

SERVING YOU SINCE 1922



2013

ELECTRA

Electra Trust holds the shares in Electra Limited, for you the consumers...

The Directors govern the Group... Electra manages and maintains the powerlines and owns...

- Oxford Finance - a financial services company,
- DataCol NZ - reading and installing meters for utilities,
- Sky Communications - a full service telecommunications contracting company.



Electra

KEY FACTS

- 9th biggest lines company in the country in terms of consumer numbers at 42,810.
- Electra's network extends from Paekakariki in the south to just north of Foxton and Tokomaru.
- The Electra Trust holds all shares in Electra on behalf of all those consumers connected to its network.
- Electra employs 177 staff across the network operation and its subsidiaries.

ANNUAL REVIEW 2012-2013

ELECTRA OWNS, MAINTAINS AND OPERATES THE ELECTRICITY NETWORK THROUGHOUT KAPITI AND HOROWHENUA.

OUR OWNER IS THE ELECTRA TRUST.

ELECTRA'S TRUST OWNERSHIP ENSURES THAT WE DELIVER AN ANNUAL ELECTRICITY SALES DISCOUNT TO ALL CONSUMERS CONNECTED TO OUR NETWORK.

THIS YEARS RESULTS

The information in this review is derived from the 2013 Annual Report of Electra Limited. The Annual Report of Electra Limited, including the audited financial statements is available on request from Electra. Its adoption will be voted on by the Trustees at the Annual Meeting of the Company on 26 July 2013.

FIVE YEAR HIGHLIGHTS

For years ended as at 31 March	2013	2012	2011	2010	2009
Electricity sold GWh	409	413	416	399	403
Revenue (\$000)	74,923	86,442	75,206	68,835	63,400
Sales discount issued (\$000)	6,947	6,736	6,949	7,235	7,0808
Total shareholders funds to total assets	51%	48%	49%	49%	43%

NETWORK COMPANY ONLY

For years ended as at 31 March	2013	2012	2011	2010	2009
Electricity operating costs per consumer	\$203	\$226	\$183	\$196	\$212
Capital expenditure costs per consumer	\$166	\$154	\$139	\$148	\$189
Reliability average outage minutes per consumer per year	58	132**	75	161	89*

*Excludes extreme events that occurred during the year. Including these events SAIDI would have been 683.1.

**Excludes Transpower outages during the year. Including these events SAIDI would have been 267.3.



Electra

REGISTERED OFFICE

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 WWW.ELECTRA.CO.NZ

FINANCIAL PERFORMANCE HIGHLIGHTS

	NZ IFRS 2013	NZ IFRS 2012
In thousands of dollars	2013	2012
Operating revenue	74,923	86,442
Earnings before depreciation and taxation	14,445	5,756
Discount issued to consumers	(6,947)	(6,736)
Operating (loss)/surplus	5,043	(2,798)
Taxation	(2,352)	254
Net profit/(loss) after taxation	2,691	(2,544)
Dividends	(275)	(298)
Equity at start of year	131,054	133,809
Equity at end of year	\$133,165	\$131,054

Total revenue earned by the group.
 The discount for each individual consumer was based on the amount of network charges paid.
 After sales discount and then deducting costs of running the business we're left with this figure.
 We paid a dividend to the Electra Trust to cover the Trust expenses.

Includes one off non-operational revenue of \$1.6m.

FINANCIAL POSITION HIGHLIGHTS

	2013	2012
In thousands of dollars	2013	2012
Share capital	18,000	18,000
Retained earnings	63,353	60,937
Reserves	51,812	52,117
Total shareholders' equity	133,165	131,054
Long term liabilities	85,957	90,140
Total current liabilities	42,128	50,185
Total shareholders' funds and liabilities	261,250	271,379
Non current assets	221,982	224,671
Current assets	39,268	46,708
Total Assets	\$261,250	\$271,379

This is the amount our owners have invested in the company; approximately \$5.43 per share or \$3,111 per consumer. It's made up of the original share capital, reserves (the value that's been built up over the last ten years), and retained earnings (profit that's not paid out by dividend).

Arising from revaluation of network assets.
 Includes deferred tax liability of \$36m. Over the last year bank loans have increased by \$40m to replace debenture funding.
 Amounts due for payment within one year.
 The value of cash, inventories, hire purchase loans and the amounts owed to the Company by customers.

The total assets of which 31% is funded by borrowings.

CASH FLOW HIGHLIGHTS

	2013	2012
In thousands of dollars	2013	2012
Net cash flows from operations	12,911	11,287
Net cash flows to investing	(2,049)	(10,680)
Net loans raised and cash flows from financing	(10,723)	(1,950)
Net increase/(decrease) in cash held	139	(1,343)
Add opening cash	3,945	5,288
Ending cash carried forward	4,084	\$3,945

The cash generated from day to day operations
 The cash spent on assets, new businesses and finance loans
 The loans and debentures borrowed or repaid
 Cash in bank at the beginning of the year
 The bank balance at the end of the year



THE FIRST MAN YOU WANT TO SEE

Faultman Ian Burnard seems to enjoy being first.

He was in the first group of pupils to attend both Levin Intermediate and Waiopahu College when they first opened. He made the 1st XV at College.

Electra, or the Horowhenua Electric Power Board as it was known in those days, was Ian's first (and so far, only) fulltime job.

And while Faultman wasn't his first job at the company, he made his way through the ranks to become "1st call" (a position he's held for 15 years now). What does "1st call" mean? If there's a fault on the network, Ian is the 1st man they call to go out and fix the problem.

Perhaps that's why his nickname amongst his workmates is "Number 1", not that Ian is telling. When asked to explain the nickname, he simply gives a cheeky grin, shrugs his shoulders, looks at you with a sparkle in his eye, and says nothing more.

It's immediately obvious that Ian is a good natured man with a great outlook on life and a fabulous sense of humour.

It's also obvious that he loves the Kapiti-Horowhenua region, his family and the company he's worked at for over 30 years. "When I was at school all I ever wanted to do was work for the Power Board. In those days there were jobs everywhere – if you didn't like one job all you had to do was walk across the street to the next one. But I didn't want any other job, I wanted this job."

At 14 Ian went to the Horowhenua Electric Power Board office in Cambridge Street and talked to a Mr Farquhar about getting a job with the company. "At that time the company wouldn't let you join them until you were 16," he explains.

"When I turned 16 I went straight back to see Mr Farquhar – he instantly remembered me he threw me a pair of leather gloves and that was the start of my career as a trainee linesman."

While he isn't the longest serving member at the company ("there are one or two who have been here longer than me"), he's been through a lot of change in his 30 years there. He's been through every name change and rebranding the company has ever undertaken (he loves the new Electra branding and believes it will make him a lot more visible, and safer, when working on a fault, particularly near roads).

The one thing that has never changed is Ian's respect for the company. "Electra has always been fair, even when we've gone through tough times. Everyone is so caring, from the CEO right down to the trainees. There is no stress or strain – we are all left to get on with the job we've been trained to do. They make it so easy to come to work and do your job. I believe they are the best company in New Zealand and my loyalty has never wavered, even when Australian companies have called with job offers. Who would want to live in Australia anyway? This is the best place to live, without a doubt."

Ian displays that loyalty in all aspects of his life. He's been married for 30 years and is extremely proud of his son (22) who is a trained butcher and daughter (21) who is studying human genetics at university. He's lived in Levin most of his life and owns a lifestyle block with a few sheep and the occasional pig. He's not terribly keen on travelling but will occasionally take his prized Honda Blackbird touring bike outside the

district on day trips. He also loves to go out fishing in his boat off Waitarere or Kapiti.

So what has Ian seen in his time at Electra?

"I've learnt so much here. As well as the electrical skills, I've had to learn how to drive trucks, use chainsaws, and remove trees. Back in the day I worked in the crew that installed the line between Shannon and Koputuroa, digging post holes by hand, each one 6 foot 6 inches deep. We'd dig one in the morning and one in the afternoon. There were two shovellers and one rammer, and you had to keep up!"

As a Faultman Ian's principal job is restoring power:

His area covers the northern half of the Electra network – from Tokomaru to Foxton Beach and south to Otaki – and approximately 20,000 customers. He gets called out for faults caused by blown fuses, fires, car accidents, and everything in between. He has to work with the large 33kV lines right down to the point of entry into a home. He admits that he's had to deal with some "pretty horrible things", and he has developed a great rapport with emergency services over the years.

So, apart from being a registered linesman what does it take to be a successful Faultman. "Beyond the technical skills, you need to have good balance, good eyesight, and a solid dose of common sense. You also need to be ok with heights, have a sense of humour and enjoy dealing with people, many of whom are upset when you first arrive on the scene."

And how does Ian handle himself in these situations? He puts his customers first, of course.

"I'm always nice," he explains. "It's not my fault they are upset, but it's my job to put things right for them. There are times



Ian Burnard, Electra Faultman

when we've worked non-stop for 9 hours – you just have to keep going until the job is done.

Safety is an integral part of the job. "You never run," he explains. "You walk, test, and check. Taking your time gives you time to observe what's happening, you need to be always on the look-out to spot what's wrong. You can't take risks – just because you think you know what's live and what's dead, doesn't mean it is. It's simple, always test, test, test."

Despite all the precautions, has he ever had any near misses? "Oh yeah" is the response, followed by the now standard grin, glint in the eye, and shrug of the shoulders.

"Yes, it can kill you, but I don't mind working with electricity," he says. "It's falling from the pole that really scares me, followed by being hit by a car."

"Avoid all three, and you get to go home for tea."

It's that attitude that makes Electra's "number one" number one with the people he helps.

THE MILLIONS OF DOLLARS IN PROFITS MADE BY ELECTRA GO STRAIGHT TO LINING THE POCKETS OF THE COMPANY'S OWNERS. YOU.

BUY A HEAT PUMP NOW and save \$400!
Call 0800 836 7765 for your free on-site assessment and quotation
Take advantage of this great special offer. Available to all residential and commercial electricity consumers in the Kapiti-Horowhenua area. Offer Expires: 31 July 2013

Since 2004 Electra has been promoting efficient heating to electricity users on the network by partnering with heat pump experts, Temperature Solutions. This has enabled a large number of consumers throughout the region to control heating costs and stay healthier inside warmer homes.

Our own research tells us that 27% of residential consumers and 30% of commercial consumers on the Electra network now have a heat pump installed on their premises.

Energy efficient technology including heat pumps, energy efficient lighting, improved insulation and more efficient appliances can help to reduce peak electricity demand on the network and may even delay the need for expensive network upgrades.

That is why over the last 20 years Electra has encouraged the installation and use of more energy efficient equipment and appliances on the network. For a free on-site assessment and quotation, call 0800 836 7765.

Available to all electricity consumers in the Kapiti-Horowhenua area. Full 5-year warranty included. Offer expires: 31 July 2013.



PATRICIA GIRDLESTONE GINGER & POLLY WAITANAI



Business of the Year winners, Vincent & Tricia Indo with John Yeoman, CEO Electra (centre)

ELECTRA BUSINESS AWARDS

In 2012 we continued our long-term sponsorship of the Annual Electra Business Awards, an event that has been running for 19 years. The Awards are an important way of recognising businesses that are helping to drive economic growth in the region. Congratulations to Mitre10 MEGA Kapiti for winning the 2012 Supreme Award, and to Kitchen Creators in being Highly Commended by the Judges.