

## **Vector announces solid half year result (14/02/08)**

Vector Limited today announced earnings before interest, taxation, depreciation and amortisation of \$332.1 million for the six months ended 31 December 2007. Chairman Michael Stiasny said the companys financial results were in line with the expectations of both analysts and the company.

We have achieved a pleasing result and Vector is in good heart. The board is satisfied with the progress made over this period against the companys strategic focus areas which we identified six months ago.

Mr Stiasny said the board was pleased to announce yesterday the appointment of Simon Mackenzie to the role of Group Chief Executive.

He said the net profit after tax of \$90.7 million, reported for the first time under NZIFRS, while down 18% on the previous comparable periods \$110.6 million was in accord with previous guidance.\* This result reflected higher borrowing costs, which were up \$7.1 million, and increased depreciation, chiefly due to accelerated depreciation on metering assets due to a pending upgrade to smart meters as well as a higher asset base across the company.

We continue to have a solid underlying operating business, EBITDA is up taking into account one-off expenses of \$6 million, and our debt has been static in cash terms over the last six months, he said. The company retains its Standard and Poors BBB+ credit rating.

Mr Stiasny said he was confident the companys full year net earnings would sit comfortably within or above the range of analysts published forecasts.

The board has declared a fully imputed interim dividend of 6.5 cents per share. The interim dividend would be paid on 10 April 2008 to shareholders registered on 31 March 2008.

Chief executive Simon Mackenzie commented on the agreement with Vodafone for the use of a 300km-plus extension to Vector Communications fibre-optic network in Auckland, announced to the market separately, saying it was a significant development that would remove bandwidth constraints currently experienced, increasing the reliability and speed of broadband services to customers.

It shows what is possible when we join forces as an infrastructure company with a retail or service provider in the right environment, he said.

ENDS

\*Please note all comparatives have been restated to comply with NZIFRS.