



TRANSPOWER

Keeping the energy flowing

Waikoukou
22 Boulcott Street
PO Box 1021
Wellington 6140
New Zealand
P 64 4 495 7000
F 64 4 495 6968
www.transpower.co.nz

Media Release

23 August 2018

Transpower releases 2017/18 annual result

Transpower New Zealand today released its annual results for the 2017/18 financial year.

Highlights

- Revenues of \$1,084 million represent an increase of 2% on the previous year. The close alignment with the previous year reflects the regulatory arrangements set by the Commerce Commission to determine transmission revenues.
- Operating expenses were \$293.9 million, 2% higher than the \$287.8 million incurred in the previous year. The 17/18 year includes one off additional provisions for asbestos and line clearance work of \$ 5.4 million.
- Earnings before interest, tax, depreciation, amortisation, asset write-offs, impairment and changes in the fair value of financial instruments (EBITDAIF) were \$790.5 million, an increase of 2% on the previous year's EBITDAIF of \$773.3 million.
- Net profit after tax, before net changes in the fair value of financial instruments, was \$206.5 million, a decrease of \$1.9 million (1%) from 2016/17.
- The total dividend to be paid to the Crown for the 2017/18 financial year is \$165 million.

Chairman Hon Tony Ryall says: "The company's business performance and financial results are pleasing, and are supported by our efficiency programme which is delivering tangible results. Our teams are doing a great job in a period of significant change in the electricity marketplace".

"System performance, network availability and health and safety performance have improved. We have spent more time working with our customers and stakeholders to respond to their needs to improve our performance."

During the year Transpower undertook a thorough assessment of asbestos risks across 275 sites to more accurately assess remedial work required. As a result the company is recognising an additional provision of \$23.9 million comprising of dismantling and removal costs of \$22.6 million and maintenance costs of \$1.3 million.

Together with a one off increase in provisions related to line clearance work (\$4.1million), this additional asbestos removal provision added \$5.4 million to operating expenses year on year. Without these one-off line clearance and asbestos provisions of \$28 million, NPAT would have been \$267.4 million, a result consistent with last year.

“Our Auckland strategy has also been published,” says Mr Ryall. “This is an important foundational plan that outlines how we will ensure our network in Auckland supports future growth and infrastructure development. We are hosting a public stakeholder event in Auckland this evening to discuss the future of energy in New Zealand and the implications for Auckland.”

Transpower’s full annual report will not be available until tabled in Parliament later this year. Our financial accounts are available at: <https://www.transpower.co.nz/news/transpower-releases-201718-annual-result>.

For further information, please contact:

Kerri Osborne, Corporate Communications Manager, 04 590 7479 or 021 195 8613.