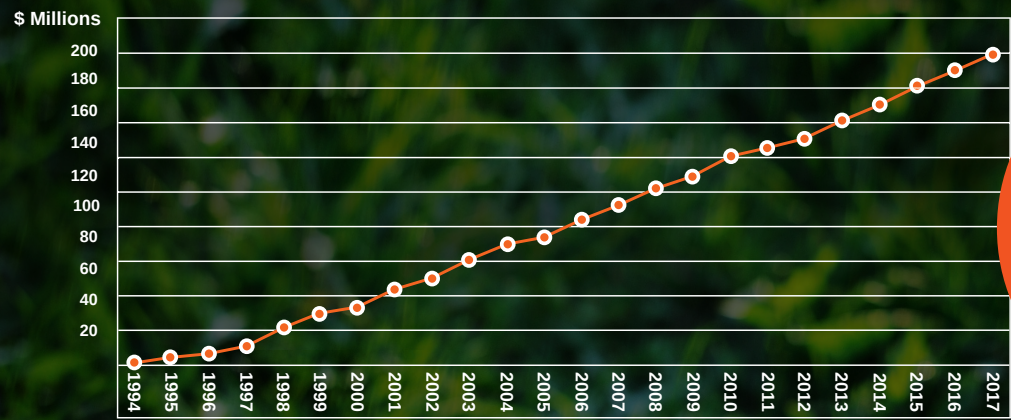


Community Owned, Community Focused

Electra is wholly-owned by its 44,159 consumers, stretching from Paekakariki in the south to Foxton and Tokomaru in the north.

Shares in the company are held on behalf of all consumers by a Trust, elected under a Trust Deed to represent the owners' interests and protect their asset.



\$179m

in total sales discounts to our consumers over the last 24 years.

“ We are extremely proud that our Consumer Trust ownership structure has seen Electra provide more than \$179m (incl GST) in sales discounts to electricity consumers throughout the Kaitiaki and Horowhenua regions over the last 24 years, demonstrating how valuable the asset is to the community. ”



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Electra



ANNUAL
Review

2016 - 2017

Our Results

Highlights			
For years ended 31 March	2017	2016	2015
Electricity sold (GWh)	404	409	402
Revenue (\$'000)	66,440	64,626	61,669
Sales discount issued, excl GST (\$'000)	7,500	7,711	7,021
Total shareholders' funds to total assets	65%	66%	68%
Network Company Only			
For years ended 31 March	2017	2016	2015
Electricity operating costs per consumer	\$253	\$247	\$249
Capital expenditure costs per consumer	\$283	\$388	\$212
Reliability average outage minutes per consumer per year	89	100	139

“ It's been a positive year for the Electra Group. This year's operating revenue of \$66.4m compares favourably with the previous year (\$64.6m). Profit before tax for the Group was \$1.5m, a 50% increase on the previous year. ”



Neil Mackay (Chair) and Neil Simmonds (Chief Executive)

Financial Performance Highlights		NZ IFRS	
In thousands of dollars		2017	2016
Total revenue earned by the Group	Operating revenue	66,440	64,626
The discount for each individual consumer was based on the amount of network charges paid	Discount issued to consumers (excl. GST)	(7,500)	(7,711)
	Operating surplus	1,518	1,050
	Taxation	(726)	(791)
After sales discount and then deducting costs of running the business we're left with this figure	Net profit after taxation	792*	259**
We paid a dividend to the Electra Trust to cover the Trust's expenses.	Dividends	(300)	(285)
	Equity at start of year	138,099	136,772
	Equity at end of year	137,760	138,099

*Includes Goodwill impairment cost of (\$3.0m)
** includes Goodwill Impairment cost of (\$2.7m)

Financial Position Highlights			
In thousands of dollars		2017	2016
	Share capital	18,000	18,000
	Retained earnings	70,298	69,806
	Reserves	49,462	50,293
This is the amount our owners have invested in the company, approximately \$5.63 per share or \$3,120 per consumer. It's made up of the original share capital reserves and retained earnings (profits that's been reinvested).	Total shareholders' equity	137,760	138,099
Includes deferred tax liability of \$32m	Long term liabilities	44,817	46,112
	Total current liabilities	30,222	26,120
	Total shareholders' funds and liabilities	212,799	210,331
	Non current assets	201,091	199,500
	Current assets	11,708	10,831
The total assets of which 17% is funded by borrowings	Total Assets	212,799	210,331

Cash Flow Highlights			
In thousands of dollars		2017	2016
The cash generated from day to day operations	Net cash flows from operations	10,013	9,682
The cash spent on assets and new businesses	Net cash flows to investing	(14,387)	(22,310)
The loans borrowed or repaid	Net loans raised and cash flows from financing	3,700	9,495
	Net (decrease)/increase in cash held	(674)	(3,133)
Cash in bank at the beginning of the year	Add opening cash	1,388	4,521
The bank balance at the end of the year	Ending cash carried forward	714	1,388

Key highlights



\$179m

incl GST

In sales discounts issued to electricity consumers over the last 24 years

Paraparaumu substation upgrade complete



44,159

electricity consumers



9,144 kWh

average sales per customer



488

new connections this year



NZ 1st

New Zealand's first distribution network loop Automation scheme



22

electricity retailers operating on the Electra Network



Continued Investment

in creating a smarter network

22nd Year

as principal sponsor of the Electra Business Awards



Kapiti Road Undergrounding

Over the past year we have been particularly proud of the partnership we formed with the Kapiti Coast District Council to deliver a community project that saw undergrounding and relocation of electricity services along Kapiti Road to accommodate the new expressway and to improve pedestrian access. The work site spanned a kilometre in which multiple contractors and utilities were working to tight timeframes.



Electra Kapiti Horowhenua Business Awards

We have been the principal sponsor of the hugely popular and successful Electra Business Awards. Launched in 1995, it is New Zealand's longest running business awards programme. We believe the Awards are an important way of recognising businesses that are helping to drive economic and job growth in the region.

Congratulations to G.J. Gardner Homes Kapiti/Wellington for winning the 2016 Business of the Year Award, and to Rimu Chiropractic Studio for being Highly Commended.

Keeping People

Informed

With more and more people turning to digital channels and social media for information, the way that we communicate with our customers must evolve to meet this change. As well as using social media to keep customers informed, we've also significantly improved the outage information that's available on our website.

The website now provides customers with up to date access to detailed outage information including a detailed faults map (which also displays the location of faults vehicles) with easy to understand icons and a legend providing summarised fault information. Customers can even report faults.

We then used the website outage information to launch an App for mobile devices – the Electra Customer Outage App.

These real-time customer information tools are providing extremely popular with over 500 views per month, 56% of them from mobile devices, and around 30 fault reports via the App each month.

Building a Modern, Responsive

Network

The significant earthquakes in Christchurch, Seddon and more recently in Kaikoura have highlighted significant issues for the country in terms of our infrastructure and how we respond to major events such as earthquakes.

The Kaikoura event in particular had a significant impact on our region, with our network sustaining 25% of our annual allowance for outages in a single day. Half the feeders on our network were tripped but power was restored to most within twenty minutes. However, there were four feeders that suffered considerable damage, putting them out of action for around 24 hours.

The earthquake triggered our emergency response plan and our crews responded to the event quickly and effectively. We were extremely proud of their efforts following such a significant event.

We are currently undertaking some seismic strengthening work across the network, although we were already in a relatively strong position. The Expressway project has created a second river crossing across the Waikane river, removing one key network operational weakness as a result.

Our network

We own and operate the electricity network in the Kapiti and Horowhenua regions on the west coast of the lower North Island, New Zealand.

Our network of 2,248km in circuits supplies 44,159 consumers across an area of 1,628km², making us New Zealand's ninth largest line company in terms of connections to its network.

- Top quartile performance (nationally) in terms of reliability
- 12th lowest electricity network prices per kWh (out of 42 charging areas)
- 403.8 GWh sold
- 104 MW Maximum Demand
- 15 faults per 100km of Line (per year)
- 89 SAIDI (System Average Interruption Duration Index)

