Vector at a glance

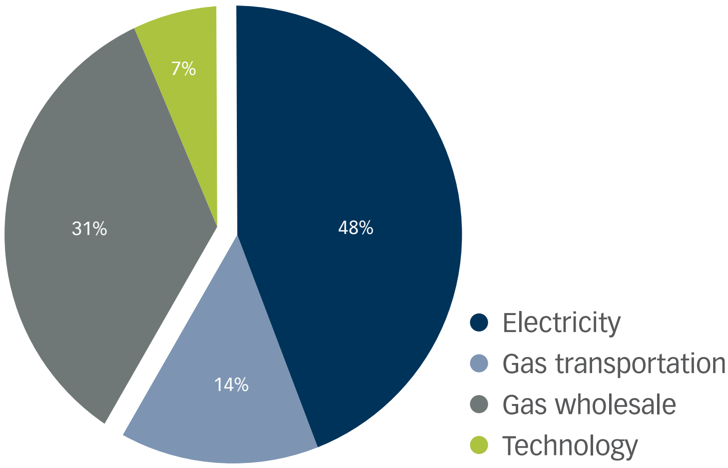
Summary of operations

- New Zealand's largest owner and manager of energy infrastructure networks

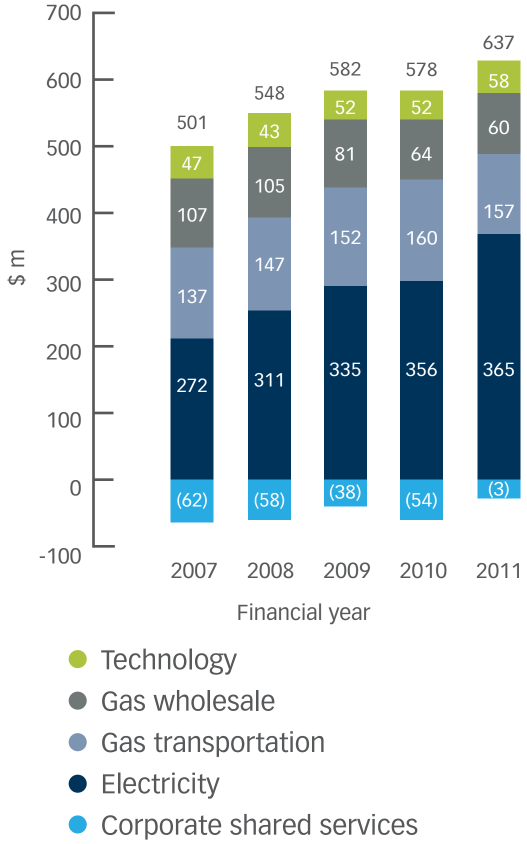
  #1 provider of electricity distribution
  #1 provider of gas transmission and distribution
  #2 retailer of LPG
  #1 provider of electricity and gas metering
  #1 independent open access urban fibre network

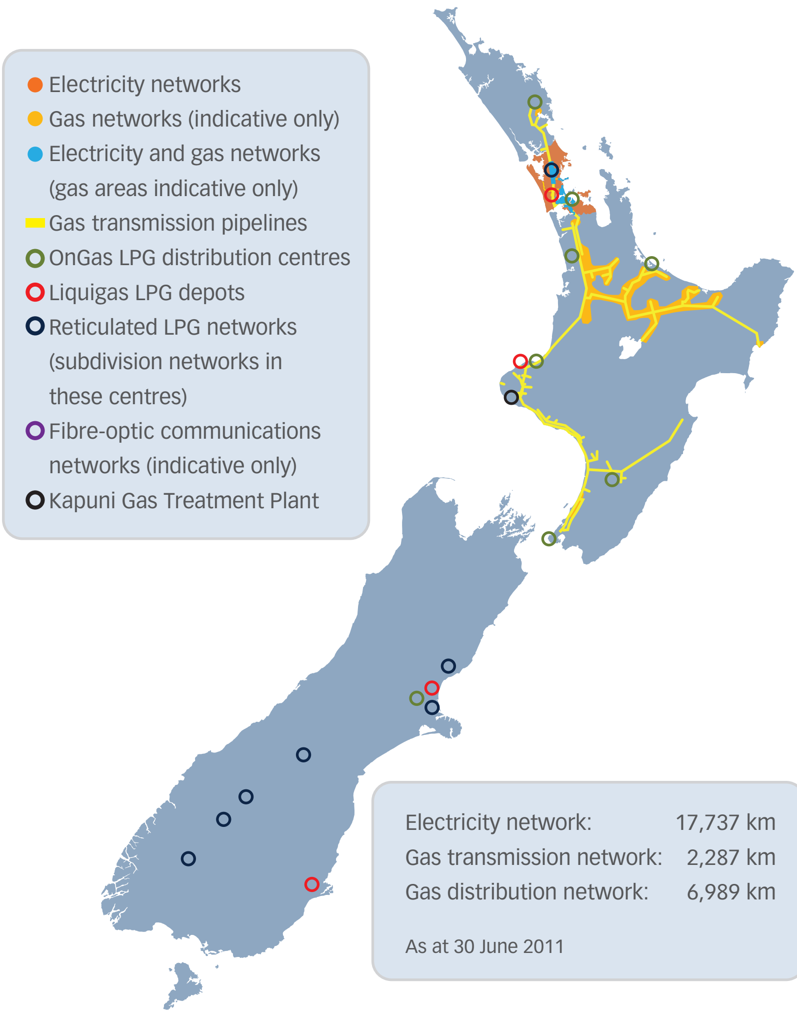
- Approximately 60% of revenue sourced from regulated assets

Revenue for year ended 30 June 2011



EBITDA





Electricity network:	17,737 km
Gas transmission network:	2,287 km
Gas distribution network:	6,989 km

As at 30 June 2011

Investment profile

Market capitalisation: $2.4 billion*
Shares outstanding: 996 million shares
Free float: 245 million shares
Credit rating: BBB+ stable (S&P)

*As at 26 August 2011

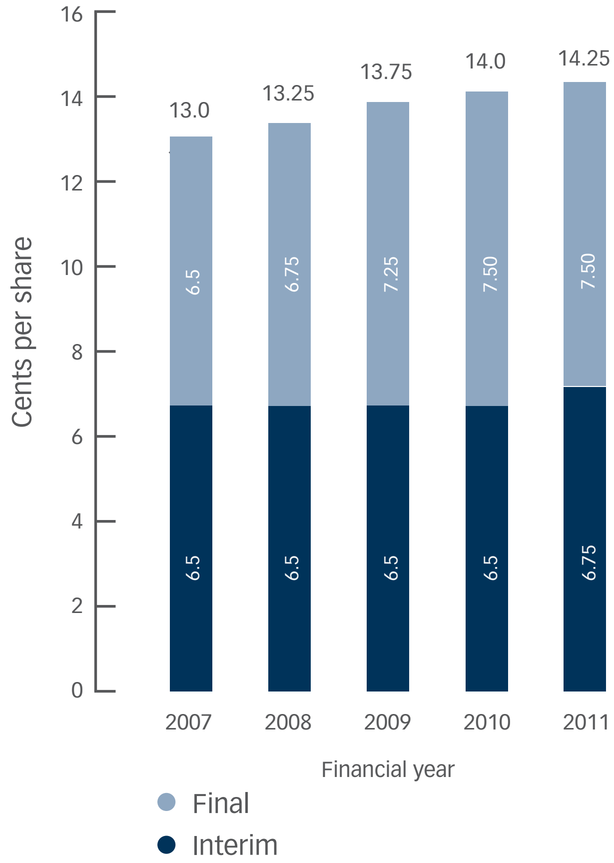
Shareholder return

- Balance between capital appreciation and dividend
- Dividend policy: target a dividend payout ratio of 60% of free cash flows on average over time (net of replacement capex) subject to maintaining an investment grade credit rating

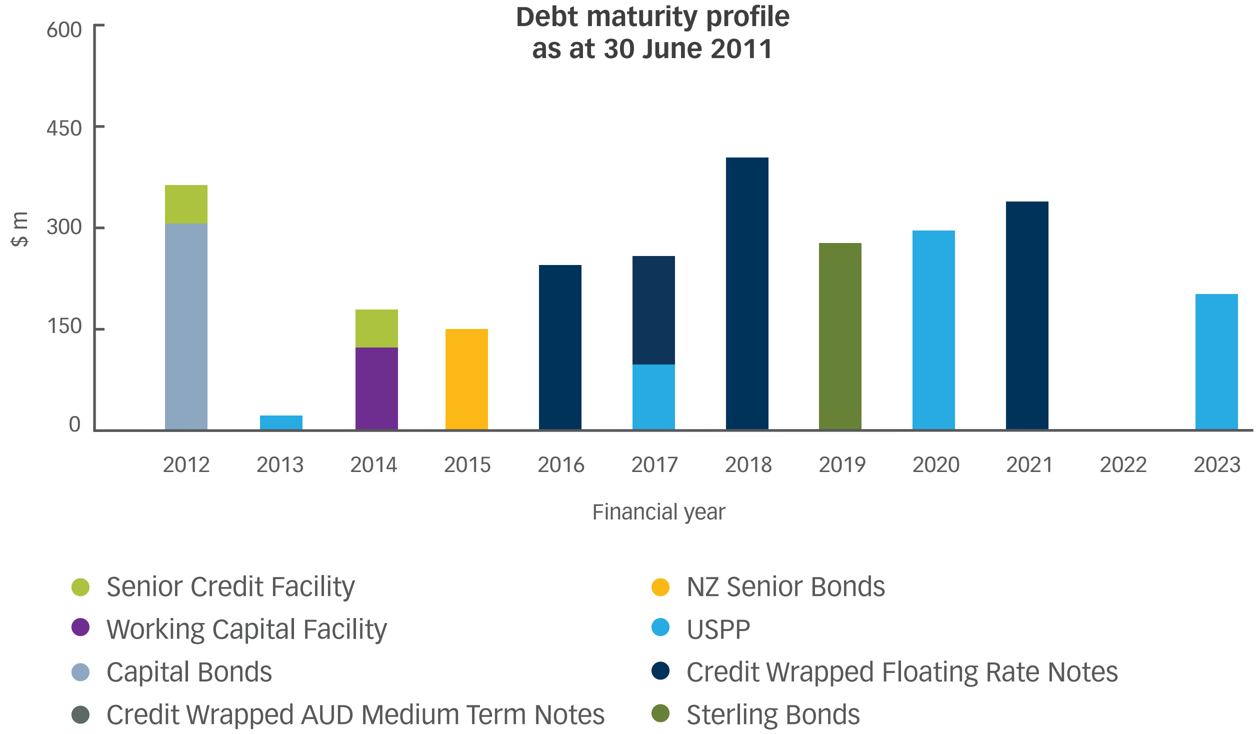
Capital structure

	As at 30 June 2011	2010
Net debt	$2,290m	$2,447m
Equity/total assets	38%	38%
Net debt/net debt+equity	52%	54%
Interest cover	2.6x	2.5x

Dividend declared



Debt maturity profile as at 30 June 2011



Regulation

- 2008 reforms to Commerce Act – regulation must provide incentive to innovate and invest
- Vector is currently in the middle of a regulatory reset that will govern prices and other inputs from 2012
- Input methodologies form the basis of the review of Vector's prices
  - Commerce Commission announced final decisions 23 December 2010
  - Electricity Distribution Businesses WACC 8.77% (75th percentile vanilla)
  - Gas Pipeline Businesses WACC not yet set
- Vector is appealing decisions via Error Of Law, Merits Review and Judicial Review
- Commerce Commission released draft default price path in July for Electricity Distribution Businesses
  - Currently proposing approximately 8.5% net average price reduction from April 2012
- To view Vector's submissions, please visit www.vector.co.nz/corporate/submissions

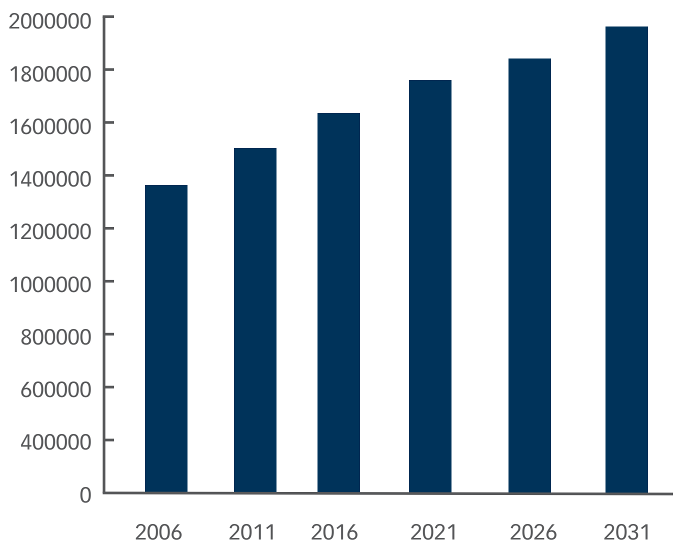
2012 Outlook

- Vector is focused on delivering reliable and sustainable dividends to our shareholders, and driving growth across its businesses
- We expect our 2012 full year EBITDA result to be slightly above the current market consensus

Growth opportunities

- Continued investment in our networks
  - greater Auckland population continues to grow
  - $2.3 billion of capex and maintenance across electricity networks in next decade
- Number of different options for our fibre business
  - good long term contracts and highly valuable assets
- Continued growth in our smart meter base
  - additional contracts as retailers move to smart meters
  - new uses for meters such as water

Greater Auckland population growth



Source: Statistics New Zealand

2011 Segment review

Electricity

- Total customer numbers continue to grow
  - growth in new connections fell reflecting less residental multi dwelling connections in H1
  - business connections grew
- Volume up for first time in 3 years despite warmer weather
- Inputs Methodology price path will take effect 1 April 2012

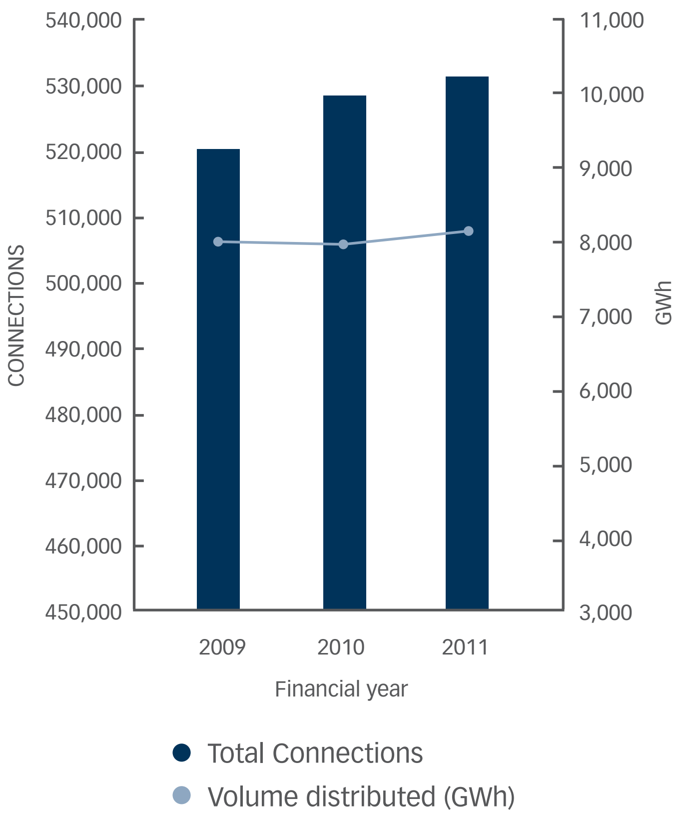
Gas transportation

- New gas connections up 3% reflecting growth in residential connections
- Gas transmission volumes up 9.5%
  - Kupe online December 2009
- Inputs Methodology price path will take effect 1 July 2012

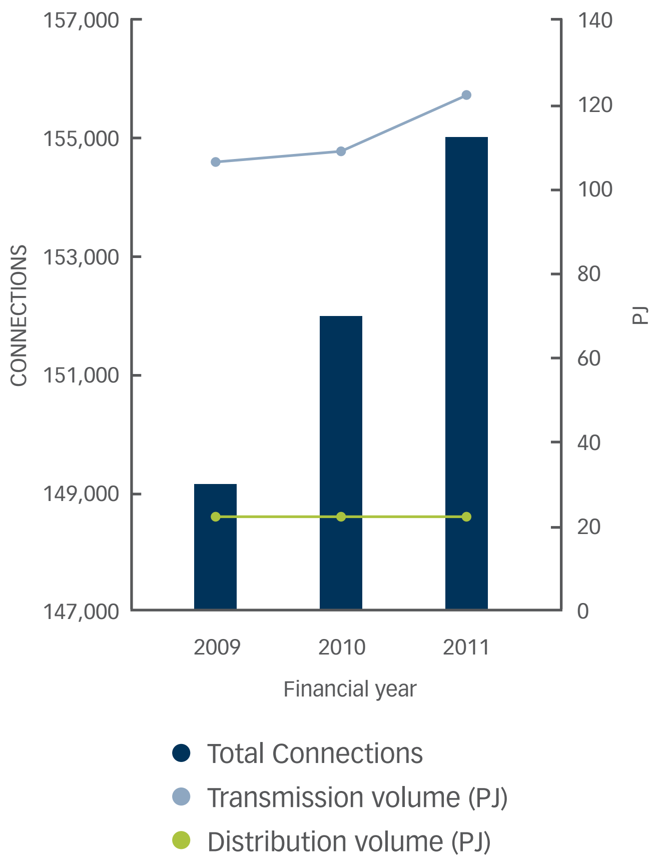
	Year ended 30 June 2011	2010	% Change
Customers	532,607	528,245	0.8%
Volume distributed (GWh)	8,319	8,168	1.8%

	Year ended 30 June 2011	2010	% Change
Customers	155,100	152,267	1.9%
Distribution volume (PJ)	20.8	21.1	(1.4%)
Transmission volume (PJ)	120.1	109.7	9.5%

Electricity distribution



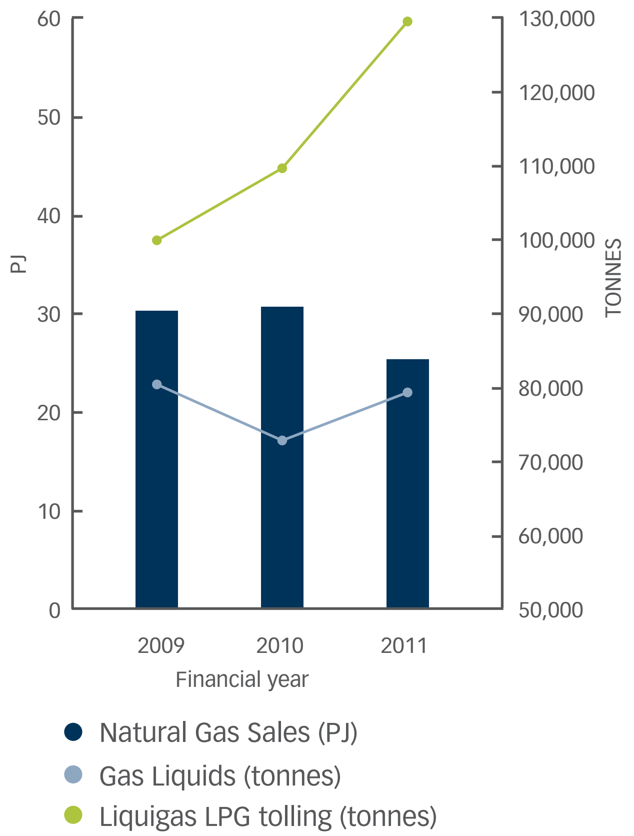
Gas distribution and transmission



Gas wholesale

- Natural gas sales volumes down
  - continued focus on retaining profitability in highly competitive market
- Liquigas moved to tolling business model
- LPG business continues to gain momentum and customers
  - acquired Kwik-Swap in February 2011
- Kapuni Mining Companies now accept field reserves are more than 1,010 PJ - disclosed reserves 1,098 PJs
- Pursuing a further 7.289 PJ of Kapuni gas at legacy price

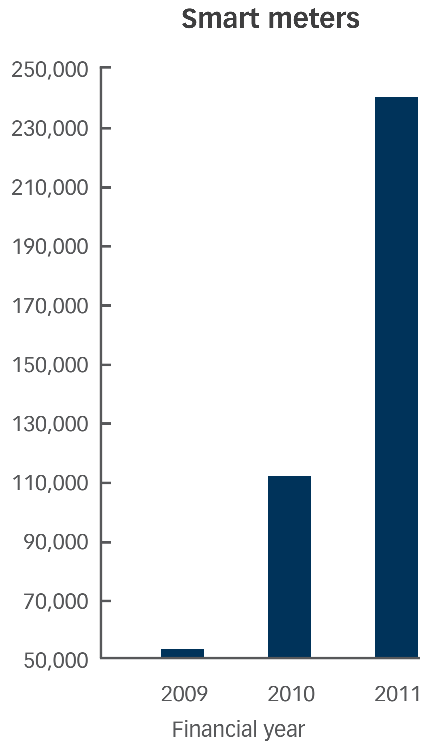
	Year ended 30 June 2011	2010	% Change
Natural gas sales (PJ)	26.1	31.7	(17.7%)
Gas liquid sales (tonnes)	79,015	73,436	7.6%
Liquigas LPG tolling (tonnes)	129,893	109,969	18.1%



Technology

- Continued smart meter growth up 115%
  - acquired the remaining 50% of AMS from Siemens in January 2010
  - additional contracts as retailers move to smart meters
- Many opportunities for fibre business
  - good long term contracts
  - highly valuable assets

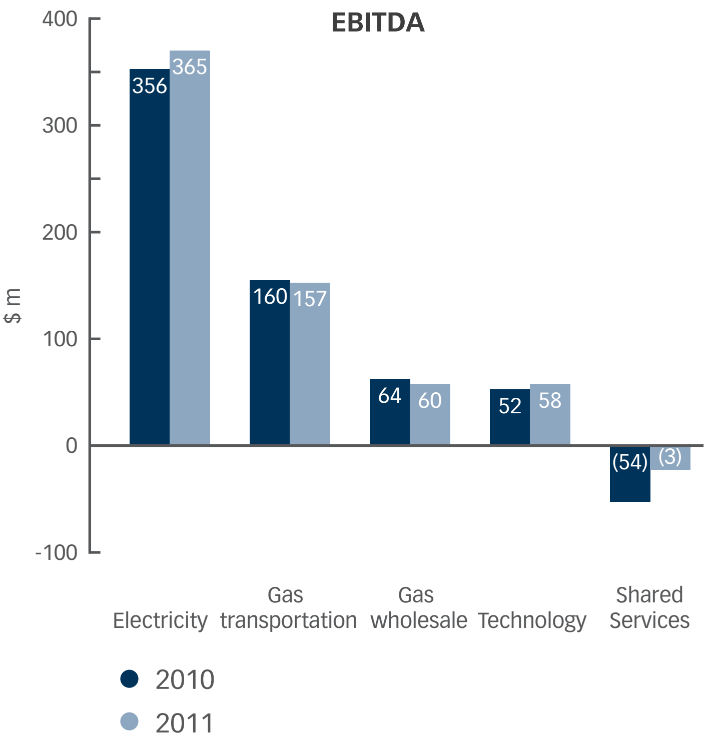
	Year ended 30 June 2011	2010	% Change
Smart meters	245,477	114,272	114.8%



Financials for year ended 30 June 2011

Summary

- Solid operating performance backed by continued growth in operating cash flow
  - Revenue up 4.8% to $1,245 million (2010: $1,187 million)
  - EBITDA up 10.1% to $637 million (2010: $578 million)
  - NPAT up 4.1% to $201 million (2010: $194 million)
  - Operating cash flow up 1.9% to $375 million (2010: $368 million)
- 2011 benefited from $42.4 million EBITDA and $30.1 million NPAT contribution from Transpower agreement
- Full year dividend of 14.25 cents per share (2010: 14 cents per share)



Balance sheet

$m	As at 30 June 2011	2010
Cash	120	115
Total assets	5,579	5,551
Total debt	2,410	2,562
Net debt	2,290	2,447
Equity	2,113	2,084

Income statement

$m	Year ended 30 June 2011	2010
Revenue	1,245	1,187
EBITDA	637	578
EBITDA Margin	51%	49%
EBIT	466	422
EBIT Margin	37%	36%
NPAT	201	194
NPAT Margin	16%	16%

Cash flow

$m	Year ended 30 June 2011	2010
Operating cash flow	375	368
Replacement capex	(119)	(92)
Dividends	(144)	(141)
Growth capex	(132)	(129)
Other investments	29	(11)
Pre-debt financing cash flow	**9**	**(5)**

Q1 Operational Statistics

	Three months ended 30 September		
	2011	2010	Change %
Electricity			
Customers[1]	533,524	529,227	0.8%
Net new electricity customers[2]	917	982	(6.6%)
Volume distributed (GWh)	2,371	2,331	1.7%
SAIDI (minutes)[3]			
Normal operations	51.4	59.6	(13.8%)
Extreme events	0.0	9.4	n/a
Total	51.4	69.0	(25.5%)
Gas transportation			
Distribution customers[1,4]	153,300	150,369	1.9%
Net new distribution customers[2]	780	682	14.4%
Distribution volume (PJ)	6.5	6.3	3.2%
Transmission volume (PJ)[5]	34.5	34.7	(0.6%)
Gas wholesale			
Natural gas sales (PJ)[6]	7.7	6.6	16.7%
Gas liquid sales (tonnes)[7]	21,871	23,121	(5.4%)
Liquigas LPG tolling (tonnes)[8]	34,414	41,141	(16.4%)
Technology			
Electricity: smart meters[1]	280,688	143,620	95.4%

1. As at period end
2. The net number of customers added during the three month period
3. Regulatory year – 6 months to 30 September
4. Billable ICP's
5. Billable volumes
6. Excludes gas sold as gas liquids as these sales are included within the gas liquids sales tonnages
7. Total of retail and wholesale LPG production and natural gasoline
8. Include product tolled in Taranaki and further tolled in the South Island