



8 February 2017

## **Contact Energy changes reporting segments**

Contact Energy Limited (Contact) today advises of changes to its segment reporting structure to be included in the financial results for the six months ended 31 December 2016. These results will be released prior to the market opening on Monday, 13 February 2017.

Contact will replace the previous Integrated Energy and Other segments with Customer and Generation segments. The change ensures the allocation of volume risk between the two segments is visible and enhances performance comparison metrics.

The key changes include:

- The inclusion of an electricity transfer price for volumes sold by the Customer segment
- Gas purchases for retail sales included in the Customer segment
- Steam revenue included in the Generation segment
- LPG and meter revenue included in the Customer segment

There is no change to the reported profit in any periods, only movements between segments. In preparation for the upcoming results announcement, Contact has provided the previous financial year's segment data in the revised format as an appendix to this release.

**ENDS**

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## Appendix – revised segment note format

\$m	Unaudited 6 months ended 31 Dec 2015				Audited Year ended 30 June 2016			
	Generation	Customer	Eliminations	Total	Generation	Customer	Eliminations	Total
Mass market electricity	-	481	-	481	-	903	-	903
Commercial & Industrial (C&I) electricity <sup>1</sup>	-	249	(6)	243	-	520	(19)	501
Wholesale electricity <sup>1</sup>	276	-	1	277	539	-	4	543
Inter-segment electricity sales	337	-	(337)	-	660	-	(660)	-
Gas	1	35	-	36	1	62	-	63
LPG	-	63	-	63	-	117	-	117
Steam	16	-	-	16	25	-	-	25
<b>Total revenue</b>	<b>630</b>	<b>828</b>	<b>(342)</b>	<b>1,116</b>	<b>1,225</b>	<b>1,602</b>	<b>(675)</b>	<b>2,152</b>
Other income (including liquidated damages)	2	2	-	4	6	5	-	11
<b>Total revenue and other income</b>	<b>632</b>	<b>830</b>	<b>(342)</b>	<b>1,120</b>	<b>1,231</b>	<b>1,607</b>	<b>(675)</b>	<b>2,163</b>
Electricity purchases <sup>1</sup>	(263)	-	5	(258)	(528)	-	15	(513)
Inter-segment electricity purchases	-	(337)	337	-	-	(660)	660	-
Gas purchases	(70)	(8)	-	(78)	(108)	(14)	-	(122)
LPG purchases	-	(38)	-	(38)	-	(68)	-	(68)
Electricity networks, transmission, levies & meter costs	(20)	(310)	-	(330)	(41)	(596)	-	(637)
Gas networks, transmission, levies & meter costs	(8)	(18)	-	(26)	(12)	(33)	-	(45)
Other operating expenses	(64)	(68)	-	(132)	(121)	(126)	-	(247)
Carbon emissions	(4)	-	-	(4)	(7)	(1)	-	(8)
<b>Total operating expenses</b>	<b>(429)</b>	<b>(779)</b>	<b>342</b>	<b>(866)</b>	<b>(817)</b>	<b>(1,498)</b>	<b>675</b>	<b>(1,640)</b>
<b>EBITDAF</b>	<b>203</b>	<b>51</b>	<b>-</b>	<b>254</b>	<b>414</b>	<b>109</b>	<b>-</b>	<b>523</b>

1. For internal reporting purposes the fixed price agreed for contracts for differences (CfDs) sold to C&I customers is treated as C&I electricity revenue while the spot price component is classified as electricity purchases. The CfD treatment grosses up revenue and expenses. For financial reporting purposes these CfDs are settled net within wholesale electricity revenue.