



Independent auditor's reasonable assurance report

To the Directors of Vector Limited and to the New Zealand Commerce Commission

Report on the Electricity Distribution Information Disclosure requirements 2012 for the year ended 31 March 2013

We were engaged by the board of directors of Vector Limited to report on Vector Limited's Electricity Distribution Information Disclosure Requirements Information Templates comprising the following; Schedules 1, 2, 3, 4, 5 (a-i), 6 (a(i and ii), b), 7, 10 (i to iv), 14 (boxes 1 to 12) and 14b as at 31 March 2013 for the year then ended, Schedules 3, 5b, 5e as at 31 March 2012 for the year then ended, and Schedule 5e as at 31 March 2011 and 31 March 2010 (the "schedules"), in the form of an independent reasonable assurance conclusion about whether the schedules are prepared, in all material respects, in compliance with the Commerce Commission Information Disclosure Determination 2012 and the related Reasons Paper and Input Methodologies (together "the determination").

Vector Limited's responsibilities

The directors of Vector Limited are responsible for preparing schedules that are free from material misstatement in accordance with the determination and for the information contained therein.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of schedules that are free from material misstatement, whether due to fraud or error. It also includes ensuring that Vector Limited complies with the determination; designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the schedules.

The directors are also responsible for preventing and detecting fraud and for identifying and ensuring that Vector Limited complies with laws and regulations applicable to its activities. The directors are responsible for ensuring that management and staff involved with the preparation of the schedules are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our responsibilities

Our responsibility is to examine the schedules prepared by Vector Limited and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (New Zealand) (ISAE (NZ)) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the External Reporting Board of New Zealand. That standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain reasonable assurance about whether the schedules are prepared in accordance with the determination, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the schedules whether due to fraud or error.



In making those risk assessments, we have considered internal control relevant to the preparation of the schedules in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of Vector Limited's internal control over the preparation of the schedules. Our engagement also included: assessing the appropriateness of the schedules, the suitability of the criteria used by Vector Limited in preparing the schedules in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the schedules and the reasonableness of estimates made by Vector Limited and evaluating the overall presentation of the schedules. Reasonable assurance is less than absolute assurance.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, Schedules 1, 2, 3, 4, 5 (a-i), 6 (a(i and ii), b), 7, 10 (i to iv), 14 (boxes 1 to 12) and 14b as at 31 March 2013 for the year then ended, Schedules 3, 5b, 5e as at 31 March 2012 for the year then ended, and Schedule 5e as at 31 March 2011 and 31 March 2010 are prepared in compliance with the determination, in all material respects.

In accordance with the terms of our engagement, this independent reasonable assurance report on the schedules has been prepared for the directors and the New Zealand Commerce Commission solely in connection with the directors responsibilities under the determination and for no other purpose or in any other context.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Vector Limited and the New Zealand Commerce Commission for any purpose or in any context. Any party other than Vector Limited and the New Zealand Commerce Commission who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Vector Limited and the New Zealand Commerce Commission for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to Vector Limited and the New Zealand Commerce Commission on the basis that it shall not be copied, referred to or disclosed, in whole (except for Vector Limited's own internal purposes) or in part, without our prior written consent.

KPMG

Auckland

21 August 2013