

## **NZ Windfarms announces strong half year result on the back of successful 2017 strategic initiatives**

28 February 2018

NZ Windfarms released half year results today. Total revenues for the Palmerston North based merchant wind generator were \$4.3m yielding an EBITDA of \$2.0m for the half year to 31 December 2017. The result follows the successful implementation of a number of key strategic initiatives for the company through 2017. In October, the organisation paid a \$2.45m full imputed maiden dividend.

Over the last twelve months the company has embarked upon an ambitious cost-out programme, focussed around curtailing turbines in aggressive wind conditions. This has dramatically reduced the level of turbine mechanical wear and failure, reducing direct and labour costs. Regulatory relief was obtained permitting the company to respond to market pricing, and the hedging of forward revenues has proven successful in baselining income. In September, the company successfully purchased electrical assets that were the subject of a costly finance lease, yielding savings of c\$700k/annum and introducing long term debt into the business, building management rigour. A senior leadership role was also disestablished in late 2017. In December, the company brought long-standing noise litigation issues to a close through the adoption of new operating controls on three of the company's 96 turbines.

Board Chairman Rodger Kerr-Newell noted the significant progress made by the company in the last twelve months. "We promised our shareholders that we would change this company for the better, and we are now seeing tangible financial benefits from the initiatives we have put in place." Kerr-Newell noted that by Christmas the company had completed all its "internal" reconfiguration objectives. "We can now turn our attention to the critical external initiatives that will further transform this company," said Kerr-Newell.

CEO John Worth, who has been with the organisation for just twelve months, noted that the strong half year outcome was the icing on the cake on a very busy year. "Our whole team has been working extremely hard in optimising the performance of our wind farm. To see this work reflected in our financial results, alongside the improved social outcomes we have achieved with our resource consents, are great outcomes for the company, our shareholders and for our community. We sincerely thank all our stakeholders for their faith in us over the last twelve months."

The company notes that with the 2017 strategic initiatives continuing to bear fruit and with the current state of the market, all other things being equal the company is on-track for a good full year result.

For further information contact:

John Worth  
Chief Executive Officer  
+64 21 800 310