

# **The Treasury**

## **Solid Energy Information Release**

**May 2013**

### **Release Document**

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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

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**From:** Juston Anderson  
**Sent:** Thursday, 15 March 2012 9:02 a.m.  
**To:** 'Anthony Burg'  
**Cc:** [1]  
**Subject:** RE: SENZ profit update to CFIS

Hi Anthony

Thanks for your email – it was very timely as we were just looking at the forecasts yesterday. I have a meeting this morning with our Fiscal Reporting team to discuss the forecasts, so I may need to call you after that.

**Juston Anderson | Senior Analyst | The Treasury**  
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**From:** Anthony Burg [<mailto:Anthony.Burg@solidenergy.co.nz>]  
**Sent:** Wednesday, 14 March 2012 11:08 p.m.  
**To:** Juston Anderson  
**Cc:** [1]  
**Subject:** FW: SENZ profit update to CFIS

Hi Juston

We recently submitted the five year financial forecast to CFIS. We were keen for you to get a snapshot of the submission as the forecasts for 2013 to 2016 years are significantly different than what you have previously seen. The current year forecast is per the forecast supplied to COMU in January.

The financial results in 2013 and 2014 are significantly down on the previous version due to assumed average lower international pricing – as we discussed this is caused by both a slump in USD coal prices and an increase in the NZD / USD FX assumption. Assumed sales volumes in the 2013 year are also down. The reduced operating cashflows means dividend forecasts have needed to be cut from [2] to maintain reasonable gearing levels. Capex levels are very tight.

Profitability across the following years is also down as we have reviewed our internal view of International coal prices.

Due to the current global economic environment there is more uncertainty than usual around this forecast. These forecasts were based on changes to high level drivers only. We are now moving into our detailed planning round where we will be able to drill into these numbers and provide a greater level of certainty.

The following table summarises some of the key information submitted:

\$M	2012	2013	2014	2015	2016
NPAT	92	[2]			
Dividend	30				
Debt	379				
CAPEX	193				
Equity	582				
Gearing	39%				

Regards, Anthony

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