Michael Stiassny
Chairman
Vector 2009 result

- NPAT – total operations
- Dividend
- New director
### Vector results from total operations

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Continuing</td>
<td>Discontinued¹</td>
</tr>
<tr>
<td>Revenue</td>
<td>1,174.2</td>
<td>10.2</td>
</tr>
<tr>
<td>EBITDA</td>
<td>582.2</td>
<td>6.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>436.8</td>
<td>6.7</td>
</tr>
<tr>
<td>NPBT</td>
<td>242.0</td>
<td>3.8</td>
</tr>
<tr>
<td>NPAT</td>
<td>164.9</td>
<td>205.6</td>
</tr>
</tbody>
</table>

¹ based on 23 days operations until to sale on 24 July 2008. NPAT includes one-off gain on sale of $202.9 million.

² based on full year's operations.
Simon Mackenzie
Group Chief Executive Officer
Agenda

- Results summary
- Sector performance – Electricity, Gas, Technology
- Progress, Fibre, Regulation
- CFO financial summary
- Looking ahead
- Questions
Health chart
12 months ended 30 June

Earnings – continuing operations ($m)

Revenue
EBITDA
NPBT
NPAT

2008
2009

Earnings - continuing operations ($m)

SAIDI
Regulatory Year - 12 months to 31 March

Normal
Extreme

Target

SAIDI Minutes

Gas throughput (PJ)

Transmission
Distribution

Greater Auckland
Electricity (from continuing operations)

- Revenue and EBITDA increases
- Volumes flat (-0.3%)
- Residential consumption up 2.2%, large commercial down 2.4%, SME down 0.7%
- Growth capital, replacement capital and maintenance expenditure $173m
Volatile market
- Performance impacted by lower volumes, prices and increased competition
- Legacy contracts
- Hydro effect
- New capital, replacement capital and maintenance spend $36m on transmission and distribution networks

David Thomas appointed

**Gas**

- **Revenue**
  - 2008: $665.9m
  - 2009: $603.3m
  - Change: 9.4%

- **EBITDA**
  - 2008: $251.9m
  - 2009: $233.1m
  - Change: 7.5%

**Gas distributed**

- **PJJs**
  - 2008: 109.3
  - 2009: 92.1
  - Change: 13.4%

- **Distribution**
  - 2008: 21.6
  - 2009: 21.3
  - Change: 1.4%

- **Transmission**
  - 2008: 87.7
  - 2009: 70.8
  - Change: 15.7%
Technology

- 50,000 smart meters installed
- Auckland fibre network largely complete
- Transpower contract announced
- Strong fibre contender

![Revenue and EBITDA chart]

- **Revenue:** $69.2m in 2008, $71.0m in 2009 (2.6% increase)
- **EBITDA:** $43.0m in 2008, $52.1m in 2009 (20.9% increase)
Progress

- Capital and operational efficiency programmes
- Operational excellence
- Fibre
- Regulation
- Security of supply
Efficiency programmes

- $20m in full year gross savings
- Fully integrated gas and electricity teams to work more efficiently
- Transitioning contracts with external suppliers
- Capital efficiency
Operational excellence

- SAIDI 104.1 minutes vs Regulatory target of 104.0 minutes
- Kapuni uptime 98.15%
- $2.8 million saving in gas production costs
Fibre

- Support the Government’s vision
- Strong contender
- Has to make commercial sense
- Unencumbered by legacy assets
- Ready to be part of the solution in Auckland and beyond
- Open access network is the key
- Set up NZRFG
Regulation

- More robust framework, but still issues to work through
- Next 12 – 18 months critical
- Impact of global financial crisis must be taken into account
- Regulation must deliver incentive to invest and earn a commercially appropriate return
Security of supply

- An ongoing concern
- Work closely with Transpower
- NaAN project
- Rodney power station
- Electricity Review
Financial Results

Alex Ball
Chief Financial Officer
Financial result summary
Contributors to group EBITDA growth (continuing operations)

Core businesses in Electricity and Gas remain key underlying drivers of EBITDA growth.
Results summary (continuing operations)
Year ended 30 June

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($m)</th>
<th>EBITDA ($m)</th>
<th>NPBT ($m)</th>
<th>NPAT ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,182.0</td>
<td>547.9</td>
<td>141.8</td>
<td>164.9</td>
</tr>
<tr>
<td>2009</td>
<td>1,174.2</td>
<td>582.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Change:
- Revenue: -0.7%
- EBITDA: 6.3%
- NPBT: 20.9%
- NPAT: 16.3%
Operating margins (continuing operations)
Year ended 30 June

- **EBITDA/Total Revenue**: 46.4% (2008), 49.6% (2009)
- **EBIT/Total Revenue**: 34.5% (2008), 37.2% (2009)
- **NPBT/Total Revenue**: 16.9% (2008), 20.6% (2009)
# Operating statistics

**Year ended 30 June**

<table>
<thead>
<tr>
<th></th>
<th>Actual 2009</th>
<th>Actual 2008</th>
<th>Actual 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electricity Volumes (GWh)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greater Auckland(Auckland/Northern)</td>
<td>8,240.4</td>
<td>8,267.6</td>
<td>8,160.0</td>
</tr>
<tr>
<td>Wellington Electricity</td>
<td>2,440.7</td>
<td>2,435.1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,240.4</td>
<td>10,708.3</td>
<td>10,595.1</td>
</tr>
<tr>
<td><strong>Gas Volumes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas Distribution (PJs)</td>
<td>21.3</td>
<td>21.6</td>
<td>22.0</td>
</tr>
<tr>
<td>Gas Transmission (PJs)</td>
<td>92.1</td>
<td>109.3</td>
<td>94.6</td>
</tr>
<tr>
<td>Natural Gas (PJs)</td>
<td>30.5</td>
<td>44.4</td>
<td>53.7</td>
</tr>
<tr>
<td>Gas liquids (tonnes)</td>
<td>80,946</td>
<td>98,404</td>
<td>108,247</td>
</tr>
<tr>
<td>Liquigas (tonnes)</td>
<td>129,277</td>
<td>137,106</td>
<td>110,112</td>
</tr>
<tr>
<td><strong>Electricity Connections (ICP's)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greater Auckland(Auckland/Northern)</td>
<td>523,394</td>
<td>518,467</td>
<td>512,436</td>
</tr>
<tr>
<td>Wellington Electricity</td>
<td>162,197</td>
<td>161,140</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>523,394</td>
<td>680,664</td>
<td>673,576</td>
</tr>
<tr>
<td><strong>Gas Connections (ICP's)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas Distribution</td>
<td>149,516</td>
<td>147,198</td>
<td>143,047</td>
</tr>
</tbody>
</table>
## Divisional results (continuing operations)

Year ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>2009 $ millions</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Electricity</td>
<td>Gas</td>
<td>Technology</td>
<td>Corporate/Other</td>
<td>Inter-segment</td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>533.6</td>
<td>603.3</td>
<td>71.0</td>
<td>11.9</td>
<td>(45.6)</td>
<td>1,174.2</td>
</tr>
<tr>
<td>Operating expenditure</td>
<td>(199.0)</td>
<td>(370.2)</td>
<td>(18.9)</td>
<td>(49.5)</td>
<td>45.6</td>
<td>(592.0)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>334.6</td>
<td>233.1</td>
<td>52.1</td>
<td>(37.6)</td>
<td>-</td>
<td>582.2</td>
</tr>
<tr>
<td>% Revenue</td>
<td>62.7</td>
<td>38.6</td>
<td>73.3</td>
<td>n/a</td>
<td>-</td>
<td>49.6</td>
</tr>
<tr>
<td>EBIT</td>
<td>269.0</td>
<td>192.7</td>
<td>29.8</td>
<td>(54.7)</td>
<td>-</td>
<td>436.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008 $ millions</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Electricity</td>
<td>Gas</td>
<td>Technology</td>
<td>Corporate/Other</td>
<td>Inter-segment</td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>490.3</td>
<td>665.9</td>
<td>69.2</td>
<td>5.8</td>
<td>(49.2)</td>
<td>1,182.0</td>
</tr>
<tr>
<td>Operating expenditure</td>
<td>(179.4)</td>
<td>(414.0)</td>
<td>(26.2)</td>
<td>(63.7)</td>
<td>49.2</td>
<td>(634.1)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>310.9</td>
<td>251.9</td>
<td>43.0</td>
<td>(57.9)</td>
<td>-</td>
<td>547.9</td>
</tr>
<tr>
<td>% Revenue</td>
<td>63.4</td>
<td>37.8</td>
<td>62.2</td>
<td>n/a</td>
<td>-</td>
<td>46.4</td>
</tr>
<tr>
<td>EBIT</td>
<td>249.6</td>
<td>208.1</td>
<td>21.7</td>
<td>(71.8)</td>
<td>-</td>
<td>407.6</td>
</tr>
</tbody>
</table>
Dividend declared (cents per share)
Year ended 30 June

- All dividends fully imputed
- Shareholders record date 08 September 2009
- Payable 15 September 2009
## Capital expenditure (continuing operations)

<table>
<thead>
<tr>
<th>$ millions</th>
<th>Electricity</th>
<th>Gas</th>
<th>Technology</th>
<th>Corporate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Replacement/Compliance</strong></td>
<td>75.9</td>
<td>14.4</td>
<td>19.0</td>
<td>5.3</td>
<td>114.6</td>
</tr>
<tr>
<td><strong>Growth</strong></td>
<td>51.8</td>
<td>18.4</td>
<td>46.4</td>
<td>7.5</td>
<td>124.1</td>
</tr>
<tr>
<td><strong>2009 total</strong></td>
<td>127.7</td>
<td>32.8</td>
<td>65.4</td>
<td>12.8</td>
<td>238.7</td>
</tr>
<tr>
<td>% of Total spend</td>
<td>53.5%</td>
<td>13.7%</td>
<td>27.4%</td>
<td>5.4%</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>2008 total</strong></td>
<td>128.5</td>
<td>38.0</td>
<td>28.4</td>
<td>9.1</td>
<td>204.0</td>
</tr>
</tbody>
</table>

| 2009 total assets | 3,155.2 | 1,753.4 | 283.1 | 346.9 | 5,538.6 |
| 2008 total assets | 3,098.1 | 1,748.8 | 247.2 | 250.4 | 5,344.5 |
## Cash flow (total operations)

<table>
<thead>
<tr>
<th>$ millions</th>
<th>2009</th>
<th>2008</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>588.9</td>
<td>640.0</td>
<td>(51.1)</td>
</tr>
<tr>
<td>Net interest paid</td>
<td>(198.2)</td>
<td>(251.7)</td>
<td>53.5</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(62.4)</td>
<td>(68.1)</td>
<td>5.7</td>
</tr>
<tr>
<td>Other</td>
<td>2.0</td>
<td>4.3</td>
<td>(2.3)</td>
</tr>
</tbody>
</table>

### Operating cash flow (OCF)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replacement capex</td>
<td>(112.8)</td>
<td>(102.8)</td>
<td>(10.0)</td>
</tr>
<tr>
<td>Dividends to Vector shareholders</td>
<td>(132.2)</td>
<td>(130.0)</td>
<td>(2.2)</td>
</tr>
<tr>
<td>Growth capex</td>
<td>85.3</td>
<td>91.7</td>
<td>(6.4)</td>
</tr>
<tr>
<td>Required to fund growth</td>
<td>(123.9)</td>
<td>(123.4)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Required to fund growth</td>
<td>(38.6)</td>
<td>(31.7)</td>
<td>(6.9)</td>
</tr>
</tbody>
</table>
## Asset backing & capital structure
as at 30 June

<table>
<thead>
<tr>
<th></th>
<th>2009 $m</th>
<th>2008 $m</th>
<th>2007 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt</td>
<td>2,485.7</td>
<td>3,106.6</td>
<td>2,947.7</td>
</tr>
<tr>
<td>Equity/total assets</td>
<td>37.2</td>
<td>31.8</td>
<td>33.0</td>
</tr>
<tr>
<td>Debt (1)/debt (1)+equity</td>
<td>54.7</td>
<td>62.0</td>
<td>60.4</td>
</tr>
<tr>
<td>Interest (net) cover</td>
<td>2.3</td>
<td>2.0</td>
<td>2.0</td>
</tr>
</tbody>
</table>

(1) Net debt
Debt facilities maturity profile (30 June 2008)

Consolidated Group Debt Maturity Profile

1-2 years 28.9%  3-5 years 16.8%  +5 years 54.3%
Debt facilities maturity profile (30 June 2009)

Consolidated Group Debt Maturity Profile

- 69.2% in +5 years
- 12.9% in 3-5 years
- 17.9% in 1-2 years

Financial Year Ended Debt ($m)
- Sterling 7.625% Bonds
- Credit Wrapped Floating Rate Notes
- USPP
- NZ Senior Bond
- Credit Wrapped AUD Medium Term Notes
- Credit Wrapped Floating Rate Notes
- 8.00% Capital Bonds
- Senior Credit Facility
- Working Capital Facility

1-2 years: 17.9%
3-5 years: 12.9%
+5 years: 69.2%
Simon Mackenzie
Group Chief Executive Officer
Looking ahead

- Network investment - fibre
- Electricity Review
- Smart meters
- Gas
- Renewables
Network investment - fibre

- Proven credentials in building and managing network infrastructure in Auckland and in working with local and central government
- Vector committed to open access networks
- Commercially acceptable agreement via infrastructure fund
- NZ Regional Fibre Group
- Fibre to the premise
Electricity review

- Electricity Commission changes ✔
- Transmission investment ✔
- Lines businesses ✔

Source: MED data files
Smart metering

- Future-proofed smart meter
- Foundation for energy efficiency and retail solutions
- Positioned for growth in other markets
Gas

- Competition continues
- Emissions Trading Scheme
- Working with GIC re critical industry arrangements
Renewables

- Thin film PV panels
- Swift micro-wind turbine
- Hills evacuated tube solar hot water heater
Summary

Delivering to customers and shareholders and concentrating on:

- Productivity and efficiency
- Regulation
- Growth
- Navigating the economic conditions