

Thursday, 29 October 2015

CHAIRMAN'S ADDRESS AND MANAGING DIRECTOR'S PRESENTATION

Please find attached the following documents, which will be presented at the Annual General Meeting of ERM Power Limited (ASX: EPW) which commences at 11:30am on 29 October 2015, in compliance with ASX Listing Rule 3.13.3:

1. Copy of Chairman's Address; and
2. Copy of Managing Director and CEO's Presentation.

ERM Power specifically notes the inclusion of guidance for FY 2016 in slide 8 of the Managing Director and CEO's Presentation.



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About ERM Power

ERM Power is an Australian energy company that operates electricity sales and electricity generation businesses. Trading as ERM Business Energy and founded in 1980, the company has grown to become the fourth largest electricity retailer in Australia with operations in every State and the Australian Capital Territory. ERM Power also sells electricity in several markets in the United States. The company has equity interests in 497 megawatts of low emission, gas-fired peaking power stations in Western Australia and Queensland, both of which ERM Power operates.

www.ermpower.com.au

Thursday, 29 October 2015

CHAIRMAN'S ADDRESS

ANNUAL GENERAL MEETING

2015 financial year results

As Chairman of the ERM Power Board, I am pleased to report to shareholders that the Company continues to perform strongly.

In the 2015 financial year, the business delivered record electricity sales and earnings with underlying Net Profit After Tax up 23% on the previous year. As well, the Board approved dividends of 12.0 cents per share for the year.

In volatile markets, ERM Power shares increased in price by 27% in FY 2015 closing at \$2.32 on 30 June. The stock outperformed competitors and the broader market to deliver a total shareholder return of 34% over the year to 30 June 2015.

The volatility in markets and in the sector as well as the current valuation somewhat mask the significant progress that has been made at ERM Power.

In 2015, the company demonstrated strong operational and financial performance and an exceptional safety record. This was achieved while successfully executing on the diversified growth strategy under the stewardship of new Managing Director and Chief Executive Officer Jon Stretch.

At our Annual General Meeting last year I made three key commitments which I am pleased to report have been met. Firstly, the Board has recruited a strong Chief Executive Officer to lead the Company through its next phase of growth. Secondly, we have made a low-risk entry into the United States (US) market to capitalise on the strong potential upside that leverages our core capability in electricity retailing to Commercial and Industrial (C&I) and Small-medium Enterprise (SME) customers. Thirdly, we remain committed to our clearly stated strategy which precludes entry into large scale, base-load generation.

Transition and renewal

Jon's appointment in February 2015 heralds a period of transition and renewal for the business.

New appointments to Jon's executive team include Chief Financial Officer James Spence, Executive General Manager Corporate Affairs Michelle Barry and General Counsel and Company Secretary Phil Davis; all experienced executives ideally positioned to support the Company's next growth phase.

The direction has been set and the strategy is clear. ERM Power's focus is on delivering the growing range of energy needs for SME and C&I customers in Australia and in targeted markets in the US.

The Company has a history of success in delivering for business customers and we have confidence in the size and range of opportunities ahead. The team has the agility and track record to take advantage of the changing demand environment and the convergence of energy technology, data analytics and customer behavioural change.

Our more focussed corporate strategy was demonstrated by the acquisition of the US electricity retailing business, Source Power and Gas, the divestment of gas exploration and production assets and withdrawal from new gas-fired generation development. This included the sale of the Western Australian gas interests, exit from a proposed power station and pipeline development project in Wellington New South Wales (NSW), and the sale of NSW gas exploration licences back to the State Government.

The modest investment in acquiring Source Power and Gas in the US represents a low-risk entry into a sizable market with significant potential upside. The assets are in the early stages of integration.

In 2015, Oakey Power Station started operating as a merchant facility, strategically supporting the electricity retailing business, selling hedge products to third parties and making spot market sales. The metering business served the first of its customers and a gas retailing trial was undertaken.

The Company maintained its historically strong growth during this transition period, leveraging the ERM Business Energy platform to improve market share in the C&I market, as well as to expand in the SME market and to initiate business in the US.

Key to success in 2015 was customer satisfaction, where ERM Power retained its market leading ranking for the fourth year in succession.

Our exceptional service for business customers has enabled ERM Power to make competitive gains in the large business market where we consolidated our position as the second largest retailer. We also have a growing share of the small business segment and a reputation for service that is second to none.

Challenging external environment

The external environment continues to pose policy, regulatory and competitive challenges.

Electricity consumption continued to decline and, while ERM Power is taking a larger share of that shrinking market, we remain diligent in relation to competitor response.

A key focus for ERM Power is on industry and government liaison to build greater certainty and consistency in national energy policy. This is essential to a more conducive investment environment and a clearer picture of the evolving energy landscape, so essential to driving Australia's economic prosperity. The shifting public policy settings on the carbon tax and renewable energy targets, as well as rising energy costs driven primarily by rising network costs, have created an uncertain investment environment for the industry and placed higher cost burdens on businesses and households. ERM Power is taking a greater role in government and industry dialogue to support greater certainty and consistency in public policy.

Board and executive team changes

Our Board expanded with the appointment of Albert Goller as a non-executive director in January. Albert brings considerable management and marketing expertise, garnered through a very successful executive career at the global multinational conglomerate Siemens AG.

We were also delighted to welcome Jon Stretch as CEO and Managing Director. Jon is an experienced chief executive with broad international experience in the information technology, telecommunications and industrial sectors.

Prior to joining ERM Power, Mr Stretch was the Executive Vice President, Europe, Middle East and Africa for Landis+Gyr, a global leader in smart metering and energy management solutions.

The Board is confident that Jon's leadership credentials and track record in formulating and executing business strategy will ensure we take advantage of our strengths while identifying new market opportunities which maintain ERM Power's strong growth trajectory.

Jon has recently appointed:

- James Spence as Chief Financial Officer. James is a seasoned CFO with experience at Centrica in the United Kingdom and in their North American business, Direct Energy. He was CFO at Energy Australia from 2012 to 2015;
- Michelle Barry to the newly created role of Executive General Manager Corporate Affairs. Michelle has a background in energy and joined from the Suncorp Group where she had a range of responsibilities across media, government relations, strategy and investor relations;
- Phil Davis as Group General Counsel and Company Secretary. Phil has been with ERM Power for eight years, most recently as senior lawyer and co-company secretary.

James and Phil's appointments followed the retirement of Graeme Walker and Peter Jans, who I would like to thank for their many years of dedicated service to ERM Power. Their leadership has been instrumental in the Company's growth and success. On behalf of the Board and all at ERM Power I wish Graeme and Peter every happiness in retirement.

Outlook

The 2015 financial year results demonstrate the strength of the business and the potential inherent in ERM Power. Our clear and consistent strategy will drive continued success.

As we near the end of the first half of FY2016, we are:

- continuing our drive toward the number one position in our primary C&I market in Australia;
- growing and building scale in the SME market through profitable sales channels;
- integrating our culture, systems and processes at Source to position our US business for further growth;
- exceeding the expectations of our customers by enhancing our value proposition and increasing our focus on product and service innovations;
- leveraging the flexibility of Oakey for internal hedging and external wholesale market opportunities;
- looking at ways we can further enhance our product and service offering to customers; and
- seeking new ways of procuring energy to support our growth.

We remain committed to maximising shareholder value and realising our aspiration to be the preferred energy supplier to businesses across Australia and our chosen markets in the US.

Acknowledgements

In conclusion, I would like to acknowledge the commitment and dedication of my deputy chairman and fellow directors. I am fortunate to share the Board responsibilities with such focused and passionate individuals and I thank them for their contributions.

I'd like to thank all of ERM Power's employees, shareholders and customers for their ongoing support and dedication to the ERM Power growth and success story.

The team strives to deliver an outstanding level of customer service and this is being recognised in our core markets and across the industry.

ERM Power has a very bright future.



Good afternoon. It's a pleasure to address this Annual General Meeting for the first time as Managing Director and CEO of ERM Power.

Today I'd like to share with you my observations of ERM Power since joining nine months ago.

I'd like to take you through some of our financial highlights for FY2015 and outline for you the journey we're on.

I'll also provide guidance in the context of the 2016 financial year, as well as in the longer term.

COMPANY SNAPSHOT

Successful track record



- ASX: EPW
- Revenue >\$2.3b
- Market capitalisation >\$530m
- >5,700 shareholders
- Operations in every State, the ACT and select markets in the US

*Utility Market Intelligence (UMI) survey of major retail electricity retailers by independent research company NTF Group in 2014

ELECTRICITY
retailing to SME
and Commercial &
Industrial



2ND LARGEST retailer
to Commercial &
Industrial in Australia



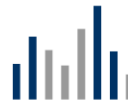
NUMBER ONE
in customer
satisfaction *



US operations
selling electricity in
SELECT MARKETS



PEAKING
power stations
in WA and
Queensland



**HIGH
PERFORMING**
culture



ERM Power today is sharply focussed on the business of electricity retailing to Commercial and Industrial customers and Small to Medium Enterprise in Australia and two markets in the United States (US).

The Company is now sitting just outside the ASX 200 – today at ASX 208 – with a market capitalisation of about \$530m and more than 5700 shareholders.

We are the second largest electricity retailer to big business in the country. We are number one in customer satisfaction for that market.

Our Commercial & Industrial business is successful because we deliver superior service and value for big businesses. We bill more accurately, give customers more timely information about their energy usage and provide better customer support through account management. We maintain leading customer satisfaction levels and we're on track to be the number one electricity retailer to big business in Australia.

In the SME market, where margins are up to five times higher, we have reached the scale necessary to break even as a result of our initial growth in the multi-site segment. We have almost 30,000 sites including multi-site and single-site customers.

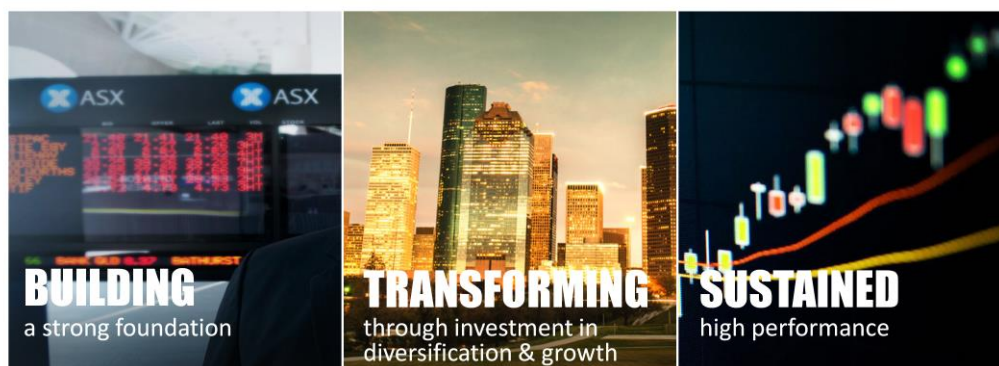
The fact that, since listing in Australia, we have grown margin, taken market share and maintained industry-leading customer satisfaction levels is testament to our proposition. We aim to emulate this in the US. Source Power and Gas, our retail electricity acquisition in Texas, looks like ERM Power did four years ago and by applying our systems and processes and harnessing local market expertise we're seeing early positive signs.

Our two peaking power stations form a strategic part of our diversified retail electricity sales business. We own 100% of Oakey Power Station on the Darling Downs in Queensland. It is a 332 MW peaker, operating on gas and diesel. Oakey was contracted to AGL until 31 December 2014 and now operates for our retail business and for third parties. This asset strategically supports the electricity retailing business, selling hedge products to third parties and making spot market sales.

We also own 50% of Neerabup Power Station in Western Australia. It's contracted to the WA Government retailer Synergy until 2029. However we also have the opportunity to earn additional income by operating Neerabup on our own account. Both are quality assets which operate safely and with high degrees of reliability.

EVOLUTION

The Journey since listing



Let me share some of my observations of the business that I joined in February.

We use technology and process better than anyone else to collect and understand our customer's electricity usage data in near real time. We give information to customers in a timely, accurate and meaningful way so they can better understand how their energy consumption relates to their business. We also use that data to deliver industry-leading billing accuracy and timeliness. That means our account managers spend their time working with the customer on how to better support their business, rather than dealing, for example, with billing errors that dog our competition.

As a result we have industry-leading customer satisfaction that translates to leading contract retention rates. We manage to renew around three quarters of contracts as they fall due. That, in combination with our new customer win rates, has led to consistent load growth even though the market as a whole, and our large competitors individually, are declining.

Our detailed knowledge of our customers' energy consumption means we understand and can forecast our forward wholesale requirements more accurately than anyone else. That knowledge, combined with our hands on experience in generation, means we can more efficiently and profitably trade in the volatile wholesale market.

In a nutshell, that's how we have been able to consistently achieve growth since our IPO in 2010, and how we have been able to achieve revenues in excess of \$2 billion with less than 200 employees.

You often hear people talk of 'smart companies', 'big data companies', 'disruptive companies' etc. ERM is a prime example of all of those, and probably the standout in our segment. We are the established challenger.

The Company has a history of capitalising on opportunities in changing markets. Be it in power station development, entry into C&I retail or expansion into SME, the DNA of agility and strong expertise has served this business well. And will do so as we enter this new phase of growth.

That agility and expertise comes from a strong culture. That's not just me saying it. This year for the first time, we undertook an independent employee survey to gauge how people are feeling about our business. The results were fantastic, which I will detail shortly.

These are the strong foundations. They've set us up well for this period of transformation through investment in diversification and growth.

On arriving at ERM, it was clear to me the business had real strengths and key opportunities in this changing energy landscape. But we needed to put some rigour around analysing what we're great at; how we can leverage it; and where we should put our emphasis given market dynamics. I'll take you through the strategy shortly. At its core, it is about positioning ERM Power for sustained high performance; sustainable returns; being innovative and agile problem solvers; owning energy leadership through technology and customer response; and being the advocates for businesses which rely heavily on energy to fuel their success.

PEOPLE



**SERVICE
CULTURE**



**LEADING CUSTOMER
SATISFACTION**



**EMPLOYEE ENGAGEMENT
AND ENABLEMENT***

90%

of our people feel proud to
work for ERM Power (12%
higher than the Australia norm)

*Hay Employee Survey, July 2015

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I mentioned the employee survey we introduced in July. People are central to our strategy and success. So it was important that we gauged their level of connection to ERM Power.

The employee survey we undertook measures engagement and enablement. Engagement is the extent to which employees are willing to expend discretionary effort for the success of the business. Enablement is the measure of how effective the work environment is.

Our engagement and enablement scores are at 72 and 75 respectively, putting us in the top 30 global high-performing companies in the Hay Group's client base of more than 400 companies and 6.5 million employees.

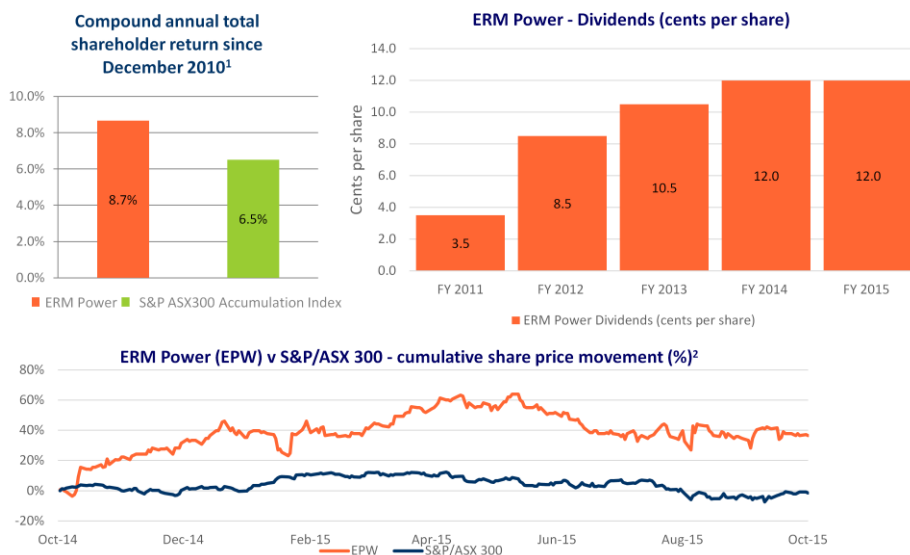
I am particularly grateful that 90% of employees said they were proud to work at ERM Power.

There is a direct correlation between high-performing businesses and highly engaged employees. High employee engagement is not the only ingredient for business outperformance, but it's near impossible to achieve without it.



Now let's put some numbers around our performance.

PERFORMANCE



1. Based on closing share prices at 20 October 2015. ERM Power return calculated based on cash dividends paid from 10 December 2010 to 20 October 2015.

2. Opening share price at 20 October 2014 and closing share price at 20 October 2015

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These charts demonstrate the performance of the stock and the potential still to be realised.

ERM Power's share price increased almost 40% in the year to October 20. The company delivered Total Shareholder Return of almost 35% in FY2015.

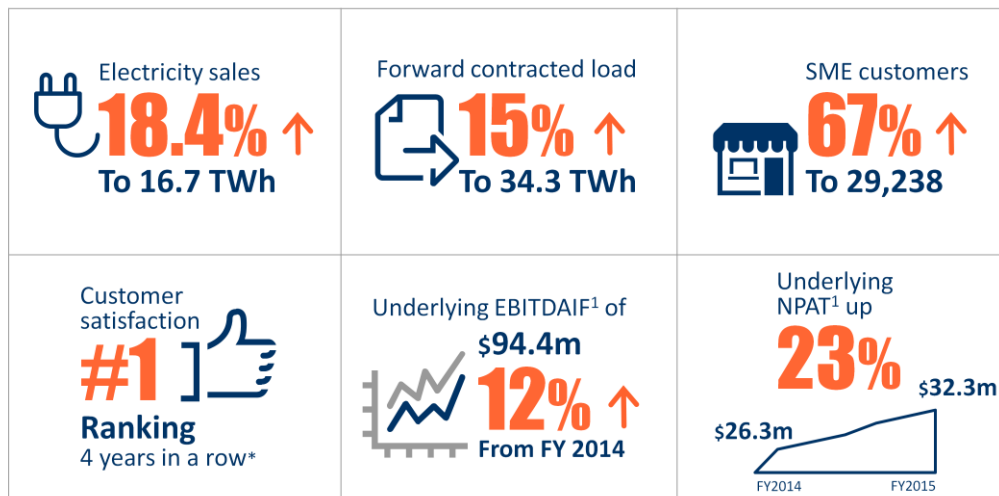
Since listing almost five years ago, the Company has delivered compound Total Shareholder Return of 8.7%, outperforming competitors and the ASX300 Accumulation Index.

Over the same period the ASX300 Accumulation Index, which measures capital gains and income, has produced compound annual growth of 6.5%.

Dividends have grown steadily since listing in 2010.

FY 2015

Strong result from consistent performance



¹ Refer page 17 of presentation for definitions

* Utility Market Intelligence (UMI) survey of major retail electricity retailers by independent research company NTF Group in 2014 (19th year of survey). Research based on survey of 300 business electricity customers between November 2014 and January 2015. Four major electricity retailers benchmarked.

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Many of you will have taken a look at our full-year financial results for 2015. So I won't spend a lot of time on this. Underlying NPAT was up 23% to \$32.3M. EBITDAIF was up 12% to \$94.4M. These record underlying results were driven by an 18% increase in electricity sales volume, in total, across all markets in which ERM Power participates.

We've embarked on a strategy to diversify our business through investment in the SME market in Australia and subsequently through the US market acquisition. This result shows the first fruits of those investments. Our C&I business continues to deliver profitable growth, and we achieved our maiden profit in the SME market.

At the same time we have commenced building our business – Source Power and Gas - in the US following that acquisition in January.

Our electricity sales business achieved record sales of 16.7 terawatt hours, including 0.6 terawatt hours in the US, becoming the clear second largest retailer in our target C&I market. This was an excellent result in a declining market with vigorous competition. Double digit profit and sales volume growth is a testament to the value our customers place on the ERM Power offering.

In our SME business we now have about 30,000 customer sites under contract and have achieved profitability ahead of expectations. While our strongest SME sales have typically been to customers with multiple sites, we are also beginning to penetrate the single site segment of this market.

Our US business performed well, recording a small positive EBITDAIF. In 2016 we will continue to build capability in the service offering and team. Market-leading customer satisfaction has been critical to customer acquisition and retention in our Australian business, and our intent is to implement the same customer-oriented model in our US business.

FY16 OUTLOOK - GUIDANCE

MARKET CONDITIONS

- Competitive market
 - Tighter margins in C&I
- Hot summer
 - Higher anticipated hedging costs
- Oakey Power Station
 - Anticipated earnings \$7M lower than FY15



Earnings



- Underlying EBITDAIF in the range of \$80M to \$94M
- Finance costs approximately \$3M higher than FY15

Load



- Load of 20TWh to 21.5TWh

SME



- Contract 37,500 to 41,000 SME sites in Australia

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ERM Power has always maintained profitable growth as its goal. In FY16 in Australia there are factors that will see our new business growth slow as a result of competitive market conditions. We believe we will maintain our industry-leading recontracting rates. Total load, as previously advised, is forecast to be 20 to 21.5 TWh. This is significant growth, but at a slower rate than previous years. SME customer numbers are also on track and expected to grow to between 37,500 and 41,000, as per previous guidance.

Our competitors have realised they cannot match our service and cost structure, so there has been an uptick in competitive pressure. As a result we've seen a moderation in C&I growth and downward pressure on margin but we continue to write profitable business.

In addition, in FY16 we see:

- Anticipated higher hedging costs across summer months ahead of a forecast warmer than usual summer; and
- A sustained period of small-scale renewable energy certificates trading at the clearinghouse penalty price, removing margin opportunity on this product.

FY16 will be our first full year of operating Oakey as a merchant plant. We believe that the FY16 earnings will be reduced by approximately \$7 million compared to FY15. Previously we had communicated that Oakey's earnings would deteriorate by \$8-10 million on a full-year basis fully merchant versus a full year on the previous off take agreement. We expect that number will be more like \$12 million. Oakey is a wonderful asset and will continue to provide great returns to the business.

Finance costs are expected to be \$3M higher than FY15, with the increase primarily related to the credit financing arrangements for the US business.

Given those circumstances, our expectation is that underlying EBITDAIF will be in the range of \$80m to \$94m.

We expect FY16 to be a year of investment in transformation for our US business. We aim to grow load in the US to around 2-2.5 TWh, but plan to invest the incremental margin back into the business in order to implement systems and processes which will allow us to deliver the ERM value proposition and longer-term margin and earnings. This is consistent with our investment case. Our expectation for the US business is for breakeven in FY16, including the credit financing cost.

The company plans to maintain, at a minimum, the current level of dividends.



Let me spend some time detailing our strategy. Particularly, how we're responding to market conditions and investing for growth.



ERM Power’s focus is on delivering the growing range of energy needs for SME and C&I customers in Australia and in target markets in the US.

Each of our market segments is underpinned by the same strategy – using best in class process and technology to provide customers with competitive energy prices and market-leading service. Our strategic direction comes from clarity about our core strengths; leveraging those strengths; and integrating them with emerging technology and opportunities.

We are clear on our core business

- We have plenty of growth in front of us in retailing to C&I and SME customers;
- Our US investment presents a lot of upside potential and limited downside; and
- We’ve exited gas exploration and generation development given current market dynamics.

We have potential and opportunity

- We have a business relationship with almost one in five businesses, governments and industrials in Australia;
- These relationships are characterised by industry-leading customer satisfaction;
- We’re intent on taking the number one position in C&I energy retailing; and
- We can take these business relationships to the next level. More than anyone else, we understand their energy consumption and we can develop solutions for them which deliver real value.

Integrating technology, expertise and opportunities

- We have the agility and proven expertise to integrate emerging technology into our business model to create value for our customers;
- We are using data, customer behaviour, technology and expertise to value-add across our growing customer base; and
- We’re well positioned to embed new energy management solutions in the value proposition.

People, Process and Technology underpin the success of ERM Power and will continue to drive our growth.

STRATEGY

Continued growth – 2018 targets



Generation and C&I

Our success has been in using process and technology to understand our customer’s energy consumption in a more accurate and timely way than anyone else. We use that information to drive world class customer satisfaction, which leads to strong customer relationships and industry leading contract retention rates.

Similarly, we use in depth knowledge of markets to successfully trade in the wholesale market. This has and continues to be core to our foundation generation and C&I retailing business. That is a successful model. We have taken share from our competitors, we are currently number two in market share, and we’re aiming for the number one position. We clearly have a sustainable advantage compared to our competitors, but, it’s inevitable that growth will begin to slow as we reach a natural market share ceiling.

We see C&I Australia load at about 19 to 21 TWh by 2018.

STRATEGY

Continued growth – 2018 targets



SME

Our SME business is up and running. We delivered a maiden profit in FY15, and we're targeting growth to about 37,500 to 41,000 customers by the end of 2016. We've achieved good results in multi-site SME which is a similar model to C&I – similar customer buying behaviours, similar routes to market. There are different industry processes and regulation, but our achievements since entering this market prove our business-focused proposition resonates with multi-site SME customers.

We're still working on a proposition that will unlock the single site market for us, and we expect the rollout of smart metering-based functions to support that proposition. Attracting, contracting and retaining SME single site customers profitably – emphasis on profitably - is always the challenge in the SME market.

Our expectation is we will continue to grow our SME customer base to about 50,000 to 60,000 customers by 2018, with opportunities for upside as single-site becomes a more accessible opportunity for us.

STRATEGY

Continued growth – 2018 targets



US

We have entered the market in the US. We acquired Source Power and Gas in January of this year. Our acquisition plan assumed a couple of years of breakeven. In FY16 we're investing in people, systems (CRM, pricing) and processes, and key hires in order to position ourselves to deliver the ERM proposition in the US market. The objectives for the US are consistent with those of our Australia model, that is leverage data for customer satisfaction, high contract renewal rates and superior trading. We believe conditions are similar enough that we will achieve load and earnings growth not dissimilar to what we have seen in the Australian market, with those results becoming evident in FY17.

We anticipate load of about 8 to 11 TWh by 2018 for our US business. Source is licensed to operate in the ERCOT (Texas) market and in PJM which encompasses Pennsylvania, New Jersey, Delaware, Washington DC, Maryland and parts of Illinois. PJM and ERCOT are approximately 2.5 times the size of the Australian National Electricity Market in terms of load. Our expectation is that success in PJM and ERCOT would lead to expansion into other US markets, which would further expand the opportunity available to ERM Power.

STRATEGY

Continued growth – 2018 targets



Customer solutions

Finally, we see strategic opportunity in the area of ‘customer solutions’.

Currently, as an electricity retailer our market opportunity is measured in \$/MWh. As technology evolves in the areas of energy analytics and management, storage, microgeneration and sub metering, spend will increase as customers seek to embed energy management into their core business processes.

ERM Power already has business relationships with almost one in five business, government and industrials across Australia. We have intimate knowledge of their energy consumption and we have industry-leading customer satisfaction. This positions us well to invest in customer solutions, which in essence will expand our business relationship with our customers, and present us with additional growth prospects beyond the electricity retailing market.

These customer solutions will leverage our core capabilities around using information, process and technology to add value to our customers’ business operations. We have already run successful trials in the area of energy management, power factor correction and micro-generation which gives us confidence this will become a material part of our future earnings.

We believe the total customer spend for energy management solutions in the C&I segment will be in excess of \$1.5 billion annually, and our existing customer knowledge and relationships bring significant advantage for us to access this market.

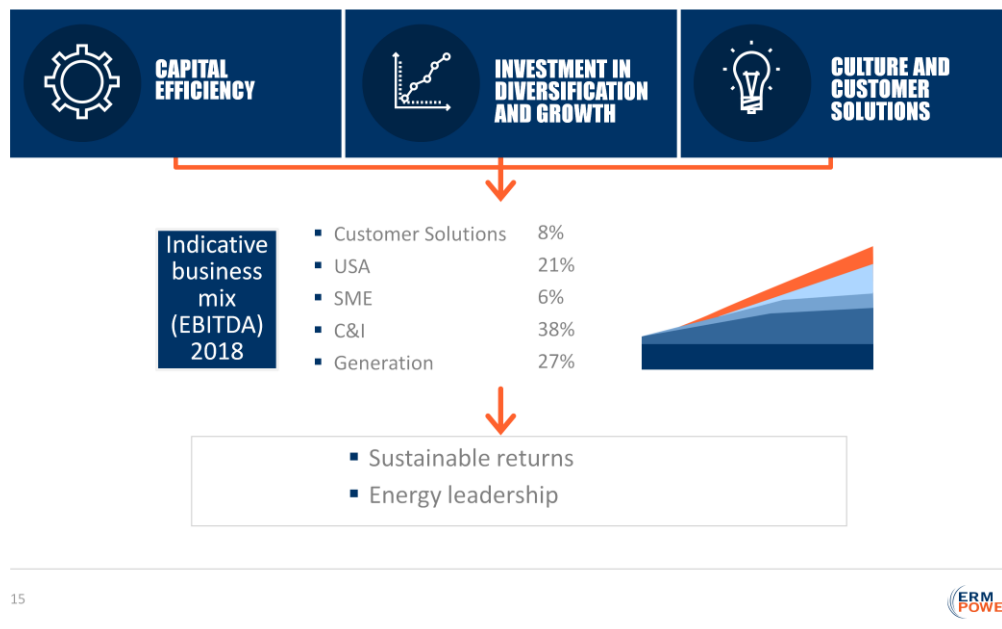
We have begun investigating organic and inorganic means to address these opportunities in a substantive way. Our initial focus is on a customer reporting and alerting platform, and certain energy efficiency and engineering capabilities – key building blocks to enter the customer solutions market. We aim to provide these services with our standard energy offering.

We believe at this stage no single acquisition will exceed single digit millions. In the same way we entered the US, our objective is to make prudent acquisitions to facilitate market entry, and then fuel growth once our proposition is tested in market and we have confidence that the customer proposition will scale.

We expect to see customer solutions representing about 8% of earnings by 2018.

STRATEGY

Looking ahead



Our growth aspirations are clear. We're working hard toward the targets laid out. We have plans in place and activity in train right now that is building toward this vision for our business.

We'll fund our growth through capital efficiency measures. We are considering a range of funding options to make capital available for investment in diversification and growth.

Our high-performing culture supports the delivery of a greater range of customer solutions in a rapidly changing market.

Generation remains an underpinning part of our business and we expect it will represent about one quarter of earnings. C&I growth will begin to slow but retailing will remain a material part of our income through 2018. We expect SME customer acquisition to generate and deliver about 6% of our income. This is conservative given our current focus on multi-site customers.

Key growth will come from the US business, generating about 21% of our income in 2018. Finally, we'll build on our strategic C&I base to deliver a range of customer solutions which take advantage of our relationships, leading customer satisfaction, our knowledge of customer energy use and the energy contract. We anticipate that customer solutions will grow to about 8% of our income.

That strategy and business mix is aimed at delivering sustainable returns and energy leadership through technology and customer response. As the established challenger we're ideally positioned to deliver.



IMPORTANT NOTICE - DISCLAIMER

Disclaimer

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of ERM Power Limited (ERM Power) and certain plans and objectives of the management of ERM Power.

Such forward-looking statements involve both known and unknown risks, uncertainties, assumptions and other important factors which are beyond the control of ERM Power and could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements.

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This document may contain certain non-IFRS financial measures and other defined financial terms.

The directors believe the presentation of certain non-IFRS financial measures is useful for the users of this document as they reflect the underlying financial performance of the business. The non-IFRS financial measures include but are not limited to:

- EBITDAIF - Earnings before interest, tax, depreciation, amortisation, impairment, net fair value gains / losses on financial instruments designated at fair value through profit and loss and gains/losses on onerous contracts. EBITDAIF excludes any profit or loss from associates.
- Underlying EBITDAIF - EBITDAIF excluding significant items.
- Underlying profit or Underlying NPAT - Statutory net profit after tax attributable to equity holders of the Company after excluding the after tax effect of unrealised marked to market changes in the fair value of financial instruments, impairment, gains / losses on onerous contracts and other significant items. Underlying NPAT excludes any profit or loss from associates.

During the period the Group changed the definition of underlying NPAT to exclude significant items. In prior periods these items were shown as adjusting items to underlying earnings measures. The change was made to reflect how financial information is reported to senior management and the Managing Director.

All reference to \$ is a reference to Australian dollars unless otherwise stated. Individual items, totals and percentages are rounded to the nearest appropriate number or decimal. Some totals may not add down the page due to rounding of individual components.