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Media Release

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ANZ powers business by entering electricity trading market

ANZ is stepping into the wholesale electricity market determined to deliver a better deal for businesses and farmers.

Today ANZ became the only independent player trading electricity swaps on the market platform managed by M-Co. Until now, the EnergyHedge wholesale electricity market has been used solely by generators and electricity retailers to enter into swaps to lock in future electricity prices.

"We hope to bring the benefits and significant savings to those businesses who have significant power bills but have not had the means to actively manage their costs," says Nigel Williams, ANZ Managing Director Institutional, Corporate & Commercial Banking.

"Power users will be able to manage the risk using ANZ solutions to meet their specific needs. We believe this will particularly appeal to those organisations with power bills in the range of \$1 million to \$10 million a year."

Manufacturers, primary product processors, multiple-property owners and large dairy farms are among those who stand to gain the greatest benefits.

"Our customers will not be getting a power bill from ANZ - rather those bills will continue to be sent by their regular supplier. We will, however, provide our customers with the risk management tools to protect their profitability from the spikes in power prices."

"Our customers who are already making use of interest rate swaps and foreign exchange contracts are well aware of the benefits that can be achieved," Mr Williams says.

In addition, ANZ will link customers with energy specialists who can analyse usage patterns and advise on efficiencies and conservation measures that can further reduce costs.

ANZ's entry to the electricity market has been welcomed by both major users and generators.

The Major Electricity Users Group sees the entry of the ANZ into the energy hedge and energy derivatives market as extremely positive.

"To have ANZ's experience in pricing derivatives and risk management skills focus on the New Zealand electricity market can only result in benefits to our members and all time-of-use consumers," says Ralph Matthes, Chief Executive of MEUG

Current market participants are also pleased about ANZ's entry into the electricity market.

"We welcome ANZ to EnergyHedge; the addition of a non-traditional market participant to the market will further enhance its liquidity and usefulness to customers and other market participants alike" says James Moulder, General Manager Generation at Mighty River Power.

The electricity trading desk established by ANZ will complement the expected development of a carbon market arising from the modified carbon trading regime the Government is expected to announce shortly.

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