

16 December 1999

Press Release

\$20M Surplus Funds

Diane Reed, Chairman of Waipa Networks Limited in the Company's half yearly report to its shareholders (Waipa Networks Trust) stated that "as a result of the forced sale of the energy trading business and the decision to sell our TrustPower shares, the Company now has surplus capital. Investment opportunities have been explored by the Board, but an appropriate involvement has not been identified for the immediate future. As a result a special capital distribution payment of approximately \$20 million will be made to the Trust as soon as certain taxation implications have been finalised with the Inland Revenue."

Chris Firth, the Chairman of the Waipa Networks Trust commenting on the future of the surplus capital said that the Trust has resolved that as a matter of policy it will distribute the surplus to its beneficiaries upon receipt of the monies and clearance of all taxation matters associated with it. The Trust is unable at this stage to announce a distribution date on the payment.

For further information please contact:

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18 November 1999

Press Release

Big changes to Trust dividend

Waipa Networks Trust has been forced to make big changes in the way it calculates and pays out dividends to its beneficiaries.

The Trust is a Consumer Trust and the beneficiaries are defined as customers connected to the Waipa Networks' distribution system.

In the past the Trust has been able to use a customer's actual bill as the basis for calculating the dividend to be paid and has credited this to their December electricity account. In many cases this meant the customer had nothing to pay for that month.

With the separation of line and energy businesses forced on the industry, Waipa Power sold its energy business and became Waipa Networks, a lines company. Customers now have a choice of who they buy electricity from while Waipa Networks delivers it. The Trust no longer has access to detailed customer information and is not able to track customers as they move house or change their electricity retailer.

As a result all but the top 100 or so customers will receive exactly the same amount. This means that some of the Trust's beneficiaries will receive more than under the old method while some others will receive less.

In advising of the changes to the dividend calculation Mr Chris Firth, Chairman of the Trust said that, "It was acknowledged by all Trustees that the Electricity Industry Reform Act (1998) had forced these changes to the dividend calculation and that the new method was not up to the standard that was available under the previous legislation. We apologise for this, but feel that the new method is the best we could do under the circumstances. Among its benefits are simplicity and transparency."

Another important change is that only customers connected to the distribution network on 1 November this year will receive a dividend which will be paid by cheque posted in mid December.

While the final dividend is still being calculated Mr Firth said that “it is likely to be about \$140 in the hand for each connection point.” He also advised that “everyone receiving a cheque should keep the letter attached to it. The letter contains important tax information for everyone who has to file a tax return.”

At almost \$3M this will be the largest amount ever paid out by the Trust, meaning that most beneficiaries will receive a larger dividend than last year.

Summary	
Amount	Approx \$140, per connection point
Who	Only customers connected on 1 November 1999
When	Cheque mailed mid December

For further information please contact:

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