

*Letting you know
what's keeping us busy.*

CONNECT

MIGHTY RIVER POWER

 MARCH 2015

GLOBUG leading the way

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IRONMAN NEW ZEALAND

The power of 2,200 volunteers





Sharing our **mighty** story

At Mighty River Power we challenge ourselves every day to think differently about electricity – how we are delivering value to customers and the benefits we can bring for New Zealand. This requires thinking about what we are doing today and also looking well into the future.

We are fortunate to live in a country blessed with natural resources that we can harness to make renewable electricity and that's a big source of pride and responsibility within our business. We want to share some insights about Mighty River Power, our achievements and priorities and the passion that drives us.

From the foundation of health and safety, our strategic focus on providing innovation and value to customers and our work in the community – these are some of the stories of Mighty River Power.

We hope you enjoy CONNECT and the opportunity to learn more about our journey, our people, and the work we do to drive performance and make a difference for our customers and our country.



▶ **Fraser Whineray** Chief Executive

Helping Kiwis **stay** **connected**

GLOBUG has put Deborah in control of her electricity spend and provided more visibility about how much power her family is using.



Monthly electricity bills have become a thing of the past for Deborah Tomlinson, who manages her electricity on her own terms, with Mighty River Power's hi-tech pre-pay electricity service, **GLOBUG**.

Every week, Deborah sends her son to the dairy down the road with \$30 to top up their GLOBUG account. She says being able to pay for power in advance and in small amounts has helped keep her lights on, the debt away and household costs within budget.

"We used to get massive monthly bills, which we couldn't cover. My neighbour told me about GLOBUG and we moved over. Now we just put a bit on each week."

GLOBUG works just like a pre-pay mobile phone – customers can use the app, website, call us, or visit the local dairy to top up their account. There are no late-payment fees, and no disconnection fees.

With the new market-leading rates on offer for Community Services Card holders, GLOBUG is a simpler option that puts cash back in the pockets of Kiwi families who really need it.

Family Budgeting Services CEO, Raewyn Fox, says it "shows technology delivering services in a way that suits the lifestyles of New Zealanders who are on tight budgets".

With the success of GLOBUG, Mighty River Power has achieved a disconnection rate of 0.1% across all our retail brands, the lowest across major electricity brands. GLOBUG keeps customers connected. ■

"This shows technology delivering services in a way that suits the lifestyles of New Zealanders who are on tight budgets,"

Raewyn Fox



Peter Corner, Mighty River Power fleet manager says shifting the fleet to plug-in electric is an initiative with economic and environmental payback.

WE'RE TAKING CHARGE WITH HOME-GROWN ENERGY

DRIVING FROM AUCKLAND to our Hamilton office without a single drop of petrol is all in a day's work for our fleet manager, Peter Corner.

The 118km drive between offices costs about \$2.50 on home-grown electricity compared with \$15 for petrol.

"As a fleet manager, running costs are really important to me so it's a great feeling to know 10% of our fleet is now out there running on electricity that works out at about 30 cents a litre."

Every plug-in electric vehicle on the road takes more than two tonnes of carbon out of our environment every year, so it makes good economic and environmental sense.

118 KM

costs about \$2.50 on renewable, home-grown electricity

Peter says it's also rewarding to be driving along and knowing you're powered with Mighty River Power's own renewable electricity.

Mighty River Power has committed to shifting 70% of its fleet to plug-in vehicles by 2018 as current car leases expire. The initiative is part of a range of activities underway to encourage the uptake of plug-in vehicles in New Zealand. ■



18,000

GLOBUG
customers across
New Zealand

2,200

Mighty River Power volunteers
supported 1,250 athletes at
Ironman New Zealand

60.%

of Mercury Energy
customers are
highly satisfied



465.%

increase in the number of
plug-in electric vehicles on
NZ roads over 12 months



4.1M

work hours with
no serious harm
incidents

No. 2

geothermal is now NZ's second-most
important fuel source for electricity,
behind hydro

Together **safe**

The health and safety of our employees, contractors and others working on our sites, along with the public, is an absolute priority. Our current refurbishment work at Karapiro Hydro Station is a great example of the lengths we go to every day to keep people safe.



From left, Chief Executive Fraser Whineray, onsite at Karapiro hydro plant with David Derecourt and Bede Geoghegan.

"WE ARE COMMITTED to making sure people at our sites go home safely every day, so robust health and safety practices are the foundation for everything we do," says Station Manager, David Derecourt. "We have a strong safety culture, and everyone is committed to their own safety and of others working around them. We hold a health and safety briefing onsite every day, and undertake regular audits to identify any hazards or potential risks."

The Karapiro project involves the first of three generators being removed and refurbished for the first time in nearly 40 years, to improve efficiency, availability and reliability of the plant. The project is part of the Company's hydro reinvestment programme focused on key assets on the Waikato Hydro System.

Upgrades on Arapuni and Ohakuri hydro stations have already been completed, and work will begin on the first of four replacement turbines at Whakamaru later this year.



Joan Withers,
Mighty River Power Chair

CHAIR **RECOGNISED** BY NZSA

MIGHTY RIVER POWER'S Chair Joan Withers, was awarded the NZ Shareholders Association's (NZSA) Beacon Award in December – for governance skills, guiding and leading others, respecting the rules, avoiding self-interest and ensuring fair and equitable outcomes for all. "For us, that describes Joan Withers to a T," said NZSA Chairman John Hawkins.

The award also recognises Joan's work championing board diversity, particularly around closing the gender gap by encouraging and assisting more women into senior management and board positions.



SUPPORTING IRONMAN VOLUNTEERS

**One volunteer can
make someone's
day. We support
2,200 of them.**



Proud supporter of Ironman New Zealand since 2005.

MIGHTY RIVER POWER'S volunteer crew worked collectively to support 1,250 athletes from 50 different countries as they competed in Ironman NZ in Taupo on 7 March – one of the most gruelling events on New Zealand's sporting calendar.

The 2,200 strong volunteer crew contributed hundreds of hours of their time to make the event a great success, says Janette Douglas, Event Director for Ironman NZ. The army of mostly local people covered everything from registering athletes, to marshalling, setting up the course and feeding both the athletes and fellow volunteers.

"Our Mighty River Power volunteers are the heart and soul of the event," says Janette. "Simply put, the event couldn't happen without them!"



IRONMAN TRAINING ACCELERATES RECOVERY FROM BRAIN INJURY

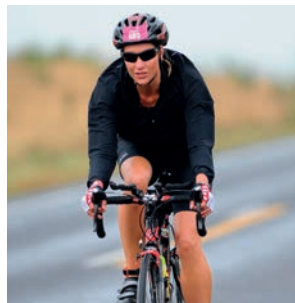
FIVE YEARS ON from suffering a serious brain injury, Griselda Baard says competing in the Ironman NZ in Taupo has transformed her life – speeding up her recovery and making her a better mum and wife.

The inspiring mum of five was hit by an out-of-control car near her home town of Kaukapakapa in 2010. Two years on from the accident Griselda was still struggling with poor short-term memory, chronic fatigue and the inability to carry out basic tasks like reading a clock. She took a fresh approach to her recovery and set a physical target to run a half marathon. She soon saw a dramatic improvement in her health and well-being and her recovery

accelerated. She then competed in the run section of the Auckland half Ironman, and this year the full Taupo Ironman event, which she finished in a time of 14 hours 8 minutes.

"I can now do all the things that matter to me – I can be a mum and a wife and my friends from Ironman consider me an athlete. I don't define myself as a brain injury victim – it's wonderful.

"I want to show my kids, especially my 16 year old daughter who saw me at my worst after the accident, that with the right attitude, hard work and focus – you can achieve anything. She is immensely proud of me."



"I can now do all the things that matter to me – I can be a mum and a wife and my friends from Ironman consider me an athlete. I don't define myself as a brain injury victim – it's wonderful."

Griselda Baard

LOYALTY BONUS SHARES


New Zealand residents who participated in the Crown's Mighty River Power share offering in May 2013 and continue to hold their shares in the same registered name until 14 May 2015 are entitled to Loyalty Bonus Shares based on

a ratio of 1 for 25, up to a maximum number of 200. These shares will be allocated on 21 May 2015. If you have any questions please call the helpline (open from 1 April): **0800 903090** or email **enquiry@computershare.co.nz**

Special customer offer

BY BECOMING A MERCURY CUSTOMER you will be able to support your Company, as well as benefit from the additional 2% Prompt Payment Discount (PPD) on your residential electricity (or dual fuel) bill every month on top of our standard 10% PPD... just by receiving your bill online and paying by direct debit.

Additional 2% Prompt Payment Discount with Mercury Energy

All you have to do is phone 0800 677 789 and quote ME190210. You can take advantage of this offer if you are an existing Mercury customer, or by switching to us if you have your account with another retailer. Switching to Mercury is simple, our team will be happy to help you. 



We'd love your feedback

We would really love to hear what you think of this newsletter. Please email us on investor@mightyriver.co.nz



Electronic shareholder communication

Please think about the environment and help us save paper and costs.

It is quick and easy to make the change.

- Online at www.investorcentre.com/nz; or
- Contacting Computershare Investor Services Limited by email, at enquiry@computershare.co.nz

Contact us:

Level 14, 23-29 Albert Street, P O Box 90399, Auckland 1142, New Zealand
PHONE 64 9 308 8200 **FAX** 64 9 308 8209

 www.mightyriver.co.nz

Dear Shareholder,

One of the most frequently asked questions by our shareholders is about buying and selling shares.

We're proud to have more than 100,000 shareholders, including many first-time investors who purchased shares directly through the Crown share offering without requiring a broker.

We want to take this opportunity to provide you with some information to help you with any questions around buying and selling shares. We have included contacts and links overleaf to help you find the right advice.

Don't forget that if you purchased Mighty River Power shares at the time of the Crown share offering and you continued to hold shares until 14 May 2015, you may be eligible for a 1-for-25 offer of loyalty bonus shares which the Crown will transfer on 21 May 2015.

If you have any questions about the loyalty bonus shares there will be a helpline set up from 1 April – call **0800 903090** or email **enquiry@computershare.co.nz**

 **Tony Nagel Company Secretary**



How to buy or sell shares.

> SEE OVERLEAF

How do I buy or sell shares?

STEP 1: Get financial advice and understand your decision

- Before making any investment decision you need to consider whether it's appropriate in light of your particular goals, financial circumstances and appetite for risk. An Authorised Financial Advisor can help you decide whether buying or selling shares is right for you. The Financial Markets Authority (FMA) provides a full list of Authorised Financial Advisors at www.fma.govt.nz
- After getting financial advice, you can also use educational on-line resources to help you understand share trading






ASB: www.asbsecurities.co.nz/section396.asp



ANZ: www.anzsecurities.co.nz/DirectTrade/static/educationalarticles.aspx

STEP 2: Pick a licensed sharebroker to arrange the transaction

- ASB Securities can help you set up an account and offer one-off trades.
Call **0800 272 732** or visit them on-line at:
 -  **Set up an account:** www.asbsecurities.co.nz/section84.asp
 -  **One-off trades:** www.asbsecurities.co.nz/section404.asp
- ANZ Securities can help you set up an account. Call **0800 805 777** or visit them on-line at:
 -  **Set up an account:** www.anzsecurities.co.nz/DirectTrade/static/downloadforms.aspx
- There are many other sharebrokers that you may choose from with a full list included on the NZX website at www.nzx.com/investing/find_a_participant

Nothing in this document constitutes financial advice. Before making any investment decision you need to consider, with or without the assistance of an adviser, whether the investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

PROVISION OF FINANCIAL ASSISTANCE IN CONNECTION WITH MIGHTY RIVER POWER LIMITED'S ONGOING EXECUTIVE LONG TERM INCENTIVE PLAN

In 2013, Mighty River Power established the Ongoing Executive Long Term Incentive Plan (the LTI Plan) for its senior employees. Under the terms of the LTI Plan, participating employees are granted allocations of shares in Mighty River Power, subject to Mighty River Power meeting certain pre-determined performance hurdles. The LTI Plan is designed to improve the long-term performance of Mighty River Power by incentivising and motivating participants and aligning the interests of participating senior employees with the interests of Mighty River Power's shareholders.

Shares are acquired and held by Mighty River Power LTI Limited (the Trustee) on behalf of participants. The shares will vest to the participants if Mighty River Power meets certain pre-determined performance hurdles.

The LTI Plan contemplates share grants being made to participants each year and upon new executives joining the company. Invitations for the March 2015 LTI Plan share grants were made to participating new employees in February 2015 and shares have recently been issued to those employees from treasury stock.

In connection with the March 2015 LTI Plan share grants, Mighty River Power has given financial assistance for the purchase of shares in Mighty River Power in accordance with the terms of the LTI Plan. The financial assistance has been provided pursuant to section 80 of the Companies Act 1993.

The details of the financial assistance provided by Mighty River Power are as follows:

Shares in respect of which the financial assistance was provided	35,262 ordinary shares in Mighty River Power (the Shares).
Consideration paid for the Shares	\$3.325 per Share.
Recipients of the financial assistance	Employees of Mighty River Power who applied to acquire Shares under the LTI Plan. The Shares are held by the Trustee for the participants in the LTI Plan, and will vest subject to certain performance hurdles being met.
Nature and amount of the financial assistance	The financial assistance was given in the form of interest free loans to participants in the LTI Plan for the purpose of enabling the Trustee to purchase the March 2015 LTI Plan grant shares on behalf of the participants. The aggregate amount of the loans made was \$117,246.15.
