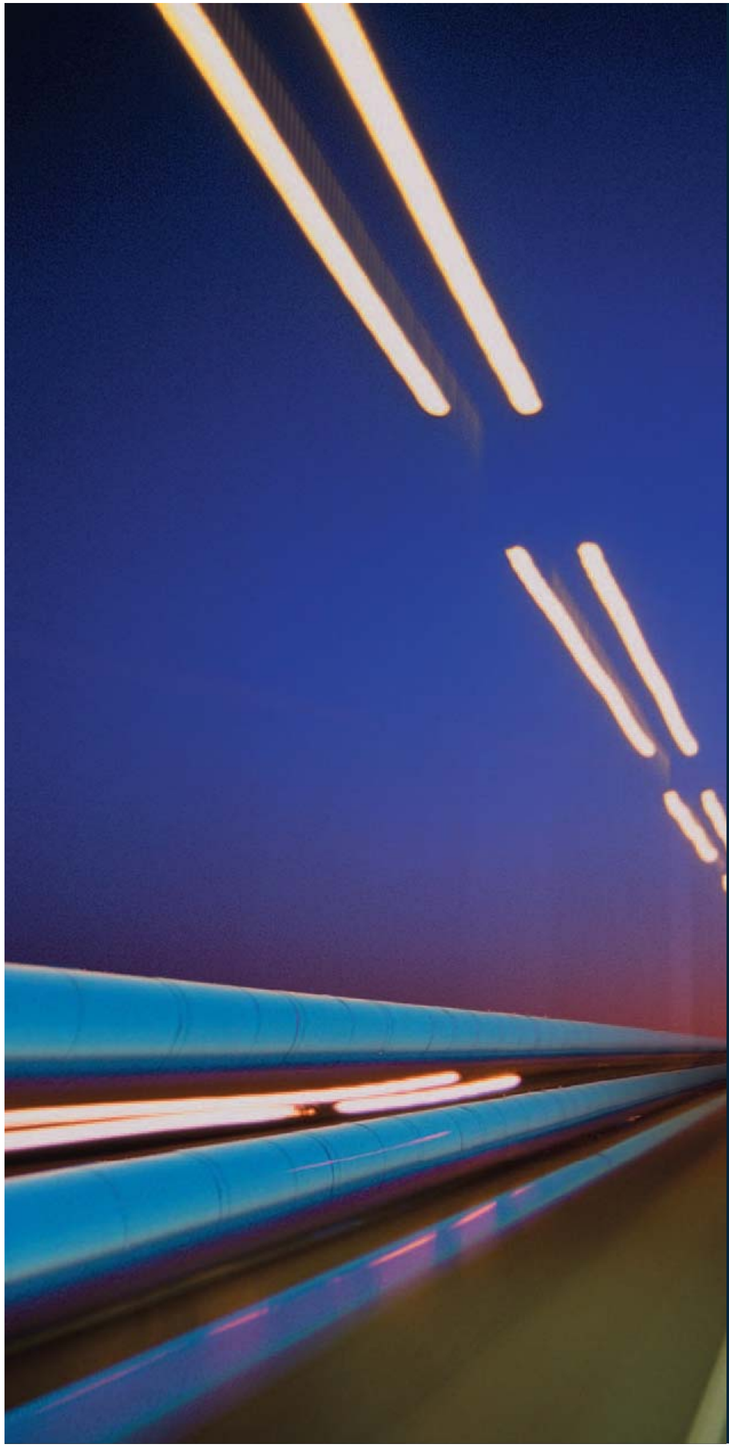
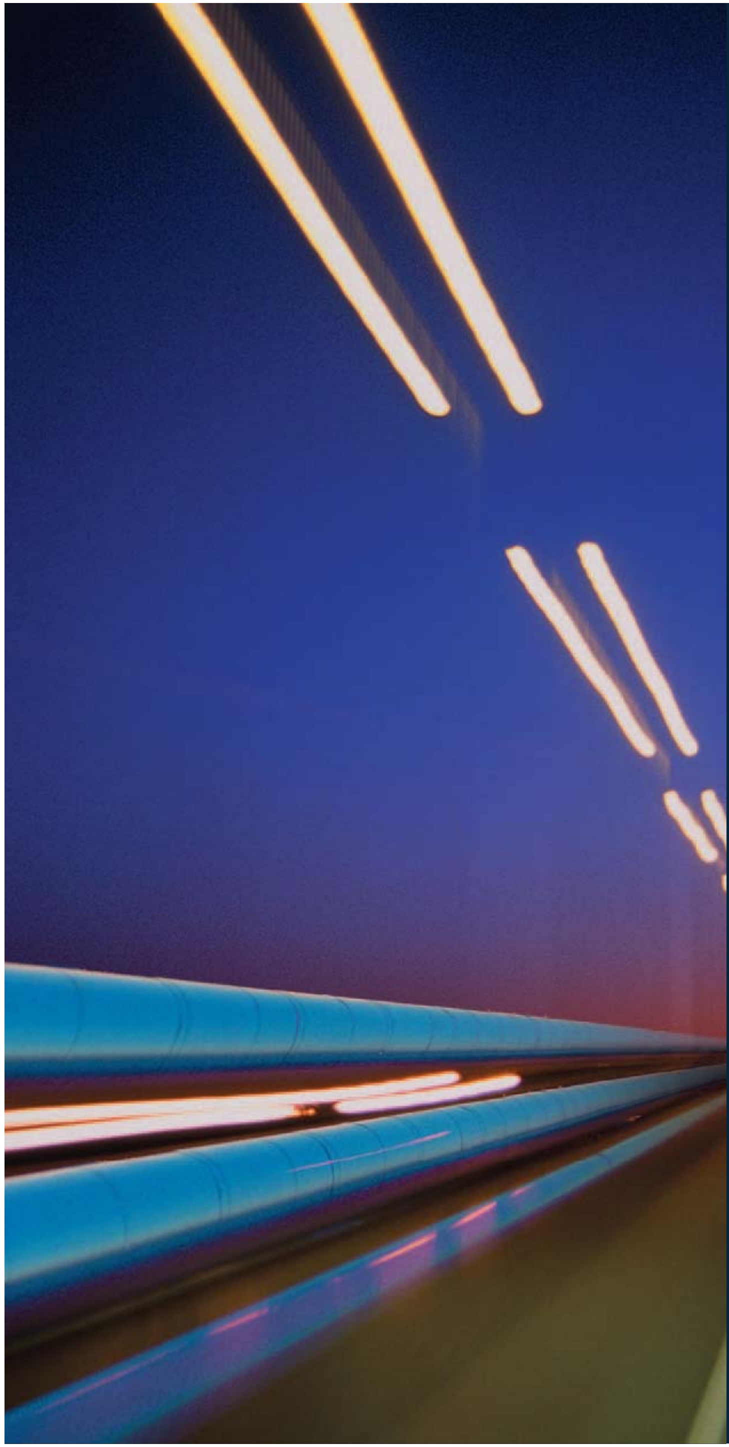


Vector

Annual Meeting

2006



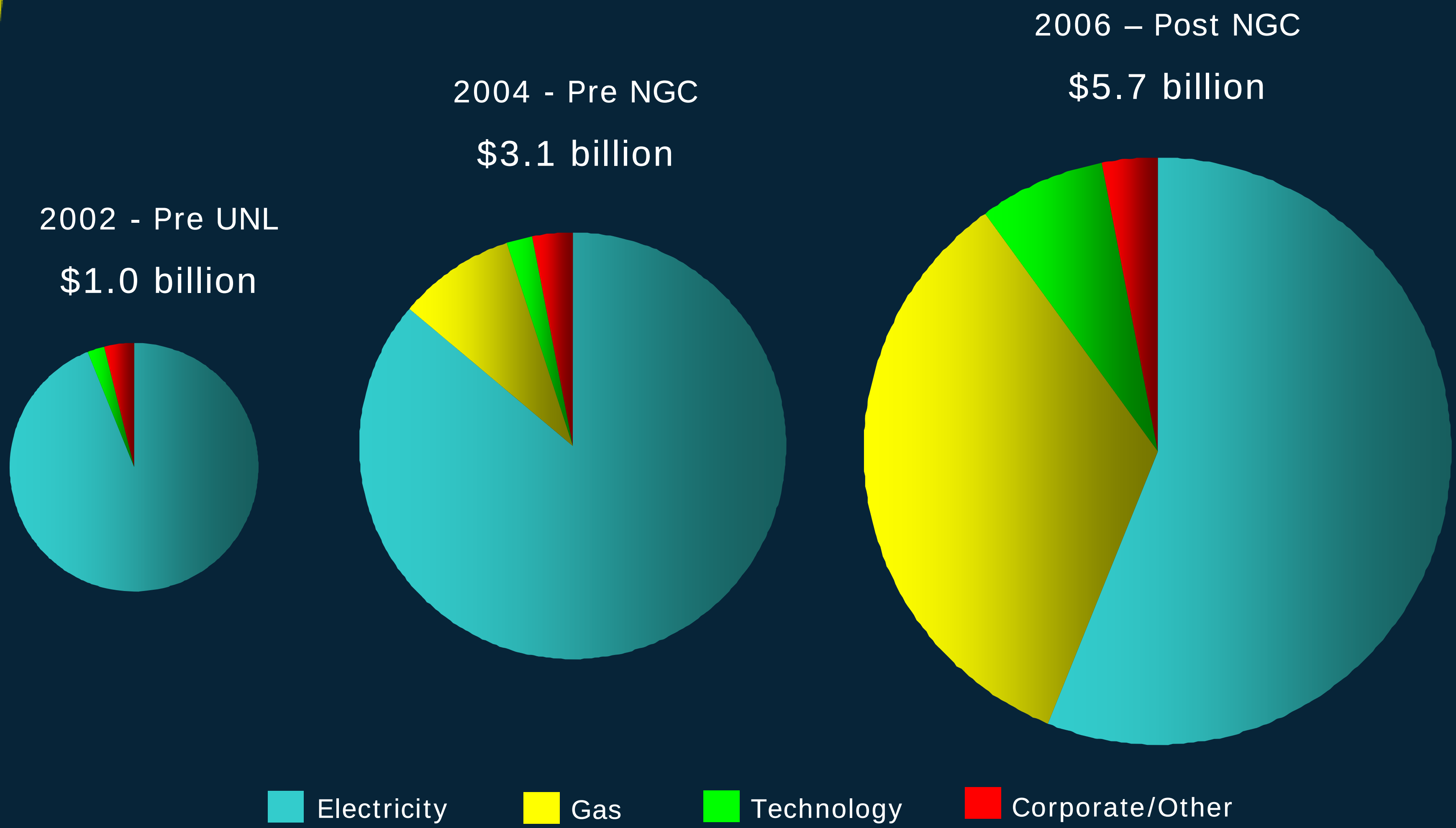
Michael Stiassny

Chairman

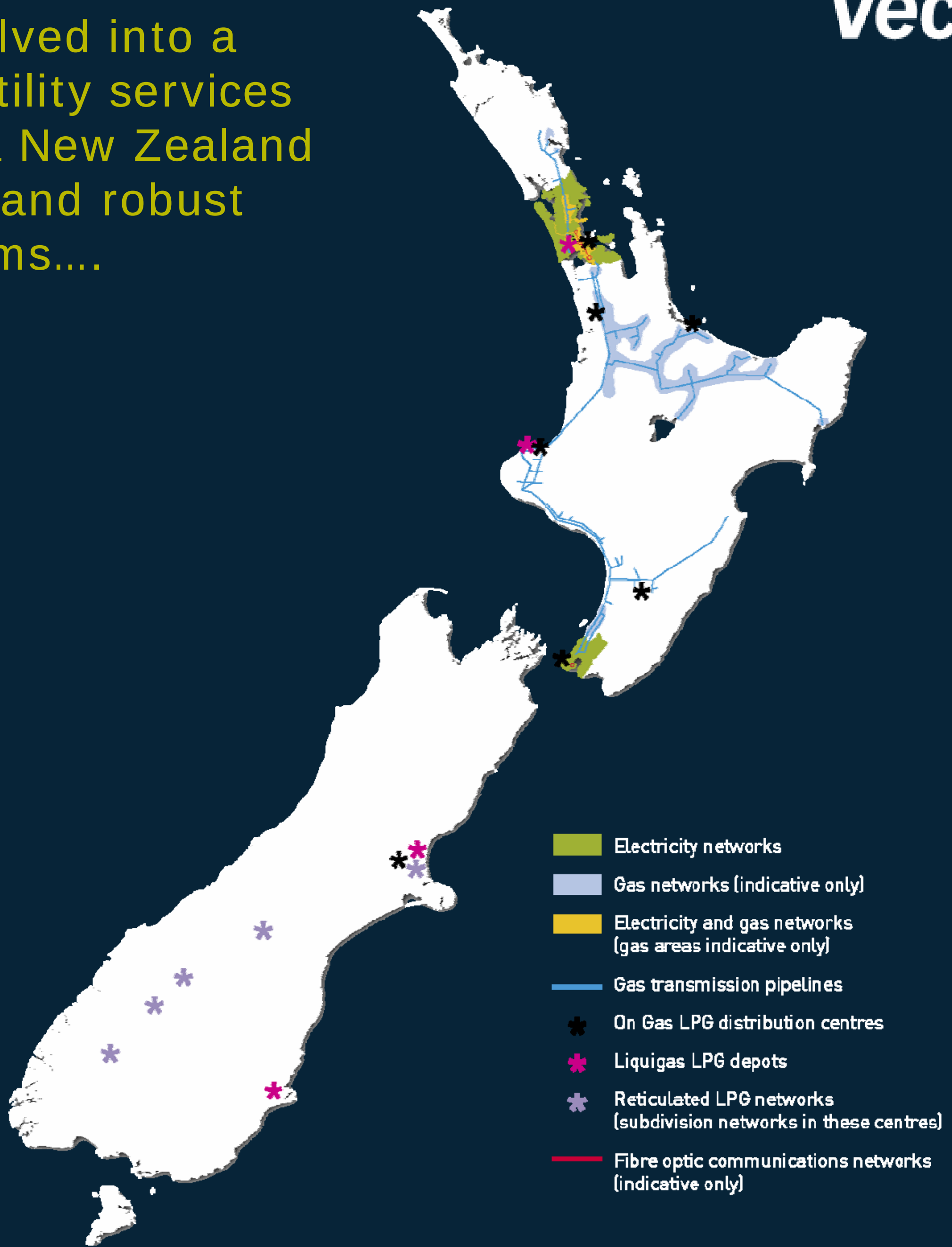
Today's programme

- Chairman's address
- Chief Executive Officer's address
- Annual Report and Financial Statements discussion
- Formal business
- Voting
- General business

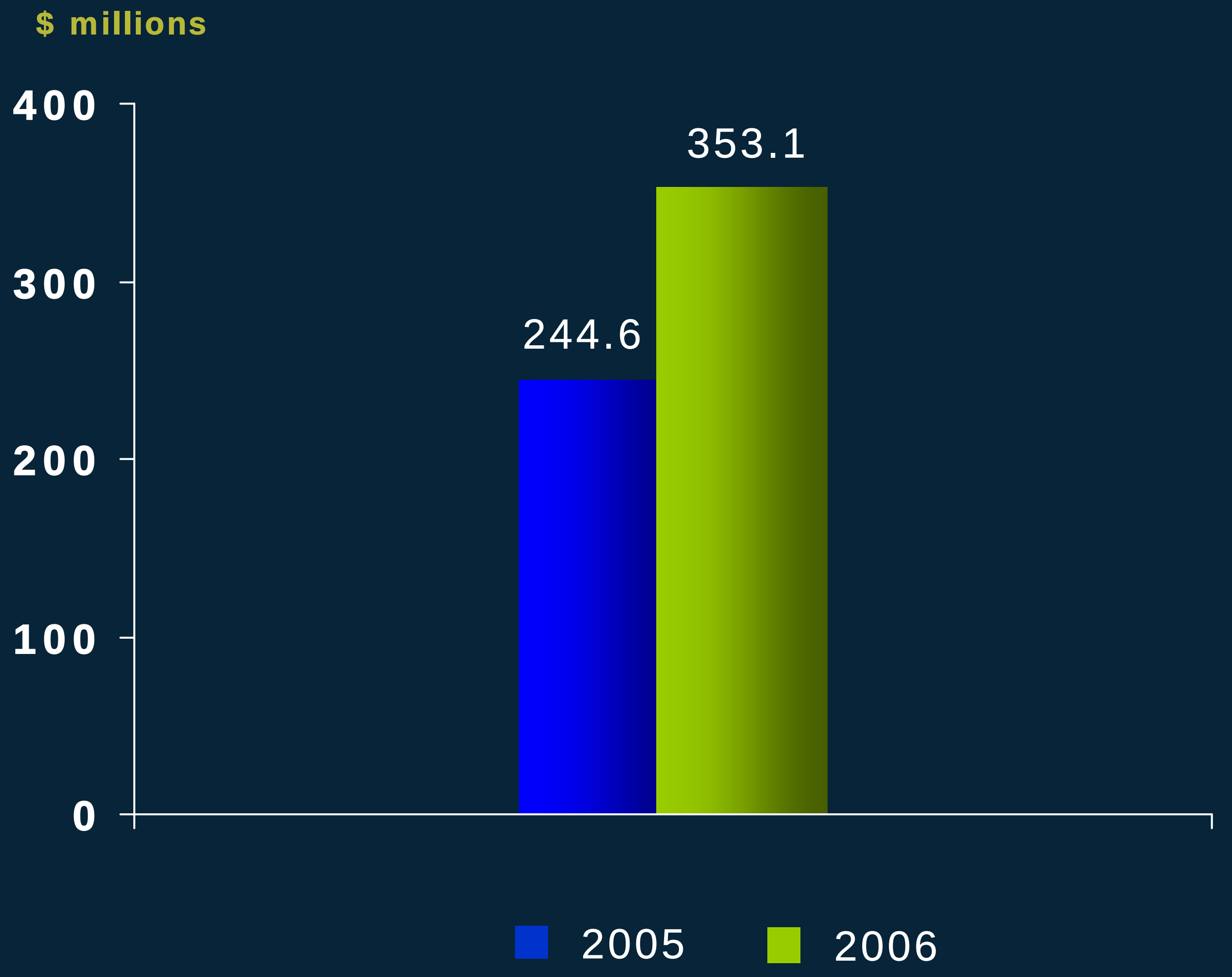
Since 2002, our strategy has grown our assets more than five-fold and significantly diversified our business mix….



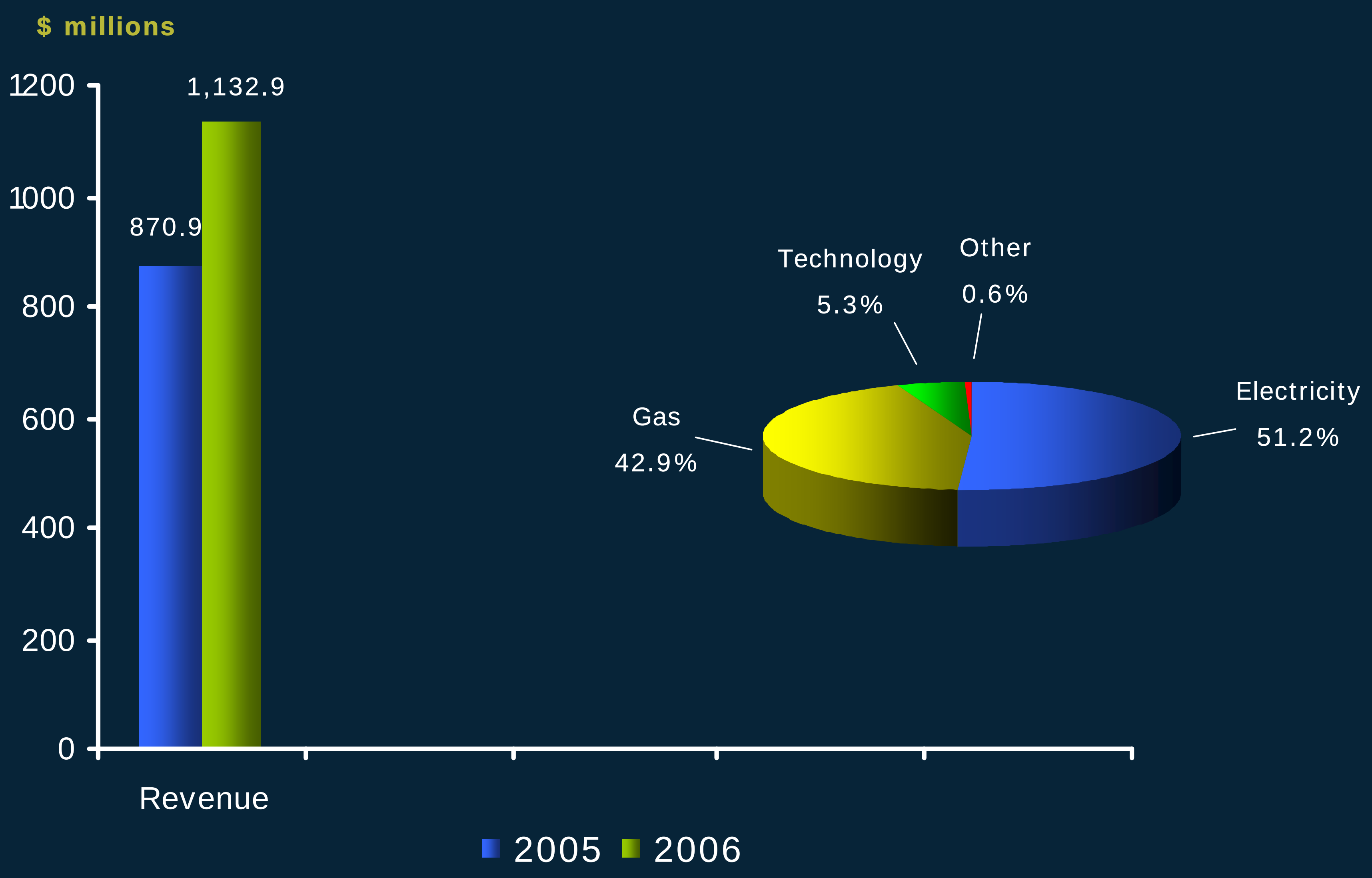
Vector has evolved into a unique multi-utility services provider with a New Zealand wide presence and robust earnings streams….



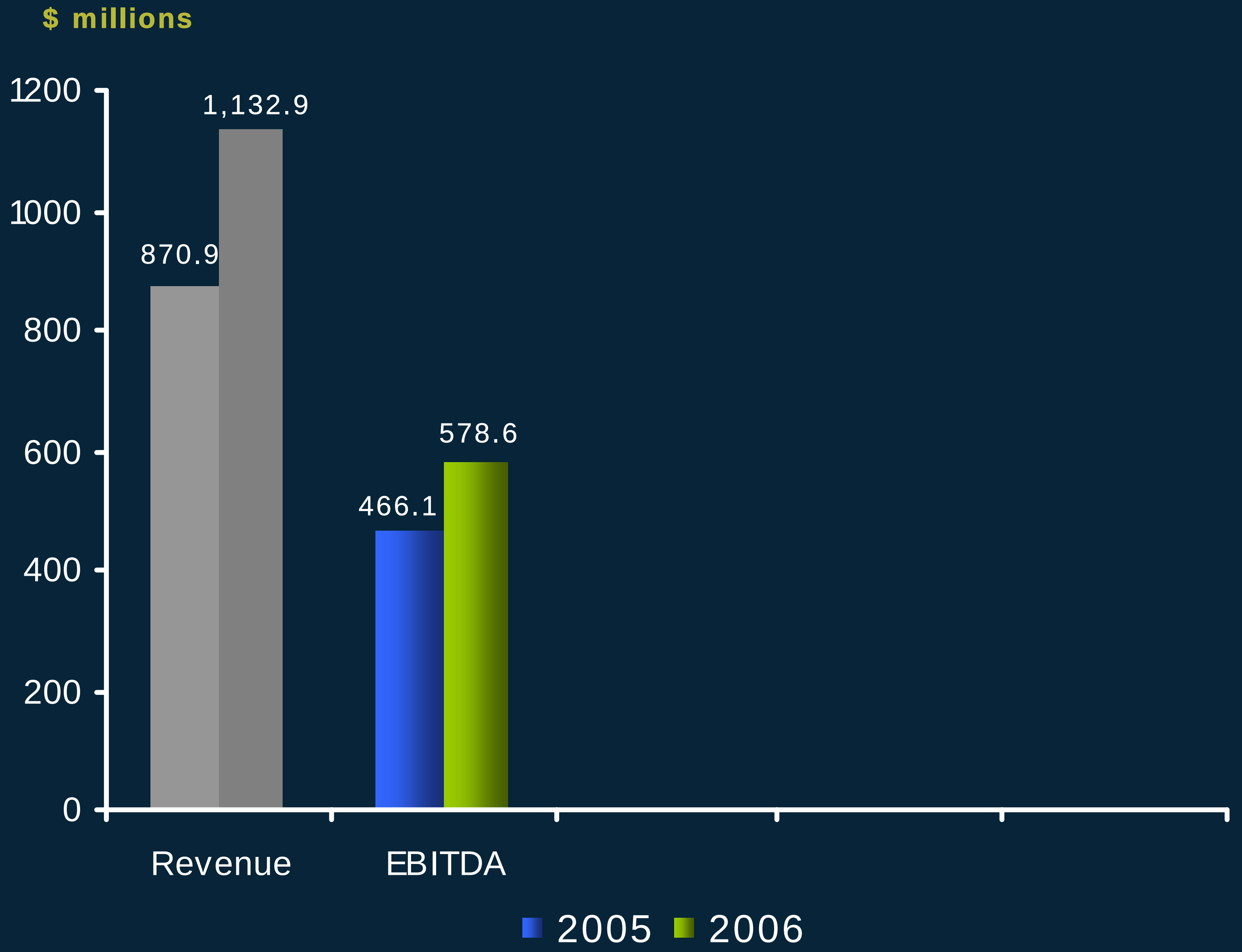
Operating cash flows increase by 44.3% ...



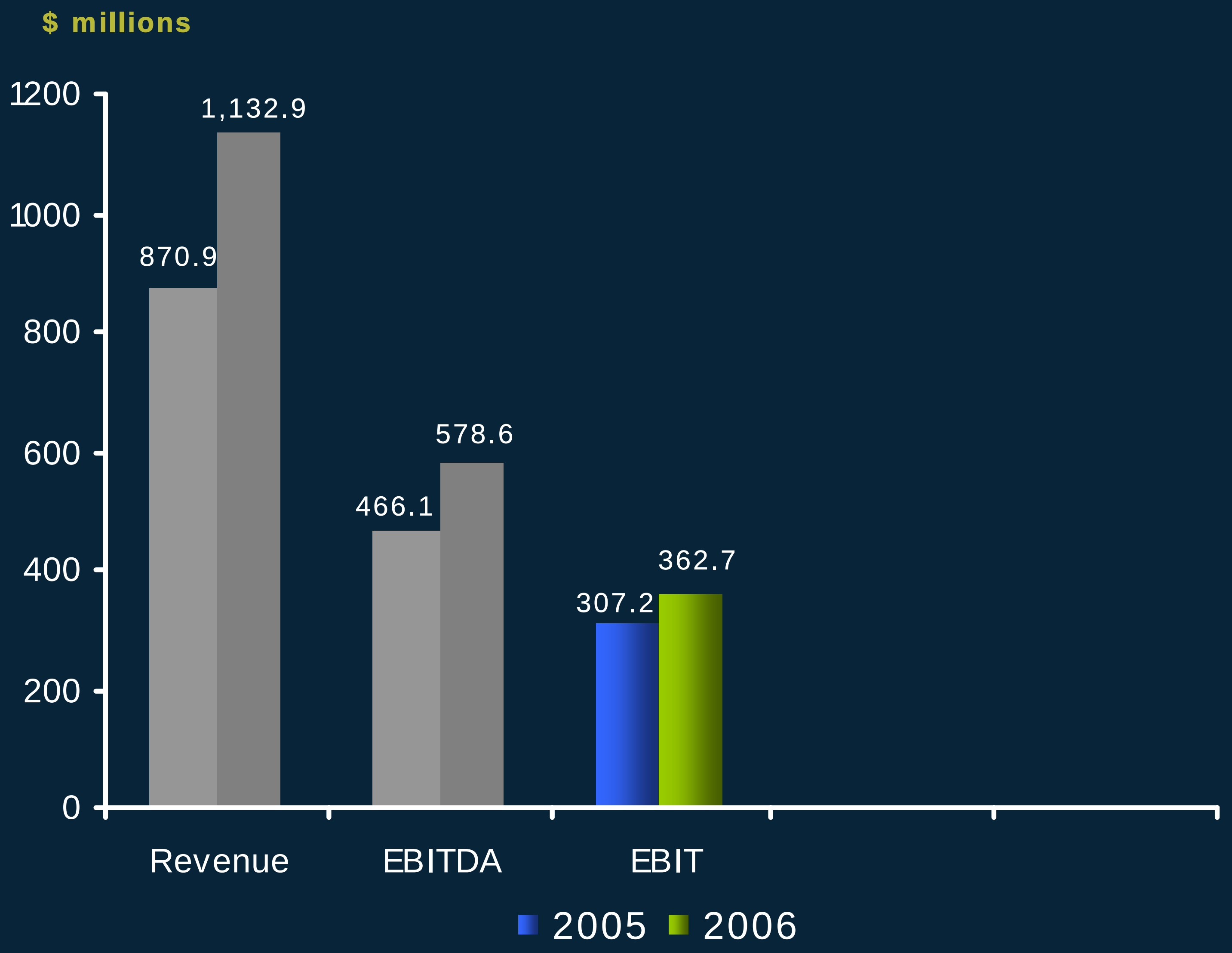
Our diversified businesses lift revenues by 30.1%...



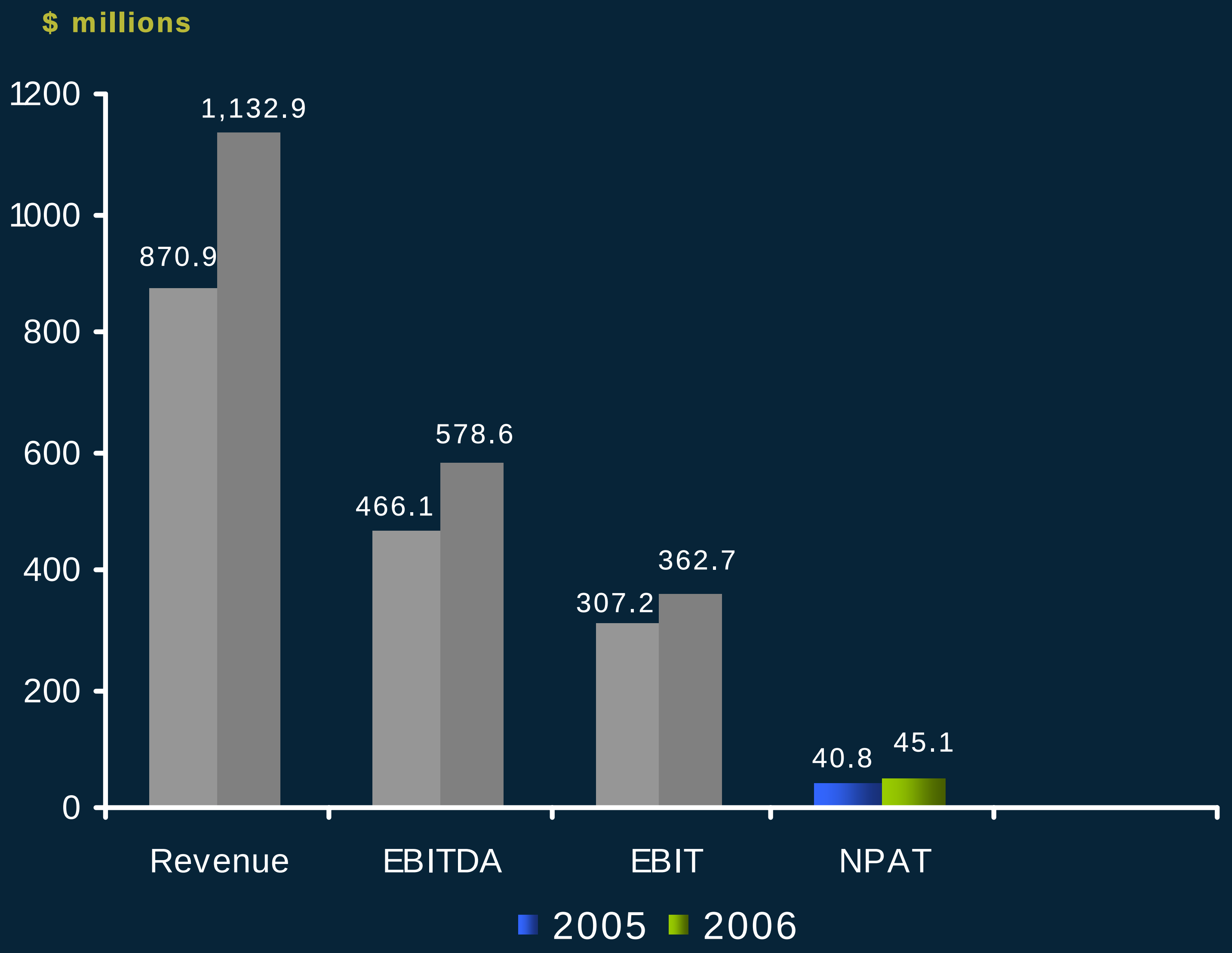
Although costs are also higher, EBITDA increases by 24.1%…



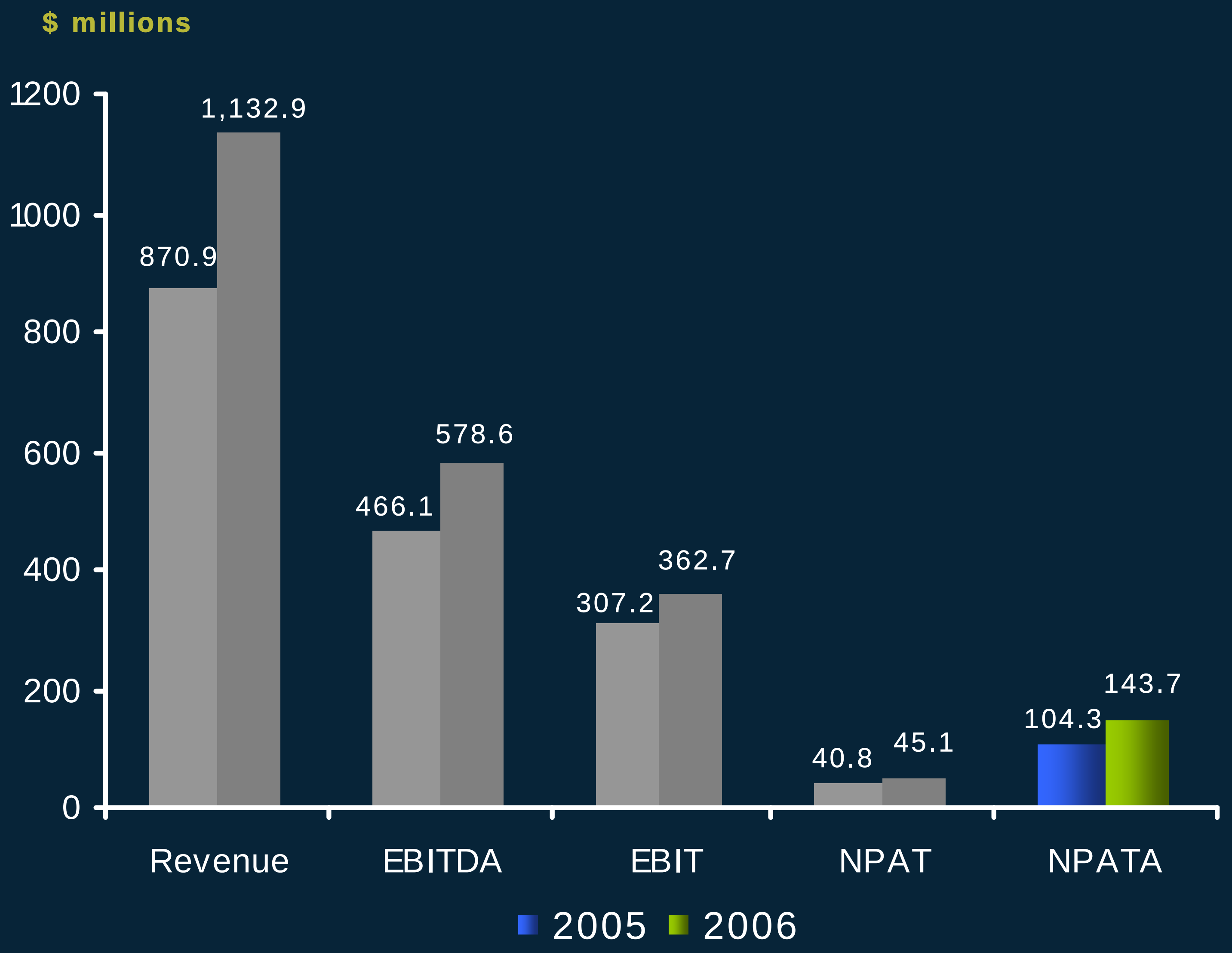
EBIT increases by 18.1% after allowing for higher depreciation and amortisation…



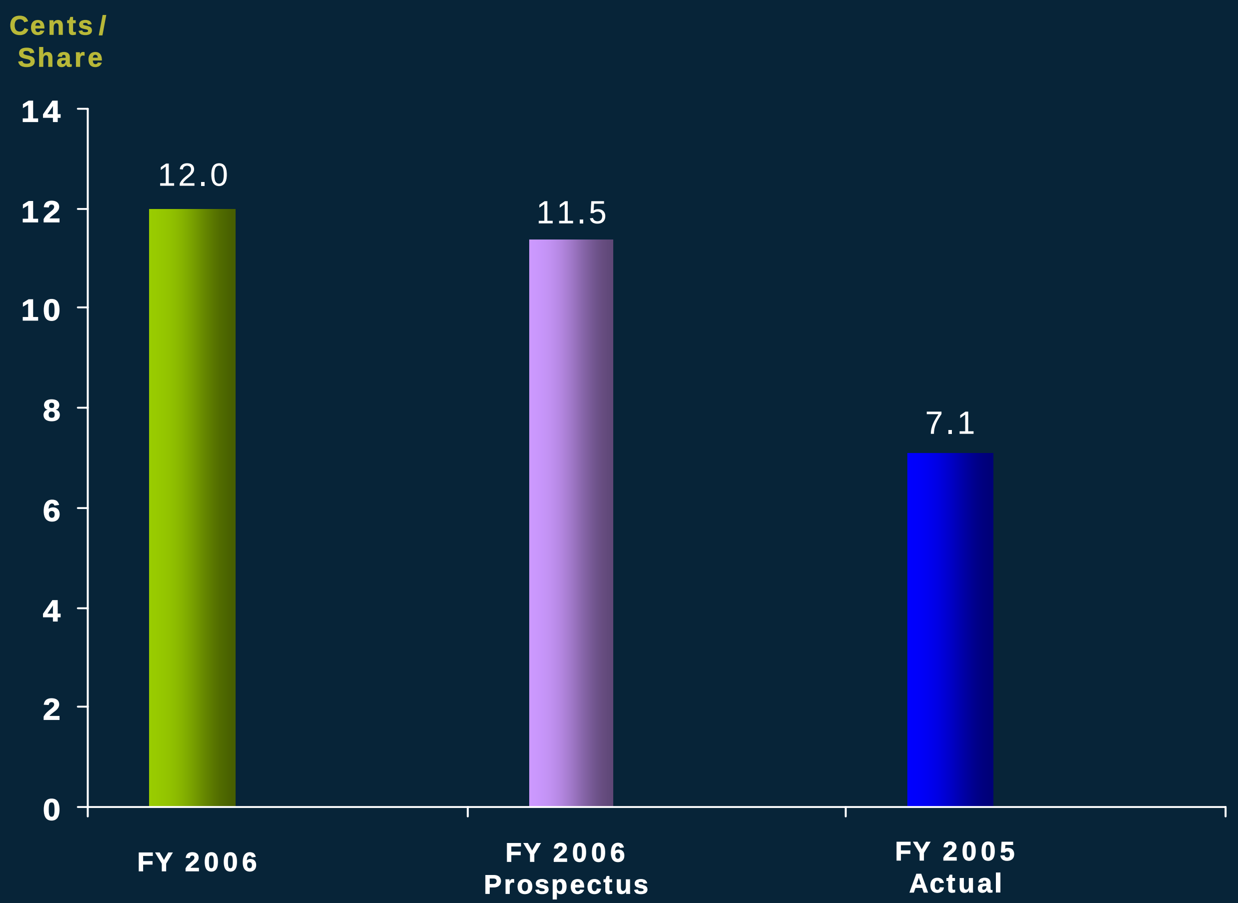
NPAT increase of 10.5% reflects astute interest cost management, and early move to full NGC ownership…



NPATA increases by 37.8%...

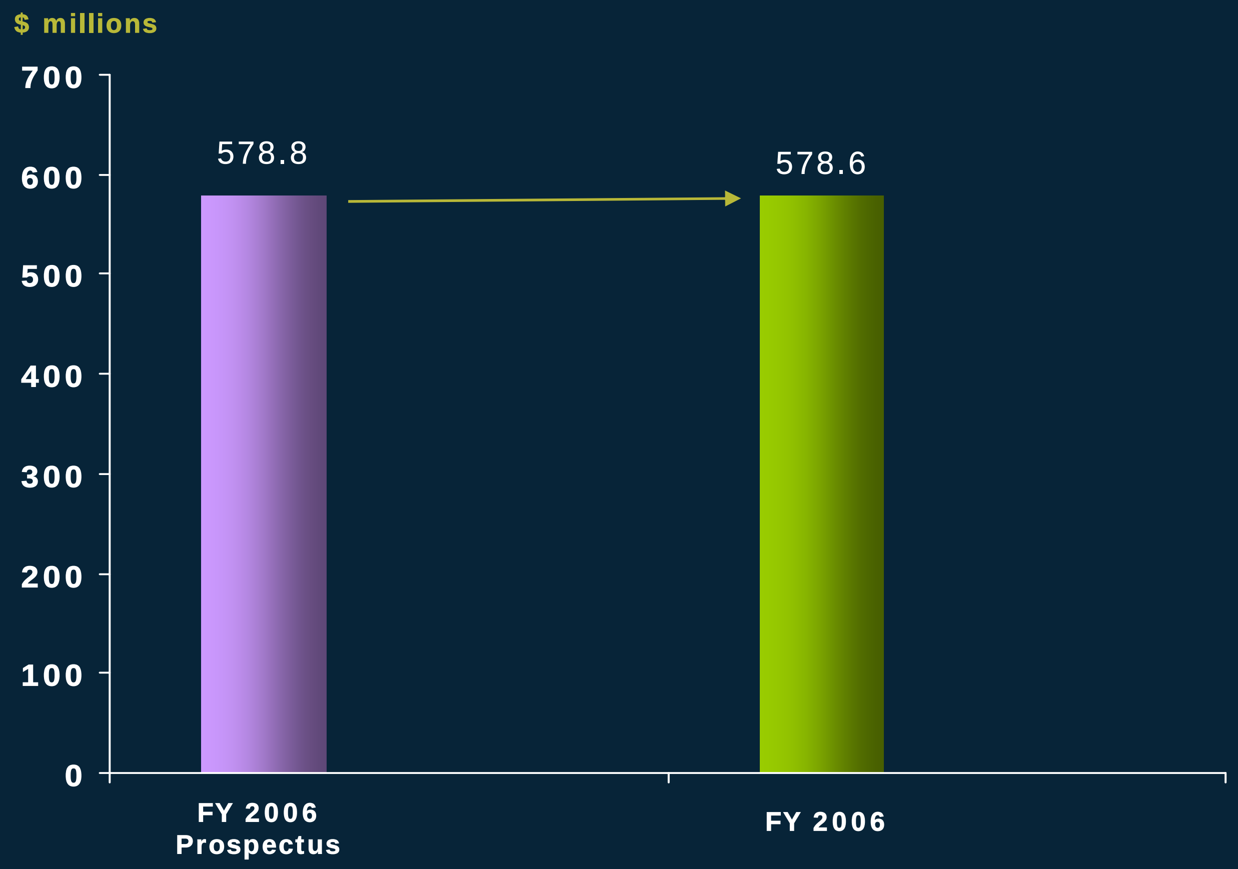


12 cps total dividend amounts to $120 million – or 83.5% of NPATA...

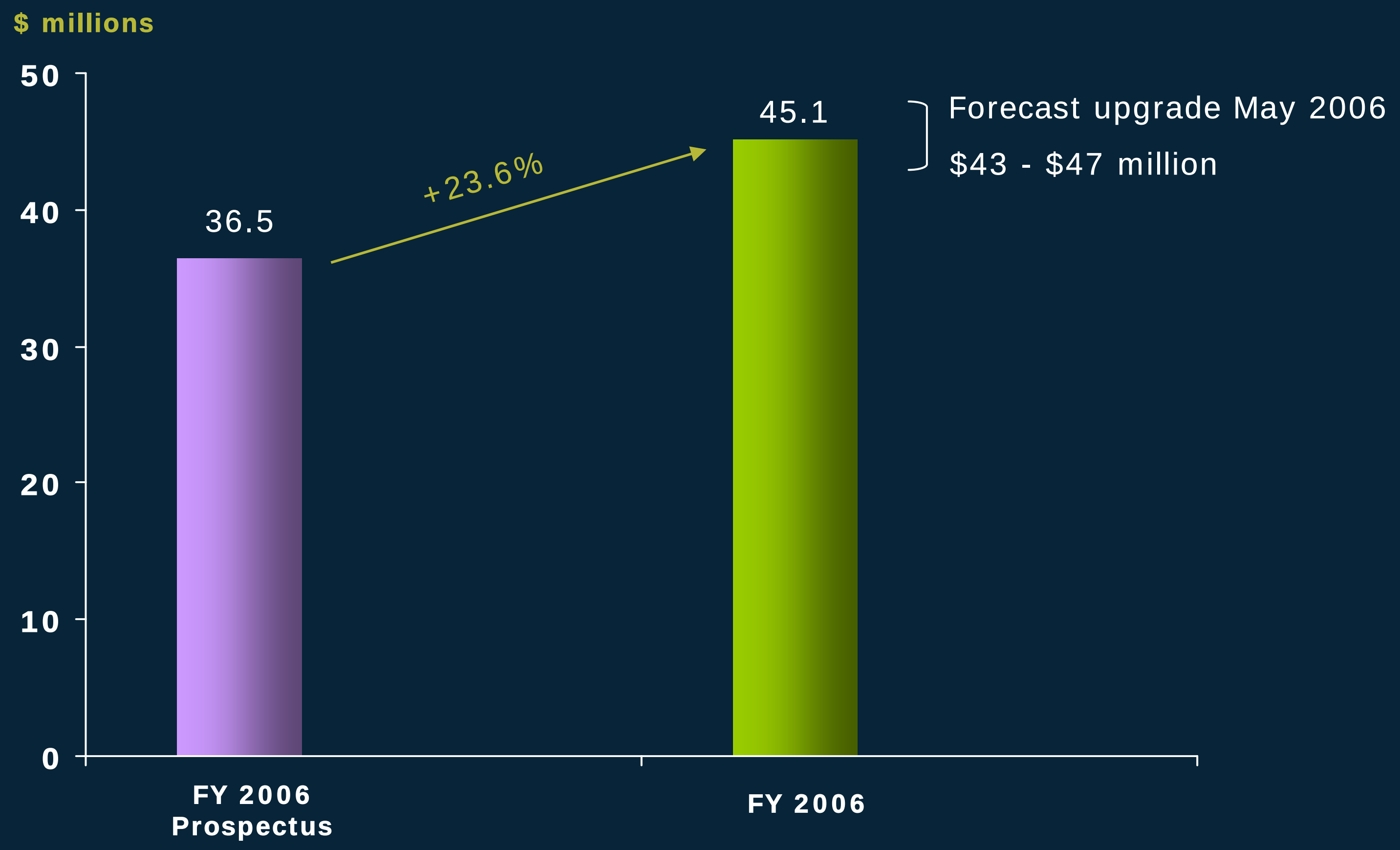


- All dividends shown are fully imputed
- FY 2005 based on 751 million shares
- FY 2006 based on 1 billion shares

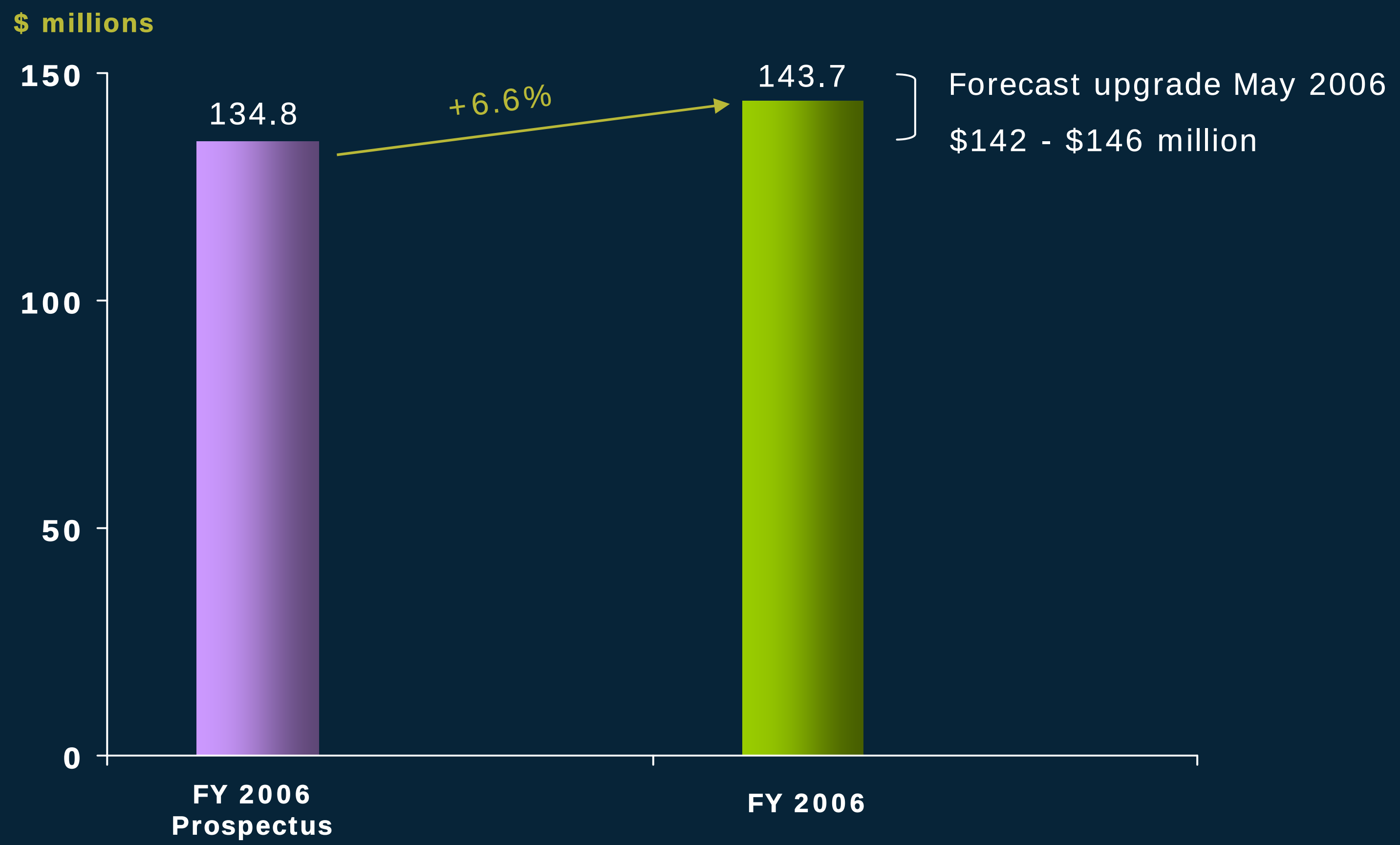
EBITDA in line with prospectus forecast...



NPAT 23.6% above prospectus forecast and in the mid-range of the May ’06 upgrade…



NPATA 6.6% above prospectus forecast and also in the mid-range of the May '06 upgrade…



Vector has implemented an active capital management programme…

- IPO proceeds used to repay $354.4 million pre-IPO securities
- Refinanced $1 billion acquisition facilities and NGC debt
- Issued 10, 12 and 15 year credit wrapped floating rate notes at attractive rates
- Capital management programme continues:
  - reset of $307.2 million capital bonds in December 2006
  - $200 million of medium term notes due for repayment on 7 April 2007

Our gearing of 61.5% is well within our target range and appropriate for a company of our size...

Asset Backing and Capital Structure		2005	Prospectus (1)	2006
Net Debt	$m	3,147.6(2)	3,067.8	3,081.1
Equity/Total assets	%	21.6	28.0	33.7
Debt*/Debt*+Equity	%	75.1	67.9	61.5
Interest (net) cover	X times	1.6	1.6	1.6

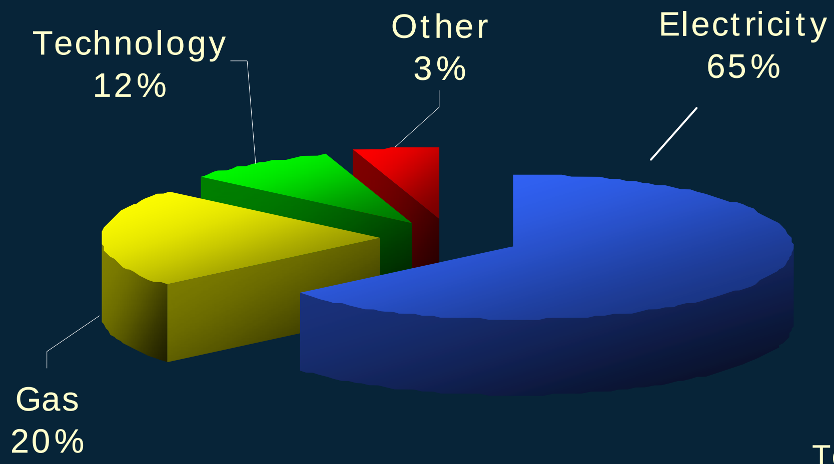
* net debt

(1) Prospectus as at 30 June 2006

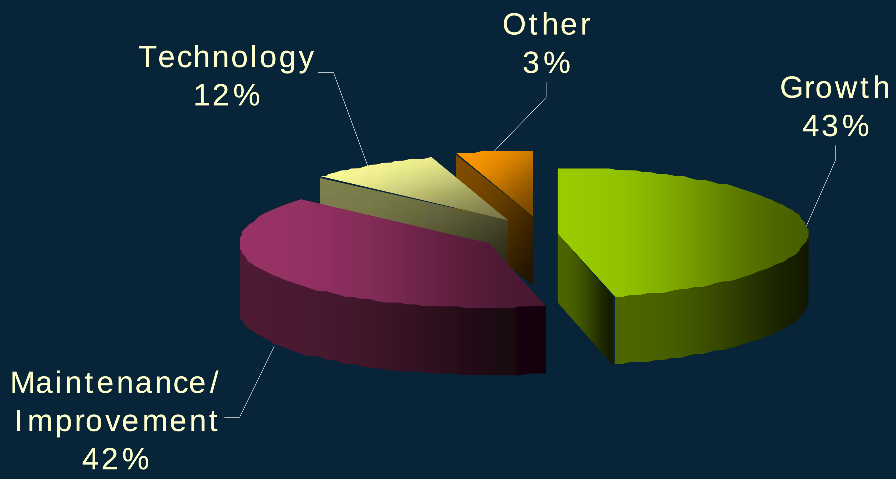
(2) Includes PIPES $354 million as debt under NZ GAAP

Our commitment to improving our utility service reliability and to meet demand growth is reflected in unprecedented capital expenditure of $225.2 million…

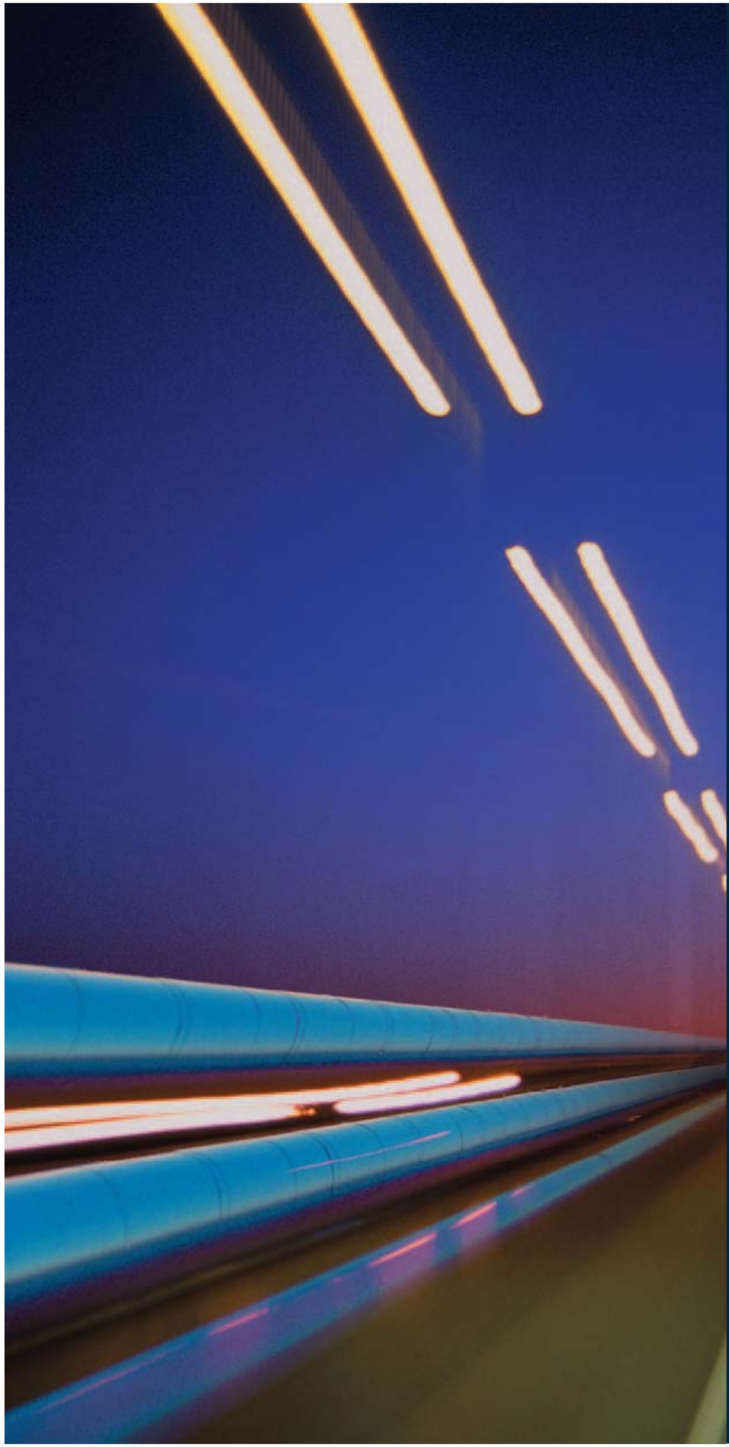
Capital expenditure – by business



Capital expenditure – by type



Regulatory Developments



Mark Franklin

Chief Executive Officer

Vector

We have successfully brought together two major companies through a carefully phased integration programme…

NGC / Vector
- Separate businesses
- Same reporting lines

August 05	**Phase One**	▪ Organisation structure ▪ Senior exec consultation and appointments ▪ Integration projects scoping

ONETEAM
- Single business
- Different reporting lines

October 05	**Phase Two**	▪ Specific functional accountabilities ▪ DR consultation and appointments ▪ Integration projects continue
February 06	**Phase Three**	▪ Wider organisation roles and appointments ▪ Employee consultation

ONETEAM
- Single business
- Organisational structure & reporting lines implemented

April 06 onwards	**Phase Four**	▪ Branding ▪ Support systems ▪ Policy ▪ staff development ▪ cultural alignment etc….

Vector

Our organisation structure is designed to meet the needs of today as well as the next stage of our development…

Infrastructure

Support businesses (Utilitech, Treescape)	Gas & LPG Sales	Gas	Electricity	Meters	Communications	New Infrastructure Opportunities

Shared Services

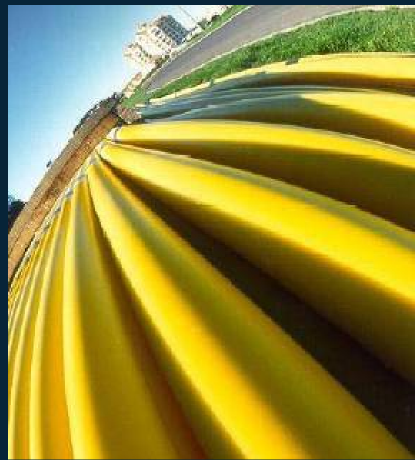
Repositioning core

Related services

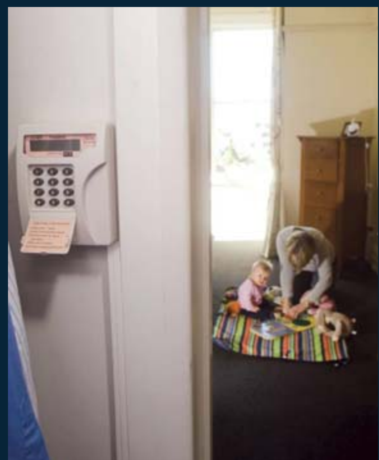
Core platform

Emerging business growth opportunities

Vector


Business Unit Performance


Vector

Urban spread and increased population density place greater demands on our electricity networks…

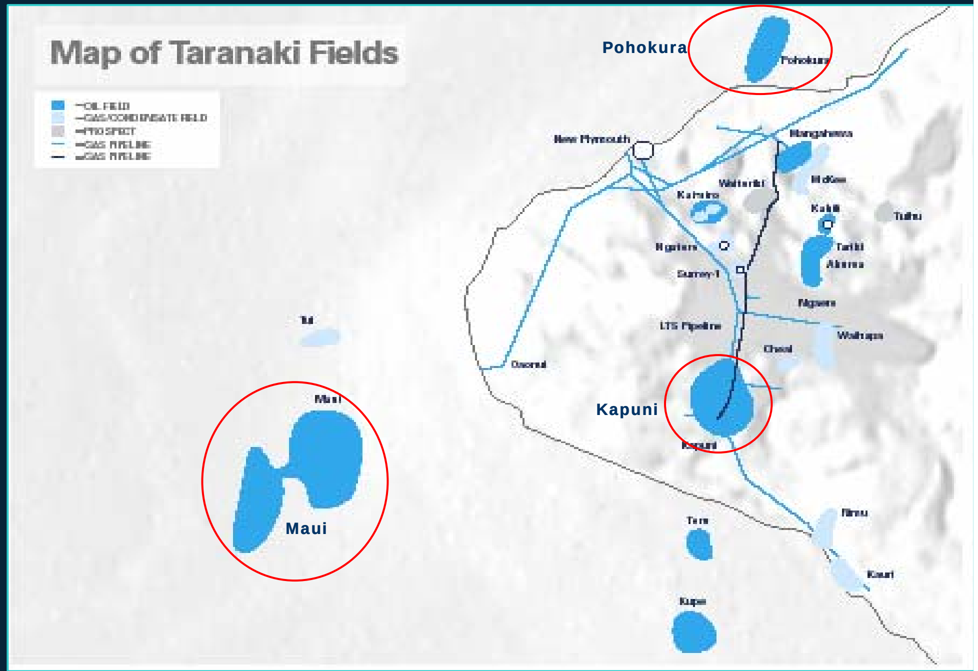
- Although affected by the warm 2005 winter, increased throughput, new customer connections and cost containment contribute to a 4% EBITDA increase to $364.5 million

Our expanded gas sector interests have significantly increased the earnings contribution from the gas business...

- EBITDA increases by 59.5% to $207.1 million, on 79.2% higher revenues of $486.1 million

We have a robust portfolio of natural gas entitlements from New Zealand’s three largest fields …

- Industrial and large commercial customers provide a solid natural gas sales base



Our significant LPG activities provide flexibility in our ability to offer gas solutions to customers…

- LPG customers have increased by 12.8% to 15,489

Our gas treatment plant at Kapuni is strategically placed to assist further gas field development in Taranaki…

- Performance improvement initiatives have led to record plant availability and utilisation levels

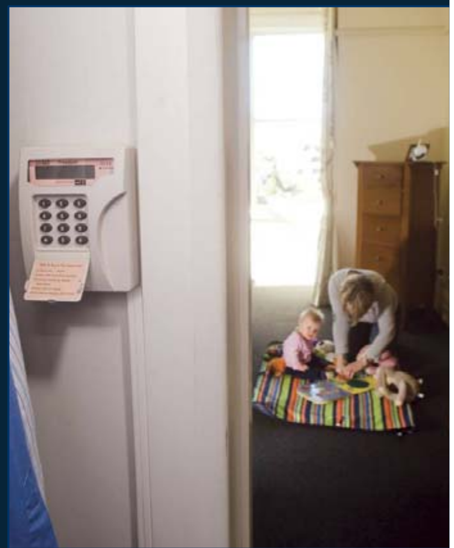
We have replaced our multiple gas market brands…

...with a new national brand that makes it easier for customers to get onto gas...

Vector

Our advanced telecommunications and metering technologies will help shape our future development…

- Technology businesses contributed 75.9% higher EBITDA of $41.9 million
- $12.6 million was invested in our fibre optic telecommunications network development in 2005/06
- Higher global energy costs create a need for demand-side management solutions through intelligent metering



Utilitech is expanding its training facilities and courses to overcome an industry skills shortage…

- Demand for training services lifts Utilitech's revenue by 50%

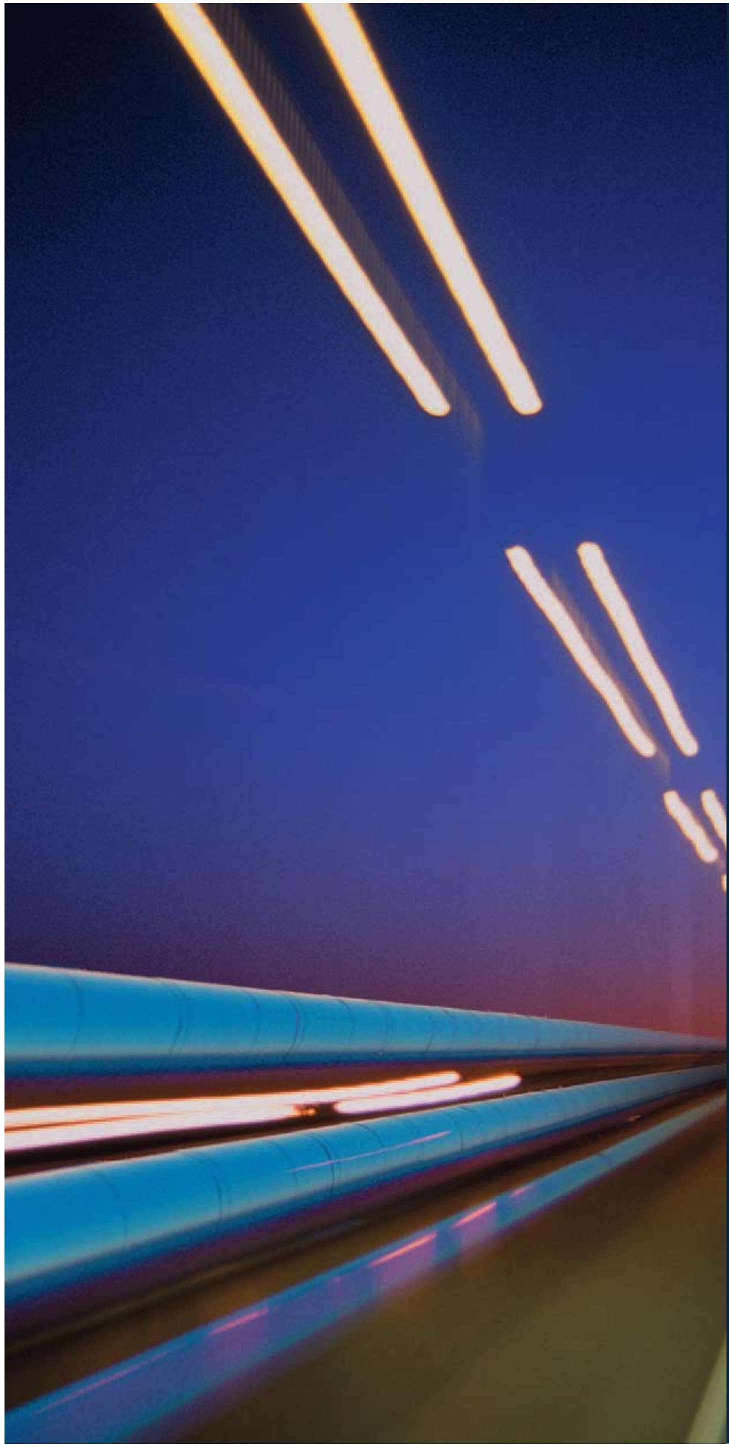
Vector

Key policies and practices are now adopted on a company-wide basis...

- Ensuring consistent risk assessment and management
- Targeted safety programmes under a one-company HSE regime
- Focus on IT systems crucial to our technology-oriented future

We maintain electricity supplies for 99.98% of the time and constantly seek to enhance network reliability…

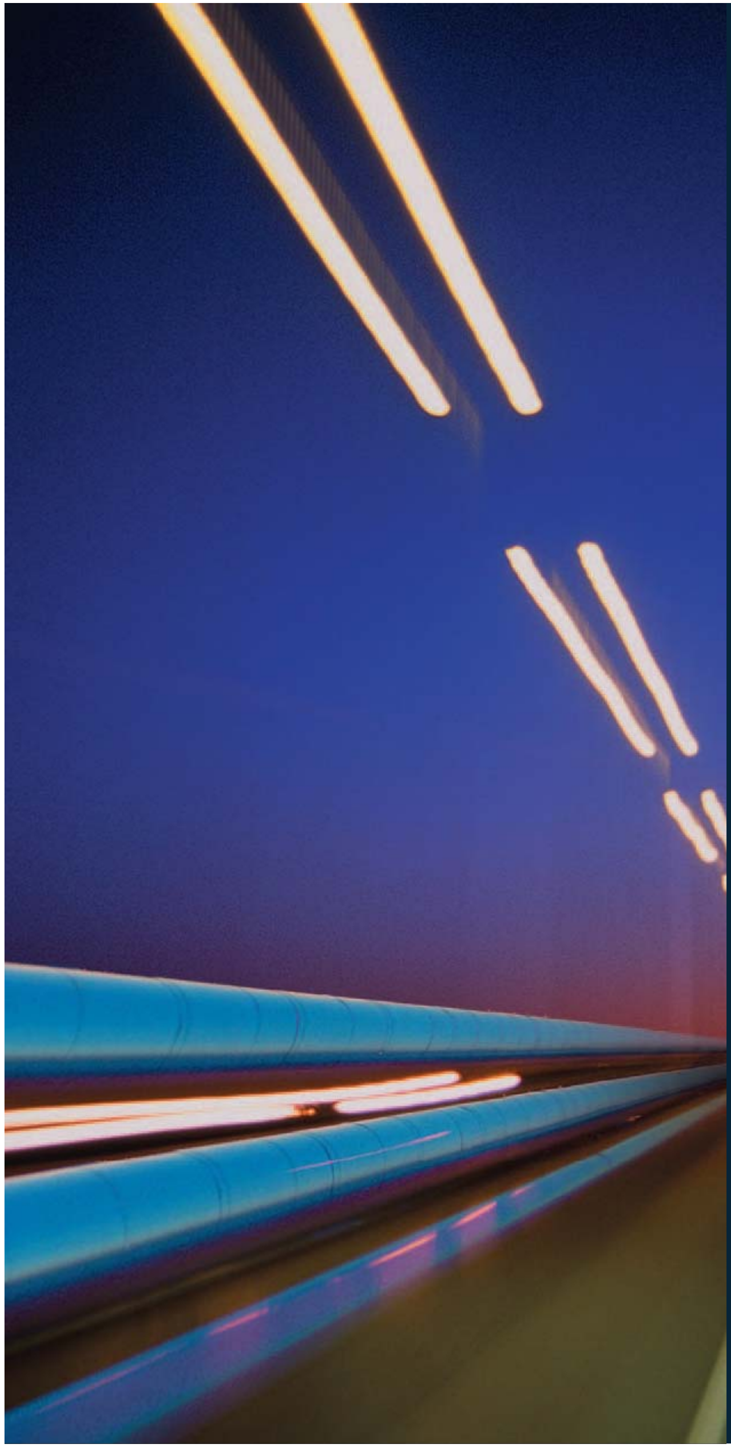
- We are working with the industry to find enduring electricity supply security solutions for Auckland
- Reserves development and import options underpin gas supplies



Vector

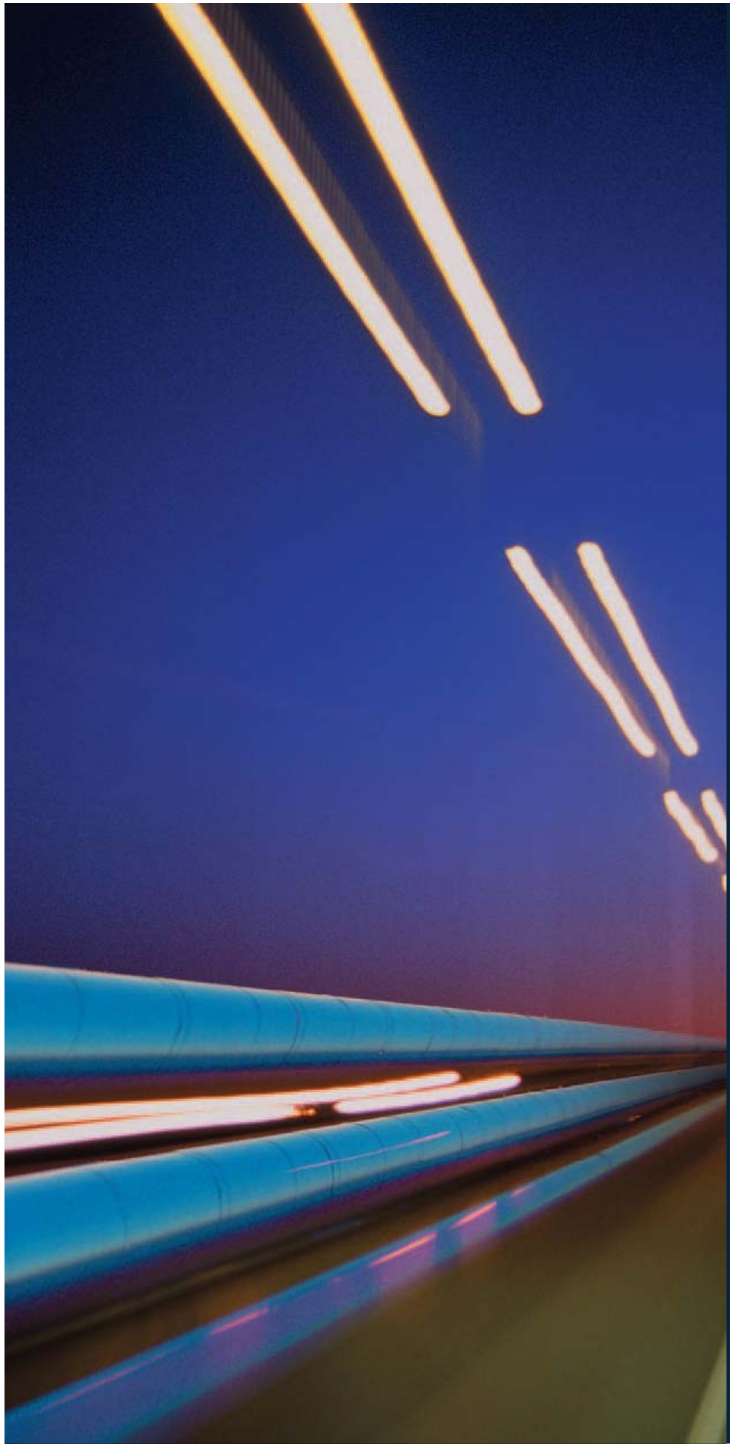
Mark Franklin

Chief Executive Officer



Michael Stiassny

Chairman

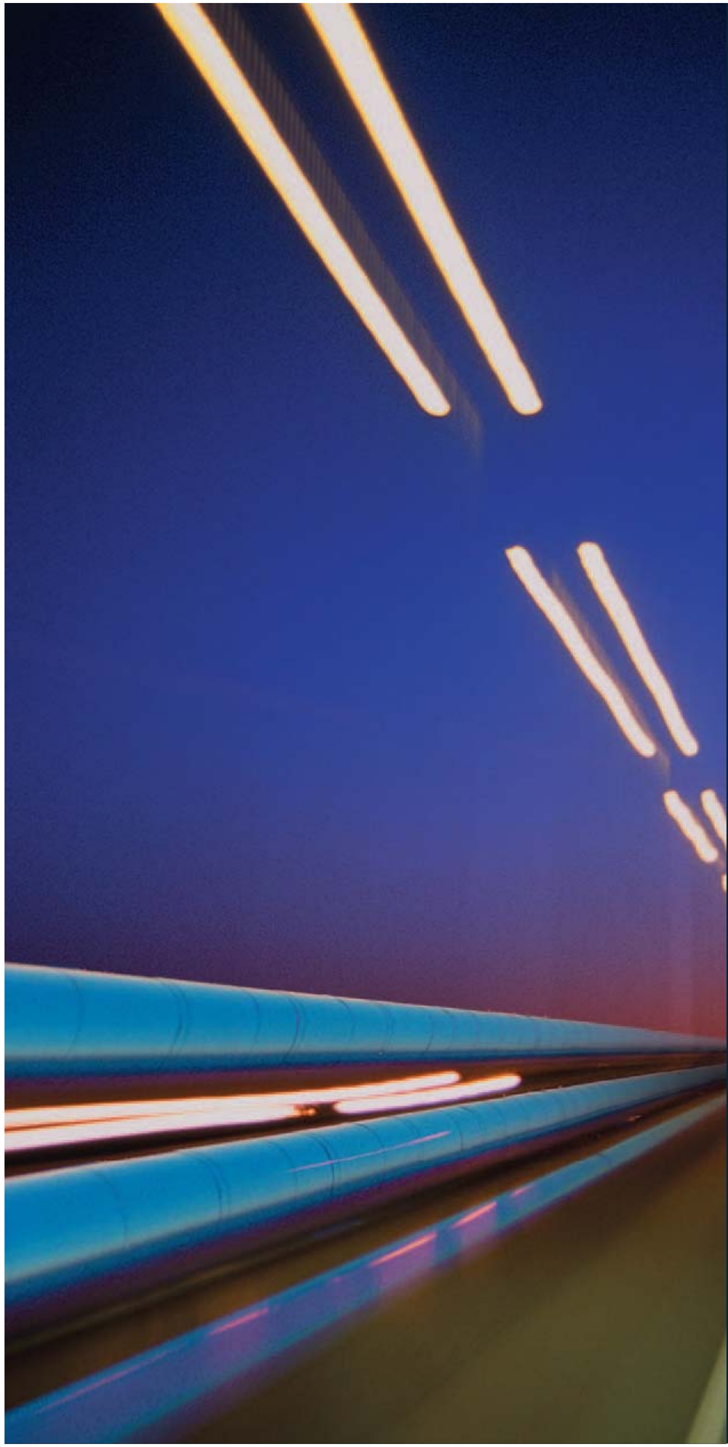


Vector

Agenda Item 1

Discussion –

Annual Report
Financial Statements
Audit Report



Vector

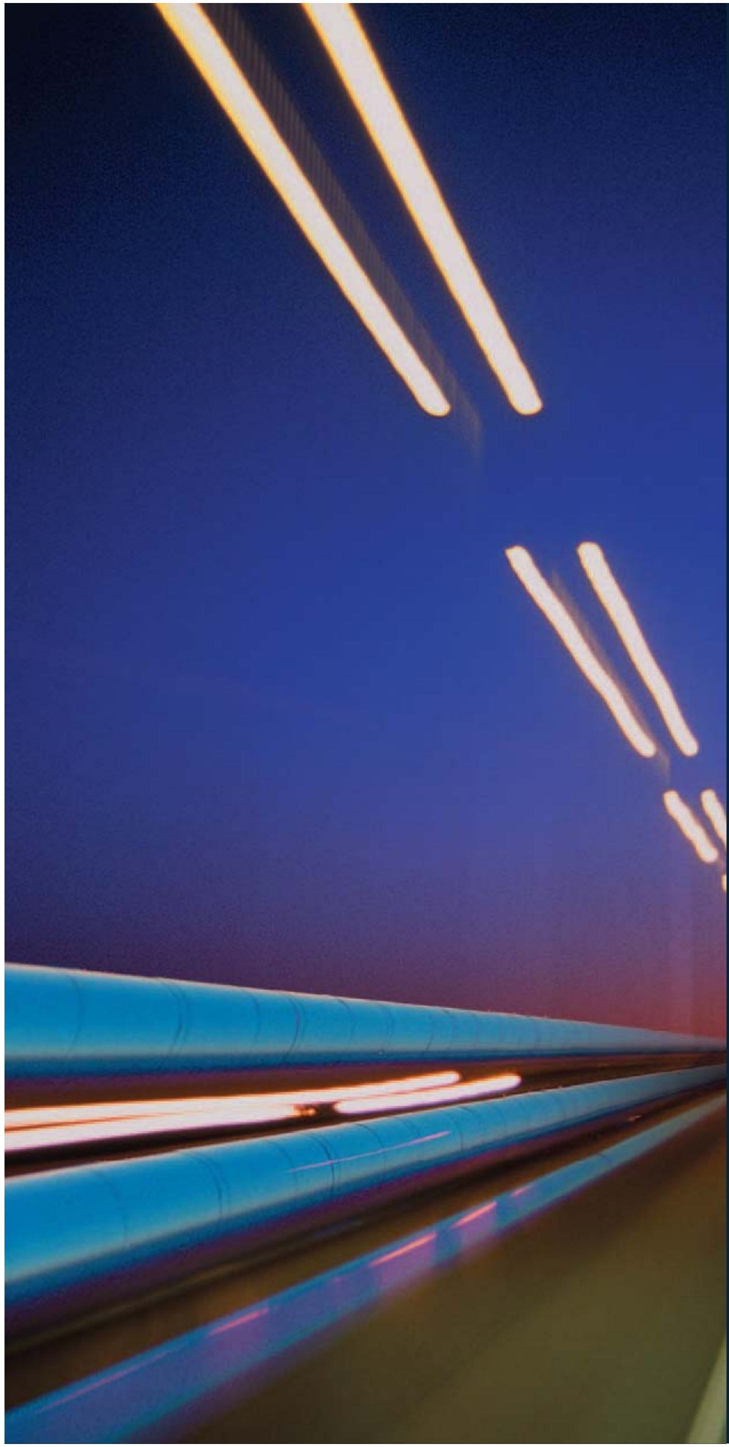
Agenda Item 2

Election of Directors

Agenda Item 2 – Election of Directors

i. to re-elect Michael Stiassny as a director

Proxy Voting	
For	806,080,535
Against	1,813,091
Abstain	1,322
Discretionary	1,642,862
Additional discretionary held by the Chairman	894,932



Vector

Agenda Item 2

Election of Directors

Agenda Item 2 – Election of Directors

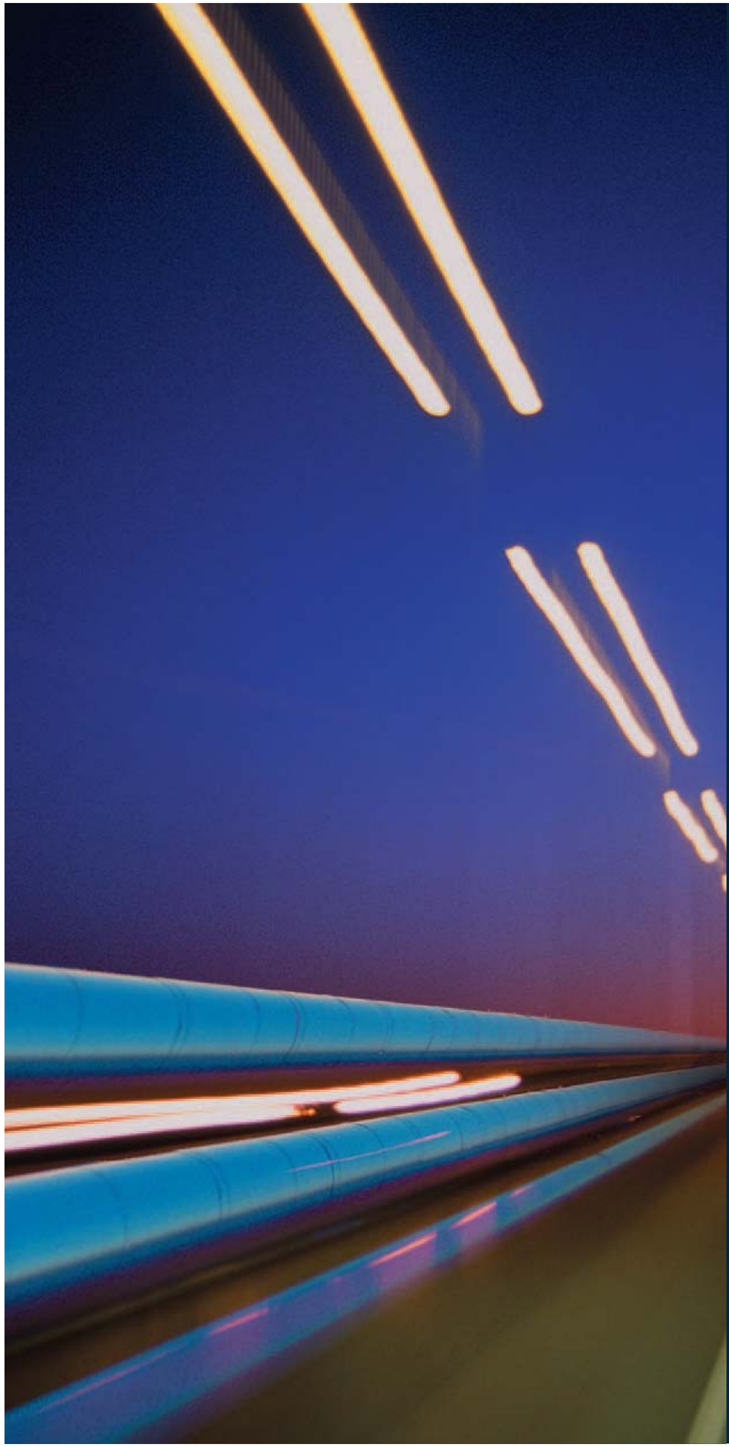
ii. to elect Shale Chambers as a director

Proxy Voting	
For	805,674,911
Against	2,106,048
Abstain	---
Discretionary	1,638,661
Additional discretionary held by the Chairman	1,013,122

Agenda Item 2 – Election of Directors

iii. to elect Karen Sherry as a director

Proxy Voting	
For	805,642,145
Against	2,180,740
Abstain	---
Discretionary	1,636,885
Additional discretionary held by the Chairman	972,972



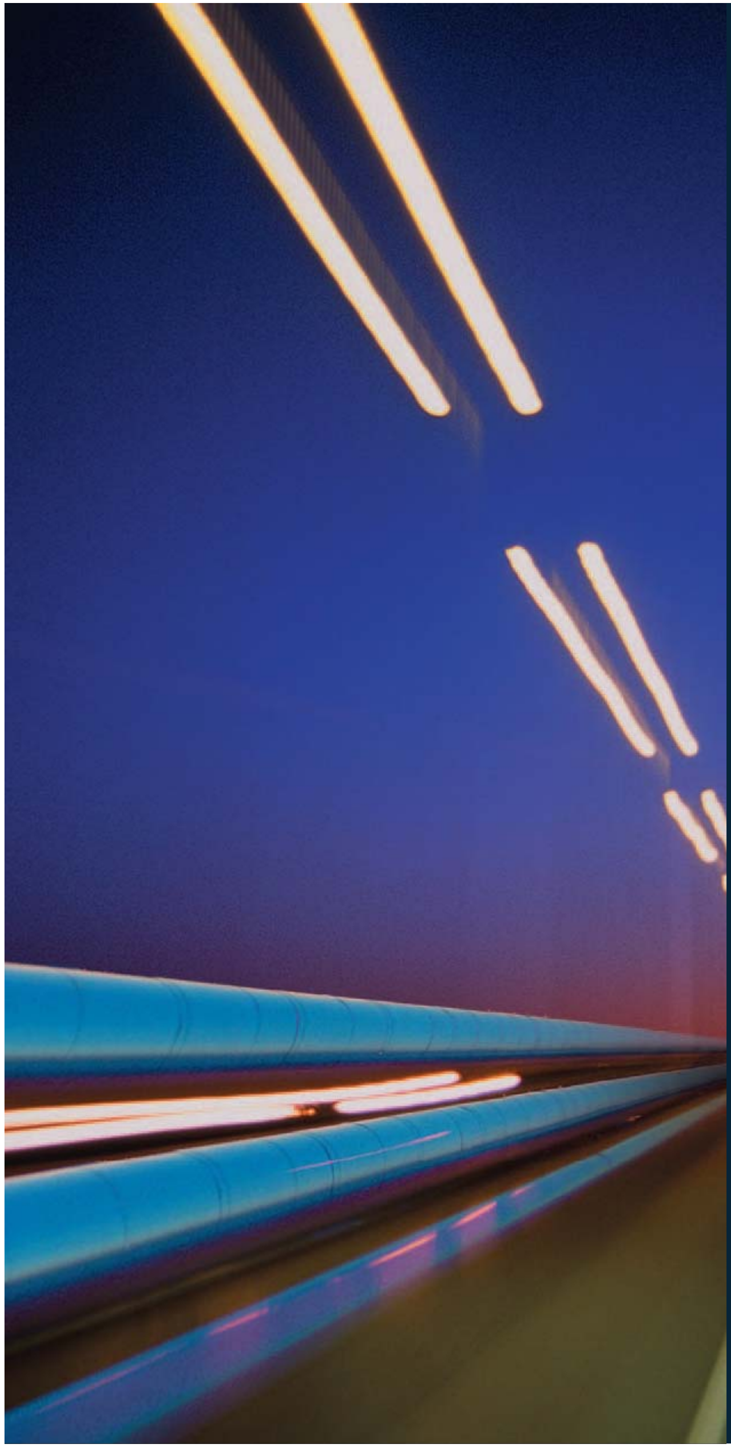
Vector

Agenda Item 3

Appointment and Remuneration of the Auditor

Agenda Item 3 – Appointment and Remuneration of the Auditor

Proxy Voting	
For	807,681,585
Against	86,705
Abstain	---
Discretionary	1,649,599
Additional discretionary held by the Chairman	1,014,853

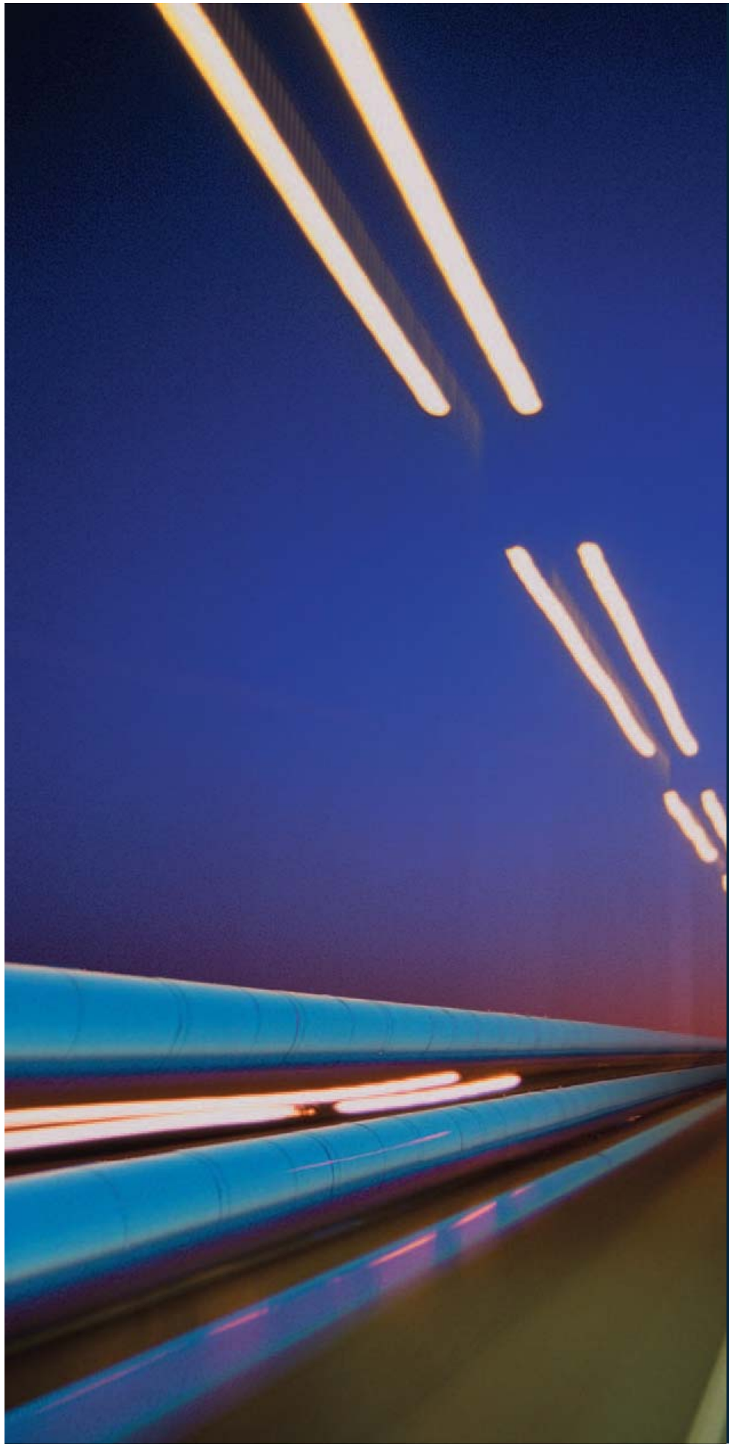


Agenda Item 4

Alteration to the Constitution

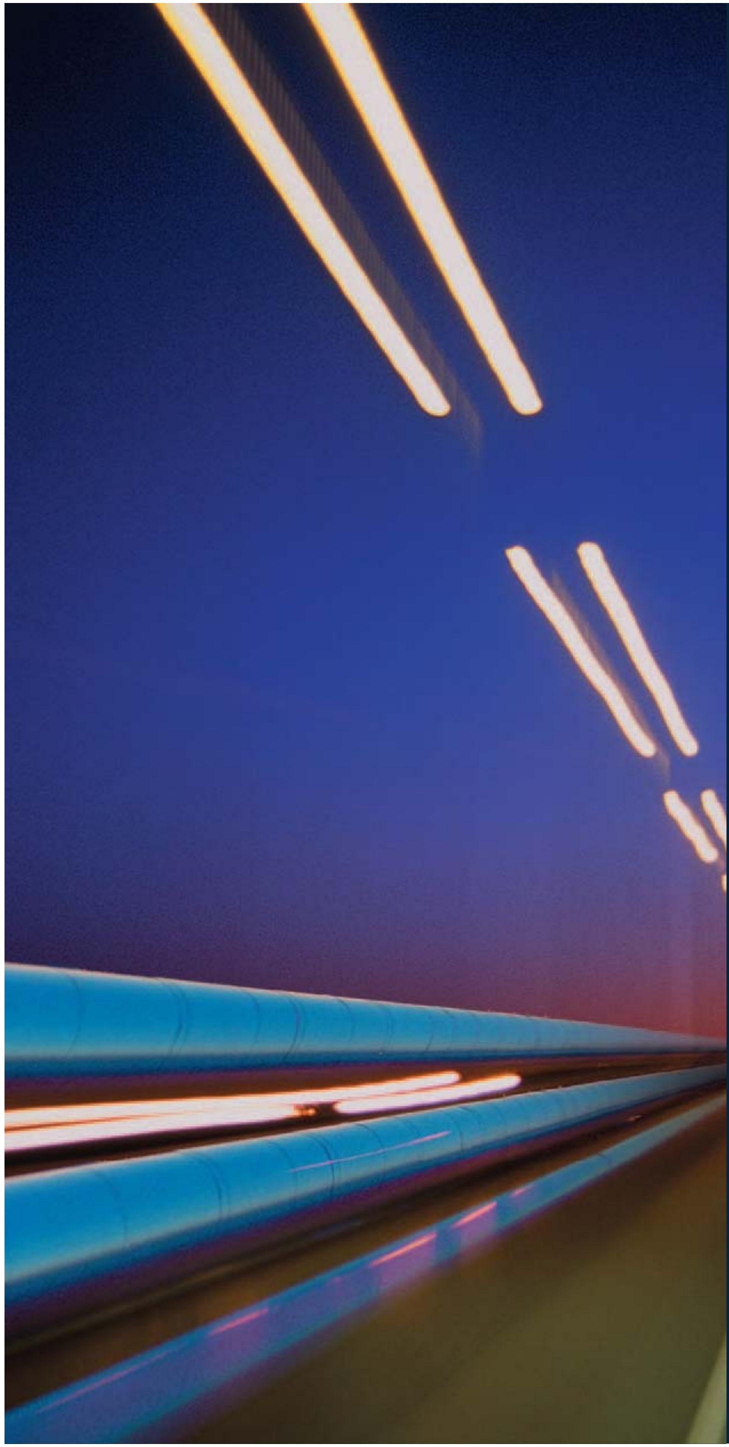
Agenda Item 4 – Alteration to the Constitution

Proxy Voting	
For	807,238,641
Against	277,413
Abstain	---
Discretionary	1,688,363
Additional discretionary held by the Chairman	1,228,325



Michael Stiassny

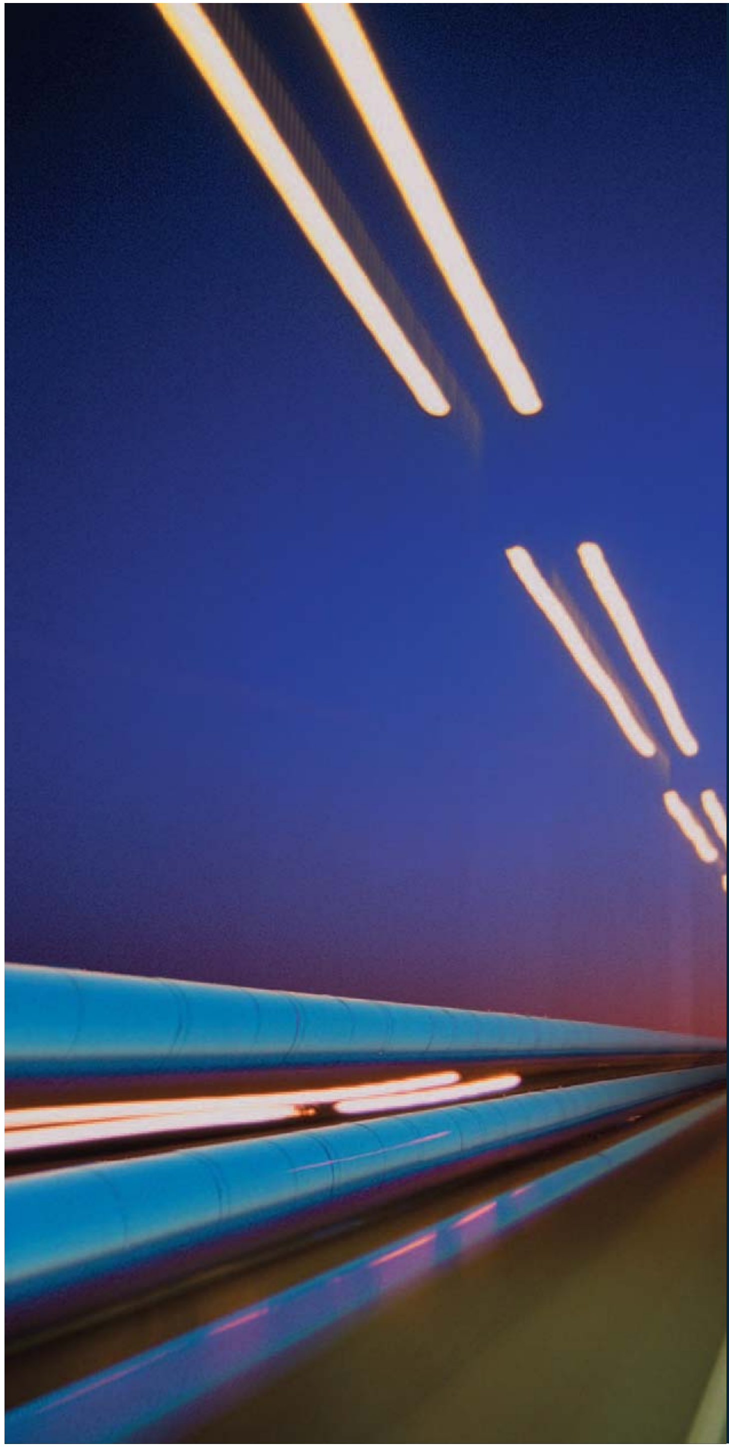
Chairman



Vector

Annual Meeting

2006



General Business