



2008 annual meeting

Michael Stiasny, Chairman

Simon Mackenzie, Group Chief Executive Officer

23 October 2008



Michael Stiasny
Chairman

Vector 2008 result

Dividend

13.25cps (fully imputed)



Uncharted territory



- Vector in solid position, but;
- Infrastructure is capital intensive
- Debt is sourced internationally
- Market instability is likely to affect customer demand

The year ahead - vigilance

- Continue to build on progress in 2008
- Prudent and careful governance even more important
- Continuous improvement maintained



Group Summary

Simon Mackenzie

Group Chief Executive Officer

Our achievements

■ NPAT \$164.4 million

■ NPBT \$231.5 million



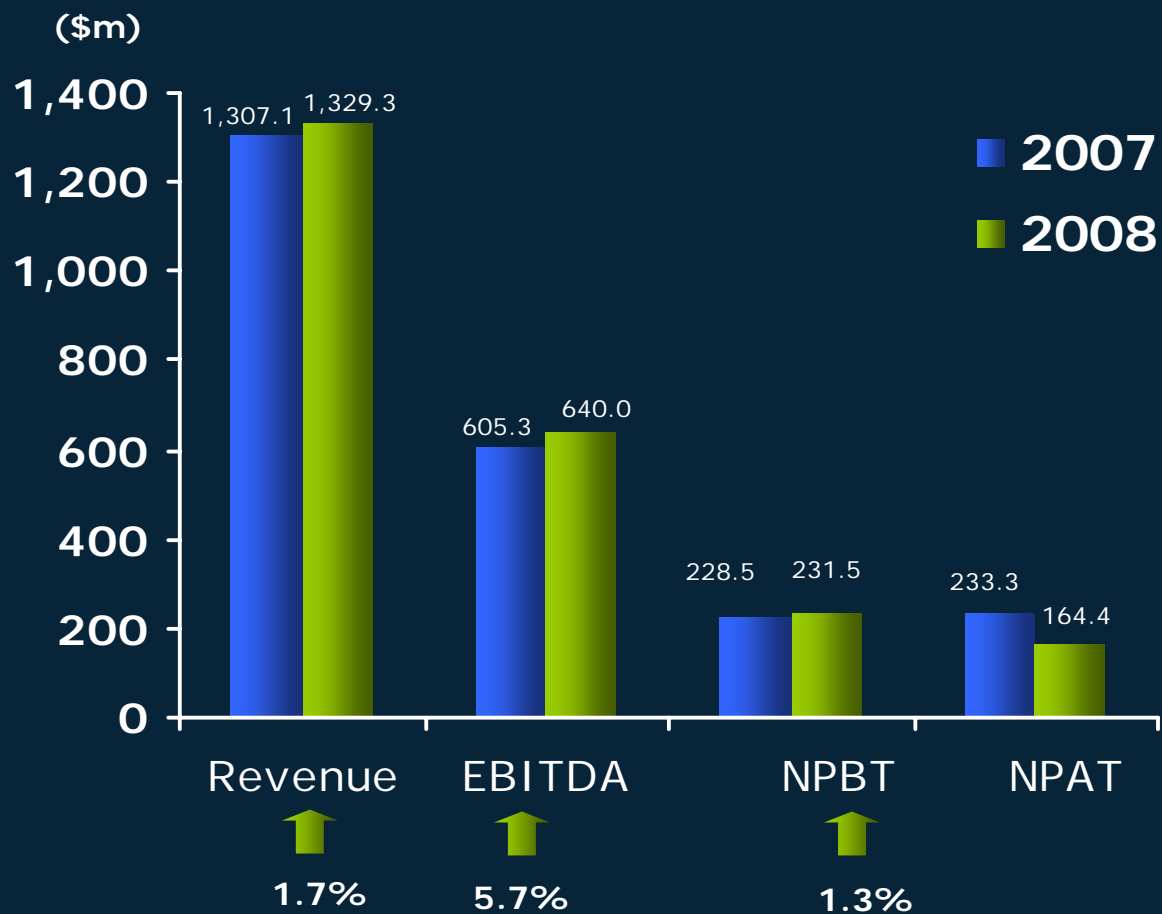
1.3%

Our achievements

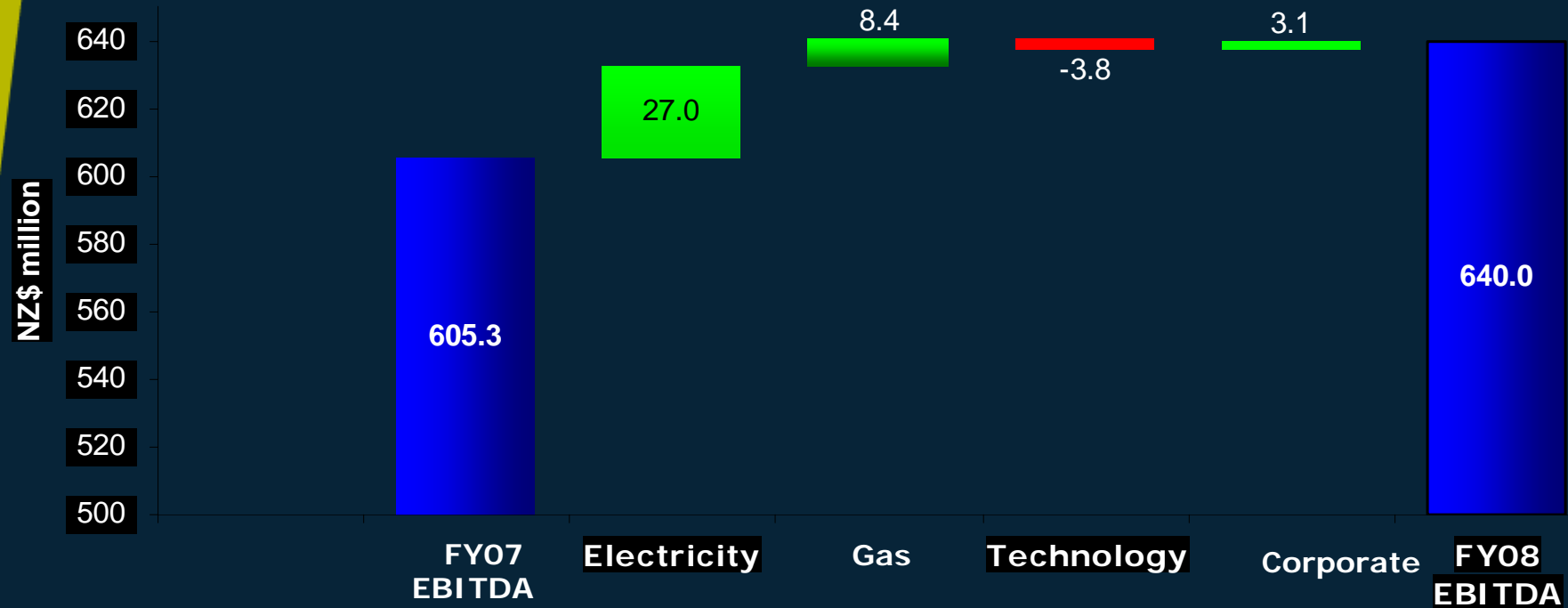
- Refinanced \$300 million of debt
- Cut costs by \$20 million, annualised
- Booked \$200 million profit on Wellington sale
- Improved customer response
- Achieved Commerce Act changes
- Finalised metering agreements
- Continued fibre optic network extension

Group results Summary

Year ended 30 June 2008

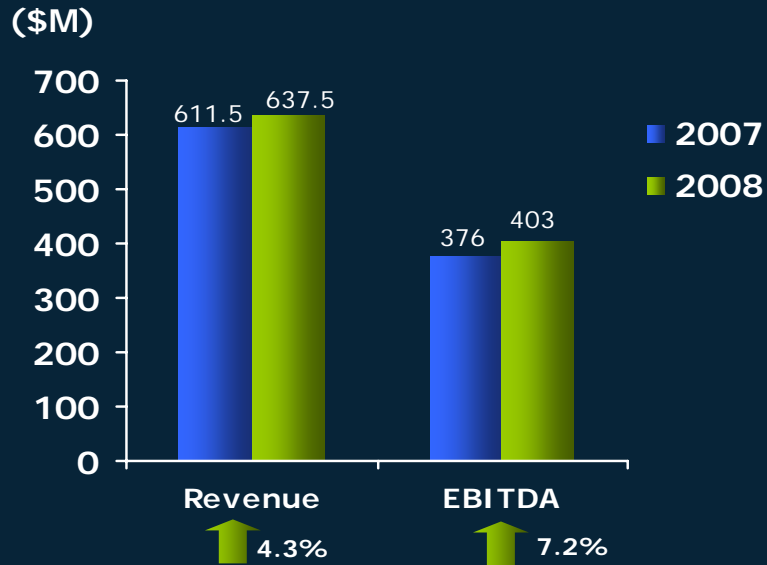


Contributors to Group EBITDA growth

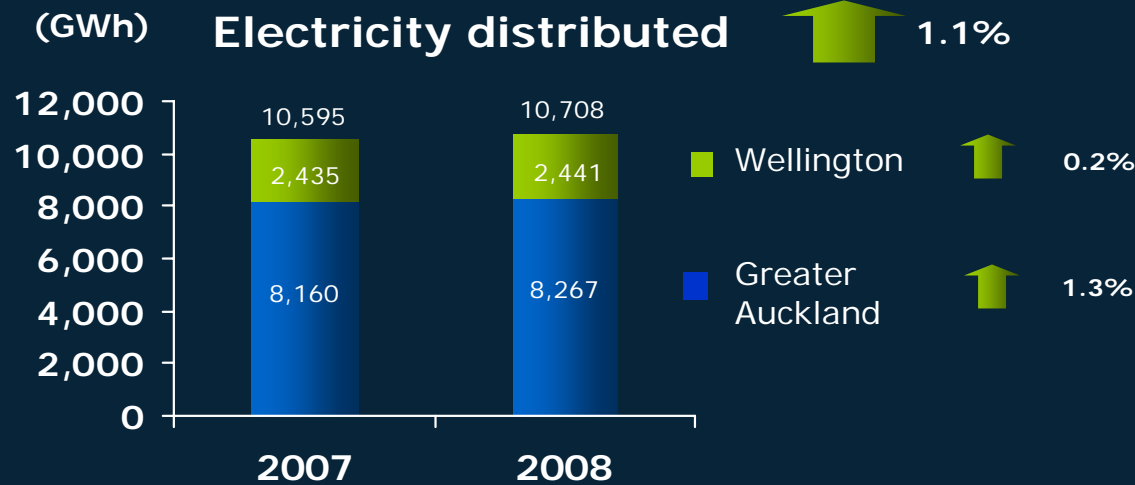


- Core businesses in Electricity and Gas remain key underlying drivers of EBITDA growth

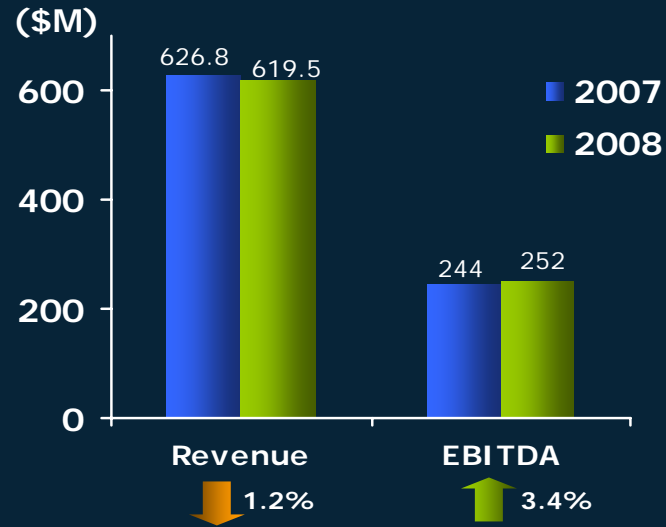
Electricity



- Revenue and EBITDA increases
- Strong volume growth in Auckland
- Wellington network divestment completed in July 2008

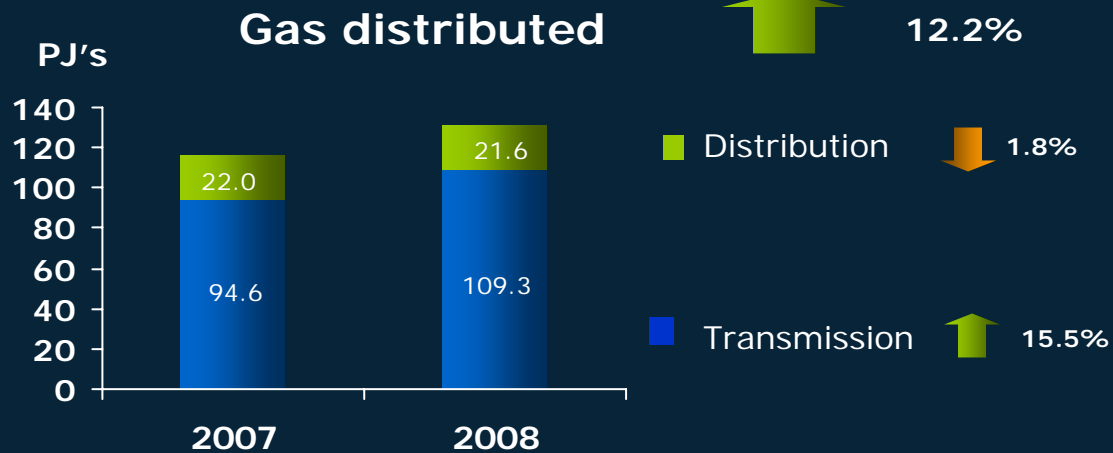


Gas

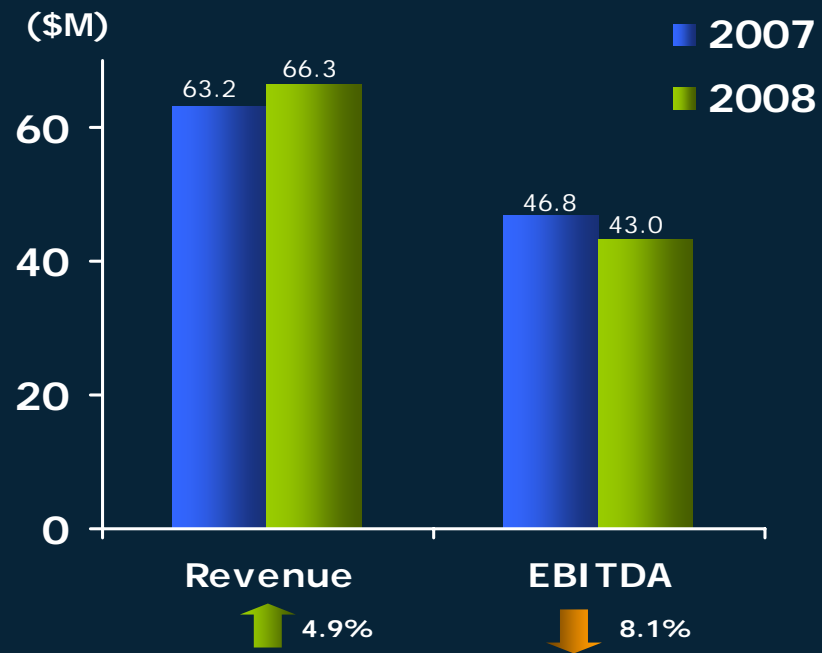


- Contract position in Commercial and Industrial market remains strong

- Competition increased due to gas supply



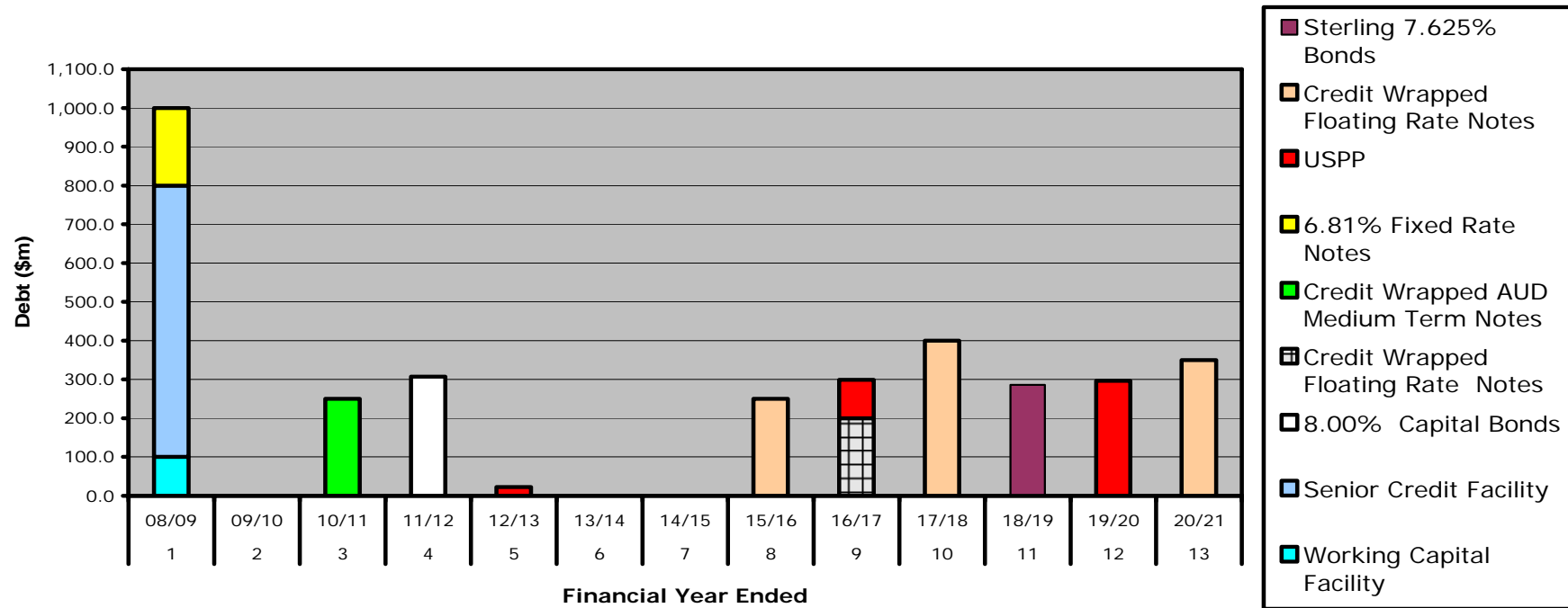
Technology



- Vodafone contract announced
- 300 km network extension underway
- Wholesale telecommunications channel growth

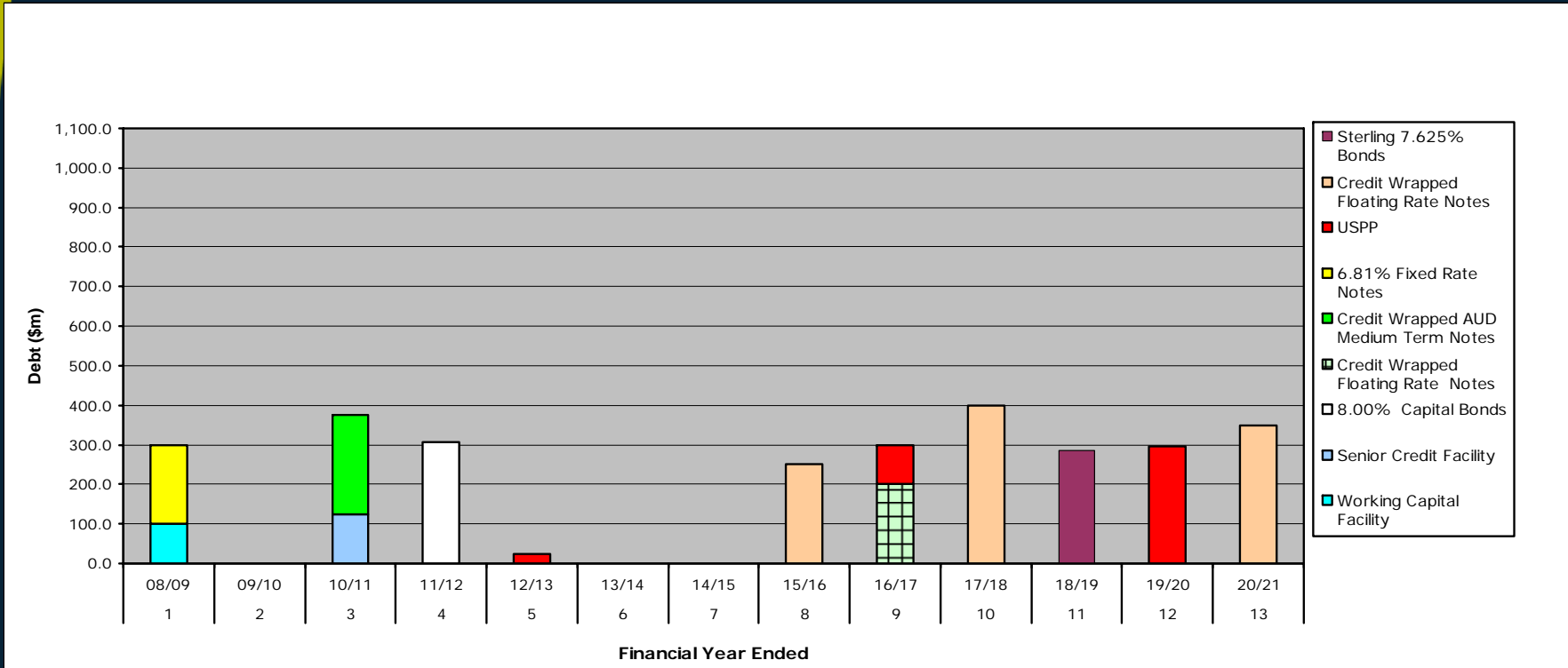
Debt Facilities Maturity Profile (30 June 2008)

Consolidated Group Debt Maturity Profile



1-2 years	28.89%	2-5 years	16.76%	5+ years	54.35%
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Debt Facilities Maturity Profile – After Sale Wellington Network



1-2 years 10.40%

2-5 years 24.42%

5+ years 65.18%

Preparing for the years ahead

- Demand will be affected
- Field operations to be streamlined
- Capital and operational expenditure reviewed
- Disciplined growth still a focus

Regulation



- Commerce Amendment Bill passed – electricity reset 2010
- Economic conditions change assumptions around fair returns
- Engagement continues on Auckland gas network
- Capital is now expensive and scarce

Climate change



- Consumer preferences changing
- Climate change drives strategy
- Balance between environmental and economic drivers
- Continuing to research renewable generation to understand effects on supply and demand

Line charge increases

**Domestic Electricity Price Breakdown:
Real (March 2008) dollars**



Summary

- Improved Capital, Operational Efficiency
- Improved Operational Excellence
- Improved Customer outcomes
- New options for disciplined growth
- Regulation, work in progress

- Economic environment challenging
 - ↑ Drive increased performance from core assets
 - ↑ Progress growth options

Michael Stiasny
Chairman

Agenda Item 1

Annual Report, Financial Statements
and Auditor's Report

Agenda Item 2

Election of directors

Agenda Item 2 – Election of directors

2. to re-elect Karen Sherry as a director

Proxy Voting	
For	802,102,394
Against	1,495,929
Abstain	382,696
Discretionary	2,921,733
Additional discretionary held by the Chairman	163

Agenda Item 2 – Election of directors

3. to elect James Carmichael as a director

Proxy Voting	
For	802,424,951
Against	1,062,609
Abstain	415,491
Discretionary	2,999,701
Additional discretionary held by the Chairman	163

Agenda Item 2 – Election of directors

1. to re-elect Michael Stiasny as a director

Proxy Voting	
For	801,513,965
Against	2,186,452
Abstain	375,185
Discretionary	2,827,150
Additional discretionary held by the Chairman	163

Agenda Item 3

Auditor's Appointment and Remuneration

Agenda Item 3 – Appointment and Remuneration of the Auditor

Proxy Voting	
For	802,971,098
Against	499,226
Abstain	295,215
Discretionary	3,137,213
Additional discretionary held by the Chairman	163

Voting on resolutions

General Business

Michael Stiasny
Chairman

2008 annual meeting

Michael Stiasny, Chairman

Simon Mackenzie, Group Chief Executive Officer

23 October 2008