CREATING A NEW ENERGY FUTURE

VECTOR
INTERIM REPORT 2016

VECTOR IS LEADING the transformation of the energy sector to create a new energy future. We are leveraging our heritage as an Auckland-centric provider of energy infrastructure and identifying and developing options that will deliver value, choice and service for our customers and improve shareholder returns.

Adjusted EBITDA[1]

$305.9m

RISES 6.3% ON THE PREVIOUS CORRESPONDING PERIOD

Net profit

$100.1m

RISES 14.7% ON THE PREVIOUS CORRESPONDING PERIOD

Fully-imputed interim dividend

7.75 cents

RISES 0.25 CENTS PER SHARE
ON THE 2015 INTERIM DIVIDEND

1. Refer to the 'changes to our interim report' box on this page and page 12 of this report for a reconciliation of this non-GAAP profit measure.

CHANGES TO YOUR INTERIM REPORT

At Vector we constantly review our financial reporting to make sure we present you with the best information. Here is what has changed in this report:

- **Change of segment name** – The Gas Wholesale segment has been re-named Gas Trading to better reflect the businesses that contribute to this segment.
- **Updated profit measure** – We have amended the definition of our key profit measure 'adjusted EBITDA' to exclude capital contributions, which are variable and driven by developer and relocation activity.
- **Updated segment profit measure** – Segment EBITDA also now excludes capital contributions, and has been re-named 'Segment adjusted EBITDA' and included in our non-GAAP reconciliation.
- **Treatment of discontinued operations** – The revenue and profit measures reported to the market, including in this report, represent both continuing and discontinued operations. For statutory reporting purposes, the Vector Gas businesses held for sale from November are presented separately in the interim financial statements (from page 13) as discontinued operations. The financial statements contain a breakdown of continuing and discontinued operations.

Positioning Vector for the future

Vector continues to make good progress positioning itself for the significant growth opportunities it sees emerging from new technologies and growth in Auckland.

We have reported improved earnings for the six months to 31 December 2015 – a period during which we successfully negotiated the $952.5 million sale of Vector Gas, which owns the company's gas transmission business and its gas distribution business outside of Auckland.

This sale realises full value for these businesses, and allows Vector to repay debt and recycle capital into higher growth opportunities. Meanwhile, we have benefited from continued growth in Auckland, and made considerable progress in areas we have identified for future growth, such as metering in Australia, electric vehicle charging infrastructure and batteries.

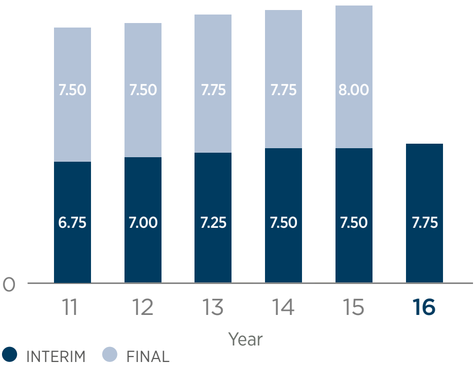
"Vector is looking forward to the remainder of the year with confidence."

Group half-year revenue fell 3.5% to $663.0 million from $687.1 million on the back of lower volumes at the Gas Trading division. Adjusted EBITDA rose 6.3% to $305.9 million from $287.9 million, with the company's Technology, Gas Transportation and Electricity businesses offsetting the effects of the tough conditions faced by the Gas Trading segment.

Adjusted EBITDA[2] across our regulated businesses rose 6.2% to $248.8 million from $234.3 million, supported by growth in connections and energy volumes in

2. Unregulated and regulated adjusted EBITDA figures reflect the EBITDA of the four operating segments, excluding capital contributions.

DIVIDENDS DECLARED
CENTS PER SHARE



Auckland, regulated price increases in the Gas Transportation business and a strong focus on cost control.

Adjusted EBITDA across our unregulated businesses rose 3.9% to $82.2 million from $79.1 million, with ongoing growth in the New Zealand metering business offsetting the costs associated with the push into Australia and the well-signalled weakness in the Gas Trading business.

Should the trading outlook for the Gas Trading business continue to weaken, we will carefully review the carrying value of its assets and goodwill at year-end.

Operating cash flow increased 22.4% to $248.8 million from $203.3 million, reflecting the improved earnings and the timing of tax payments.

Net profit rose 14.7% to $100.1 million from $87.3 million, due to increased operating earnings, and positive mark-to-market derivative adjustments, partially offset by higher depreciation.

Vector's balance sheet is strong with gearing[3] as at 31 December 2015 at 53.4% up slightly from the 52.9% achieved at the same time in the previous corresponding period.

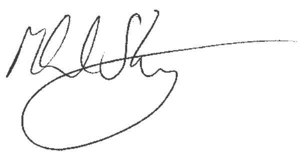
Gearing will reduce substantially following the completion of the sale of Vector Gas[4] and, as set out at our special meeting in December, we expect to retain our investment grade credit rating following completion of the sale.

The Vector Board has today declared a fully-imputed interim dividend of 7.75 cents per share, up 0.25 cents on last year's interim dividend. This increase reflects directors' confidence in the financial strength of Vector following the sale of Vector Gas.

The record date for dividend entitlements is 31 March 2016 and the payment date is 14 April 2016.

Vector is looking forward to the remainder of the year with confidence. Absent the sale of Vector Gas, the Group is performing in line with our previous guidance for adjusted EBITDA (excluding capital contributions), of $550 million to $565 million.

However, the final result for the year to 30 June 2016 will be impacted by the timing of the sale of Vector Gas, which is now conditional only upon approval by the Overseas Investment Office. We are targeting completion to occur in March.



MICHAEL STIASSNY

Chairman

3. Gearing is defined as net economic debt to net economic debt plus equity. Economic debt means the amount repayable upon maturity, including the impact of hedging.
4. As disclosed in November, if the sale of Vector Gas had occurred on 30 June 2015, gearing would decrease from 54% to 42%.

Auckland and new technology offer growth opportunities

Vector sees significant potential emerging across the energy sector as a result of customers' ever-increasing demands for greater choice and improved service and the ongoing and rapid advances in technology.

In addition, continued growth in Auckland presents numerous attractive opportunities on our core energy distribution businesses. Vector's strategy to make the most of these trends is to take advantage of the strong position we occupy as an Auckland-centric provider of energy infrastructure and by identifying and developing options that will deliver value, choice and service for our customers and improve shareholder returns.

The most tangible evidence of this strategy over the past six months has been negotiating the $952.5 million sale of Vector Gas, which owns the group's gas transmission pipelines as well as gas distribution networks across six regions in the North Island outside of Auckland.

This sale, which shareholders approved before Christmas, will allow us to recycle capital into attractive growth opportunities. Meanwhile, we have made significant progress positioning the company for the future.

In January we were given the green light to provide metering services in Australia when the Australian Energy Market Operator granted us accreditation as a Metering Provider and Metering Data Provider in the National Electricity Market.[5]

5. The official accreditation is for Type 3 and Type 4 meters used in the residential market and lower volume commercial and industrial markets.

This was the culmination of two years of hard work to meet Australia's stringent requirements and required Vector to demonstrate a full operating capability in Australia, including the establishment of a new office in Melbourne.

We are well positioned to make the most of the considerable potential we see across the Tasman, not least because the move builds on our status as the leading provider of advanced metering services in New Zealand, where we now operate a fleet of more than one million smart meters.

> "The Australian Energy Market Operator granted us accreditation as a Metering Provider and Metering Data Provider in the National Electricity Market."

While still at an early stage, our expansion into the provision of electric vehicle (EV) charging infrastructure and promoting EV vehicle uptake is gaining momentum (see right).

In January we received our first significant shipment of Tesla Energy Powerwall batteries, one of the first shipments of these batteries to be delivered to a customer outside of the US. Among the first to receive these batteries will be the winners of last year's Future of Energy competition, which we ran with the support of our major shareholder the Auckland Energy Consumer Trust (AECT) and will give deserving Auckland families, schools and community groups solar and battery units to use for free for 10 years.

We also intend to install a Tesla Energy Powerpack utility-scale battery at one of our zone substations later this year.

Charging Auckland's Transport Fleet

AECT-appointed Vector Directors Karen Sherry (middle) and James Carmichael (right) with AECT Chairman William Cairns (left) and Energy and Resources Minister Simon Bridges at the opening of Vector's rapid-charging station in Newmarket.

Vector is a key enabler of the uptake of electric vehicles (EVs).

At present EVs represent a relatively small component of the New Zealand vehicle fleet, with just 928 vehicles registered as at 31 December 2015. They will remain that way unless EV drivers can be certain they can recharge their car wherever they wish.

To overcome this barrier and meet the growing demand for EVs, Vector – with the support of the AECT – has installed two rapid chargers at our Hobson Street substation, two rapid chargers and a standard charger at our Newmarket substation, and standard chargers at Britomart and at our headquarters in Newmarket. We have plans to deploy another 17 rapid chargers across our network over the coming months.

These initiatives, which we expect to showcase how new technologies can augment traditional networks, highlight the benefits of our move in 2014 to create a team dedicated to enhancing growth through innovative customer solutions and technology.

We are currently focused on rolling out these new technologies inside our own network. These installations will then provide important reference sites as we look to roll out more widely across our own and other networks.

Across Vector's energy networks we are taking advantage of new data analysis technologies to help us better understand customers, target new capital investment opportunities and respond to the significant change we are seeing in the sector. Such tools will be a key enabler of our future development.

SAIDI, our measure of electricity network service quality, was 78.3 minutes (excluding extreme events) for the nine months to 31 December 2015, an improvement on the 126.7 minutes posted in the same period last year.

This is a creditable result, especially given our reduction in 'live-line' work as part of our drive for better health and safety outcomes across the company. That said, Vector continues to believe the new SAIDI target set by the Commerce Commission for the 2015–2020 Default Price – Quality Path will be challenging.

We have acknowledged the disruption caused by the 2014 fire at Transpower's Penrose substation, which, along with unusually stormy weather, weighed on the previous corresponding period's SAIDI figures[6]. We have offered a service level payment to impacted customers.

ALWAYS INNOVATING

We intend to deploy a Tesla Energy Powerpack battery to one of our zone substations later this year.

PEOPLE SAFETY & CULTURE

Vector won the Tomorrow's Workforce Award and the Supreme Award at the EEO Diversity Awards.

6. The Penrose outage contributed 17.8 SAIDI minutes in the prior corresponding period.

The claims window, which closes 4 March 2016, allows those impacted customers to make a claim by calling 0508 4 PENROSE or by going online to www.vector.co.nz.

Meanwhile, we are continuing to have positive discussions with the Commerce Commission over the unique challenges Vector faces as a provider of essential infrastructure to Auckland.

Vector needs a regulatory solution that recognises customer demands for choice, Auckland's significance to the broader economy and the unique challenges we face as we provision for growth in the region.

The rapid technological change sweeping the energy distribution industry increases the risk that investments could be made redundant before investors have recovered their capital.

Additionally, the capital required to provide for Auckland's growth is significant. In the coming 10 years, Vector has forecast that around $1.8 billion of capital investment will be required for the city's energy networks.

Our discussions with the regulator cover this year's review of the input methodologies as well as arrangements ahead of the next gas distribution regulatory reset in 2017 and the next electricity distribution regulatory reset in 2020.

Looking forward, we continue to review the configuration of our business and expenditure, particularly in light of the Vector Gas sale and new growth opportunities we have identified.

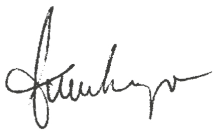
Around 130 staff will transition to Vector Gas' new owner, First State Funds, and Vector has agreed to provide transitional services to First State Funds for up to 9 months following completion.

Our active and broad-ranging programme of safety leadership and training throughout the company continues and has ensured we are well positioned for the Health and Safety at Work Act, which comes into full effect in April of this year.

Our focus on promoting diversity and inclusion has been recognised for providing leadership in New Zealand.

We were delighted to be announced the winner of the Supreme award at the Equal Employment Opportunities Trust Diversity Awards in August 2015 as well as the winner of the Tomorrow's Workforce award, which recognises innovative responses to tackling future labour force challenges.

We continue to engage positively with all our key stakeholders, including our shareholders, our employees, our contractors, our business partners and regulators, to ensure continued improvement in all aspects of our business. Vector is in good shape and we are excited about the opportunities we see ahead of us.



SIMON MACKENZIE

Group Chief Executive

OPERATING STATISTICS

FOR THE SIX MONTHS ENDED 31 DECEMBER

	2015	2014
ELECTRICITY		
Customers[1,2,6]	547,319	542,329
New connections	3,916	3,780
Net movement in customers[3]	2,806	3,175
Volume distributed (GWh)	4,368	4,337
Network length (km)[1]	18,240	18,093
SAIDI (minutes)[4] – 9 months to 31 December		
Normal operations	78.3	126.7
Extreme events	–	340.9
Total	78.3[5]	467.6
GAS TRANSPORTATION		
Distribution customers[1,6]	164,840	161,752
New distribution connections	2,020	2,112
Net movement in distribution customers[3]	1,597	2,014
Distribution volume (PJ)	12.6	12.1
Distribution mains network length[1]	7,342	7,245
Transmission volume (PJ)[7]	55.7	58.0
GAS TRADING		
Natural gas sales (PJ)[8]	9.1	12.5
Gas liquids sales (tonnes)[9]	41,120	37,580
9kg LPG bottles swapped	302,109	265,662
Liquigas LPG tolling (tonnes)[10]	86,868	99,628
TECHNOLOGY		
Electricity: smart meters[1,11]	1,044,613	886,058
Electricity: legacy meters[1]	141,121	188,267
Electricity: prepay meters[1]	6,179	6,873
Electricity: time-of-use meters[1]	11,762	11,440
Gas meters[1]	216,266	213,566
Data management services connections[1]	8,547	8,356

1. As at period end.
2. The electricity customer number as at 31 December 2014 has been restated to remove 4,799 ICPs following a data cleanse by retailers. There was no consumption for any of these ICPs in the current period.
3. The net number of customers added during the period, includes disconnected, reconnected and decommissioned ICPs.
4. The SAIDI audited value for the regulatory year ended 31 March 2015 was 155.3 minutes.
5. SAIDI (minutes) for 9 months ended 31 December 2015 is an unaudited value and subject to change.
6. Billable ICPs.
7. Based on billable volumes.
8. Excludes gas sold as gas liquids as these sales are included within the gas liquids sales tonnages.
9. Total of retail and wholesale LPG and natural gasoline.
10. Includes product tolled in Taranaki and further tolled in the South Island.
11. The number of smart meters deployed as at 31 December 2015 includes 32,804 meters managed but not owned by Vector. The number of smart meters disclosed as deployed at 31 December 2014 has been restated to include 1,605 meters managed but not owned by Vector.

Revenue $m

663.0

FALLS 3.5% ON THE PREVIOUS CORRESPONDING PERIOD

Operating cash flow $m

248.8

RISES 22.4% ON THE PREVIOUS CORRESPONDING PERIOD

FINANCIAL PERFORMANCE

$ MILLION	31 DEC 2015 6 MONTHS	31 DEC 2014 6 MONTHS	CHANGE	30 JUN 2015 12 MONTHS
Revenue	663.0	687.1	-3.5%	1,294.0
Adjusted EBITDA	305.9	287.9	6.3%	540.4
Net profit	100.1	87.3	14.7%	149.4
Operating cash flow	248.8	203.3	22.4%	369.2

FINANCIAL POSITION

$ MILLION	31 DEC 2015	31 DEC 2014	CHANGE	30 JUN 2015
Total equity	2,323.1	2,317.6	0.2%	2,298.6
Total assets	6,134.0	5,937.5	3.3%	6,123.0
Economic net debt	2,741.3	2,682.2	2.2%	2,745.1

KEY FINANCIAL MEASURES

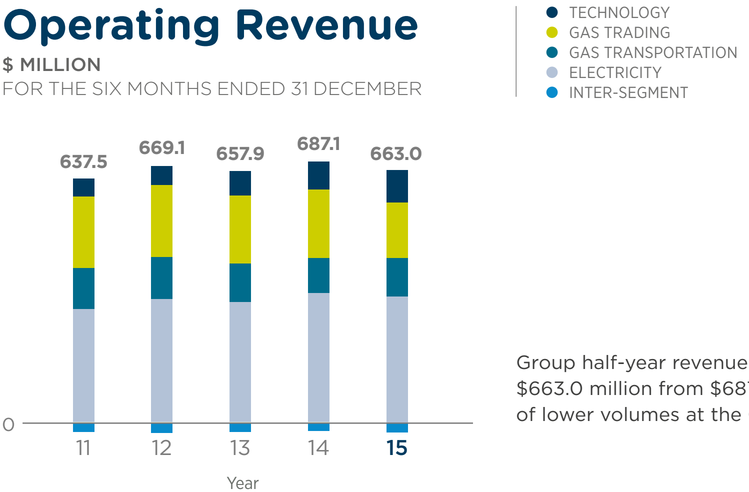
	31 DEC 2015 6 MONTHS	31 DEC 2014 6 MONTHS	CHANGE	30 JUN 2015 12 MONTHS
Adjusted EBITDA/revenue	46.1%	41.9%	10.0%	41.8%
Equity/total assets	37.9%	39.0%	-2.8%	37.5%
Gearing	53.4%	52.9%	0.9%	53.6%
Net interest cover[1]	2.5	2.4	4.2%	2.3
Earnings per share	9.9	8.6	15.1%	14.6
Dividend (cps)	7.75	7.5	3.3%	15.5

1. Calculated as: (net profit adjusted for interest, tax, associates and fair value movements) over net finance costs.

Operating Revenue

$ MILLION

FOR THE SIX MONTHS ENDED 31 DECEMBER

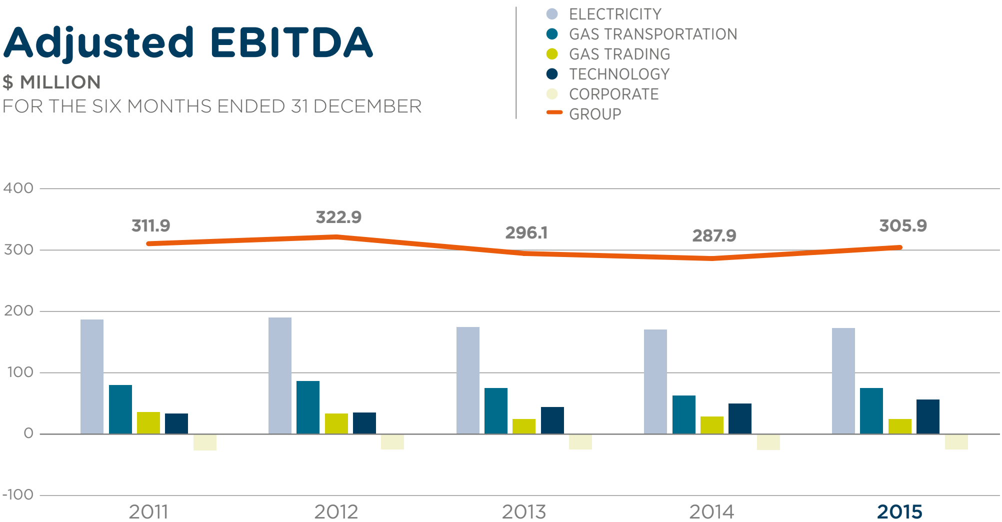


Group half-year revenue fell 3.5% to $663.0 million from $687.1 million on the back of lower volumes at the Gas Trading division.

Adjusted EBITDA

$ MILLION

FOR THE SIX MONTHS ENDED 31 DECEMBER

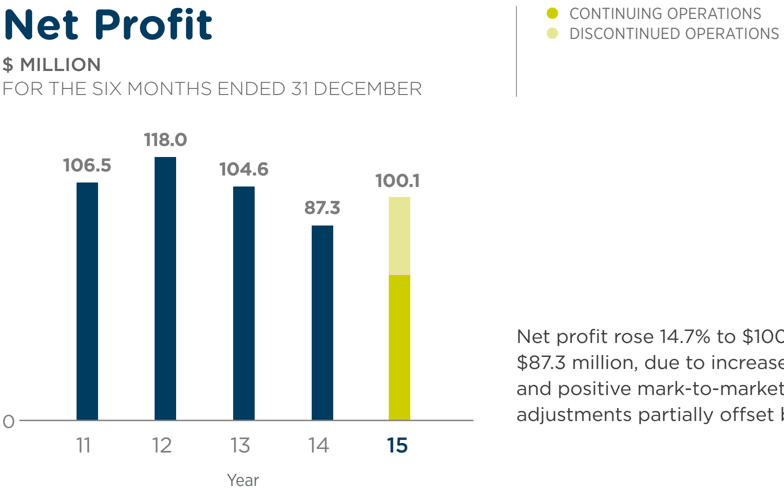


Adjusted EBITDA rose 6.3% to $305.9 million from $287.9 million, with the company's Technology, Gas Transportation and Electricity businesses offsetting the effects of the tough conditions faced by the Gas Trading segment.

Net Profit

$ MILLION

FOR THE SIX MONTHS ENDED 31 DECEMBER

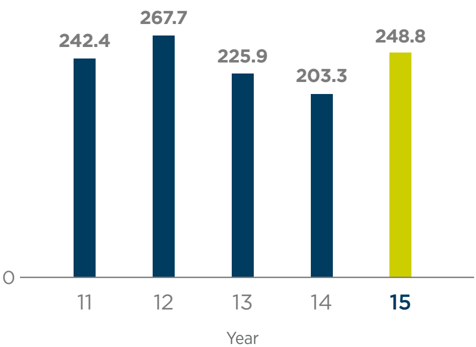


Net profit rose 14.7% to $100.1 million from $87.3 million, due to increased operating earnings and positive mark-to-market derivative adjustments partially offset by higher depreciation.

Operating Cash Flow

$ MILLION

FOR THE SIX MONTHS ENDED 31 DECEMBER



Operating cash flow increased 22.4% to $248.8 million from $203.3 million, reflecting the improved earnings and the timing of tax payments.

NON-GAAP PROFIT MEASURES

Vector's standard profit measure prepared under New Zealand GAAP is net profit. Vector has used non-GAAP profit measures when discussing financial performance in this document. The directors and management believe that these measures provide useful information as they are used internally to evaluate performance of business units, to establish operational goals and to allocate resources. For a more comprehensive discussion on the use of non-GAAP profit measures, please refer to the policy 'Reporting non-GAAP profit measures' available on our website (vector.co.nz).

Non-GAAP profit measures are not prepared in accordance with NZ IFRS (New Zealand International Financial Reporting Standards) and are not uniformly defined, therefore the non-GAAP profit measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation from or considered as a substitute for measures reported by Vector in accordance with NZ IFRS.

In this period we have amended our definition of adjusted EDITDA to exclude capital contributions.

DEFINITIONS:

EBITDA: Earnings before interest, taxation, depreciation and amortisation.

Adjusted EBITDA: EBITDA adjusted for fair value changes, associates, impairments, capital contributions, and significant one-off gains, losses, revenues and/or expenses.

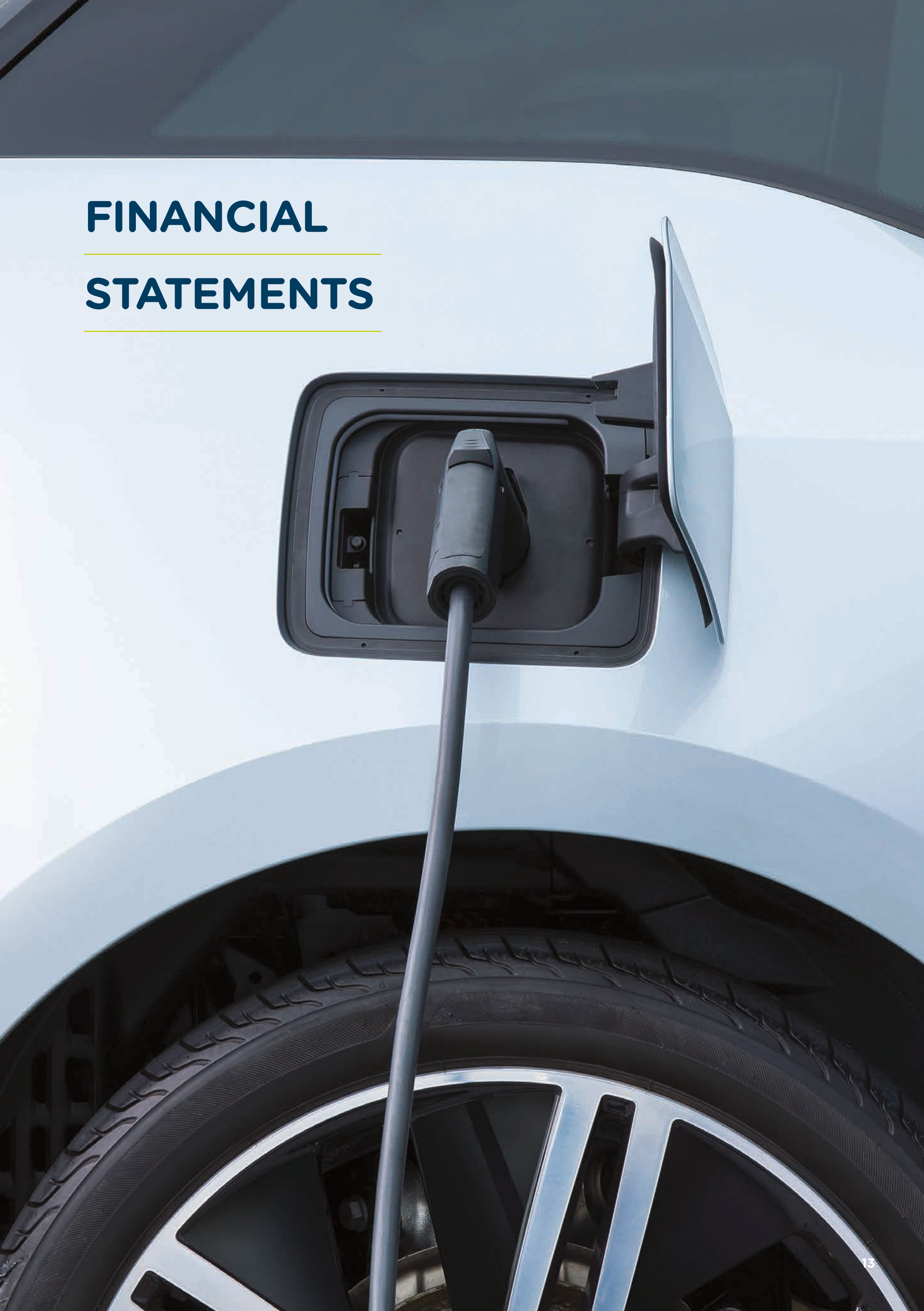
RECONCILIATION:

Group EBITDA and adjusted EBITDA	31 DEC 2015 6 MONTHS $M	31 DEC 2014 6 MONTHS $M
Reported net profit for the period (GAAP)	100.1	87.3
Add back: net interest costs[1]	90.0	90.2
Add back: tax (benefit)/expense[1]	39.6	35.1
Add back: depreciation and amortisation[1]	102.8	95.9
EBITDA	332.5	308.5
Adjusted for:		
Associates (share of net (profit)/loss)[1]	(0.4)	–
Fair value change on financial instruments[1]	(2.4)	4.9
Capital contributions[1]	(23.8)	(25.5)
Adjusted EBITDA	305.9	287.9

Segment adjusted EBITDA	UNREGULATED SEGMENTS				REGULATED SEGMENTS			
	TECHNOLOGY		GAS TRADING		ELECTRICITY		GAS TRANSPORTATION	
6 MONTHS ENDED 31 DECEMBER	2015 $M	2014 $M	2015 $M	2014 $M	2015 $M	2014 $M	2015 $M	2014 $M
Reported segment EBITDA[1]	57.3	51.7	25.2	29.3	192.9	188.3	79.4	69.6
less capital contributions[1]	(0.3)	(1.9)	–	–	(19.2)	(17.5)	(4.3)	(6.1)
Segment adjusted EBITDA	57.0	49.8	25.2	29.3	173.7	170.8	75.1	63.5
Segment adjusted EBITDA subtotals	Unregulated		82.2	79.1	Regulated		248.8	234.3

1. Extracted from reviewed financial statements.

FINANCIAL STATEMENTS



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GROUP CONDENSED INTERIM **FINANCIAL STATEMENTS**

These group condensed interim financial statements for the six months ended 31 December 2015 are dated 26 February 2016, and signed on behalf of the board of directors by:

Director	26 February 2016
Director	26 February 2016

And for and on behalf of management by:

Group Chief Executive	26 February 2016
Chief Financial Officer	26 February 2016

THE SHAREHOLDERS OF VECTOR LIMITED

We have completed a review of the attached interim financial statements of Vector Limited and its subsidiaries ('the Group') on pages 16 to 30 which comprise the balance sheet as at 31 December 2015, and the profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended on that date, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the shareholders as a body. Our review work has been undertaken so that we might state to the Vector Limited 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 Vector Limited shareholders as a body, for our review work, this report or any of the opinions we have formed.

Directors' responsibilities

The directors of Vector Limited are responsible for the preparation and fair presentation of interim financial statements in accordance with NZ IAS 34 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibilities

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 *Review of Financial Statements Performed by the Independent Auditor of the Entity*. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting*. As the auditor of the Group, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

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 those financial statements.

Our firm has also provided other services to the Group in relation to regulatory assurance services and advisory services in relation to the strategic review of Vector's gas transmission and non-Auckland gas distribution businesses. Subject to certain restrictions, partners and employees of our firm may also deal with the 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 auditors of the Group. The firm has no other relationship with, or interest in, the Group.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2015, and of its financial performance and its cash flows for the six months ended on that date, in accordance with NZ IAS 34 *Interim Financial Reporting*.

KPMG

26 February 2016
KPMG

GROUP INTERIM **PROFIT OR LOSS**

(UNAUDITED)

	NOTE	31 DEC 2015 6 MONTHS $000	31 DEC 2014 6 MONTHS $000	30 JUN 2015 12 MONTHS $000
Continuing operations:				
Revenue		590,601	618,899	1,153,410
Operating expenses	3	(315,134)	(352,919)	(658,690)
Depreciation and amortisation		(97,035)	(87,967)	(178,981)
Interest costs (net)		(89,985)	(90,142)	(180,801)
Fair value change on financial instruments		2,387	(4,937)	(11,014)
Associates (share of net profit/(loss))		432	3	812
Profit/(loss) before income tax		91,266	82,937	124,736
Tax benefit/(expense)		(26,142)	(23,996)	(36,397)
Net profit/(loss) for the period from continuing operations		65,124	58,941	88,339
Net profit/(loss) for the period from discontinued operations (net of tax)	4	34,977	28,331	61,054
Net profit/(loss) for the period		100,101	87,272	149,393
Net profit/(loss) for the period attributable to				
Non-controlling interests		1,455	1,629	3,285
Owners of the parent – continuing operations		63,669	57,312	85,054
Owners of the parent – discontinued operations		34,977	28,331	61,054
Basic and diluted earnings per share (cents)				
Continuing operations	7	6.4	5.8	8.5
Discontinued operations	7	3.5	2.8	6.1
Total		9.9	8.6	14.6

GROUP INTERIM **OTHER COMPREHENSIVE INCOME**

(UNAUDITED)

	31 DEC 2015 6 MONTHS $000	31 DEC 2014 6 MONTHS $000	30 JUN 2015 12 MONTHS $000
Net profit/(loss) for the period	100,101	87,272	149,393
Other comprehensive income net of tax			
Items that may be re-classified subsequently to profit/(loss):			
Net change in fair value of hedge reserves	5,182	(5,140)	(9,499)
Share of other comprehensive income of associates	–	–	(418)
Translation of foreign operations	(19)	65	25
Other comprehensive income for the period net of tax	5,163	(5,075)	(9,892)
Total comprehensive income for the period net of tax	105,264	82,197	139,501
Total comprehensive income for the period attributable to			
Non-controlling interests	1,455	1,629	3,285
Owners of the parent – continuing operations	68,832	52,237	75,162
Owners of the parent – discontinued operations	34,977	28,331	61,054

GROUP INTERIM **BALANCE SHEET**

(UNAUDITED)

	NOTE	31 DEC 2015 $000	31 DEC 2014 $000	30 JUN 2015 $000
CURRENT ASSETS				
Cash and cash equivalents		5,981	8,062	8,222
Trade and other receivables		178,525	190,588	195,812
Derivatives	6	–	148	186
Inventories		3,514	4,777	5,130
Income tax		2,769	–	22,731
Disposal group held for sale	4	910,295	–	–
Total current assets		1,101,084	203,575	232,081
NON-CURRENT ASSETS				
Receivables		–	1,710	1,783
Derivatives	6	98,650	18,758	104,959
Investments in associates		11,907	11,084	11,475
Intangible assets	5	1,337,415	1,636,476	1,642,783
Property, plant and equipment (PPE)	5	3,584,866	4,065,895	4,129,876
Deferred tax		76	–	–
Total non-current assets		5,032,914	5,733,923	5,890,876
Total assets		6,133,998	5,937,498	6,122,957
CURRENT LIABILITIES				
Trade and other payables		225,913	216,856	246,666
Provisions		25,634	7,760	26,325
Borrowings	6	170,500	299,642	249,903
Derivatives	6	1,109	14,549	6,557
Income tax		310	4,009	1,038
Disposal group held for sale	4	139,022	–	–
Total current liabilities		562,488	542,816	530,489
NON-CURRENT LIABILITIES				
Payables		17,224	19,067	17,725
Provisions		15,153	22,133	14,160
Borrowings	6	2,631,467	2,314,526	2,585,667
Derivatives	6	131,993	164,562	113,915
Deferred tax		452,611	556,782	562,369
Total non-current liabilities		3,248,448	3,077,070	3,293,836
Total liabilities		3,810,936	3,619,886	3,824,325
EQUITY				
Equity attributable to owners of the parent		2,306,977	2,301,855	2,282,810
Non-controlling interests		16,085	15,757	15,822
Total equity		2,323,062	2,317,612	2,298,632
Total equity and liabilities		6,133,998	5,937,498	6,122,957

	NOTE	31 DEC 2015	31 DEC 2014	30 JUN 2015
Net tangible assets per share (cents)	7	97.4	66.8	64.3
Net debt to net debt plus equity ratio	7	53.4%	52.9%	53.6%

GROUP INTERIM **CASH FLOWS**

(UNAUDITED)

	NOTE	31 DEC 2015 6 MONTHS $000	31 DEC 2014 6 MONTHS $000	30 JUN 2015 12 MONTHS $000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers		684,140	684,564	1,294,361
Interest received		221	649	1,311
Dividends received from associate	9	–	400	400
Payments to suppliers and employees		(340,746)	(375,377)	(681,502)
Interest paid		(92,104)	(91,759)	(185,384)
Income tax paid		(2,680)	(15,191)	(59,994)
Net cash flows from/(used in) operating activities	8	248,831	203,286	369,192
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of PPE, and software intangibles		103	201	383
Purchase and construction of PPE and software intangibles		(163,121)	(159,528)	(311,823)
Proceeds from liquidation of associate		–	7	7
Acquisition of businesses		–	(20,000)	(19,906)
Other investing cash flows		(750)	(750)	(750)
Net cash flows from/(used in) investing activities		(163,768)	(180,070)	(332,089)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		250,000	207,000	320,000
Repayment of borrowings		(256,000)	(150,000)	(200,000)
Dividends paid		(80,852)	(79,158)	(155,430)
Other financing cash flows		(452)	(1,280)	(1,735)
Net cash flows from/(used in) financing activities		(87,304)	(23,438)	(37,165)
Net increase/(decrease) in cash and cash equivalents		(2,241)	(222)	(62)
Cash and cash equivalents at beginning of the period		8,222	8,284	8,284
Cash and cash equivalents at end of the period		5,981	8,062	8,222
Cash and cash equivalents comprise				
Bank balances and on-call deposits		1,110	3,540	3,653
Short term deposits maturing within three months		4,871	4,522	4,569
		5,981	8,062	8,222

GROUP INTERIM **CHANGES IN EQUITY**

(UNAUDITED)

	ISSUED SHARE CAPITAL $000	TREASURY SHARES $000	HEDGE RESERVES $000	OTHER RESERVES $000	RETAINED EARNINGS $000	NON-CONTROLLING INTERESTS $000	TOTAL EQUITY $000
Balance at 1 July 2014	874,979	(9,293)	(70,586)	(820)	1,497,392	16,115	2,307,787
Impact of adopting NZ IFRS 9 (2013) at 1 July 2014	–	–	6,492	–	284	–	6,776
Restated balance at 1 July 2014	874,979	(9,293)	(64,094)	(820)	1,497,676	16,115	2,314,563
Net profit/(loss) for the period	–	–	–	–	85,643	1,629	87,272
Other comprehensive income	–	–	(5,140)	65	–	–	(5,075)
Total comprehensive income	–	–	(5,140)	65	85,643	1,629	82,197
Dividends	–	–	–	–	(77,171)	(1,987)	(79,158)
Employee share purchase scheme transactions	–	13	–	(3)	–	–	10
Total transactions with owners	–	13	–	(3)	(77,171)	(1,987)	(79,148)
Balance at 31 December 2014	874,979	(9,280)	(69,234)	(758)	1,506,148	15,757	2,317,612
Net profit/(loss) for the period	–	–	–	–	60,465	1,656	62,121
Other comprehensive income	–	–	(4,359)	(458)	–	–	(4,817)
Total comprehensive income	–	–	(4,359)	(458)	60,465	1,656	57,304
Dividends	–	–	–	–	(74,681)	(1,591)	(76,272)
Employee share purchase scheme transactions	–	2	–	(14)	–	–	(12)
Total transactions with owners	–	2	–	(14)	(74,681)	(1,591)	(76,284)
Balance at 30 June 2015	874,979	(9,278)	(73,593)	(1,230)	1,491,932	15,822	2,298,632
Net profit/(loss) for the period	–	–	–	–	98,646	1,455	100,101
Other comprehensive income	–	–	5,182	(19)	–	–	5,163
Total comprehensive income	–	–	5,182	(19)	98,646	1,455	105,264
Dividends	–	–	–	–	(79,660)	(1,192)	(80,852)
Employee share purchase scheme transactions	–	25	–	(7)	–	–	18
Total transactions with owners	–	25	–	(7)	(79,660)	(1,192)	(80,834)
Balance at 31 December 2015	874,979	(9,253)	(68,411)	(1,256)	1,510,918	16,085	2,323,062

1. COMPANY INFORMATION

Reporting entity

Vector Limited is a company incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange (NZX). The company is an FMC entity for the purposes of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. Vector's condensed interim financial statements (the interim financial statements) comply with these Acts.

The interim financial statements presented are for Vector Limited Group ("Vector" or "the group") as at, and for the six months ended 31 December 2015. The group comprises Vector Limited, its subsidiaries, and its investments in associates and joint arrangements.

Vector Limited is a 75.1% owned subsidiary of the Auckland Energy Consumer Trust (AECT) which is the ultimate parent entity for the group.

The primary operations of the group are electricity distribution, gas transportation, natural gas and LPG sales, gas processing, metering and telecommunications.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) as applicable to interim financial statements, and as appropriate to profit oriented entities. They comply with NZ IAS 34 *Interim Financial Reporting*.

These interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the group financial statements and related notes included in Vector's 2015 Annual Report. The interim financial statements for the six months ended 31 December 2015 and 31 December 2014 are unaudited.

All financial information has been rounded to the nearest thousand, unless otherwise stated.

Seasonality

Vector's electricity and gas businesses are affected by the seasonal demand for energy, which generally increases during periods of colder weather. Accordingly financial results for the first half of the financial year reported in the interim financial statements are expected to be more profitable than those of the second half of the year.

Significant accounting policies

The accounting policies set out in Vector's 2015 Annual Report have been applied consistently to all periods presented in these interim financial statements. In addition, due to its significant impact on the amounts recognised in the interim financial statements, an accounting policy on discontinued operations has been included in Note 4 Discontinued Operations Held for Sale.

3. SEGMENT INFORMATION

Segments

Vector reports on four operating segments in accordance with NZ IFRS 8 *Operating Segments* ("NZ IFRS 8"). Other than the name change for the Gas Trading segment (previously known as Gas Wholesale), the segments and related policies are unchanged from those reported in Vector's 2015 Annual Report. The segments are:

Electricity	Electricity distribution services.
Gas Transportation	Gas transmission and distribution services.
Gas Trading	Natural gas and LPG sales, storage and processing, and cogeneration.
Technology	Metering services, telecommunications and new energy solutions.

The Gas Transportation segment result includes the discontinued operations disclosed in Note 4. As at 31 December 2015, these operations still meet the definition of an operating segment under NZ IFRS 8.

3. SEGMENT INFORMATION (CONTINUED)

31 DEC 2015 6 MONTHS	ELECTRICITY $000	GAS TRANS-PORTATION $000	GAS TRADING $000	TECHNOLOGY $000	INTER-SEGMENT $000	TOTAL $000
External revenue:						
Sales	324,086	82,013	150,732	82,145	–	638,976
Third party contributions	19,182	4,304	–	334	–	23,820
Intersegment revenue	1,032	17,097	619	6,002	(24,750)	–
Segment revenue	344,300	103,414	151,351	88,481	(24,750)	662,796
External expenses:						
Electricity transmission expenses	(104,165)	–	–	–	–	(104,165)
Gas purchases and production expenses	–	–	(80,286)	–	–	(80,286)
Asset maintenance expenses	(21,857)	(8,901)	(10,399)	(6,260)	–	(47,417)
Employee benefit expenses	(7,047)	(1,925)	(7,160)	(8,098)	–	(24,230)
Other operating expenses	(13,118)	(12,520)	(10,472)	(15,767)	–	(51,877)
Intersegment expenses	(5,211)	(668)	(17,839)	(1,032)	24,750	–
Segment operating expenses	(151,398)	(24,014)	(126,156)	(31,157)	24,750	(307,975)
Segment EBITDA	192,902	79,400	25,195	57,324	–	354,821
Depreciation and amortisation	(46,581)	(10,297)	(7,122)	(32,159)	–	(96,159)
Segment profit	146,321	69,103	18,073	25,165	–	258,662
Segment capital expenditure	68,851	22,719	4,798	50,019	–	146,387

The Gas Transportation segment includes the discontinued operations disclosed in Note 4.

Reconciliation of segment revenue, segment profit and segment capital expenditure to revenue, profit/(loss) before income tax and discontinued operations, and capital expenditure reported in the interim financial statements:

31 DEC 2015 6 MONTHS	REVENUE $000	PROFIT/(LOSS) BEFORE INCOME TAX $000	CAPITAL EXPENDITURE $000
Reported in segment information	662,796	258,662	146,387
Elimination of discontinued operations	(72,448)	(48,390)	–
Amounts not allocated to segments (corporate activities):			
Revenue	253	253	–
Employee benefit expenses	–	(13,091)	–
Other operating expenses	–	(12,268)	–
Depreciation and amortisation	–	(6,734)	–
Interest costs (net)	–	(89,985)	–
Fair value change on financial instruments	–	2,387	–
Associates (share of net profit/(loss))	–	432	–
Capital expenditure	–	–	5,655
Reported in the interim financial statements	590,601	91,266	152,042

3. SEGMENT INFORMATION (CONTINUED)

31 DEC 2014 6 MONTHS	ELECTRICITY $000	GAS TRANS-PORTATION $000	GAS TRADING $000	TECHNOLOGY $000	INTER-SEGMENT $000	TOTAL $000
External revenue:						
Sales	332,434	77,742	182,189	68,929	–	661,294
Third party contributions	17,468	6,090	–	1,958	–	25,516
Intersegment revenue	866	12,245	3,722	5,138	(21,971)	–
Segment revenue	350,768	96,077	185,911	76,025	(21,971)	686,810
External expenses:						
Electricity transmission expenses	(110,697)	–	–	–	–	(110,697)
Gas purchases and production expenses	–	–	(118,294)	–	–	(118,294)
Asset maintenance expenses	(26,025)	(9,834)	(12,155)	(3,311)	–	(51,325)
Employee benefit expenses	(8,442)	(1,661)	(6,587)	(6,847)	–	(23,537)
Other operating expenses	(12,862)	(11,248)	(6,662)	(13,311)	–	(44,083)
Intersegment expenses	(4,451)	(3,738)	(12,916)	(866)	21,971	–
Segment operating expenses	(162,477)	(26,481)	(156,614)	(24,335)	21,971	(347,936)
Segment EBITDA	188,291	69,596	29,297	51,690	–	338,874
Depreciation and amortisation	(41,701)	(12,059)	(7,674)	(27,566)	–	(89,000)
Segment profit	146,590	57,537	21,623	24,124	–	249,874
Segment capital expenditure	71,981	22,940	4,565	47,842	–	147,328

The Gas Transportation segment includes the discontinued operations disclosed in Note 4.

Reconciliation of segment revenue, segment profit and segment capital expenditure to revenue, profit/(loss) before income tax and discontinued operations, and capital expenditure reported in the interim financial statements:

31 DEC 2014 6 MONTHS	REVENUE $000	PROFIT/ (LOSS) BEFORE INCOME TAX $000	CAPITAL EXPENDITURE $000
Reported in segment information	686,810	249,874	147,328
Elimination of discontinued operations	(68,167)	(39,492)	–
Amounts not allocated to segments (corporate activities):			
Revenue	256	256	–
Employee benefit expenses	–	(13,334)	–
Other operating expenses	–	(12,382)	–
Depreciation and amortisation	–	(6,909)	–
Interest costs (net)	–	(90,142)	–
Fair value change on financial instruments	–	(4,937)	–
Associates (share of net profit/(loss))	–	3	–
Capital expenditure	–	–	6,239
Reported in the interim financial statements	618,899	82,937	153,567

3. SEGMENT INFORMATION (CONTINUED)

30 JUN 2015 12 MONTHS	ELECTRICITY $000	GAS TRANS- PORTATION $000	GAS TRADING $000	TECHNOLOGY $000	INTER- SEGMENT $000	TOTAL $000
External revenue:						
Sales	632,181	152,005	307,344	145,514	–	1,237,044
Third party contributions	36,878	16,989	–	2,655	–	56,522
Intersegment revenue	1,728	24,463	6,823	10,201	(43,215)	–
Segment revenue	670,787	193,457	314,167	158,370	(43,215)	1,293,566
External expenses:						
Electricity transmission expenses	(217,039)	–	–	–	–	(217,039)
Gas purchases and production expenses	–	–	(185,284)	–	–	(185,284)
Asset maintenance expenses	(46,822)	(18,611)	(22,480)	(7,285)	–	(95,198)
Employee benefit expenses	(18,081)	(3,602)	(13,032)	(13,511)	–	(48,226)
Other operating expenses	(31,262)	(21,148)	(20,636)	(27,706)	–	(100,752)
Intersegment expenses	(8,767)	(6,911)	(25,809)	(1,728)	43,215	–
Segment operating expenses	(321,971)	(50,272)	(267,241)	(50,230)	43,215	(646,499)
Segment EBITDA	348,816	143,185	46,926	108,140	–	647,067
Depreciation and amortisation	(84,586)	(24,439)	(14,329)	(56,894)	–	(180,248)
Segment profit	264,230	118,746	32,597	51,246	–	466,819
Segment capital expenditure	154,435	51,744	14,895	86,736	–	307,810

The Gas Transportation segment includes the discontinued operations disclosed in Note 4.

Reconciliation of segment revenue, segment profit and segment capital expenditure to revenue, profit/(loss) before income tax and discontinued operations, and capital expenditure reported in the interim financial statements:

30 JUN 2015 12 MONTHS	REVENUE $000	PROFIT/ (LOSS) BEFORE INCOME TAX $000	CAPITAL EXPENDITURE $000
Reported in segment information	1,293,566	466,819	307,810
Elimination of discontinued operations	(140,606)	(85,993)	–
Amounts not allocated to segments (corporate activities):			
Revenue	450	450	–
Employee benefit expenses	–	(26,234)	–
Other operating expenses	–	(24,398)	–
Depreciation and amortisation	–	(14,905)	–
Interest costs (net)	–	(180,801)	–
Fair value change on financial instruments	–	(11,014)	–
Associates (share of net profit/(loss))	–	812	–
Capital expenditure	–	–	15,468
Reported in the interim financial statements	1,153,410	124,736	323,278

4. DISCONTINUED OPERATIONS HELD FOR SALE

In November 2015, Vector announced an agreement for the sale of 100% of the shares in its subsidiary Vector Gas Limited ("Vector Gas") to First State Funds. Vector Gas owns the gas transmission and non-Auckland gas distribution businesses. The sale was approved at a special meeting of shareholders in December 2015 and is conditional only on approval under the Overseas Investment Act 2005. Vector is targeting completion by 31 March 2016.

The gas transmission and non-Auckland gas distribution businesses owned by Vector Gas form part of the Gas Transportation segment. Vector Gas has been classified as held for sale from November 2015 and its assets and liabilities are presented in the interim financial statements as a disposal group held for sale. Depreciation and amortisation on the assets of Vector Gas ceased from November 2015 due to the held for sale classification.

The disposal group is presented in the interim financial statements as discontinued operations. The comparative statements of profit or loss have been restated to show the discontinued operations separately from continuing operations. While Vector intends to apply the sale proceeds to the repayment of group debt as it matures, Vector Gas holds no debt itself and so the results presented for the discontinued operations do not include any finance costs.

Results of discontinued operations	31 DEC 2015 6 MONTHS $000	31 DEC 2014 6 MONTHS $000	30 JUN 2015 12 MONTHS $000
Revenue	72,448	68,167	140,606
Operating expenses	(18,200)	(20,733)	(38,441)
Depreciation and amortisation	(5,858)	(7,942)	(16,172)
Profit/(loss) before income tax	48,390	39,492	85,993
Tax benefit/(expense)	(13,413)	(11,161)	(24,939)
Net profit/(loss) for the period attributable to owners of the parent	34,977	28,331	61,054

Cash flows from discontinued operations	31 DEC 2015 6 MONTHS $000	31 DEC 2014 6 MONTHS $000	30 JUN 2015 12 MONTHS $000
Net cash flows from/(used in) operating activities	42,073	43,716	71,214
Net cash flows from/(used in) investing activities	(15,863)	(12,828)	(28,056)
Net cash inflow/(outflow)	26,210	30,888	43,158

4. DISCONTINUED OPERATIONS HELD FOR SALE (CONTINUED)

Disposal group held for sale

	31 DEC 2015 $000
Assets	
Trade and other receivables	14,748
Inventories	1,571
Intangible assets (including goodwill)	300,773
Property, plant & equipment	593,203
	910,295
Liabilities	
Trade and other payables	9,128
Provisions	228
Income tax	10,813
Deferred tax	118,853
	139,022

Policies

Vector classifies a disposal group as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The disposal group is measured at the lower of carrying amount and fair value less costs to sell.

Where a disposal group held for sale meets the following parameters it is also reported as a discontinued operation(s):

- It is a component of the group's business, the operations and cash flows of which can be clearly distinguished from the rest of the group
- It represents a separate major line of business or geographical area of operations.

5. PPE AND SOFTWARE INTANGIBLES

	31 DEC 2015 6 MONTHS $000	31 DEC 2014 6 MONTHS $000	30 JUN 2015 12 MONTHS $000
Key movements during the period			
Capital expenditure	152,042	153,567	323,278
Disposals	3,016	2,741	5,346
PPE transferred to disposal group held for sale	593,203	–	–
Intangibles transferred to disposal group held for sale	1,950	–	–
Capital commitments			
Capital commitments at end of period	70,971	63,239	56,445

6. BORROWINGS AND DERIVATIVES

	NET DERIVATIVES $000	BORROWINGS $000
Balance at 30 June 2015	15,327	2,835,570
Fair value movements:		
Foreign exchange rates	27,018	(27,018)
Interest rates and other fair value changes	(7,893)	(1,693)
Drawdown	–	250,000
Repayment	–	(256,000)
Amortised costs	–	1,108
Balance at 31 December 2015	34,452	2,801,967
Fair value at 31 December 2015	34,452	2,754,411

Bank facilities draw down

On 27 October 2015, NZD 250 million bank facilities, with a two-year term were drawn down. The proceeds were used to repay the NZD 250 million floating rate notes which matured on 27 October 2015.

7. EQUITY

7.1 Transactions with owners

Dividends

Vector Limited's final dividend for the year ended 30 June 2015 of 8.00 cents per share was paid on 21 September 2015, with a supplementary dividend of $0.5 million (equating to 1.41 cents per non-resident share).

Shares

At the end of the period, 114,851 treasury shares were allocated to the employee share purchase scheme (31 December 2014: 127,480, 30 June 2015: 126,601).

7. EQUITY (CONTINUED)

7.2 Financial ratios

	31 DEC 2015 6 MONTHS $000	31 DEC 2014 6 MONTHS $000	30 JUN 2015 12 MONTHS $000
Earnings per share			
Net profit from continuing operations attributable to owners of the parent	63,669	57,312	85,054
Net profit from discontinued operations attributable to owners of the parent	34,977	28,331	61,054
Net profit attributable to owners of the parent	98,646	85,643	146,108
Weighted average ordinary shares outstanding during the period (number of shares)	995,636,306	995,631,430	995,629,796
Earnings per share from continuing operations	6.4 cents	5.8 cents	8.5 cents
Earnings per share from discontinued operations	3.5 cents	2.8 cents	6.1 cents
Total earnings per share	9.9 cents	8.6 cents	14.6 cents

	31 DEC 2015 $000	31 DEC 2014 $000	30 JUN 2015 $000
Net tangible assets per share			
Net assets attributable to owners of the parent	2,306,977	2,301,855	2,282,810
Less total intangible assets	(1,337,415)	(1,636,476)	(1,642,783)
Total net tangible assets	969,562	665,379	640,027
Ordinary shares outstanding (number of shares)	995,640,226	995,627,597	995,628,476
	97.4 cents	66.8 cents	64.3 cents
Economic net debt to economic net debt plus adjusted equity ratio			
Face value of borrowings	2,747,279	2,690,279	2,753,279
Less cash and cash equivalents	(5,981)	(8,062)	(8,222)
Economic net debt	2,741,298	2,682,217	2,745,057
Total equity	2,323,062	2,317,612	2,298,632
Adjusted for hedge reserves	68,411	69,234	73,593
Adjusted equity	2,391,473	2,386,846	2,372,225
Economic net debt plus adjusted equity	5,132,771	5,069,063	5,117,282
	53.4%	52.9%	53.6%

Net tangible assets per share has increased as a result of the derecognition of goodwill associated with the held-for-sale businesses owned by Vector Gas.

8. CASH FLOWS

	31 DEC 2015 6 MONTHS $000	31 DEC 2014 6 MONTHS $000	30 JUN 2015 12 MONTHS $000
Reconciliation of net profit/(loss) to net cash flows from/(used in) operating activities			
Net profit/(loss) for the period	100,101	87,272	149,393
Items classified as investing activities			
Net loss/(gain) on disposal of PPE and software intangibles	2,730	2,061	5,123
Non-cash items			
Depreciation and amortisation	102,893	95,909	195,153
Non-cash portion of interest costs (net)	(574)	(1,553)	(2,952)
Fair value change on financial instruments	(2,387)	4,937	11,014
Associates (share of net (profit)/loss)	(432)	(3)	(812)
Increase/(decrease) in deferred tax	7,005	5,594	12,484
Increase/(decrease) in provisions	531	2,711	13,303
	107,036	107,595	228,190
Cash items not impacting net profit/(loss)			
Dividends received from associate	–	400	400
Changes in assets and liabilities			
Trade and other payables	11,854	11,298	20,196
Inventories	45	(428)	(780)
Trade and other receivables	(2,805)	(19,187)	(22,191)
Income tax	29,870	14,275	(11,139)
	38,964	5,958	(13,914)
Net cash flows from/(used in) operating activities	248,831	203,286	369,192

9. RELATED PARTY TRANSACTIONS

Majority shareholder dividend

Vector Limited has paid its majority shareholder the AECT, dividends of $60.1 million during the period (six months ended December 2014: $58.2 million, 12 months ended 30 June 2015: $114.5 million).

Associate dividend

During the period, no dividends were received from Tree Scape Limited which is an associate of the group (six months ended 31 December 2014: $0.4 million, 12 months ended 30 June 2015: $0.4 million).

Outstanding balances

At 31 December 2015, there are no material outstanding balances due to or from related parties of the group.

10. CONTINGENT LIABILITIES

Disclosures

The directors are aware of claims that have been made against entities of the group and, where appropriate, have recognised provisions for these within the financial statements.

No material contingent liabilities have been identified.

11. EVENTS AFTER THE END OF THE PERIOD

Financial statements approval

The interim financial statements were approved by the board of directors on 26 February 2016.

Interim dividend

On 26 February 2016, the board declared an interim dividend for the year ended 30 June 2016 of 7.75 cents per share.

No adjustment is required to these interim financial statements in respect of this event.

BOARD OF DIRECTORS AND MANAGEMENT TEAM

BOARD OF DIRECTORS

Michael Stiassny	Chairman
Peter Bird	
James Carmichael	
Hugh Fletcher	
Jonathan Mason	
Dame Alison Paterson	
Karen Sherry	
Bob Thomson	

MANAGEMENT TEAM

Simon Mackenzie	Group Chief Executive
Andre Botha	Chief Networks Officer
Kate Beddoe	Chief Risk Officer
Brian Ryan	Group General Manager Development
Dan Molloy	Chief Financial Officer
David Thomas	Group General Manager Gas Trading and Metering

ASSOCIATES AND JOINT VENTURES

	PRINCIPAL ACTIVITY	PERCENTAGE HELD		
		31 DEC 2015	31 DEC 2014	30 JUN 2015
Associates				
Tree Scape Limited	Vegetation management	50%	50%	50%
NZ Windfarms Limited	Power generation	22%	22%	22%
Joint Venture				
Kapuni Energy Joint Venture (unincorporated)	Cogeneration	50%	50%	50%

FINANCIAL CALENDAR 2016

2016

Interim dividend paid	14 April
3rd quarter operational statistics	April
4th quarter operational statistics	July
Full year result and annual report	August
Final dividend*	September
Annual general meeting	September

* Dividends are subject to board determination

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TO REPORT A FAULT

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Call 0508 VECTOR (0508 832 867)

Gas
Call 0800 764 764

SEE OUR OUTAGE CENTRE (WWW.VECTOR.CO.NZ) FOR MORE INFORMATION ABOUT WHAT CAUSES OUTAGES, HOW TO BE PREPARED FOR AN OUTAGE. YOU CAN ALSO GET OUTAGE INFORMATION ON THE GO WITH OUR OUTAGE APP.