

**Media Release**

25 February 2022

**Transpower announces half-year results**

Transpower New Zealand today released its financial results for the six months ending 31 December 2021.

- Transmission revenue declined 8.2% to \$414.8 million (2020: \$451.8 million) mainly due to revenue recognition on two capital contribution projects that were recorded as revenue in the previous period.
- Operating expenses at \$151.7 million, were up 4.5% compared to the previous period (2020: \$145.2 million) mainly due to an increase in regulatory passthroughs and employee costs.
- Net profit after tax was \$83.5 million, down 2.2% from the previous period's result of \$85.4 million, primarily due to the one-off revenue items noted above.
- Capital expenditure was \$144.1 million, down 8.1% from the same time last year (2020: \$156.8 million) and in line with Transpower's approved capital programme.
- An interim dividend of 4 cents/share or \$48 million has been declared, representing 40 per cent of the expected full-year dividend forecast in Transpower's 2021/22 Statement of Corporate Intent (SCI).

Acting Chair, Dean Carroll, said the company has posted a solid financial performance given the increase in inflationary pressures in personnel costs and supply chain.

"We have continued to progress major projects while the company continues to navigate the ongoing supply chain and workforce challenges of COVID-19.

"Despite the operational challenges over the last six months, we are on track to achieve the majority of our SCI targets."

Chief Executive Alison Andrew said the main project for the business, the Clutha Upper-Waitaki Lines Project (CUWLP), is progressing well and is forecast to realise approximately \$9 million in savings, as well as being on track to commission ahead of schedule.

"This work is critical to ensuring we remove the constraints on moving low-cost, renewable electricity from the Southland area.

"Another area of focus has been the progression of the Transmission Pricing Methodology (TPM). Currently, the Electricity Authority is consulting on our draft proposal, and we await a final decision on the new TPM in March 2022. This work will remain a significant focus as we support the Authority and prepare the business for a smooth implementation of a new TPM which is planned to take effect from 1 April 2023."

**For further information, please contact:**

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