE

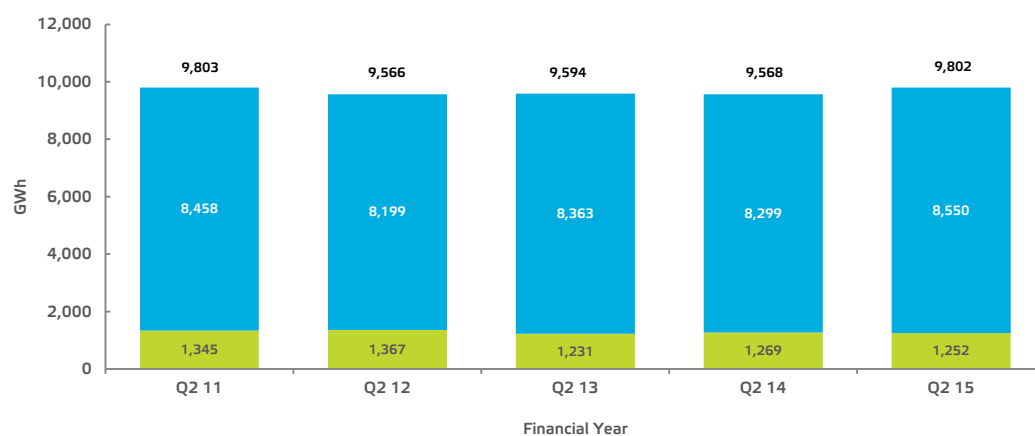
- As at 31 December 2013
- As at 30 June 2014
- As at 30 September 2014
- As at 31 December 2014





NATIONAL CONSUMPTION

■ Tiwai Point Aluminium Smelter consumption
■ National consumption



Source: Transpower Information Exchange



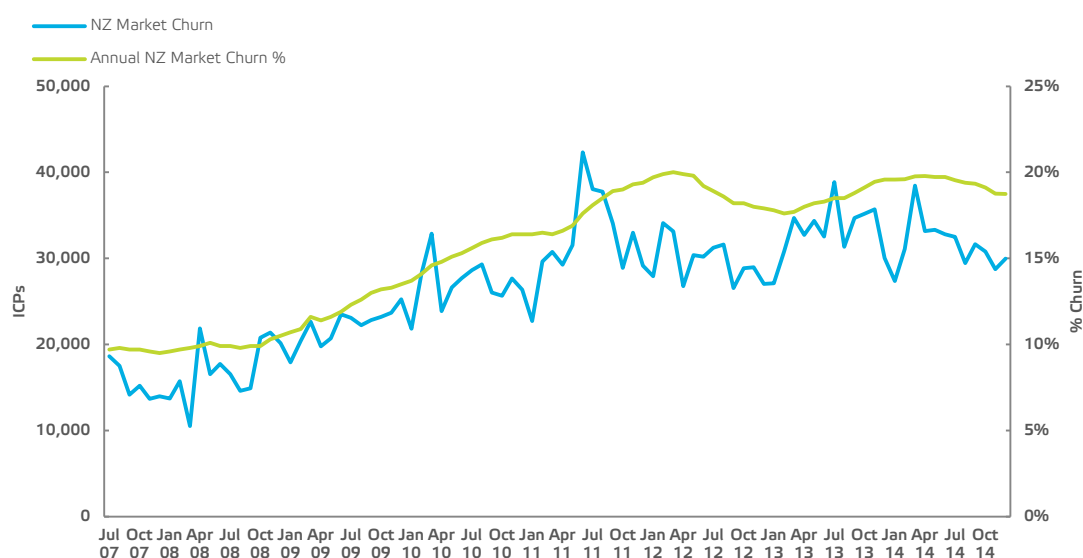
NATIONAL CLIMATE SUMMARY

Financial Year	Q1	Q2	Q3	Q4
2015	11.9° C	15.9° C		
2014	12.3° C	16.7° C	18.9° C	14.8° C
2013	12.3° C	16.5° C	19.6° C	14.4° C
2012	11.5° C	16.6° C	18.9° C	14.0° C
Historical Average (since 1999)	11.9° C	16.1° C	19.3° C	14.2° C

Source: NIWA, Met Service



MONTHLY TOTAL CONSUMER RETAIL SWITCHING (ICP)



Source: Electricity Authority