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Disclosure Statement

Transpower releases Q2 2016 operational report

Transpower New Zealand today released its operational and financial performance update for its second quarter, for the three months to 31 December 2015.

This update shows progress against Transpower's Statement of Corporate Intent targets.

For further information, please contact:

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Appendix 1

Operational and Financial Performance for the year ended 31 December 2015

Transpower's performance after six months is on track to achieve all SCI targets with the exception of our safety measure - total recordable injury frequency rate and the HVAC circuit's availability measure.

Safety remains a key focus for our organisation. We have commenced initiatives aimed at substantially improving our safety performance. We are working collaboratively with our service providers to improve safety at all Transpower workplaces.

The HVAC availability target will not be met for the year due to the high volume of scheduled maintenance and project work on circuits in the Lower South Island.

Quarter Two	31 December 2015	2014	SCI target
Safety Performance Targets			
Number of fatalities or injuries causing permanent disability	0	0	0
Total recordable injury frequency rate (TRIFR)	12.8 ¹	8.9	≤ 8
Operational Performance Targets			
Grid interruptions:			
• achieve targets for occurrence	On track	n/a	Achieve target
• achieve targets for duration	On track	n/a	Achieve target
Grid availability:			
• achieve targets for HVDC and key HVAC circuits availability	At risk	n/a	Achieve target
Market system unplanned unavailability	0.05%	n/a	≤ 0.1%
Major pricing events from provision of incorrect information to market ²	0	n/a	0
Financial Performance Targets (Unaudited Annualised Results)			
Free funds from operations interest coverage (times)	3.1	3.3	3.0
Free funds from operations / Debt (%)	14.6	16.1	14.1
Debt / (net debt + equity) (%)	71.1	69.2	70.0
Return on equity (%)	12.6	13.5	11.2
Return on capital employed (%)	7.0	7.3	6.4

¹ Rolling 12 months

² A breach of the Electricity Industry Participation Code by the System Operator which causes a net financial impact to participants of more than \$1 million