31 October 2019

New Zealand Stock Exchange
Level 1, NZX Centre
11 Cable Street
Wellington 6011
New Zealand

Z Energy Limited (ZEL) Half-Year results announcement (for the six months ended 30 September 2019)

Please find attached the financial information required by the NZX Main Board / Debt Market Listing Rules for release to the market.

Attached:

1. Market announcement in relation to the half year results;
2. Half-Year results presentation;
3. Z Energy's Half-Year Report including group financial statements for the six months ended 30 September 2019 and the Auditor's review report; and
4. Distribution Notice x2

The information in this announcement should be read in conjunction with Z Energy's most recent Annual Report.

Z Energy's Chief Executive Mike Bennetts and Chief Financial Officer Lindis Jones will discuss the 1HFY20 Results at 10:00am New Zealand time today.

Yours sincerely,

Debra Blackett
General Counsel and Chief Governance Officer
Z Energy

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31 October 2019

Intense retail price competition lowers margins on flat industry volume

Half year financial result and dividend

Z Energy (NZX: ZEL) today announced its earnings for the six months to 30 September 2019.

Z Energy (Z) reports its earnings on an historic cost (HC) as well as replacement cost (RC) basis. Statutory financial statements are reported on an historic cost basis in accordance with NZ IRFS, however replacement cost accounting is the globally used non-GAAP industry standard to measure financial performance.[1]

Historical cost net profit after tax (HC NPAT) was $28m for the first half of the year, down 80% from $139m in the prior corresponding period (PCP). This result was driven by a reduction in global commodity prices, lower retail fuel margins and a weaker NZD compared to PCP partially offset by increased refining margins.

Z reported replacement cost earnings before interest, depreciation and amortisation (RC EBITDAF) of $182m, up 4% from $175m in the PCP. Z's replacement cost net profit after tax (RC NPAT) was $22m, down 69% from $72m in the PCP.

Total marketing volume for the first half was 1,921 million litres, down 2.4% compared to the PCP. On an RC NPAT basis (excluding the negative impact of Flick), Z earned 3.5 cents per litre, down 15% from 4.1 cents per litre for the FY19 year. Z's RC fuel unit margin[2] of 16.5 cents per litre was up on the PCP of 15.5 cents per litre given some of the one-off costs associated with last year's extended refinery shutdown were not repeated.

The Board of Z has declared a fully imputed interim dividend of 16.5 cents per share, up 32% from 12.5 cents per share compared to the PCP. The interim dividend will be paid on 10 December 2019.

Intense retail competition adversely affects trading

Commenting on the results, Z Chief Executive Mike Bennetts said that competition in the retail fuels market was unprecedented and highlighted the build out of new to industry (NTI) sites in recent years.

"New Zealand has a very competitive market for retail fuels. In the past three years we have seen an average of around 20 new sites[3] coming to market each year. This has had the effect of increasing industry capacity against a backdrop of flat to negative total industry demand."

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[1] Z prepares its statutory financial statements on an historic cost basis in accordance with NZIFRS. Earnings prepared on this basis are subject to volatility due to changes in oil prices and exchange rates and is therefore not a dependable measure of business performance or profitability. Replacement cost earnings do not reflect this volatility to such an extent as the cost of the stock sold is accounted for as its replacement cost at the time of its sale. Z's management focuses on the industry standard replacement cost operating metrics, which it considers a better reflection of the underlying performance of the company.

[2] This is the margin on fuel sold before operating costs and corporate tax are accounted for.

[3] Between 2014-2018, industry site numbers have grown by 119 sites (+5%) across most of the 21 brands in the market.

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"These NTI sites have differentiated themselves from the competition through service and price discounting offers to grow market share. The Kiwi consumer has more choice than ever in retail fuels," he added.

"In the first six months of our financial year we have seen intense retail fuel competition spread to new areas in New Zealand. We now see significant discounting occurring in urban areas of the South Island and the lower North Island.

"Volume sold on discount to the notional main port price has move from around 70% of total volume to north of 95% in the first half of the year. This is indicative of the highly competitive industry we're operating in," said Mike.

Commerce Commission market study

In August the Commerce Commission completed its draft report into the retail fuel market. Discussing the draft report, Mike noted Z's continued commitment to participate fully with the Commission and its support for the intent and process of the market study.

"We understand how important it is for New Zealanders to be assured that they're getting a fair deal for fuel. Given the level of investment we make, and the risks Z incurs across our operations, we don't believe our returns are unreasonable. The barriers to entry are not high, as evidenced by the level of NTI investment and geographic expansion that has taken place in recent years," said Mike.

During the Commerce Commission enquiry Z suggested several remedies including creating more competition in the wholesale market and additional price disclosure on price boards across all grades in the retail market.

"Z is focused on the future of the industry. As we have maintained throughout this process, we want to work with the Commission and the relevant government departments on building a sustainable industry model that provides the best possible outcome for New Zealanders today and into the future," commented Mike.

"We did not agree with everything that the Commerce Commission calculated around industry profitability. We sought clarity with the Commission on their treatment of some balance sheets items and the way that they had compared the New Zealand market to international benchmarks. We did this because we believe it's important that the Commission gets its profitability analysis right for this and all future market studies.

"It is also important for our shareholders. Over half of our shareholders are based here in New Zealand, either through KiwiSaver funds or through the nearly 8,000 Mum and Dad shareholders who own Z shares. Our profit has a purpose and that is shared across many New Zealanders," added Mike.

Given the number of stakeholder queries Z has received about its profits and returns, Z has disclosed its historic returns and post-tax profits for the period of FY16 to 1HFY20 in the accompanying investor presentation pack. While this data has always been available in Z's audited accounts, stakeholder queries have been focused on what has been changing over time.

The graph disclosed in the investor presentation demonstrates that after tax profits per litre, which includes convenience store sales, have declined from a high in FY18 of 4.7 cents per litre to 3.5 cents per litre for 1H FY20 after the removal of one-off Flick costs. Returns (as measured by ROACE – return on average capital employed) have declined from a high of 12% in FY17 to 7% in 1H FY20.

Launch of Pumped and Caltex exit from AA Smartfuel

On 1 August 2019 Z Energy ended its participation in the AA Smartfuel loyalty program. Z had previously participated in this loyalty program via the Caltex brand. From 1 August the Z owned and operated Pumped loyalty scheme was extended to the Caltex network, which elicited an aggressive competitive response.

"Our competitors viewed Caltex's exit from the Smartfuel program as an opportunity to increase market share. The competitor response was to offer greater levels of discount or marketing promotion in an attempt to capture market share.

"This did have an effect on market share and margin, but we think that Pumped is a very compelling offer that customers are now turning to. Pumped is available in over 300 conveniently-located retail service stations and gives consumers choice on discounts and the ability to stack their discounts with no minimum spend," said Mike.

Investment in Flick Electric

Last financial year Z invested $46m to acquire a 70% stake in Flick Electric. Flick is an electricity retailer and disruptor that allows its customers the choice between accessing the wholesale electricity spot market or a low, fixed-price product.

Due to unseasonably high spot prices in October 2018 Flick lost customers on its core spot market product. The team did an excellent job in standing up a fixed-price product, but Flick did incur customer losses. The Board of Z has therefore decided it is prudent that it write down the value of the Flick investment by $35m to more accurately reflect the current valuation of the Flick business.

Commenting specifically on Flick Mike said, "We will continue to support the Flick management team and strategy and we will look to create combined Flick and Z customer offers to meet their energy needs. We are committed to Flick's customer base and look to get the business back on track as we move towards our primary target of cash breakeven."

Debt reduction and returns to shareholders

Z is committed to reducing debt and returning cash to shareholders. Z will continue to reduce its overall debt position and maintain a strong, investment-like grade balance sheet.

During the first half of the financial year Z repaid $20m of debt principal and reduced our debt leverage, defined as gross debt to RC EBITDAF, to 2.1x on a non-IFRS adjusted basis. This was down from 2.4x compared to PCP. Adjusting for IFRS-16, Z had a debt leverage of 2.6x. Z remains committed to progressively reducing its debt towards a 2.0x debt to RC EBITDAF level.

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The Board of Z Energy has declared an interim dividend of 16.5 cents per share for the first half of FY20. Under the current dividend policy this represents a payout ratio of 65% of Operating Cashflow.

Second half and full year outlook

Z reaffirms its full year earnings guidance for EBITADF to be between $390m and $430m with dividends to be in a range of 48 to 50 cents per share.

"Z's earnings are correlated to the overall level of economic activity in New Zealand and we see headwinds in the near term around business confidence, growth and the willingness of businesses and consumers to commit to investment or large expenditure. Despite the nature of our business we are not immune to this loss of confidence in economic activity.

"Z's focus for the second half of FY20 is on the customer; especially in our retail segment. We will focus the core business to be more productive, engage with our retail and commercial customers and move towards delivering a sustainable future for our industry in Aotearoa New Zealand," concluded Mike.

A conference call for media and investors will be held at 10am later today, Thursday 31 October 2019. Dial in details can be found on the Z investor centre here:
https://investors.z.co.nz/announcements/nzx-announcements

A replay of the call will be available the day after on Z's investor website here:
https://investors.z.co.nz/announcements/webcasts-presentations

Investors: **Matt Hardwick** **027 787 4688**
Media: **Victoria Crockford** **021 347 833**

Reconciliation from statutory net profit after tax to RC net profit after tax

	Unaudited 6 months ended 30 September 2019 $m	Unaudited 6 months ended 30 September 2018 $m	Audited 12 months ended 31 March 2019 $m
Statutory net profit after tax	28	139	186
COSA	(18)	(136)	(21)
Net foreign exchange and commodity losses/(gains) on fuel purchases	7	31	8
Tax benefit on COSA	5	38	5
Replacement cost net profit after tax	22	72	178

2020 Interim Results Presentation

For the six months ended 30 September 2019

31 October 2019

Mike Bennetts
Lindis Jones

Disclaimer

Please read this page before the rest of the presentation

Please do not read this presentation in isolation

This presentation supplements our half year results announcement dated 31 October 2019. It should be read subject to and in conjunction with the additional information in that announcement and other material which we have released to NZX and ASX. This material is available on our website, https://investors.z.co.nz. All references in $ are to New Zealand dollars unless otherwise stated

Forward looking statements are inherently fallible

This presentation contains forward-looking statements and projections. These reflect our current expectations, based on what we think are reasonable assumptions. For any number of reasons the future could be different – potentially materially different. For example, assumptions may be wrong, risks may crystallise, unexpected things may happen. We give no warranty or representation as to our future financial performance or any future matter. Consistent with the NZX and ASX listing rules we will communicate with the market if there is a material change, however we will not update this presentation

Understand our non-GAAP information

Some of the financial information in this presentation has not been prepared in accordance with generally accepted accounting practice (“GAAP”). In particular, we show results calculated on the basis of “replacement cost accounting” a widely used and understood Industry measure. It is very important that you understand how this non-GAAP information relates to our GAAP results. So please read the explanation in the appendices

There is no offer or investment advice in this presentation

This presentation is for information purposes only. It is not an offer of securities, or a proposal or invitation to make any such offer. It is not investment advice or a securities recommendation, and does not take into account any person’s individual circumstances or objectives. Every investor should make an independent assessment of Z Energy on the basis of expert financial advice

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Headline financials

Full year earnings forecast to be within revised guidance

Key financials	1H FY20	1H FY19	Change
Historical cost net profit after tax (HC NPAT)[1]	$28m	$139m	(80%)
Replacement cost EBITDAF (RC EBITDAF)[2]	$182m	$175m	4%
Replacement cost Net Profit After Tax (RC NPAT)[1]	$22m	$72m	(69%)
Net operating cashflow	$(31m)	$111m	<>
Interim Dividend	16.5 cents	12.5 cents	32%

- RC EBITDAF increased by $7m compared to PCP due to increased gross refining margin (GRM) contributions and an accounting adjustment associated with the adoption of NZ IFRS 16 - Leases. Offset by an increase in Opex driven by the launch of Z's new loyalty programme "Pumped"
- RC NPAT decreased due to $35m impairment of Z's investment in Flick and increased amortisation expense relating to Intangible digital assets
- Net operating cash flow decreased $142m from PCP due to the timing of crude and product payables, Z paying the Fixed Price Option (cash settlement) for the CY18 ETS obligation and holding the units for future use given regulatory uncertainty around ETS
- Fully imputed interim dividend record date 22 November 2019 with a payment date of 10 December 2019

Note 1: HC NPAT has been calculated in accordance with NZ GAAP. RC NPAT and RC EBITDAF have been calculated on the basis of "replacement cost accounting". In this presentation we show results calculated in accordance with NZ GAAP and results calculated on the basis of "replacement cost accounting". It is very important that you understand how the "replacement cost" results relates to our NZ GAAP results. Please read the explanation and consider the reconciliation information in the appendices

Note 2: 1H FY20 RC EBITDAF has been adjusted for a lag of $2m to remove the volatility associated with moving crude prices

HSSE

Focus on zero harm and creating a generative safety culture

- Continued safe management of expanded supply chain with 11 terminals under direct Z control
- Robberies declined PCP with no employees harmed

People safety:

- 9 LTIs were a mixture of slips, trips and falls
- 6 Robberies is a 45% drop over PCP (1H FY19: 11)
- 8 Life Saver breaches (1H FY19: 26)

Process safety:

- Tier 1 or Tier 2 process safety incidents: 1 (1H FY19: 0)
- Spills to Ground (loss of containment): 3 (1H FY19: 0)
- Executive safety “walk and talks”: 18 (1H FY19: 21)

Total Recordable Case Frequency (TRCF)

0.99

1H FY19: 1.87

Z Employees: 0.00 (1H FY19: 0.47)

Retailers and Mini-Tankers: 1.25 (1H FY19: 2.24)

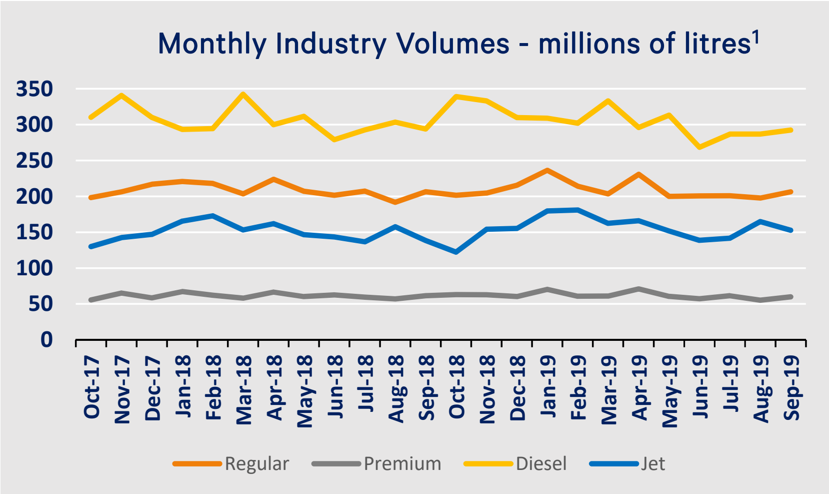
Tier 1 or Tier 2 process safety incidents

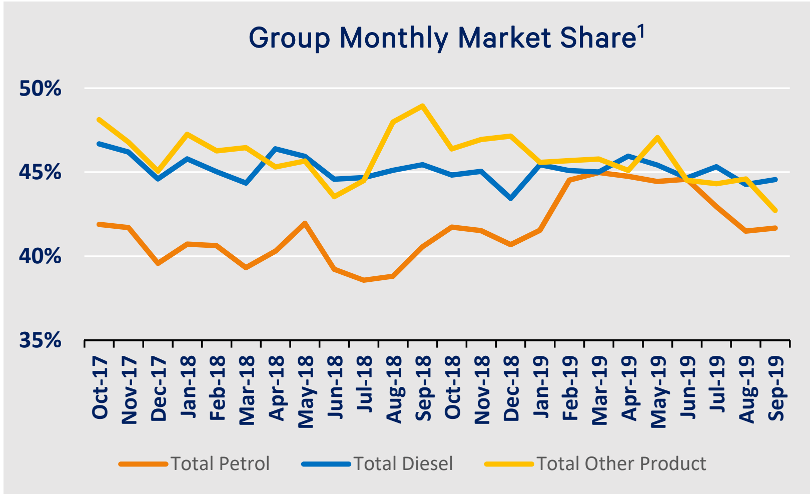
1

1H FY19: 0

Trading conditions

Reducing economic activity indicated from declining YoY Industry growth





- Industry Petrol volumes are down 9% on PCP, although estimated to be flat when allowing for Gull's move to directly importing from their parent company
- Industry Diesel volumes are down 2% on PCP due to slowing economic activity in particular forestry, roading infrastructure and property development

- Jet volumes flat on PCP due to a slowdown in visitor arrivals, and an expected consolidation of flight schedules. This is expected following a period of strong tourism growth and strong jet demand, and has seen airlines both cease operations to NZ and reduce the number of flights or seek more fuel efficient aircraft options
- Industry Marine Fuel Oil up 2% on PCP due to an increase in shipping activity to major NZ ports

Note 1: Source is Industry Exchange data at September 2019. This does not include 'Supply – Industry and Export' sales

RC EBITDAF variances to FY19

Fuel margins impacted by commodity price movements and RNZ shutdown

Refining

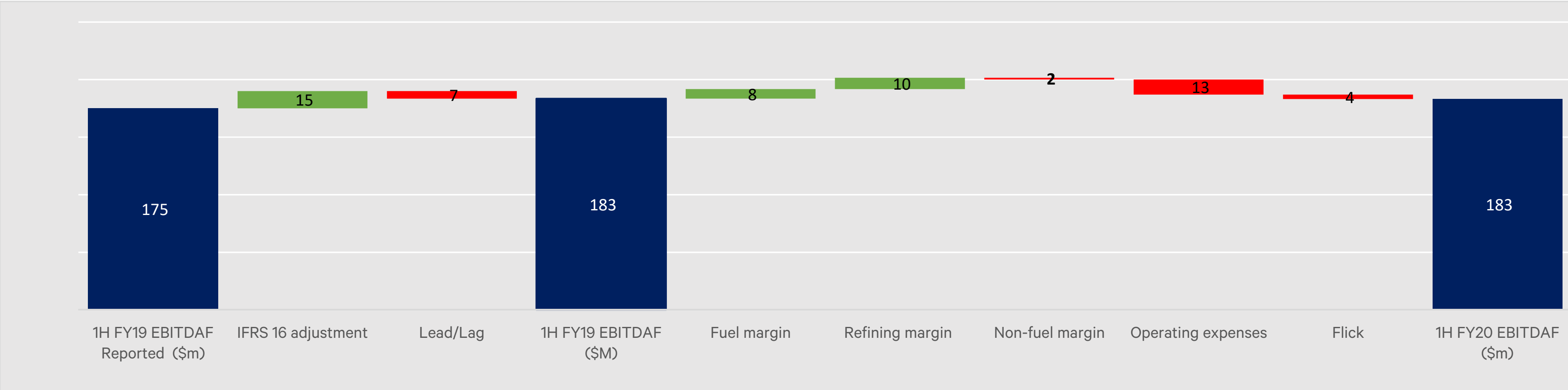
- Refining margin has increased due to the PCP including Refining NZ's unplanned extended shutdown, with refinery throughput increasing 1.3m bbl, up 15% on PCP
- NZD per barrel margin up 17% due to the refining NZ shutdown which de-optimised the refining process in the PCP
- Weaker NZD/USD exchange rate to PCP (0.69 to 0.66)

Fuels and non fuel

- Drop in Fuel volumes, due to continued competitor investment in new sites (NTI) and slowing economy
- Increased contribution from Strategy 3.0 following refinery optimisation initiatives
- Non fuel margin declined from the expiry of a legacy Caltex asset lease

Operating expenses and other

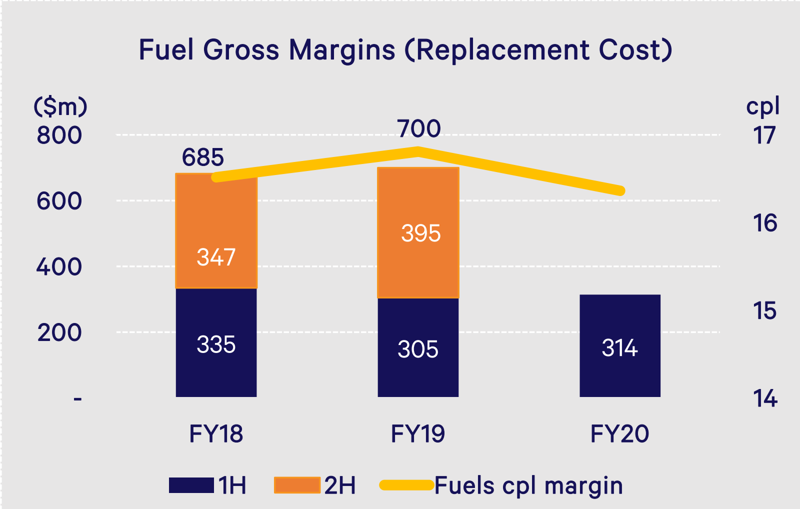
- Other revenue from Refining dividends and Strategy benefits ($2m) offset by the impacts of IFRS 16 leases adjustment ($1m) and share of associate losses ($1m)
- Opex increase as a result of Z's investment in CX capability and implementation of Z's Pumped loyalty programme offset by move in lease costs to below EBITDAF



Fuel contribution +3% to PCP

Marketing volume impacted by continued Retail competition and slowing of economy

Sales Volumes (ml)	1H FY20	1H FY19	Change
Petrol	615	626	(2%)
Diesel	761	806	(6%)
Other	545	537	1%
Total marketing volume	**1,921**	**1,969**	**(2%)**
Supply sales and exports	26	227	(88%)
Total volume	**1,947**	**2,196**	(11%)

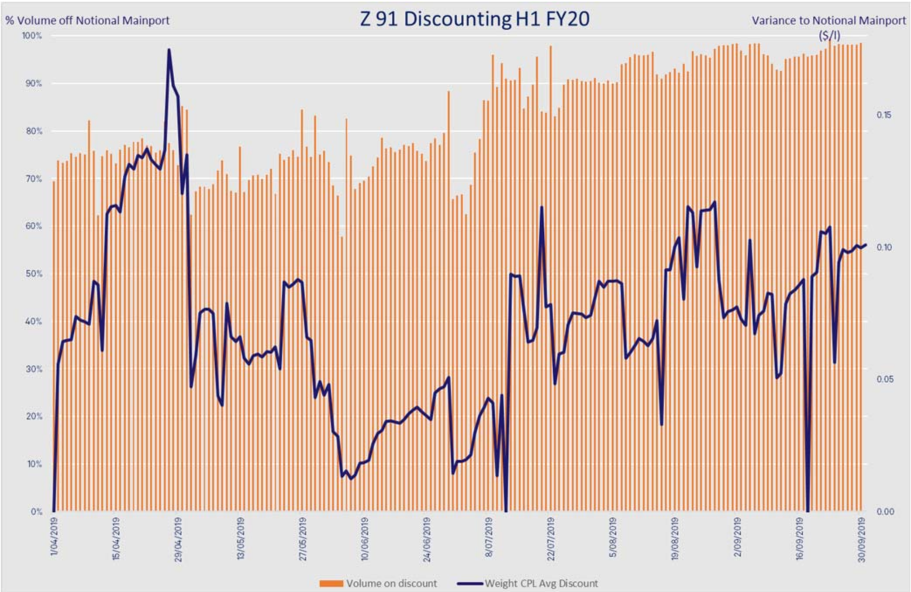


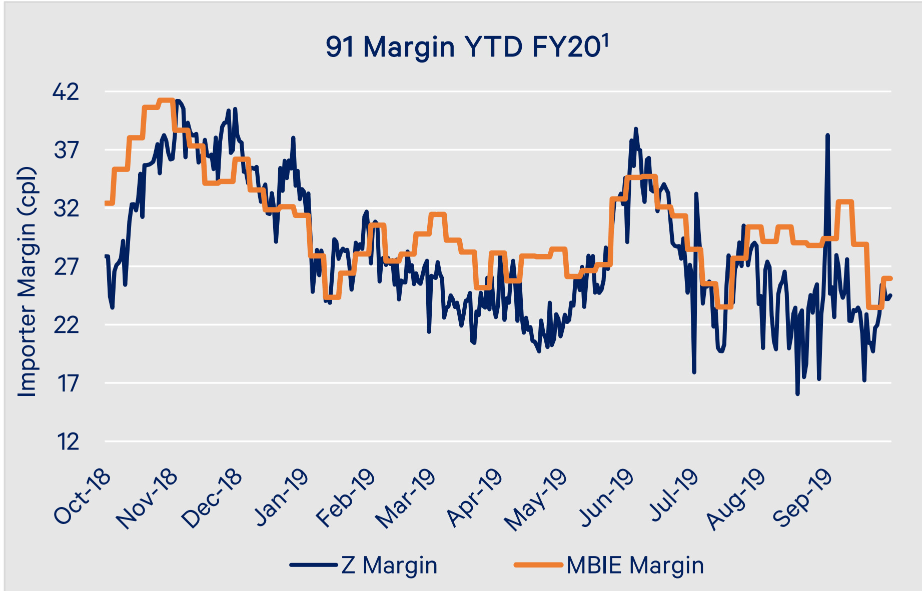
- Petrol volumes impacted by competitors continued investment in NTI sites, pricing offers and marketing activity
- Diesel volumes impacted by the general slowing down of the economy

- Supply sales and exports down due to arrangement to sell fuel oil to the domestic market rather than export
- Fuel unit margin of 16.5cpl up from PCP 15.5cpl driven by increased cost associated with Refining NZ outage in PCP and a change in sales mix between the Z and Caltex retail brands
- Loyalty costs increased on retail volume mainly driven by the implementation of discount fuel docket programme (September 2018)

Retail fuel pricing

Highly competitive market environment with the expansion of differing operating models





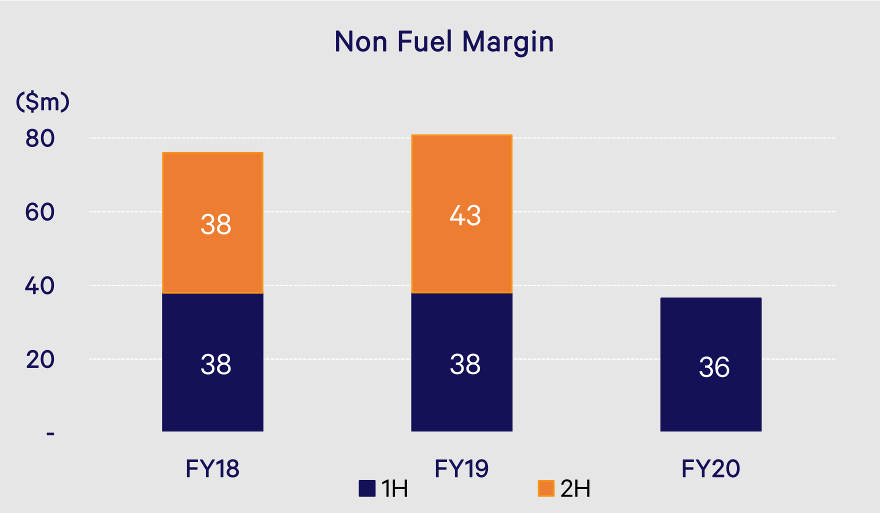
- In the past year, the percentage of Z's volume discounted has grown from 70% to almost 100%, another indicator of increased competition from existing or new to industry sites
- The growth of differing models in the market has changed how participants reflect their input costs into their pumped prices

Note 1: Source is https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-statistics-and-modelling/energy-statistics/weekly-fuel-price-monitoring

Non fuel margin -5% to PCP

Decline in non fuel margin driven by the end of a legacy Caltex rental agreement ($2m pa)

Operational Metrics		Tier 1	Tier 2	Tier 3
Number of stores	1H FY20	95	77	28
	1H FY19	94	73	34
Average weekly shop sales		$48k	$29k	$18k
Sales growth		7%	7%	8%
Total transaction count YoY		(2%)	(2%)	(2%)
Store transaction count YoY		1%	1%	(1%)



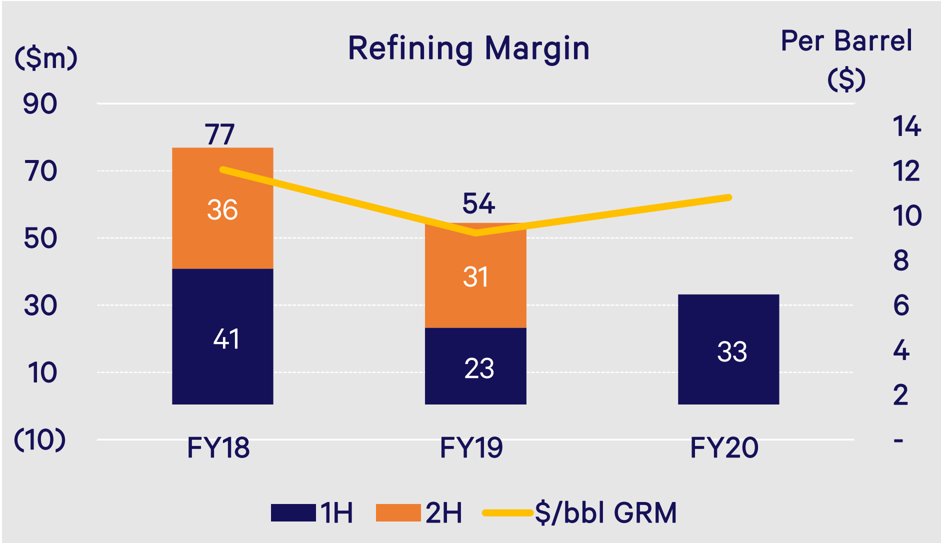
- Average weekly shop sales growth driven by increase in Food and Drink categories (e.g. Z Food and Coffee, beverages and snacks), excise tax on Tobacco products
- Focus on building credibility in food and coffee through investment in new coffee equipment, pre-order app to include additional chilled drinks
- Pre-order App revenue equal to 7% of total coffee sales, with 40% of first time customers converted to repeat customers
- During September, Z has teamed up with Habitual Fix to trial a new food offer At Z Royal Oak (Auckland)
- Non-Fuel margin has decreased due to the end of a Caltex legacy rental agreement ending 31 December 2018 ($2m per annum)

Refining margin +43% to PCP

Refining margins recover following the RNZ shutdown in 1H FY19

Regional markets and Refining NZ

- Regional refining margins were lower than the PCP by $2.16 per barrel, although this was more than offset by the negative impact of the extended refinery shutdown in 1H FY19
- Improved refining availability compared to PCP resulted in optimisation benefits and increased throughput
- Average NZD/USD FX rate of 0.66 compared to PCP rate of 0.69



Z Performance

- Processing volumes increased to 10.2m barrels from 8.9m barrels in the PCP largely due to an extended refinery shutdown in 1H FY19
- Refining margin makes up 9% of total gross margin, up from 6% in PCP
- Average refining margins up $1.59 per barrel compared to PCP mainly due to extended shutdown in 1H FY19
- The refinery joint venture with Mobil generated increased efficiencies compared to PCP

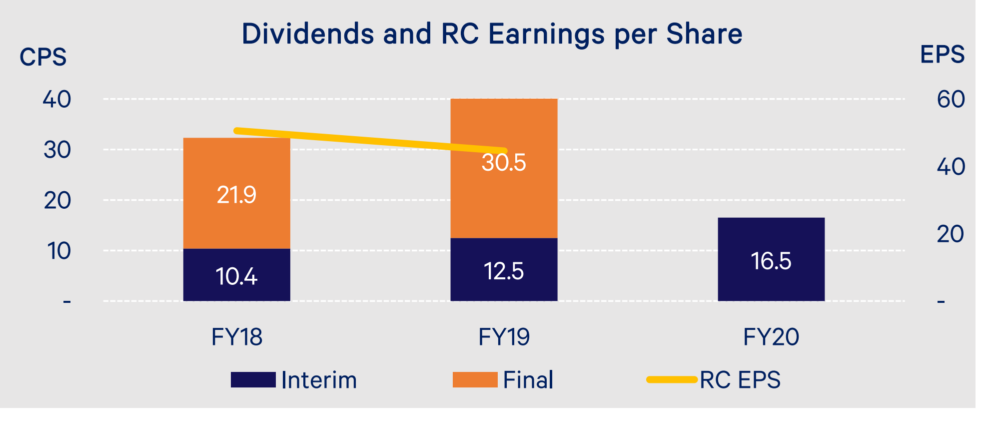
Capital management

Interim dividend consistent with current earnings guidance

Metrics	1H FY20	1H FY19	Change
Gross debt[1]	$906m	$946m	($40m)
Gross Debt/EBITDAF[2]	2.1x	2.4x	0.3x
Gross Debt/EBITDAF (NZ IFRS16 adjusted)[3]	2.6x	-	<>
Cost of debt	5.2%	5.4%	(0.2%)

Capex ($m)	1H FY20	1H FY19	Change
Growth[4]	14	17	3
Integrity	25	15	(10)
Divestment Proceeds	(30)	(7)	23
Net capex	9	25	16

- Gross debt made up of $480m domestic retail bonds, $378m USPP notes and $48m bank term debt, $135m of retail bonds maturing November 2019 to be refinanced via existing bank term debt facility
- 32% increase in the interim dividend to 16.5 cps ($66m) compared to FY19 12.5 cps ($50m)
- Capex spend reflects Z's commitment to fund growth capex with divestments

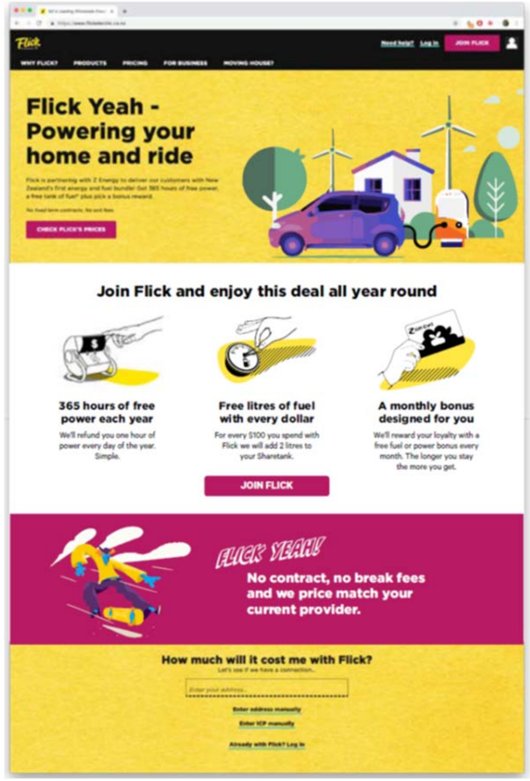


Note 1: Gross is defined as the sum of gross domestic retail bonds, gross USPP issuance, bank debt and excludes working capital funding and cash on hand
Note 2: Debt coverage is calculated as gross debt divided by 12 months RC EBITDAF. Covenants calculated under the frozen GAAP method
Note 3: Debt coverage adjusted for impact of NZ IFRS 16 – Leases accounting standard
Note 4: Growth Capex excludes investment in Flick Energy Limited $47m

Flick performance

Impairment of Investment ($35m) reflects performance to date and challenging outlook

- Flick business re-focussed on developing sustainable products that leverage Z channel
- Costs managed in year to offset lower revenue, product development costs and higher than forecast energy prices
- Write down of Z's investment based upon lower income from new customers over the short to medium term
- Electricity Price Review favourable to certain extent, however no certainty of competitive power prices in the next 12 months
- Bundled Z offers being trialled in market from September to identify the best proposition to scale



Note: Information sourced from Flick Energy Limited

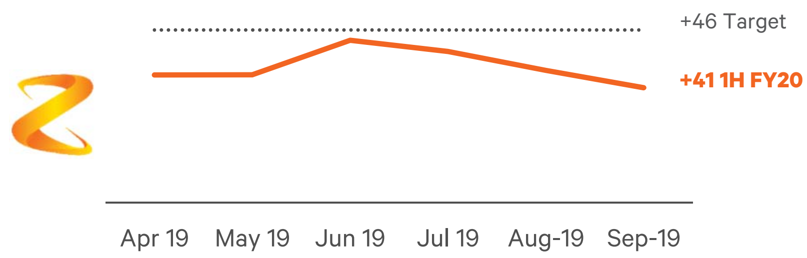
Strategy 3.0

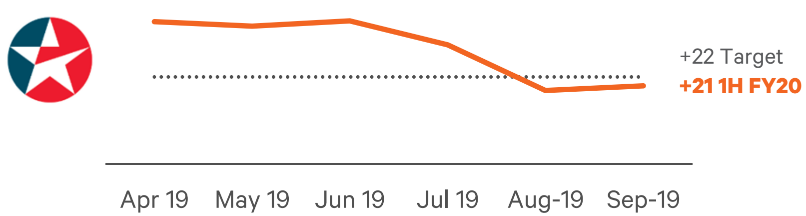
Cumulative Strategy 3.0 delivery expected to exceed guidance of $30-35m of EBITDAF

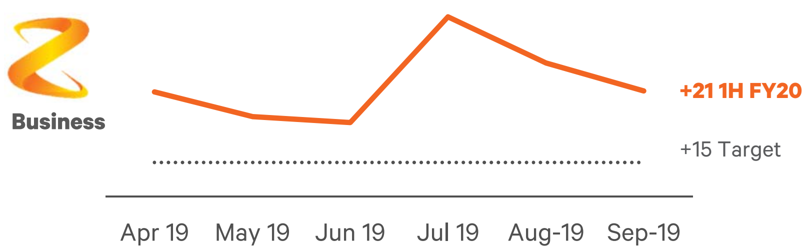
Business Unit	Work Streams	FY20 Forecast
Supply Optimising scale	• Consolidate terminal network in-house • Single hired carrier outsourced • Renegotiate industry structures • Change partner to Mobil for refinery optimisation	$14-15m
Commercial Integrating offers while moving to common platforms	• Jet to import parity • SME technology and offer development • Leveraging Distributor partnerships • Consolidate Truckstop network and card platforms	$24-26m
Retail Differing brand positions and segmenting customers for 'true' loyalty	• Capital release from next best alternative • Data and loyalty solution • Convenience retail initiatives	$2m
EBITDAF contribution		$40-43m

Net promoter score (NPS)

Focus on delivering initiatives to lift customer experience by solving pain points







Drivers of NPS	Delivery in 1H
Speed – feel like I can get in and out quickly. It's easy.	• Continued App development for Z and Caltex customers, e.g. multiple forms of loyalty cards (Fly Buys, Airpoints) into App • Pre-order platform scaled to 172 Z sites • Pumped and Z Business being implemented into Fastlane
Recognise me and my loyalty – personalised recognition for choosing us and rewarded for their efforts.	• Airpoints into Pumped program • Pumped launched across both Z and Caltex networks • Sharetank MVP into pilot with launch end October
Service – friendly and efficient service (in person or via technology), anticipating their needs.	• Habitual Fix pilot at Z Royal Oak to test fresh food offer • Development of Digital B2B portal
Value – producing value for money and value me and my business.	• Z Business replaces separate legacy Z and Caltex platforms • Customer transition for Z Business on track for completion by end December

Government relations

Engagement with Government across multiple areas

Market study

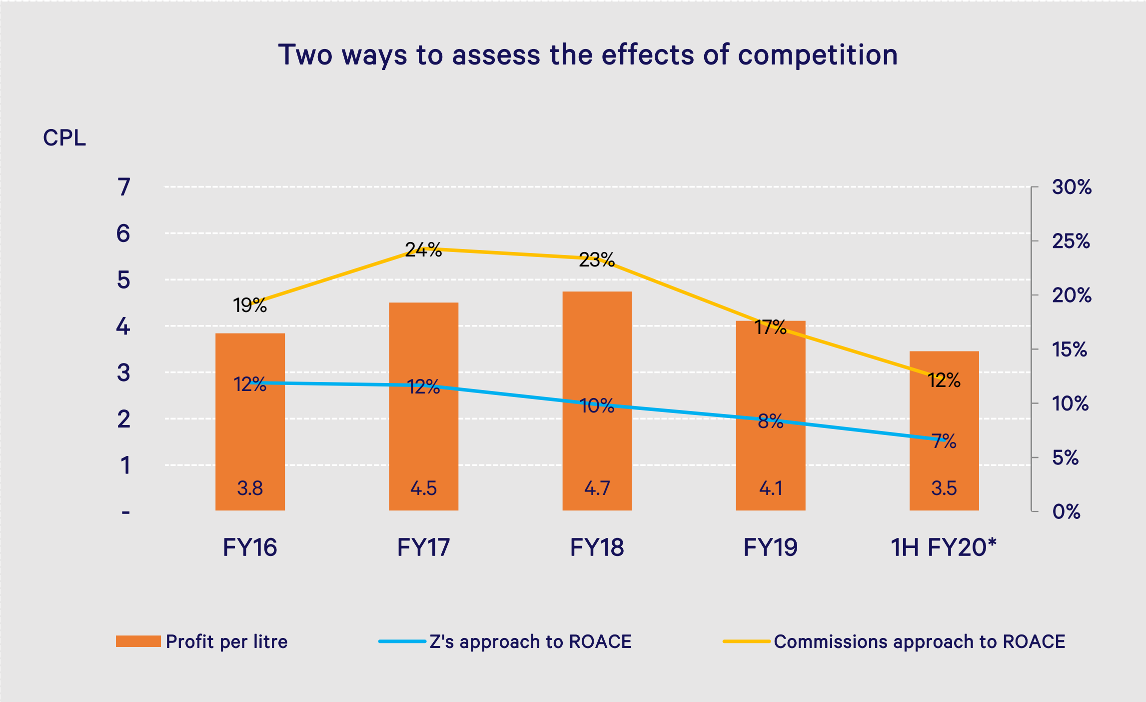
- Draft report revealed profitability calculated on a starkly different basis, with more than 40% of Z's balance sheet not included in Commission's analysis
- That higher returns have not persisted is a key distinction in considering any regulatory response
- Conference confirmed the complexity of the industry and potential for regulation to increase costs to customers
- Z has a preference for clear recommendations as opposed to recommending further work
- Z's final submission completed on 16 October 2019, final report due 5 December 2019

RAP Inquiry

- 21 recommendations in report to Minister: protecting the RAP and other infrastructure; better planning and preparation for a crisis; timely investment in infrastructure
- Recommends building new infrastructure for diversity of supply and operating minimums for storage and inventory
- Recommends the Government legislates to put regulatory options in place, in case the sector does not make the necessary progress by 30 June 2020
- Industry's current actions focused on a feasibility study (pre FEED) for additional tankage at WOSL (~$30m) and upgrading WAP capacity by 10-50% ($2-8m) over the next three years, while advancing alternative supply chain options

Margins and returns continue to decline

Competition predictably lowers returns



- Profit per litre is based on Z's NPAT, including non fuel revenues, divided by fuel litres sold
- Z's ROACE (return on average capital employed) is calculated as
  - Earnings: RC NPBT + lease expense + net interest expense – tax (on this revised profit figure)
  - Capital Employed: Total assets (including right-of-use assets) + fair value adjustment of terminal assets + D&R provision – net derivative financial instruments, less current liabilities excluding. short term borrowings and accounts payable relating to inventory
- 1H FY20 ROACE is based on the 1H FY20 earnings extrapolated for 12 months (less Flick's results), while average capital employed is the average of FY19 and 1HFY20
- 1H FY20 Profit per litre is based on 1H RC NPAT less Flick's results divided by fuel litres sold

Looking forward for 2H

Very difficult to accurately assess the margin outlook for Retail

- 90% of the YTD gap to the original RC EBITDAF guidance arises from Retail, where the gap is split between volume (35%) and unit margin (65%)
- Assumptions for 2H remain unchanged from original guidance for Brent crude price of US$70/bbl and an FX rate of 0.68
- Market consensus is that the impact of IMO 2020 to be more limited than the original guidance for GRM upside offset by fuel oil pricing downside
- Divestments of $30m YTD to be supplemented by a further $5-15m in 2H, funding growth capex while underwriting a further debt repayment of $20m
- Deliverables and milestones in 2H include implementation of Sharetank MVP, scaling up of Fastlane, marketing automation, and Caltex app development
- Continue to evolve brand and price positioning of Z to BP, with Caltex to Mobil and Gull
- Major risks to financial delivery include Retail unit margins and IMO 2020 impacts
- Guidance retained at $390-430m of RC EBITDAF and fully imputed dividend of 48-50 cents per share
- If Retail margins do not change from the August to October actuals, then this would indicate the bottom of the range, with the mid point dependent on an improvement on recent months

Appendices

1. Financial results
2. Profit and loss
3. Operating Expenses
4. Items below RC EBITDAF
5. Balance sheet
6. Working capital
7. Operational Data

Financial Results

Basis of preparation

- Z adopted NZ IFRS 16 Leases from 1 April 2019

Non-GAAP Accounting Measure - Replacement Cost (RC) earnings:

- Is a non-GAAP measure used by the downstream fuel industry to measure and report business performance
- RC earnings adjusts purchases of crude and product as if the product sold in a month had been purchased in that month, rather than the Historical Cost (HC) which reflects the prices actually paid
- RC earnings exclude the impact of changes in crude oil and refined product prices on the value of inventory held by Z, thus it is a better measure of underlying performance
- The difference between HC earnings and RC earnings is the Cost of Sales Adjustment (COSA) and the foreign exchange and commodity gains and losses. Refer to the reconciliation between HC NPAT and RC NPAT in these appendices
- From FY20 onwards commercial pricing lead/lags on product sales will be removed from RC results. Pricing lead/lags occur on product sales when product cost movements are not correlated with contracted customer contracts

Profit and Loss

$(m)	1H FY20	1H FY19	Change
Revenue	2,461	2,674	(8%)
- Fuel margin	314	304	3%
- Non Fuel margin	36	38	(5%)
- Refining margin	33	23	43%
- RNZ Dividend and Flick	2	1	100%
RC gross margin	385	366	5%
Operating expenses	(202)	(191)	(6%)
RC Operating EBITDAF	183	175	
Share of (loss)/earnings of associate companies (net of tax)	(1)	-	(1)
RC EBITDAF	182	175	4%
Depreciation and amortisation	(74)	(57)	(30%)
Net financing expense	(24)	(26)	8%
Other	(8)	(3)	<>
Impairment	(35)	-	
Taxation	(19)	(17)	(12%)
RC NPAT	22	72	(68%)
Reconciliation from RC NPAT to statutory NPAT			
Tax on COSA	(5)	(38)	
COSA (difference between RC and HC Gross Margin and EBITDAF)	18	136	87%
Foreign exchange and commodity losses	(7)	(31)	87%
Net profit per the statutory financial statements	28	139	74%
HC gross margin	403	502	(80%)
HC EBITDAF	193	280	

Operating expenses

$(m)	1H FY20	1H FY19	Change
Employee benefits	42	36	17%
Secondary distribution	35	33	6%
Administration and other	32	33	(3%)
Selling commissions	31	30	3%
On-site	18	28	(36%)
Marketing	17	7	<>
Professional fees	14	12	17%
Storage and handling	9	9	0%
Insurance	4	3	33%
Total operating expenses (excluding FX on fuel purchases)	202	191	6%

- Employee benefits increased $6m due to investment in CX capability and increase in staff bonus accruals from FY19
- On-site costs decreased to PCP due to the introduction of NZ IFRS 16 Leases, rental expense is now reported below the line as financing expense
- Marketing costs increased $10m to PCP due to introduction of Pumped Stacking replacing AASF in FY20, re-launch of Good in the Hood and Brand campaign

Items below RC EBITDAF

$(m)	1H FY20	1H FY19	Change
Depreciation (including leases)	41	32	28%
Impairment	35	-	<>
Amortisation	33	25	32%
Net financing expenses	24	26	(8%)
Taxation (including tax impact of COSA)	19	17	12%
Lease Interest income/expense	8	-	<>
Fair value movements on interest rate derivatives	5	5	0%
Gain on sale of fixed assets	(2)	(2)	0%
Movements in decommissioning and restoration provision	(3)	-	<>
Total items below RC EBITDAF	160	103	55%

- Depreciation increased by $9m to PCP due to the introduction of NZ IFRS 16 Leases, increase in depreciation expense on the right of use assets
- Impairment increased by $35m due to the write off the Flick Goodwill
- Amortisation increased by $8m to PCP due to Flick intangibles acquired FY19, Z Business card platform and Pumped software

Balance sheet

$(m)	1H FY20	1H FY19	Change
Shareholders equity	832	941	(12%)
Total current assets	1,021	1,359	(25%)
Total non current assets	2,114	1,714	23%
Total assets	**3,135**	**3,073**	**2%**
Total current liabilities	933	1,018	8%
Total non current liabilities	1,370	1,114	(23%)
Total liabilities	**2,303**	**2,132**	**(8%)**
Net assets	**832**	**941**	**(12%)**

Net asset movement explained by:

- Current assets decreased due to lower inventory and lower accounts receivable. Inventory has normalised from the high levels of the PCP which were due to the extended RNZ shutdown resulting in delays in processing crude. Accounts Receivable has decreased from the PCP due to lower commodity prices
- Non current assets have increased due to the adoption of NZ IFRS 16 leases. As a result of the new leases standard Z has recognised a right of use assets associated with its leases of $286m. Intangible assets have also increased due to Z paying the fixed price offer for the CY18 ETS obligation and holding the units for future use given regulatory uncertainty around the ETS
- Current liabilities have decreased on the PCP due to a decrease in Accounts payable associated with lower levels of inventory on hand, this has been partially offset by an increase in short term debt as Z has $135m of retail bonds maturing November 2019 to be refinanced via bank term debt facility
- Non current liabilities have increased due to the recognition of the lease liability of $286m associated with the adoption of NZ IFRS 16 leases

Working capital

	1H FY20	1H FY19	Change
Accounts receivable and prepayments	$293m	$381m	(23%)
Average receivable days	25 days	20 days	5 days
Closing Inventory balance	$680m	$846m	(20%)
Closing barrels on hand	5.3m	6.4m	1.1m bbls
Average inventory days on hand	77 days	74 days	3 days
Accounts payables, accruals and other liabilities	$621m	$851m	(27%)

- Average receivable days are up 5 days due to a large ETS receivable in 1H FY20 following the leasing of Z's ETS units to a third party
- Inventory has normalised from the high levels of the PCP which were due to the extended RNZ shutdown resulting in delays in processing crude
- Average inventory days has increased due to a fall in sales volumes partly offset by a decrease on average inventory on hand (bbl) for the period
- Accounts payable has decreased as Inventory has normalised from the high levels of the PCP which were due to the extended RNZ shutdown resulting in delays in processing crude

Operational Data

For the half year ended 30 September 2019

Health, safety, security and environment (HSSE)	September 2019	September 2018	June 2019
Lost time injuries	3	6	6
Spills to ground	1	0	2
Robberies[1]	2	6	4
Fuel quality incidents	0	0	0
Process safety incidents	0	0	1
Food safety incidents	0	1	1
Total recordable case frequency	0.6	1.8	1.4
Motor vehicle incidents frequency	0	0	1.2

Refining	September 2019	September 2018	June 2019
USD GRM per barrel	7.10[2]	6.86	6.63
NZD GRM per barrel[3]	10.82	10.20	9.78

1 Robberies reported only relates to Z Retail sites. Caltex sites are owned and operated by independent retailers
2 This number is from Refining NZ published data for the July/August period
3 The NZD conversion is calculated by Z

Operational Data

For the half year ended 30 September 2019

Fuels - All fuels in millions of litres	September 2019	September 2018	June 2019
Total industry volumes (all fuels)[4]	2,165	2,271	2,159
Z Group total fuel volumes	970	1,145	978
Petrol - Z Retail[5]	180	171	188
- Caltex Retail	85	106	99
Diesel - Z Retail	73	72	74
- Caltex Retail	34	38	37
- Commercial	186	197	191
Other fuels	261	279	259
Supply - Domestic	127	127	128
- Industry & Export	24	155	2

4 Excludes “Supply – Industry & Export” sales
5 Z Retail volumes include volumes from 53 Foodstuffs sites

Operational Data

For the half year ended 30 September 2019

Customer Experience	September 2019	September 2018	June 2019
Z Retail customer satisfaction[6]	93%	90%	92%
Total Z Retail transaction count	13.6 million	13.8 million	13.9 million
Z Retail: fuel-only transactions	6.9 million	7.2 million	7.2 million
Z Retail: fuel and store transactions	1.5 million	1.6 million	1.5 million
Z Retail: store only transactions	5.2 million	5.0 million	5.2 million
Z Average weekly store sales	$36,286	$33,870	$36,679
Z Average weekly store sales like-for-like	$36,450	$34,346	$37,173
Number of Z branded service stations	201	203	201
Number of EV charging stations	8	8	8
Caltex Retail customer satisfaction[6]	83%	80%	79%
Number of Caltex branded service stations	138	140	139
Number of truck stops[7]	154	155	155

6 Customer satisfaction determined using ongoing internal customer measurement
7 This figure represents the combined Z and Caltex branded truck stops

Z Energy Half-Year Report FY2020

Financial Highlights

1HFY20

Half-Year results comparison

1HFY19

$28m

Historical cost net profit after tax

$139m

$22m

Replacement cost net profit after tax

$72m

$182m

Replacement cost EBITDAF

$175m

16.5 cents

Interim dividend per share declared

12.5 cents

Operational Highlights

1HFY20

Half-Year Results comparison

1HFY19

1,921 million litres

Total marketing volume

1,969 million litres

27.5m

Transactions at Z-branded retail stores

27.8m transactions

6

Robberies

11

0.99

Total recordable case frequency

Z employees: 0.00 (0.47)
Retailers and Mini-Tankers franchisees: 1.25 (2.74)

1.87

3

Spills (loss of contaminant to ground or water)

0

1

Tier 1 or Tier 2 process safety incidents

0

CEO and CFO Review

Kia ora te whānau o Z Energy.

Mike Bennetts
Chief Executive

Lindis Jones
Chief Financial Officer

The first six months of the financial year have been a challenge. Operationally we have been safe and reliable, our customer metrics are solid, we have delivered our strategic projects and benefits are flowing, but our profit performance in Retail has been very poor.

Our purpose as a company is to solve what matters for a moving world. Our strategy is to optimise our core business so we can sensibly experiment in the future of the energy as we transition from fossil fuels.

Z has pursued reasonable margins to ensure the long-term viability of the industry in New Zealand. We believe that the margin we earn is fair given the scale and complexity of our industry, our operational risks and the long-term future we face.

Earning a reasonable profit is important, especially for our industry given the heavy reliance that all New Zealanders place on it to get to work, take their kids to school and ship their products to international and domestic markets.

Z uses its profit to invest in new technologies that move the country towards a more sustainable future. We invest in customer experiences to save customers' time. We invest our profits to explore alternatives to fossil fuels. We invest in our people and the communities that we operate in.

Rising retail margins in the last 10 years have led to new to industry (NTI) investment that has increased competition with the effect that retail margins have steadily declined in the past two years, and materially reduced in the past six months.

Interim Result and Half-Year dividend

Z reports its earnings on an historic cost as well as a replacement cost basis. Statutory financial statements are reported on an historic cost basis in accordance with NZIFRS. Earnings prepared on this basis are subject to volatility due to changes in oil prices and exchange rates and is therefore not a dependable measure of business performance or profitability.

Historical cost net profit after tax (HC NPAT) was $28m for the first half of the year, down 80 percent from $139m in the prior corresponding period. This result was driven by a reduction in global commodity prices, lower retail fuel margins and a weaker NZD compared to prior corresponding period partially offset by increased refining margins.

Replacement cost earnings do not reflect this volatility to the same extent as the cost of the stock sold is accounted for as its replacement cost at the time of its sale. Replacement cost accounting is the globally used non-GAAP industry standard to measure financial performance.

Replacement cost accounting is how Z is valued by the share market, how debt covenants are calculated and how Z's management is incentivised. Therefore, Z's management focuses on the industry standard replacement cost operating metrics, which it considers a better reflection of the underlying performance of the company.

Z reported replacement cost earnings before interest, depreciation and amortisation (RC EBITDAF) of $182m. This was up 4 percent from $175m in the prior corresponding period. Z's replacement cost net profit after tax (RC NPAT) was $22m, down 69 percent from $72m in the prior corresponding period.

Total marketing volume for the first half was 1,922 million litres, down 2.4 percent compared to the prior corresponding period, reflecting industry volume decline as well as market share losses, primarily in the Caltex network.

Z's RC NPAT (excluding the negative impact of Flick) profit per litre was down 15 percent to 3.5 cents per litre in the first half of this financial year. This compares to 4.1 cents per litre for all of the last financial year. These figures reflect the reduction in retail margin and the highly competitive nature of our industry.

Z's replacement cost fuel unit margin for the first half of the year was 16.5 cents per litre. This represents a small increase on the first half of last year when we reported 15.5 cents per litre. As a reminder, fuel unit margin is the margin on fuel sold before operating costs and corporate tax are accounted for. The increase in fuel unit margin reflects the better product mix between the two retail networks as well as some of the one-off costs associated with last year's refinery shutdown not repeating.

CEO and CFO Review (continued)

“Z has pursued reasonable margins to ensure the long-term viability of the industry in New Zealand.”

Last financial year Z invested $46m to acquire a 70 percent stake in Flick Electric. Flick is an electricity retailer and disruptor that allows its customers the choice between accessing the wholesale electricity spot market or a low, fixed-price product.

Due to unseasonably high spot prices in October 2018 Flick lost customers on its core spot market product. The team did an excellent job in standing up a fixed-price product, but Flick did incur customer losses. The Board of Z has therefore decided it is prudent that it write down the value of the Flick investment by $35m to more accurately reflect the current valuation of the Flick business.

The Board of Z has declared a fully imputed interim dividend of 16.5 cents per share, up 32 percent from 12.5 cents per share compared to the first half of last financial year. The interim dividend record date is 22 November and will be paid on 10 December 2019.

Retail competition and changes in loyalty schemes

Retail competition in the first half of the financial year was intense.

As previously stated, this was the confluence of several factors; some of these factors will be transitory and some will take longer for the industry to shake out.

The increase in NTI investment has led to greater capacity and competition. This has happened even though the demand for fuel in New Zealand is flat to slightly decreasing. As more fuel retailers are competing for a smaller market, we have seen intense retail fuel competition spread to new areas around New Zealand. We now see significant discounting in urban areas of the South Island, specifically Christchurch, and the lower North Island into Wellington.

With the increase in competition and price discounting the volume of fuel sold on discount to the notional main port price has moved from around 70 percent of total volume to above 95 percent at the end of the first half of the year.

On 1 August this year Z ended its participation in the AA Smartfuel loyalty program. Z had previously participated in this loyalty program via the Caltex brand. From 1 August the Z owned and operated Pumped loyalty scheme was extended to the Caltex network.

Our competitors viewed Caltex’s exit from the Smartfuel program as an opportunity to increase market share and they typically offered greater levels of discount to attract Caltex customers or increased marketing promotion in an attempt to capture market share.

Z’s response was to launch Pumped in both the Caltex and Z networks. Pumped is available in over 300 conveniently located retail service stations and with our partners, Air New Zealand with Airpoints and Loyalty New Zealand with Fly Buys, we’ve got two of the largest and most popular loyalty schemes in the country. Pumped gives consumers choice across loyalty schemes and gives customers the ability to stack their discounts with no minimum spend. We think that Pumped is a compelling offer and customers are growing awareness to the benefits. In the second half of the year we will be able to use the data and marketing capability we have developed to have targeted offers for customers depending on their preferences and buying behaviours.

Commerce Commission and external relations

In the middle of August, the Commerce Commission published its draft report into the retail fuel market.

During the Commerce Commission enquiry Z suggested several remedies to their draft findings, including how to create greater competition in the wholesale market by encouraging a spot price at the terminal gate – something called Terminal Gate Pricing. We also proposed greater price disclosure on price boards across all grades in the retail market.

Given the level of investment we make, the risks Z incurs across our operations and the cost and complexity to deliver over four billion litres of fuel to New Zealand every year, we don’t believe our returns are unreasonable.

Z’s profit per litre has in fact been going down in the past few years.

CEO and CFO Review (continued)

After tax profits per litre, which includes the profit we make from convenience store sales, has declined from a high in FY18 of 4.7 cents per litre to 3.5 cents per litre[1] for the first half of this financial year.

Returns on Z's capital base, as measured by return on average capital employed (ROACE), have declined from a high of 12 percent in FY17 to 8 percent in the first half of FY20.

We think it is very important that the Commission gets its profitability analysis right and that Kiwis know that they are getting a fair deal at the pump. Over half of our shareholders are based here in New Zealand. This is either through KiwiSaver funds or through the approximately 8,000 Mum and Dad shareholders we have.

There are over 2,000 people employed across our network and we invest in their development and their wellbeing at work. We invest in local communities through programs like Good in The Hood and we're also investing in the future of energy.

The final report into the retail fuel market is due out on December 5, 2019.

In August Z was also named in a climate change lawsuit, a first for New Zealand. Z was one of seven co-defendants with the suit claiming negligence by the defendants for emitting greenhouse gasses and not doing enough to reduce emissions. Z was being sued as a supplier of fossil fuels by the plaintiff, Mike Smith of the Iwi Chairs Forum's Climate Change Iwi Leaders Group.

We agree with the concerns raised by the Plaintiff. We agree that the burning of fossil fuels results in emissions. And we agree that action needs to be taken.

What we do not agree with is that the courts through civil lawsuits are the right jurisdiction to create good policy. For this reason, we believe the lawsuit should be dismissed.

We think it is the role of the Government to develop, debate and legislate long-term policy frameworks that create certainty for businesses to invest in alternatives to carbon.

Outlook for FY20

For the rest of the financial year the executive team is focussed on three company-wide concerns; be more productive, engage our customers and deliver our future.

Over 90 percent of the gap to the original EBITDAF forecast given at our full year results has been in retail. This is the focus of the executive team for the rest of this year. We will continue to evolve our two retail brands and clearly differentiate their market position. In the second half of this year we will deliver the first roll-out of Sharetank on the Z App, scale up Fastlane, continue with the development of the Caltex App, increase our capability in marketing automation and reduce our operating expenses in line with our strategy of optimising our core business.

We appreciate the continued support from you, our shareholders; it is never assumed or taken for granted.

Nō reira, tēnā koutou katoa.

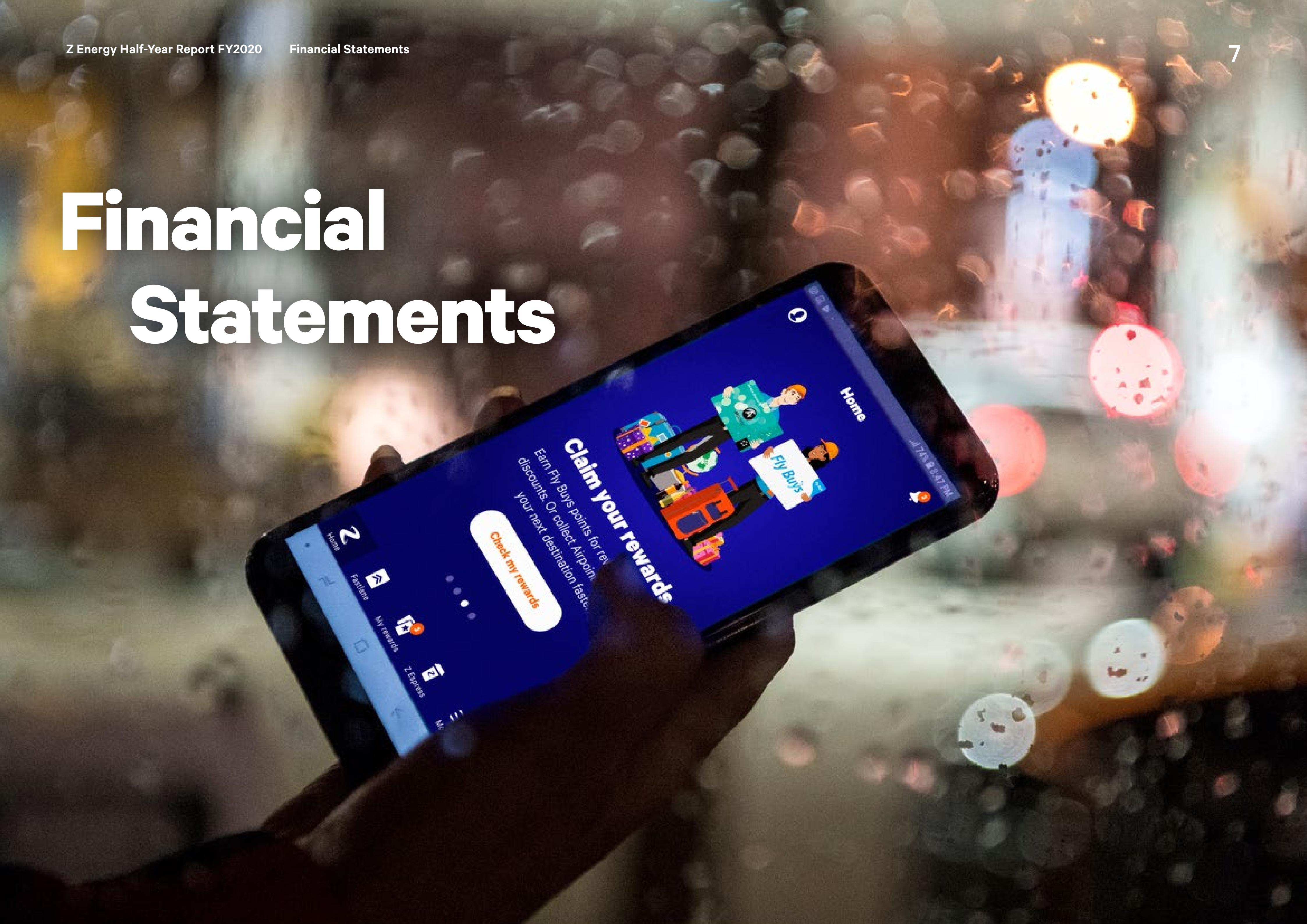
Mike Bennetts
CEO

Lindis Jones
CFO

Click here to watch Mike Bennetts answer the top shareholder questions on our first half results: https://youtu.be/x0KNnLY0K4k

[1] After the removal of one-off costs associated to Flick

Financial Statements



Statement of comprehensive income for the six months ended 30 September 2019

	Unaudited 6 months ended 30 September 2019 – $m	Unaudited 6 months ended 30 September 2018 – $m	Audited 12 months ended 31 March 2019 – $m
Revenue	**2,461**	2,674	5,450
Expenses			
Purchases of crude, product and electricity	**1,474**	1,651	3,450
Excise, carbon and other taxes	**562**	502	1,091
Primary distribution	**22**	19	48
Operating expenses	**209**	222	413
Share of loss of associate companies (net of tax)	**1**	–	1
Depreciation and amortisation	**65**	57	122
Net financing expense	**24**	26	51
Impairment	**35**	–	–
Lease depreciation	**9**	–	–
Lease interest expense	**8**	–	–
Fair value movements in interest rate derivatives	**5**	5	4
Gain on sale of property, plant and equipment	**(2)**	(2)	–
(Decrease)/Increase in decommissioning and restoration provision	**(3)**	–	18
Total Expenses	**2,409**	2,480	5,198
Net profit before taxation	**52**	194	252
Taxation expense	**24**	55	66
Net profit for the period	**28**	139	186
Net profit attributable to the owners of the company	**42**	139	188
Net loss attributable to non-controlling interest	**(14)**	–	(2)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Valuation adjustment of land and buildings	**–**	–	13
Revaluation of investments	**–**	13	(9)
Disposal of revalued assets	**(2)**	–	(1)
Decommissioning and restoration provision increase	**3**	–	(4)
Total items that will not be reclassified to profit or loss	**1**	13	(1)
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedge and cost of hedging	**4**	2	(3)
Other comprehensive (loss)/income net of tax	**5**	15	(4)
Total comprehensive income for the period	**33**	154	182
Total comprehensive income attributable to owners of the company	**47**	154	184
Total comprehensive loss attributable to non-controlling interest	**(14)**	–	(2)
Basic and diluted earnings per share (cents)	**7**	35	47

The accompanying notes form part of these financial statements.

Statement of changes in equity for the six months ended 30 September 2019

	Capital $m	Retained earnings $m	Investment revaluation reserve $m	Employee share reserve $m	Hedging reserve $m	Asset revaluation reserve $m	Non-controlling interest $m	Total equity $m
Balance at 1 April 2019	**429**	**238**	**(13)**	**(5)**	**(5)**	**258**	**18**	**920**
Adjustment on initial application of IFRS 16	**–**	**1**	**–**	**–**	**–**	**–**	**–**	**1**
Adjusted balance at 1 April	**429**	**239**	**(13)**	**(5)**	**(5)**	**258**	**18**	**921**
Net profit/(loss) for the period	**–**	**42**	**–**	**–**	**–**	**–**	**(14)**	**28**
Other comprehensive income	**–**	**–**	**–**	**–**	**4**	**–**	**–**	**4**
Disposal of revalued assets	**–**	**–**	**(2)**	**–**	**–**	**–**	**–**	**(2)**
D&R tank provision increase	**–**	**3**	**–**	**–**	**–**	**–**	**–**	**3**
Total comprehensive income for the period	**–**	**45**	**(2)**	**–**	**4**	**–**	**(14)**	**33**
Transactions with owners recorded directly in equity:								
Share based payments and own shares acquired	**1**	**–**	**–**	**(1)**	**–**	**–**	**–**	**–**
Dividends to equity holders	**–**	**(122)**	**–**	**–**	**–**	**–**	**–**	**(122)**
Supplementary dividends to equity holders	**–**	**(10)**	**–**	**–**	**–**	**–**	**–**	**(10)**
Tax credit on supplementary dividends	**–**	**10**	**–**	**–**	**–**	**–**	**–**	**10**
Total transactions with owners recorded directly in equity	**1**	**(122)**	**–**	**(1)**	**–**	**–**	**–**	**(122)**
Unaudited closing balance at 30 September 2019	**430**	**162**	**(15)**	**(6)**	**(1)**	**258**	**4**	**832**
Balance at 1 April 2018	429	188	(4)	(4)	(2)	250	–	857
Net profit for the period	–	139	–	–	–	–	–	139
Other comprehensive income	–	13	–	–	2	–	–	15
Revaluation of investment	–	(13)	13	–	–	–	–	–
Disposal of revalued assets	–	1	–	–	–	(1)	–	–
Total comprehensive income for the period	–	140	13	–	2	(1)	–	154
Transactions with owners recorded directly in equity:								
Own shares acquired	–	–	–	(1)	–	–	–	(1)
Flick non-controlling interest	–	–	–	–	–	–	19	19
Dividends to equity holders	–	(88)	–	–	–	–	–	(88)
Supplementary dividends to equity holders	–	(9)	–	–	–	–	–	(9)
Tax credit on supplementary dividends	–	9	–	–	–	–	–	9
Total transactions with owners recorded directly in equity	–	(88)	–	(1)	–	–	19	(70)
Unaudited closing balance at 30 September 2018	429	240	9	(5)	–	249	19	941

The accompanying notes form part of these financial statements.

Statement of changes in equity (continued) for the 12 months ended 31 March 2019

	Capital $m	Retained earnings $m	Investment revaluation reserve $m	Employee share reserve $m	Hedging reserve $m	Asset revaluation reserve $m	Non-controlling interest $m	Total equity $m
Balance at 1 April 2018	429	188	(4)	(4)	(2)	250	–	857
Net profit/(loss) for the year	–	188	–	–	–	–	(2)	186
Other comprehensive income	–	(1)	–	–	(3)	–	–	(4)
Revaluation of investment	–	9	(9)	–	–	–	–	–
Disposal of revalued assets	–	1	–	–	–	(1)	–	–
D&R tank provision increases	–	4	–	–	–	(4)	–	–
Revaluation of assets	–	(13)	–	–	–	13	–	–
Total comprehensive income for the year	–	188	(9)	–	(3)	8	(2)	182
Transactions with owners recorded directly in equity:								
Own shares acquired	–	–	–	(1)	–	–	–	(1)
Flick non-controlling interest	–	–	–	–	–	–	20	20
Dividends to equity holders	–	(138)	–	–	–	–	–	(138)
Supplementary dividends to equity holders	–	(14)	–	–	–	–	–	(14)
Tax credit on supplementary dividends	–	14	–	–	–	–	–	14
Total transactions with owners recorded directly in equity	–	(138)	–	(1)	–	–	20	(119)
Audited closing balance as at 31 March 2019	429	238	(13)	(5)	(5)	258	18	920

The accompanying notes form part of these financial statements.

Statement of financial position at 30 September 2019

	Notes	Unaudited 30 September 2019 $m	Unaudited 30 September 2018 $m	Audited 31 March 2019 $m
Shareholders' equity				
Equity attributable to owners of the Company		**828**	922	902
Non-controlling interest		**4**	19	18
Total equity		**832**	941	920
Represented by:				
Current assets				
Cash and cash equivalents		**33**	61	111
Accounts receivable and prepayments		**293**	381	499
Income tax receivable		**4**	(28)	(19)
Inventories		**680**	846	578
Derivative financial instruments		**15**	38	9
Assets held for sale	5	**–**	33	27
Total current assets		**1,025**	1,331	1,205
Non-current assets				
Property, plant and equipment	4	**817**	847	830
Right of use assets	1	**286**	–	–
Goodwill		**158**	206	193
Intangible assets		**649**	523	475
Investments	6	**105**	127	105
Derivative financial instruments		**85**	8	17
Other non-current assets		**14**	3	3
Total non-current assets		**2,114**	1,714	1,623
Total assets		**3,139**	3,045	2,828

The accompanying notes form part of these financial statements.

Statement of financial position at 30 September 2019 (continued)

	Notes	Unaudited 30 September 2019 $m	Unaudited 30 September 2018 $m	Audited 31 March 2019 $m
Current liabilities				
Accounts payable, accruals and other liabilities		**621**	853	677
Provisions		**19**	25	23
Short-term borrowings	7	**269**	88	135
Derivative financial instruments		**15**	24	13
Lease liability	1	**13**	–	–
Total current liabilities		**937**	990	848
Non-current liabilities				
Other liabilities		**11**	18	20
Provisions		**62**	46	68
Derivative financial instruments		**31**	48	26
Deferred tax		**134**	146	143
Long-term borrowing	7	**846**	856	803
Lease liability	1	**286**	–	–
Total non-current liabilities		**1,370**	1,114	1,060
Total liabilities		**2,307**	2,104	1,908
Net assets		**832**	941	920

Approved on behalf of the board on 31 October 2019

Abigail Kate Foote
Chair

Andrew Mark Cross
Chair, Audit and Risk Committee

The accompanying notes form part of these financial statements.

Statement of cash flows for the six months ended 30 September 2019

	Unaudited 30 September 2019 $m	Unaudited 30 September 2018 $m	Audited 31 March 2019 $m
Cash flows from operating activities			
Receipts from customers	**2,662**	2,641	5,431
Dividends received	**1**	1	4
Interest received	**25**	27	53
Payments to suppliers and employees	**(2,101)**	(1,957)	(4,075)
Excise, carbon and other taxes paid	**(515)**	(462)	(930)
Interest paid	**(57)**	(51)	(101)
Taxation paid	**(46)**	(88)	(113)
Net cash (outflow)/inflow from operating activities	**(31)**	111	269
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	**27**	6	19
Lease payments received from finance leases	**1**	–	–
Purchase of intangibles assets	**(30)**	(17)	(37)
Purchase of investment	**(1)**	(28)	(30)
Purchase of property, plant and equipment	**(19)**	(12)	(35)
Net cash (outflow) from investing activities	**(22)**	(51)	(83)
Cash flows from financing activities			
Net proceeds from bank facility	**114**	51	31
Issue of bonds and USPP notes	**–**	125	125
Purchase of shares	**–**	–	(1)
Dividends paid to owners of the company	**(132)**	(97)	(152)
Repayment of bonds	**–**	(150)	(150)
Payment of lease liabilities	**(7)**	–	–
Net cash (outflow) from financing activities	**(25)**	(71)	(147)
Net (decrease)/increase in cash	**(78)**	(11)	39
Cash balances at beginning of period	**111**	72	72
Cash at end of period	**33**	61	111

The accompanying notes form part of these financial statements.

Notes to the financial statements for the six months ended 30 September 2019

1. Basis of accounting

Reporting entity

Z Energy Limited is a profit-orientated company registered in New Zealand under the Companies Act 1993 and a FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013. Z Energy Limited is listed and its ordinary shares are quoted on the NZX main board equity security market ('NZX Main Board'), on the Australian Stock Exchange ('ASX') and has bonds quoted on the NZX debt market.

The interim Group financial statements for the 6 months ended 30 September 2019 presented are those of Z Energy Limited (the Company, Parent) together with its subsidiaries, interests in associates, and jointly controlled operations ('Z' or 'the Group').

Basis of preparation

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand ('NZ GAAP') and part 7 of the Financial Markets Conduct Act 2013.

The financial statements comply with New Zealand International Accounting Standards ('NZ IAS') 34: Interim Financial Reporting and International Accounting Standards ('IAS') 34: Interim Financial Reporting. They do not include all the information required in annual financial statements and should be read in conjunction with the Group financial statements for the year ended 31 March 2019. Z has reported as a Tier 1 entity under the External Reporting Board ('XRB') Accounting Standards Framework. Z meets the definition of a Tier 1 entity because it is 'publicly accountable' and 'large' as defined by the XRB.

The functional and reporting currency used in the preparation of the financial statements is New Zealand dollars (NZD), rounded to the nearest million ($m).

Accounting policies and standards

The accounting policies set out in the 31 March 2019 financial statements have been applied consistently to all periods presented in these Group financial statements, with the exception of NZ IFRS 16 Leases ('NZ IFRS 16'). NZ IFRS 16 has been adopted from 1 April 2019. Z has applied NZ IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019.

Changes as a lessee

Z previously classified leases as operating, or finance leases based on whether all the risk and rewards incidental to ownership of the underlying asset were transferred to Z. Under NZ IFRS 16, Z recognises right of use assets and lease liabilities for most property leases.

Leases previously classified as operating leases under NZ IAS 17, on transition were measured using the present value of the future lease payments, discounted using Z's incremental borrowing rate. The right of use assets were measured at an amount equal to the lease liability, depreciated over the estimated remaining lease term on a straight-line basis.

Z presents the right of use assets and lease liabilities separately on the face of the Statement of financial position.

Z applied the following practical expedients when applying NZ IFRS 16 to leases previously classified as operating leases under NZ IAS 17:

- A single discount rate to a portfolio of leases with similar characteristics;
- Exemption to not recognise right of use assets for low-value leases; and
- Exemption to not recognise right of use assets for leases with less than 12 months remaining.

For leases previously classified as finance leases under NZ IAS 17, on transition the right of use asset and lease liability were determined as the leased asset and liability under NZ IAS 17 at 31 March 2019.

Notes to the financial statements for the six months ended 30 September 2019 (continued)

1. Basis of accounting (continued)

Changes as a lessor
Z has assessed leases where it is a lessor and determined that no adjustments were required for these.

Z has assessed subleases where Z acts as a lessor for subleases on sites that Z leases. Z has assessed each sublease based on the right of use asset and expected useful life of the head lease and where a sublease is for a significant part of the expected life of the lease, Z has derecognised part of the right of use asset and recorded this as sublease receivable. At transition, sublease receivables were measured using the present value of the future sublease income, discounted using Z's incremental borrowing rate. Subleases which are not classified as being for a significant part of the expected life of the lease or of marginal costs have been classed as operating leases and will continue to be accounted for as they have been prior to transition to NZ IFRS 16.

Financial impact for transition to NZ IFRS16
On transition to NZ IFRS 16 the opening balances were measured using the incremental borrowing rate of 5.59% and recognised in the statement of financial position as follows:

Increase	1 April 2019 $m
Right of use assets	**277**
Sublease receivables (Other current assets)	**12**
Lease liability (current)	**12**
Lease liability (non-current)	**276**
Equity adjustment (Retained earnings)	**1**

If NZ IFRS 16 had been applied to the comparative periods presented the following profit and loss impact would have occurred:

Increase/(decrease)	30 September 2018 $m	31 March 2019 $m
Revenue	(1)	(1)
Operating expenses	(14)	(28)
Lease depreciation expense	6	11
Lease interest income	–	1
Lease interest expense	9	17

Critical accounting estimates and judgements
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The Group's significant areas of estimation and critical judgements in these Group financial statements are the same as those contained in the Group financial statements for the year ended 31 March 2019.

Notes to the financial statements for the six months ended 30 September 2019 (continued)

2. Replacement cost reconciliation

Replacement cost ('RC') is a non-GAAP measure used by the downstream fuel industry to report earnings. RC removes the impact of changes in crude oil and refined product prices on the value of inventory held by Z. Z manages the Group's performance based on RC. The difference between HC earnings and RC earnings is a cost of sales adjustment ('COSA'), foreign exchange and commodity gains and losses and the associated tax impact.

Income statement on RC basis

	Unaudited 6 months ended 30 September 2019 $m	Unaudited 6 months ended 30 September 2018 $m	Audited 12 months ended 31 March 2019 $m
Revenue	**2,461**	2,674	5,450
Expenses			
Purchases of crude, product and electricity	**1,492**	1,787	3,471
Excise, carbon and other taxes	**562**	502	1,091
Primary distribution	**22**	19	48
Operating expenses (net of gains/losses on fuel purchases)	**202**	191	405
Total expenses	**2,278**	2,499	5,015
RC operating EBITDAF*	**183**	175	435
Share of loss of associate companies (net of tax)	**(1)**	–	(1)
RC EBITDAF	**182**	175	434
Below RC EBITDAF expenses			
Depreciation and amortisation	**65**	57	122
Net financing expense	**24**	26	51
Impairment	**35**	–	–
Lease depreciation	**9**	–	–
Lease interest expense	**8**	–	–
Fair value movements in interest rate derivatives	**5**	5	4
(Gain) on sale of property, plant and equipment	**(2)**	(2)	–
Increase in decommissioning and restoration provision	**(3)**	–	18
Total below RC EBITDAF expenses	**141**	86	195
RC net profit before taxation	**41**	89	239
Taxation expense	**19**	17	61
RC net profit for the period	**22**	72	178

* Earnings, before interest, taxation, depreciation (including gains and (losses) on sale of fixed assets), amortisation, impairment, fair value movements in interest-rate derivatives and movements in decommissioning and restoration provision ('EBITDAF').

Notes to the financial statements for the six months ended 30 September 2019 (continued)

2. Replacement cost reconciliation (continued)

Reconciliation from statutory net profit after tax to RC net profit after tax

	Unaudited 6 months ended 30 September 2019 $m	Unaudited 6 months ended 30 September 2018 $m	Audited 12 months ended 31 March 2019 $m
Statutory net profit after tax	**28**	139	186
COSA	**(18)**	(136)	(21)
Net foreign exchange and commodity losses/(gains) on fuel purchases	**7**	31	8
Tax benefit on COSA	**5**	38	5
Replacement cost net profit after tax	**22**	72	178

3. Goodwill

Z acquired Flick on 1 September 2018 recognising the acquired assets and liabilities at fair value and resulting goodwill of $35m.

As at 31 March 2019 an impairment test of the goodwill was undertaken because of unexpected changes in the wholesale electricity market in October 2018, primarily driven by gas shortages. This had a material impact on retail electricity pricing and resulted in lower than anticipated customer growth. In order to restore historical customer growth trajectories Flick introduced a new product (Fixie) to mitigate the impact of high wholesale electricity prices on customer growth. Z also considered the market would return to previous operating conditions. At 31 March 2019 there was insufficient information available to conclude whether the downturn experienced in October 2018 represented a permanent change in the market and whether Flick's new product would restore customer growth as forecast, therefore no impairment was recorded.

As at 30 September 2019, the market has not returned to normal operating conditions pre-October 2018 which has made customer acquisition challenging and as a result customer growth has stagnated since March 2019. Flick's Fixie product has not seen customer growth return to levels experienced prior to October 2018. Further there are increased signs of structural supply/demand change in the market.

Given expected customer growth has not materialised, Z has undertaken an impairment test of goodwill at 30 September 2019. An updated DCF has been prepared to estimate the recoverable amount of the CGU, with a resulting valuation range of $19m - $38m. The DCF supports the $35m goodwill impairment.

Notes to the financial statements for the six months ended 30 September 2019 (continued)

3. Goodwill (continued)

The following key assumptions were applied in the value in use calculation:

- 10-year DCF supplied by Flick (31 March 2019: 10-year DCF). A 10-year DCF was favoured over a 5-year DCF given Flick's start up nature and strong customer acquisition targets.
- Post-tax discount rate of 14.5% (31 March 2019: 15%). The discount rate reflects Z's view that Flick is a medium risk investment.
- Terminal growth rate of 3.6% (31 March 2019: 2%). The terminal growth rate is aligned to the individualistic profile within the NZ Energy Scenarios for residential electricity growth (BusinessNZ Energy Council – BEC2060). The previous estimate was aligned to long term GDP expectations.
- The customer growth has been adjusted for historically observed metrics and reasonable expectations of future growth of customer numbers in year 10, a 25% decrease compared to 31 March 2019. The decrease in customer numbers reflects Z's view that customer acquisition will be more challenging as a result of changes in the market.
- The customer acquisition costs have increased by 50% – 67% from March 2019. The increase in costs reflect Z's view that customer acquisition will be more challenging as a result of changes in the market.

4. Property, plant and equipment

During the period the Group recognised additions of $11m to buildings, land & improvements, and plant & equipment.

5. Assets held for sale

During the period, Z settled the sale of land and buildings at the two retail sites that were held for sale at 31 March 2019. The sites had a carrying value of $27m (land $26m and buildings $1m). $1m was held in the revaluation reserve for the sites held for sale. There are no assets held for sale as at 30 September 2019.

6. Investments

Z's investment in Refining NZ is recognised at the NZX-listed share price as at 30 September 2019 of $2.09. During the year Z paid processing fees, customs and excise duties of $423m to Refining NZ and payables due to Refining NZ at the end of the period were $56m.

Notes to the financial statements for the six months ended 30 September 2019 (continued)

7. Financing arrangements

Z's debt includes bank facilities, bonds and USPP notes secured against certain assets. The facilities require Z to operate within defined performance and gearing ratios and includes restrictions over the sale or disposal of certain assets without bank agreement. Throughout the period, Z has complied with all debt covenant requirements as imposed by lenders.

Banking facilities
The bank debt facilities can be drawn down as required, provided Z is compliant with debt covenants. All loans must be repaid on the relevant due dates. Interest rates are determined by reference to prevailing money market rates at the time of draw down plus a margin. Interest rates paid during the 6 months ended 30 September 2019 ranged from 2.2% to 3.0% (30 September 2018: 2.8% to 3.2%, 31 March 2019: 2.8% to 3.2%).

	Unaudited 6 months ended 30 September 2019 $m	Unaudited 6 months ended 30 September 2018 $m	Audited 12 months ended 31 March 2019 $m
Secured bank facilities available	**530**	530	530
Balance at end of period (facilities drawn down)	**182**	88	68

The facilities comprise a $180m revolving-term debt facility drawn to $48m plus a $350m working capital facility drawn to $134m, both maturing in December 2021.

USPP notes

	Unaudited 6 months ended 30 September 2019 $m	Unaudited 6 months ended 30 September 2018 $m	Audited 12 months ended 31 March 2019 $m
Balance at beginning of period	**393**	357	357
Movements in fair value hedge	**28**	(11)	12
Movement in foreign-exchange revaluation	**34**	34	24
Balance at end of period	**455**	380	393

The Cross-currency interest rate swap ('CCIRS') is classified as level 2 in fair value hierarchy and is hedge accounted. All other products are level 2 and accounted for as fair value through the Statement of comprehensive income. The fair value of the CCIRS and Interest rate swaps ('IRS') excluded accrued interest. All other derivatives do not contain interest components.

Notes to the financial statements for the six months ended 30 September 2019 (continued)

8. Share capital and distributions

	Cents per share	Unaudited 6 months ended 30 September 2019 $m	Unaudited 6 months ended 30 September 2018 $m	Audited 12 months ended 31 March 2019 $m
Dividend				
2018 Final dividend (paid May 2018)	21.9	–	88	88
2019 Interim dividend (paid December 2018)	12.5	–	–	50
2019 Final dividend (paid May 2019)	**30.5**	**122**	–	–

During the period the Group has undertaken a new stock settled share rights scheme. Under the scheme performance rights have been granted at no cost to the holder. For each performance share right that vests, one share will be issued.

The number of shares that vest will depend on Z's total shareholder return ranking within a peer group of the NZX50 over a 3-year period, although a reduced period may be used in some cases.

590,644 performance rights were issued at an exercise price of $6.36.

During the year ended 31 March 2019 the Z Energy LTI Trustee Limited purchased and held 266,384 shares at a cost of $2m for Z's restricted share long-term incentive plan. This plan has been replaced by the Performance rights scheme mentioned above.

9. Related parties

Transactions with related parties Received/paid	Unaudited 6 months ended 30 September 2019 $m	Unaudited 6 months ended 30 September 2018 $m	Audited 12 months ended 31 March 2019 $m
Key management personnel			
– Short-term employee benefits	**7**	4	5
– Other long-term benefits	**2**	1	–
– Termination benefits	–	–	1

Notes to the financial statements for the six months ended 30 September 2019 (continued)

10. Contingent liabilities

Z has guaranteed an exposure up to USD1m ($1.6m) to a financier of one of Z's associate companies (30 September 2018: USD2m ($3m), 31 March 2019 USD2m ($3m)). This guarantee reduces by USD1m annually.

11. Events after balance date

On 31 October 2019, the directors approved a fully imputed dividend of 16.5 cents per share, which is equal to $66m, to be paid on 10 December 2019 (30 September 2018: $50m, 12.5 cents per share, 31 March 2019: $122m, 30.5 cents per share).

KPMG

Independent Review Report

To the shareholders of Z Energy Limited

Report on the interim consolidated financial statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements on pages 8 to 21 do not:

i. present fairly in all material respects the Group's financial position as at 30 September 2019 and its financial performance and cash flows for the 6 month period ended on that date; and

ii. comply with NZ IAS 34 Interim Financial Reporting.

We have completed a review of the accompanying interim consolidated financial statements which comprise:

- the consolidated statement of financial position as at 30 September 2019;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the 6 month period then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.

Basis for conclusion

A review of interim consolidated financial statements in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410") is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

As the auditor of Z Energy Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

Our firm has also provided other services to the group in relation to the review of the cost of sales adjustment. Subject to certain restrictions, partners and employees of our firm may also deal with group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as reviewer of the group. The firm has no other relationship with, or interest in, the group.

KPMG

Use of this Independent Review Report

This report is made solely to the shareholders as a body. Our review work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the Independent Review Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our review work, this report, or any of the opinions we have formed.

Responsibilities of the Directors for the interim consolidated financial statements

The Directors, on behalf of the group, are responsible for:

— the preparation and fair presentation of the interim consolidated financial statements in accordance with NZ IAS 34 Interim Financial Reporting;

— implementing necessary internal control to enable the preparation of a interim consolidated financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and

— assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the interim consolidated financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 Interim Financial Reporting.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on these interim consolidated financial statements.

This description forms part of our Independent Review Report.

KPMG

KPMG
Wellington

31 October 2019

Company directory

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(Appointed as Chair 2 May 2019)
Peter Ward Griffiths
(Resigned 2 May 2019)
Andrew Mark Cross
Alan Michael Dunn
Blair Albert O'Keeffe
Julia Margaret Raue
Stephen Reindler

Executive team

Mike Bennetts
Chief Executive Officer

Lindis Jones
Chief Financial Officer

Jane Anthony
Chief Customer Officer

Andy Baird
General Manager, Retail

David Binnie
General Manager, Supply

Debra Blackett
General Counsel and Chief Governance Officer

Julian Hughes
General Manager, Strategy and Risk

Helen Sedcole
General Manager, People and Culture

Mandy Simpson
Chief Digital Officer

Nicolas Williams
General Manager, Commercial

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Australia registered business number

164 438 448


ENERGY
z.co.nz

NEW ZEALAND'S EXCHANGE

Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market		
Name of issuer	Z Energy Limited	
Reporting Period	6 months to 30 September 2019	
Previous Reporting Period	6 months to 30 September 2018	
Currency	New Zealand Dollars	
	Amount ($m)	**Percentage change**
Revenue from continuing operations	$2,461	Down 13%
Total Revenue	$2,461	Down 13%
Net profit/(loss) from continuing operations	$28	Down 152%
Total net profit/(loss)	$28	Down 152%
Interim/Final Dividend		
Amount per Quoted Equity Security	NZ$ 0.165000	
Imputed amount per sec Quoted Equity Security	NZ$ 0.064167	
Record Date	22 November 2019	
Dividend Payment Date	10 December 2019	
Net tangible assets per Quoted Equity Security	**30 September 2019**	**30 September 2018**
	$0.06	$0.53
A brief explanation of any of the figures above necessary to enable the figures to be understood	This announcement should be read in conjunction with the attached management commentary and financial statements for the twelve months ended 31 March 2019, media release and investor presentation	
Authority for this announcement		
Name of person authorised to make this announcement	Debra Blackett	
Contact phone number	021 410 752	
Contact email address	Debra.blackett@z.co.nz	
Date of release through MAP	31 October 2019	

Audited financial statements accompany this announcement.

Corporate Action Notice

(for a Distribution)

Section 1: issuer information				
Name of issuer	Z Energy Limited			
Financial product name/description	Ordinary Shares			
NZX ticker code	ZEL			
ISIN (If unknown, check on NZX website)	NZZELE0001S1			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year		Quarterly	
	Half Year	X	Special	
	DRP applies			
Record date	*22/11/19*			
Ex-Date (one business day before the Record Date)	*21/11/19*			
Payment date (and allotment date for DRP)	10/12/19			
Total monies associated with the distribution	NZ$66,000,000			
Source of distribution (for example, retained earnings)	Retained earnings			
Section 2: distribution amounts				
Gross distribution[1]	$0.229167			
Total Cash distribution	$0.165000			
Supplementary distribution	$0.0291185			
Section 3:				

[1] If the distribution is imputed, then the total amount of the distribution is the cash distribution plus the imputation credits. The imputation credits plus the RWT amount must be 33% of the gross distribution. If the distribution is fully imputed the imputation credits will be 28% of the gross distribution with remaining 5% being RWT. You may delete this footnote when you release this form to market

Is the distribution imputed	**Fully imputed**	
	~~Partial imputation~~	
	~~No imputation~~	
If fully or partially imputed, please state imputation rate as % applied	100%	
Imputation tax credits per financial product	$0.064167	
Resident withhold tax amount per financial product[2]	$0.011458	
Section 4: distribution re-investment plan (if applicable) – Not Applicable		
DRP % discount (if any)	%	
Start date and end date for determining market price for DRP	Close of trading on: [*dd/mm/yyyy*]	Close of trading on: [*dd/mm/yyyy*]
Date strike price to be announced *(if not available at this time)*	Close of trading on: [*dd/mm/yyyy*]	
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)		
DRP strike price per financial product	$	
Last date to submit a participation notice for this distribution in accordance with DRP participation terms	[*dd/mm/yyyy*]	
Section 5: authority for this announcement		
Name of person authorised to make this announcement	Debra Blackett	
Contact phone number	021 410 752	
Contact email address	Debra.blackett@z.co.nz	
Date of release via MAP	31 October 2019	

[2] If the distribution is not imputed, then RWT will be 33% of the 'actual distribution amount'. You may delete this footnote when you release this form to market