

Court of Appeal rules in Vector's favour

The Court of Appeal has today released its decision regarding the tax treatment of a \$53m payment Vector received from Transpower.

The payment was consideration for various rights Vector granted to Transpower including access rights to Vector's tunnel from Penrose to Hobson Street in Auckland and a transmission corridor on the North Shore.

The Court of Appeal has confirmed the High Court's ruling that the payment received by Vector was not income for tax purposes.

Vector took a prudent approach and, pending the outcome of the dispute, returned the proceeds as taxable, spread over a six year period from 2011. Subject to any further appeal process by the Commissioner, Vector will be entitled to a tax credit of \$12.5m plus use of money interest in relation to 2011 to 2015 years.

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About Vector

Vector is New Zealand's leading multi-network infrastructure company which delivers energy and communication services to more than one million homes and businesses across the country.

Vector is listed on the New Zealand Stock Exchange with ticker symbol VCT. Our majority shareholder, with voting rights of 75.4%, is Entrust (formerly Auckland Energy Consumer Trust).

For further information, visit www.vector.co.nz