Z Energy Investor Day

ENERGY

3 April 2014

Wellington

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Outline for today

Time		Presenter
1:00 pm	Introduction	Mike Bennetts
1:10 pm	Brand and Strategy 2.0	Mike Bennetts
2:10 pm	Alternative Energy Strategy	Rob Wiles
2:40 pm	Break	
3:00 pm	Our three integrated businesses	
	- Retail	Mark Forsyth
	- Commercial	Lindis Jones
4:30 pm	Break	
4:45 pm	- Supply & Distribution	Rob Freeman
5:15 pm	Capital update	Chris Day
5:30 pm	Wrap up	Mike Bennetts

Overview

We will focus on our IPO investment themes as the structure for our presentations

Transport fuel supply infrastructure is crucial to keep NZ moving	Insights into demand forecasts and sharing the options we have for alternative fuels
We are a leader in the transport fuel market	Demonstrating Z's network scale and infrastructure efficiency is NZ's best, we continue to deliver more integrated value out of our supply chain and Z's business model captures more value than competitors do
We are experienced and we have delivered	We have notable successes and learned a lot, all of which we have taken into planning Strategy 2.0
We are focused on generating sustainable margins and returns for our investors	Given our position of strength, we have a strong Balance Sheet with capacity to fund our growth initiatives
We are excited about the growth opportunities	We will announce our first planned investment outside of our core business that secures a market leading position

Z's strategic framework

Z takes a comprehensive approach to the development of strategy which has multiple components across differing time frames

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Foundations

Reviewed in exceptional conditions

- Purpose
- Ambition
- Values
- Leadership framework
- Risk management

Strategic Context

Reviewed annually to ensure coherence with the external environment

- Scenarios and signposts
- Presumptions and assumptions
- Preferred industry structure
- Competitor benchmarking
- Brand playbook

Business Strategy

Reviewed every three years, unless strategic context changes

- Core business strategy
- Beyond the Core
- Alternative energy
- Financial framework
- Property strategy and network plan
- HSSE, sustainability and community

HSSE

Our Health, Safety, Security and Environmental (HSSE) strategy and performance are fundamental to all that we do

Demonstrating commitment

- One of the original signatories to Zero Harm Workplaces
- No accidents, no injury or ill health to people, and no harm to the environment
- Everyone in Z taking personal responsibility for making HSSE an essential part of our business, fully participating through a generative culture, and intervening in unsafe acts and behaviours

Continuous improvement

- Benchmarking Z to OSHA 18001- Occupational Safety, Health and Administration
- Eighteen month programme to close anticipated gaps to new legislation and ISO accreditation

Thought leadership

- Proactive with Worksafe NZ and MBIE
- Participating in three out of five of Worksafe NZ's guidance groups
- Submitting on new HSSE legislation

Strategic presumptions

The following 11 strategic presumptions are the foundations of our core business

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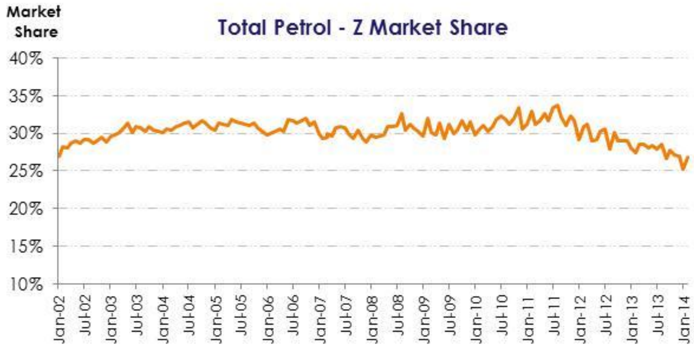
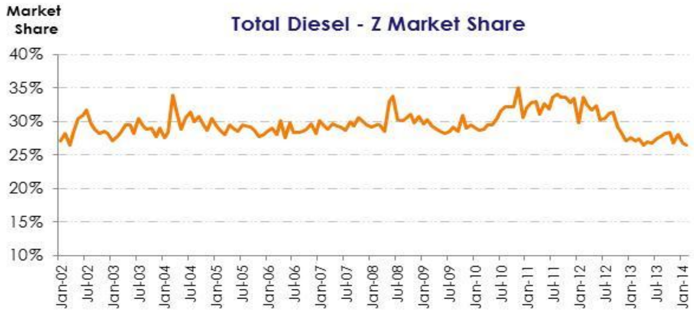
- Oil will remain the predominant transport fuel for New Zealand and the world
- Global oil markets will ensure continuity of supply to New Zealand and oil price volatility will increase
- New Zealand will remain an import pricing market
- New Zealand transport fuel demand will remain flat to declining
- Fuel standards will not be a key differentiator
- We expect no major or extreme new regulatory shifts impacting our industry
- Shipping freight rates remain flat due to increased global capacity
- NZ consumers are value seekers and respond favourably to offers and Kiwi ownership
- NZD:USD will revert back to long term averages – 0.70 by 2018
- NZR refining margins will remain flat in the short term before recovering
- Rational competitive behaviour will continue

Current state

Retail and Commercial market dynamics are a consequence of Shell's exit in 2010 and Z's choice to pursue a differentiated strategy under a local brand

- Between 2000-2009 the industry was characterised by low investment, low service and low innovation, with average ROACE across the majors below WACC
- Z has differentiated by investing in its network, capabilities, offers and brand for a segment of the market that is large enough for this to be economically sustainable
- The competitive response has mostly focused on pricing, especially in Retail
- Consumers have more choice than ever before, and can better match their preferences to what is on offer
- Z has improved its share of the industry profit pool, built longer term resilience and secured a more loyal customer base
- Z will continue to compete on its distinctive advantages, while preserving its economies of scale





The journey is not over

Z has further means to differentiate and much more potential to build Retail and Commercial preference and loyalty

- Brand metrics and other customer research confirms that we are not fulfilling on our potential. We have identified areas to close the gap
- We have a choice about whether to convert our growing relative strengths into market share or margin
- Our priority has been to get all elements of a distinctive offer in place before we substantially promote it
- Our marketing and related spend (i.e. cost of customer acquisition) has been light compared to market share and we expect to remain disciplined in this area
- Rather than rolling out expensive new offers or engaging in sizeable price promotions, most of Z's volume growth will come from capital investment in our network
- We are being rewarded by playing a longer game, i.e. volumes down ~10% since January 2010 but forecasted earnings for FY14 up ~50%
- We do not wish to become impatient and over correct, but do go through regular external challenge
- Nothing strategic has been compromised, e.g. economies of scale are intact and we can accurately determine the marginal cost to our supply chain for any loss of volume

Room for improvement

With confidence in our marketing strategy and as capabilities get to the required level, we are focussing on execution

- We will be more aggressive with tactical pricing for Retail in FY15, based on new capability
- Progress will be made with our partners at FlyBuys and Countdown in FY15
- An improving economy may reduce Commercial customers' focus on price in favour of the underlying drivers of customer (dis)satisfaction
- A key focus in FY15 is to improve the consistency of Retail's on-site execution
- There are options over the next two years to secure large parcels of volume for petrol and diesel
- Competence in margin management rather than market share is required in a flat to declining market, unless or until the industry structure changes or another participant exits

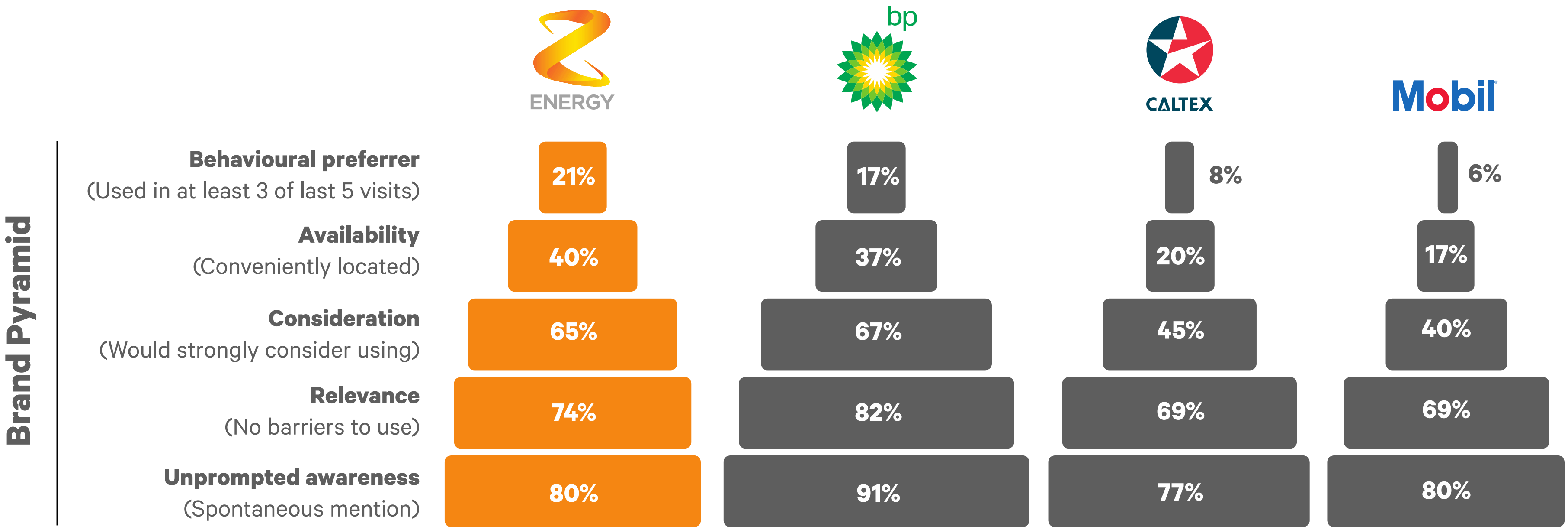
Why brand matters

In a short period of time we have established Z as a unique Kiwi brand that has a leading presence in the sector and supports our differentiated offers

- We invest in our brand to:
  - set expectations across all aspects of our business and reflect our reason for being
  - secure customer loyalty, and that in turn delivers revenues
- We have worked with Interbrand to benchmark ourselves against global comparators and to establish a baseline value for Z as a brand
- Our Brand Playbook focuses our activity on closing the gaps to our benchmarks, and in doing so leveraging both operational results and brand value

Brand pyramid

Z has a higher degree of conversion than any other brand in the local market

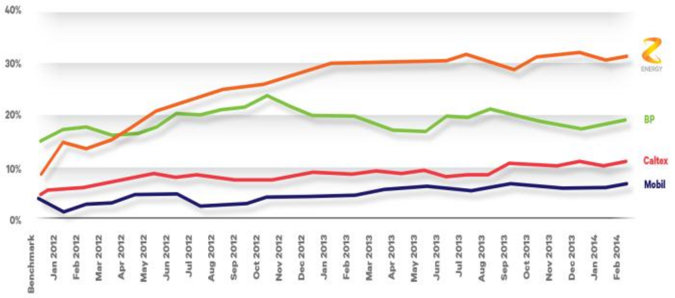


Source: Colmar Brunton monthly brand tracker (Feb 2014) commissioned by Z Energy

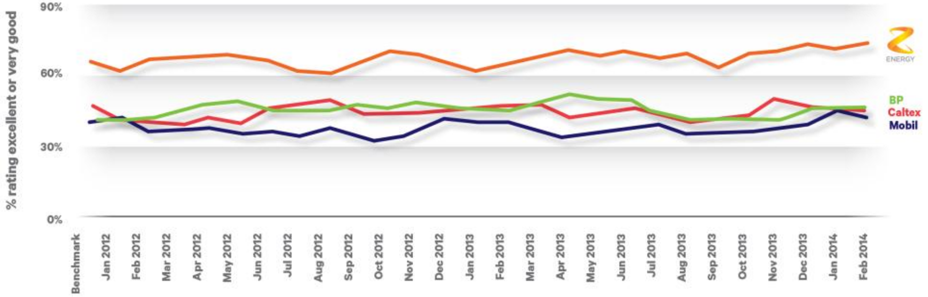
Brand performance

Z is consistently leading on key brand metrics, often by a material margin

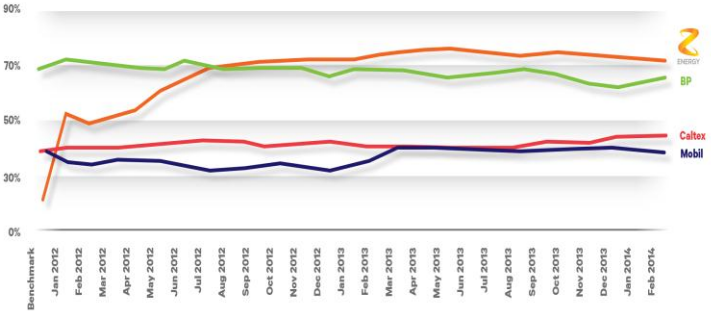
31% prefer Z as their first choice



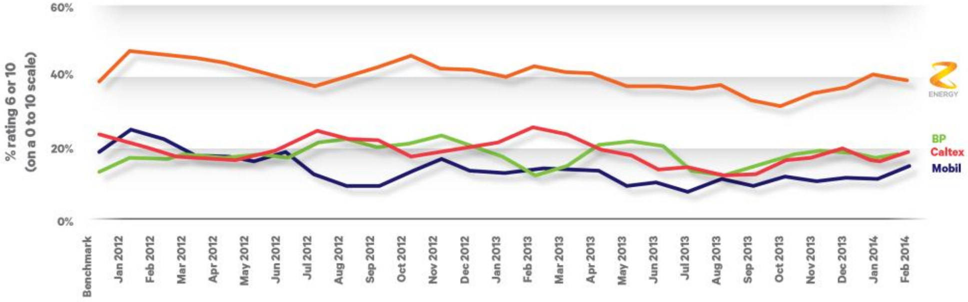
76% rate overall experience as "excellent or "very good"



72% have used Z in the last six months



39% would recommend Z



Source: Colmar Brunton monthly brand tracker (Feb 2014) commissioned by Z Energy

Strategy 2.0

Mike Bennetts
Chief Executive

New Zealand vehicle fleet efficiency

A range of internal combustion engine technologies are increasing fleet efficiency, while consumer buying behaviours are also changing

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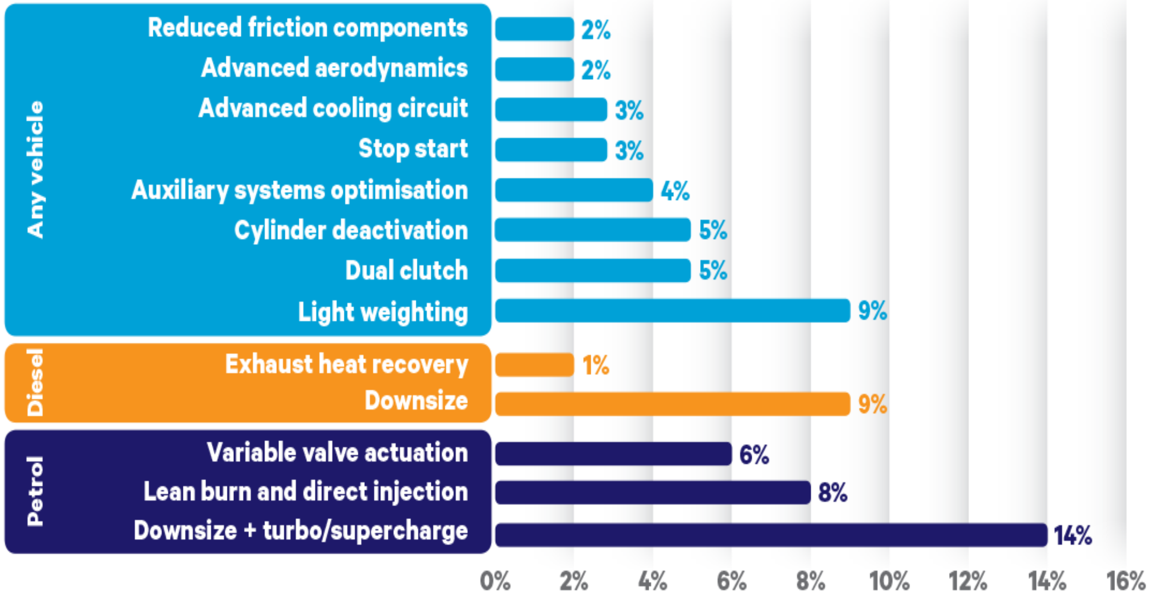
Typical light vehicle fuel efficiency gain from existing technologies (%)



Source: World Economic Forum

Top 6 Cars 2013
Toyota Corolla Suzuki Swift Holden Commodore Toyota Rav4 Toyota Yaris Holden Captiva
Top 6 Cars 2005
Holden Commodore Toyota Corolla Ford Falcon Ford Territory Mazda 6 Honda Accord

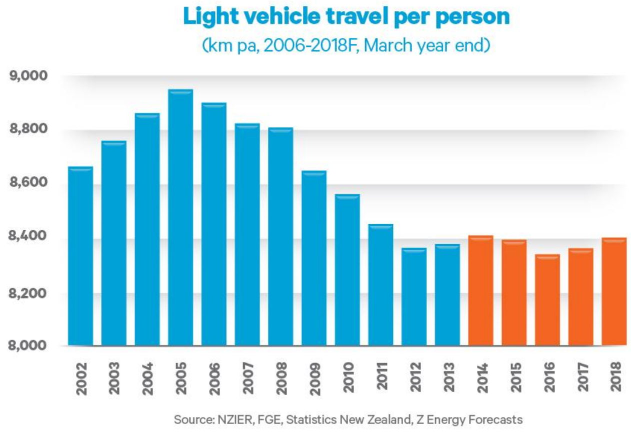
Source: MTA.org.nz

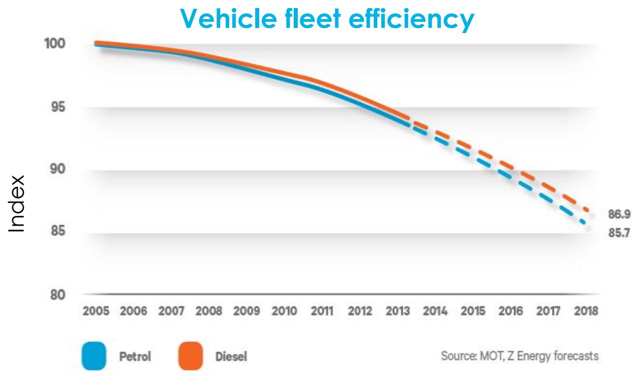
New Zealand vehicle travel demand

Technology, purchasing preferences and fleet turnover increase fleet efficiency. Light vehicle kilometres travelled per person has fallen by 6% since 2005 mostly due to discretionary travel

Three key drivers we apply to forecast light vehicle travel are:

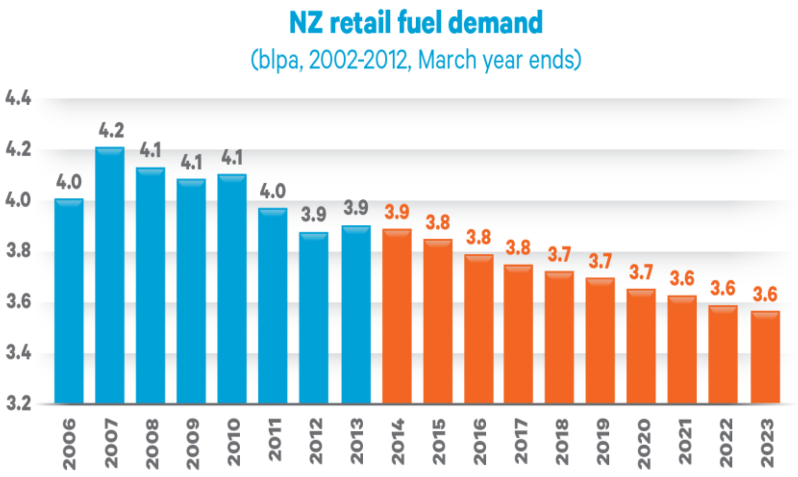
- Nominal GDP growth per person – positively correlated and positive outlook
- Nominal NZD regular petrol price – negatively correlated and positive outlook
- Broadband connections (proxy) – negatively correlated and positive outlook



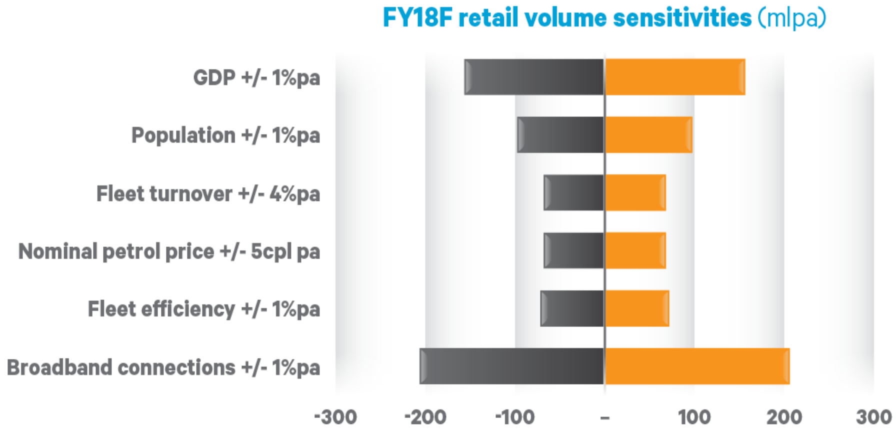


New Zealand retail fuel demand

Retail fuel demand is down 7% from peak in 2007, and is forecast to fall another 4.5% by 2018. National fuel demand is more sensitive to social / societal trends represented by broadband connectivity than the traditional drivers



Source: MBIE , Z estimates



Source: various Statistics NZ surveys and Corolis analysis

Diesel volumes

Diesel growth has outperformed GDP growth and is positively correlated

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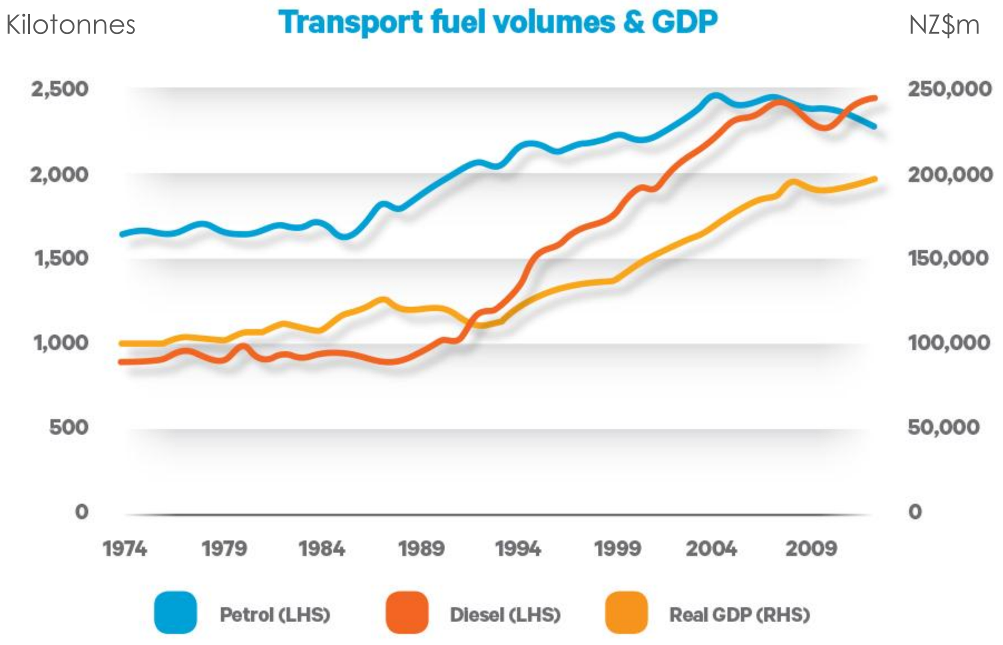
Drivers

- Increased economic reliance on freight of primary produce versus manufactured goods
  (positive driver)
- Increased penetration of diesel vehicles in light vehicle fleet
  (positive driver)
- Increased proportion of service based GDP
  (offsetting factor)
- Heavy vehicle fleet efficiency
  (offsetting factor)



Source various Statistic NZ surveys and Corolis analysis

Growth options

We have three distinct pathways to further grow earnings, dividends and returns on capital

Strategy 2.0	Further value to be unlocked from within our core business
Beyond the Core	Investment in adjacencies or positions outside our existing value chain that leverage our understanding of the customer or supply chain expertise
Industry consolidation	We are the advantaged synergistic buyer in the NZ market

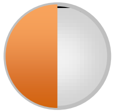
Strategy 2.0

Further value will be delivered from within our core business over the next four years, almost all of which is distinctive to Z. The value uplift is concentrated in five separate initiatives for a total EBITDA uplift of $40-$50m

Strategy 2.0 contribution

New sites and rebuilds (Retail)

- Investment to strengthen network through ~five new sites and ~three rebuilds per annum

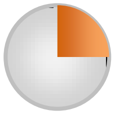


Evolution of Tier 1 Store offer (Retail)

- Development of best-in-class food on the go offer and further "hero" categories

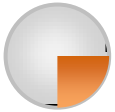
Extend Tier 2 Store offer (Retail)

- Push current food and coffee offer deeper into remaining network



Inland diesel portfolio management (Commercial)

- Refocus Commercial diesel volume by region, channel and then customer segment



Competing supply chains (Supply & Distribution)

- Leveraging improved refined product pricing across manufactured volume

Alternative Energy Strategy

ENERGY

Rob Wiles

General Manager - Corporate

Existing market context

The long-term supply / demand profile for crude oil has changed substantially

Insights

- Improved drilling and extraction technology has led to emergence of tight oil and shale gas reserves
- US a net exporter in next five years
- GFC reduced demand
- ‘Green’ prioritisation has stalled but economic recovery should reignite it
- OECD oil demand/GDP has peaked, non OECD continues to grow
- Large distortions created by government incentives may continue
- Improvements in vehicle efficiency will continue
- Transition of NZ’s vehicle fleet will continue albeit slowly

Global impact

- Mineral-based fuels will dominate transport for decades to come
- Vehicle efficiency and demand for transport trends will reduce demand over time
- Green considerations now driven by consumers not oil supply constraints
- Climate change considerations will gain personal and political momentum as economy improves

Catalyst for market change

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Changes in global supply / demand for fossil fuels will create a challenging environment for the emergence of alternatives, however customer demand exists

Impact on alternative energy

- The present environment supports the status quo and any substantive growth in alternative energy will only come from either:
  - A dramatic improvement in alternative energy technologies / economics
  - A sustained increase in oil prices, or
  - Government intervention

Impact on Z

- Mineral-based fuels will remain essential to transport for decades to come, extending Z's core business model
- Volatility will remain driven by offshore events
- Potential resurgence of green consumerism driving gradual increase in demand for alternative energy
- Meaningful penetration by electric vehicles is still 10-20 years away

Alternative energy - options

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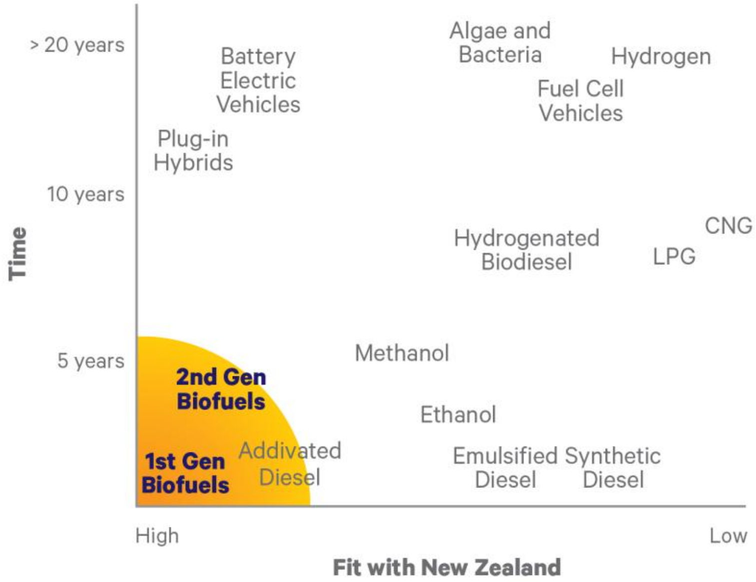
We have undertaken a thorough assessment of alternate transport energy sources for New Zealand. All scalable and commercially viable alternatives within the next 10 years are liquid fuel technologies



Alternative energy strategy

We will develop commercially viable options that secure the ability to satisfy growing customer demand for alternatives

Strategy

- Secure options to execute first for feedstock access
- Target options that offer superior value to the customer
- Secure strategic positions in supply chains
  - Participate in production facilities that are advantaged over import options
  - Create competitively strong positions by matching production capacity to advantaged local feedstock supply
- Maintain capability to review new options and act on those that become financially and technically viable

Wiri biodiesel project

NZ's first scaled domestic biodiesel production - without subsidy

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Key features

- Total capital costs of $21m. Majority of project costs are under fixed price contracts
- Production of 20mlpa of B100 biodiesel starts early 2015 potentially doubling in two years to 40mlpa
- Chemical process using tallow and used cooking oil feedstocks is well known and safe and our R&D confirms product quality
- Product will meet NZ Fuel Specifications
- We have secured a suitable site near our storage facilities at Wiri
- Opportunity has been under development over the past four years

Artist impression of site in Wiri

Remaining conditions precedent

- Secure the few remaining consents
- Award the contract to construct our distillation column
- Complete a long-term supply agreement

Wiri biodiesel project

Investment establishes a commercially viable point of difference, delivering a competitive advantage for Z

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Production economics are attractive

- Inedible tallow is a relatively plentiful by-product with stable supply volumes
- Historically attractive price spreads between tallow and diesel
- Confirmed demand from Commercial customers at premium price point

Supports our brand position

- Establishing a market-leading position in biofuels meets the changing demands of our customers
- We will have a differentiated offer for Commercial customers and potential to offer it to retail customers
- Unlike some other biofuel feedstocks, inedible tallow has very high sustainability credentials

A competitively advantaged source of biofuels

- Capital input to biofuel production output ratio is world class at less than NZ$1 per litre of annual production
- Forecast production costs materially lower than imported biodiesel alternatives
- First mover advantage will secure a leadership position that will be difficult for competitors to match

Investment rationale

- Our target case meets our internal hurdles delivering a positive NPV
- Future subsidies, grants or mandate provides potential upside
- Provides a bridge to advanced biofuels and creates optionality

Wiri biodiesel project

We understand the risks and have taken steps to mitigate them, with a number of levers available to manage them

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Risks can be managed

- Product quality from plant will meet NZ and European Fuel Specifications (EN14214)
- Discussions with Motor Industry Association and Original Equipment Manufacturers confirm they require EN14214 for warranty
- Capital costs have been agreed and capped via fixed price contracts with reputable engineering construction companies
- Tallow volume will be secured via long-term contracts and price risk will be reduced for two years
- Ongoing feedstock price risk will be managed through a number of tools:
  - fixed price and forward contracts
  - production flex and storage, and
  - product price and blend flex

Project delivery and operational management

- Z already has proven operational management capability in its Supply and Distribution team and in its operating of the chemical manufacturing facility at Gracefield, Wellington
- Project construction and commissioning delivered by a team of experienced professionals from within Z and external

Retail Update

Mark Forsyth

General Manager -Retail

The game we choose to play

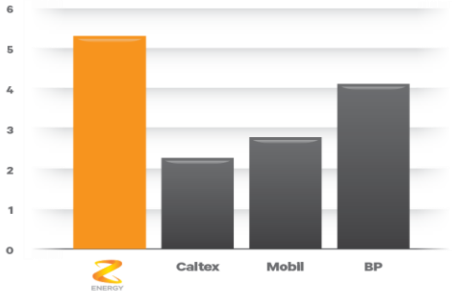
Z is the leading retail fuel provider in NZ and here's why

- Optimising volume and margin
- Network scale
- Network efficiency
- Differentiated customer offer
- Model to market
- Ability to invest in the network to capture incremental volume in high growth areas

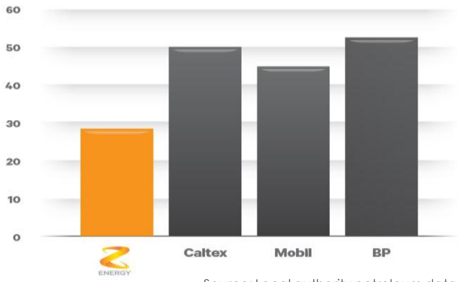
MBIE importer margins

Source: MBIE

Average retail site volume (mlpa)



Median distance to delivery terminal (km, branded sites)



Source: Local authority petroleum data

Customer service

Friendly staff is the key brand differentiator

Source: Colmar Brunton quarterly brand report April 2013

Differentiated market offer

Z has established a sizeable customer segment that is value driven

- In recent years there has been a much greater market presence of price promotions; Z has led the focus on loyalty and differentiation
- Our competitors spend more on marketing offers than Z
- Z continues to secure a greater share relative to its market share of the branded market profit pool than other players

Size of discount required to move from Z to a competitor

Impact of offers / discounts on behaviour		TO WIN 1 in 10 people	TO WIN 1 in 5 people	TO WIN 1 in 3 people
	All people	6c	8c	10c
	Z loyalists (Visit Z 4 or 5 times out of 5)	10c	15c	30c
	Z switchers (Visit Z 2 or 3 times out of 5)	6c	10c	15c

Source: Colmar Brunton Brand Tracker Research for Z 2013

Strategy 2.0

Following convenient locations and price, speed / ease of service are the two most important elements of a fuel station offer

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Decision hierarchy	Customer insight	Strategy 2.0		
Location	Customer preference is greater than market share	**Network**	NTI Refit / KDR	
Price > Value	Entry point is price, but there is a significant shift towards value	**Fuels**	Portfolio Value	
Offer	It's all about speed, ease and friendly, efficient service	**Offer**	Customer experience	C-Store Carwash

Strategy 2.0 contribution

Commercial

Lindis Jones

General Manager – Commercial

Commercial

The Commercial operations have two distinct types of business: Core and Value

Products	Volume %	Crack spread*	NZ Refined vs Imported
Diesel	48%	$19	◕
Petrol	2%	$11	◑
LFO / HFO (Fuel Oil)	11%	($10)	●
Jet A1	31%	$17	●
Avgas	1%	$0**	○
Bitumen	7%	($10)***	◕

Value is maximised by:

- Ensuring discretionary business is profitable
- Pricing to reflect the investment in our assets and working capital
- Optimising the volume placed
- Average margins over the FY11 to FY14F period have grown from 6.7 cpl to 7.8 cpl

* Crack spreads are based on Singapore markers and reflect an average of the calendar year of 2013
**Avgas - not a contributor to refining margins as not produced in NZ
*** Bitumen spread is a management estimate and based off HFO assumption given no standard market reference

Redefining success

We do not define winning as selling as much as we can. A more disciplined approach is required

What we have learned

- Inland fuels: customer portfolio is delivering increased profitability through stronger pricing discipline. We are closing the gap to the industry
- Some of our competitors still appear to be optimising for outcomes other than value generation
- Having options for the disposal of product matters
- We have re-signed a number of major customers consistent with our business plan
- Dissatisfaction characterised the B2B customer relationship in this industry. Paying attention to this helps our customers and Z

Commercial

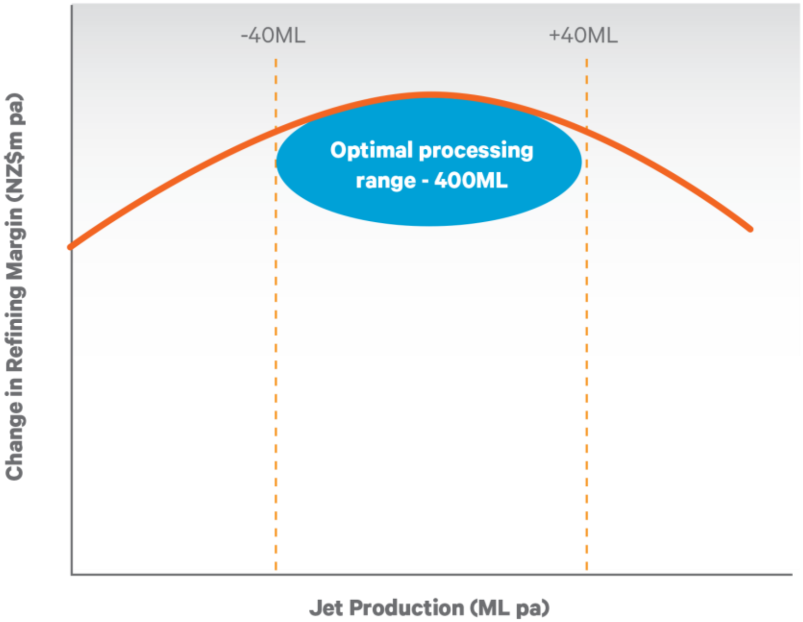
Focussing on what matters to our customers, and leveraging our strengths has started to count

	Z position in market	Z Score	Average competitor score
Overall satisfaction	1st	62%	47%
Responsive	1st	73%	56%
Trusted	1st	88%	69%
Fuel card	1st	57%	36%
Billing and invoicing	1st	51%	23%
Truck stops	1st	46%	35%
Bulk fuel delivery	1st	62%	54%
Service stations	1st	61%	43%

Score: % of customers agree or strongly agree that company performs well against relevant service offering
Source: AC Nielsen Dec 2013
Competitors: BP, Caltex, Mobil

Big Jet

New Zealand jet market is "balanced to long" but forecast demand growth over the medium term could transform this business



- Approximately 83% of Z's Jet sales are through Auckland International Airport
- Our strategy has been to optimise Jet production at NZR within a relatively narrow band
- Demand has recovered post 2008 and forecast to grow
- Given the need to optimise NZR production and consideration of next best alternatives we see a positive outlook for Big Jet margins

Source: Z management

Mini-Tankers

Mini-Tankers is a distinctive channel that we are continuing to invest in to optimise our diesel portfolio and capture the value of integration

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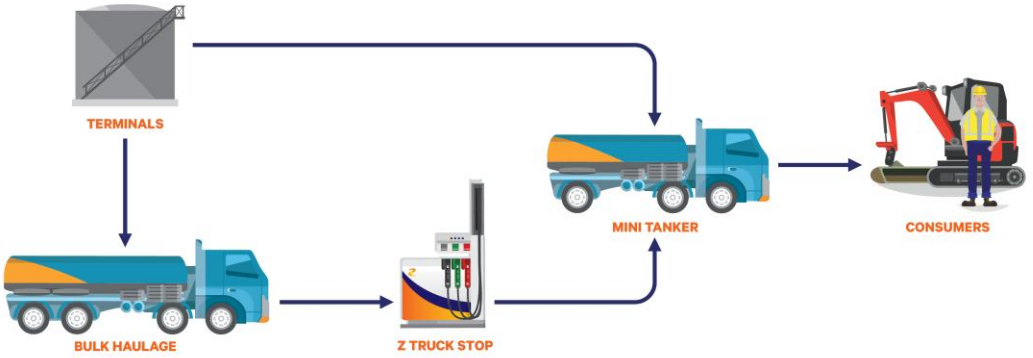
- History – been part of the business for 25 years
- 25 territories and 53 trucks
- Principally a direct refuelling proposition focused on construction, forestry and smaller industrial sites
- Strong customer satisfaction, Z's highest Net Promoter Score based on customer feedback
- Mobile infrastructure with the ability to redeploy assets across regions and markets based upon industry cycles



Value proposition

- Lower risk
- Higher productivity
- More control

Customers will pay a premium for this service

Strategy 2.0

Commercial strategy is focused on further optimising the placement of volume supported by improved customer speed, simplicity and service

Our key strategic themes are:

Grow margins

- Sustainable growth while avoiding market disruption
- Channel management

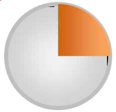
Invest to grow business and capability

- Invest in growth locations
- Simplify and resolve customer dissatisfaction before investing in innovation

Capture integrated value

- Integrated margin optimisation
- How much and where we sell matters

Strategy 2.0 contribution



Supply and Distribution

Rob Freeman

General Manager – Supply and Distribution

Progress to date

Z is a sophisticated buyer in the international supply market. Influencing third party decision making is the key to delivering more value in the crude and product supply chain

International Supply

Still assessing feasibility of large MR (medium range) shipping / loading capability

Improved draught at Mount Maunganui

Manufacturing

Refinery optimisation will improve through our recent joint procurement announcement

Product quality leadership

Primary Distribution

JVs and industry arrangements remain robust

Terminals

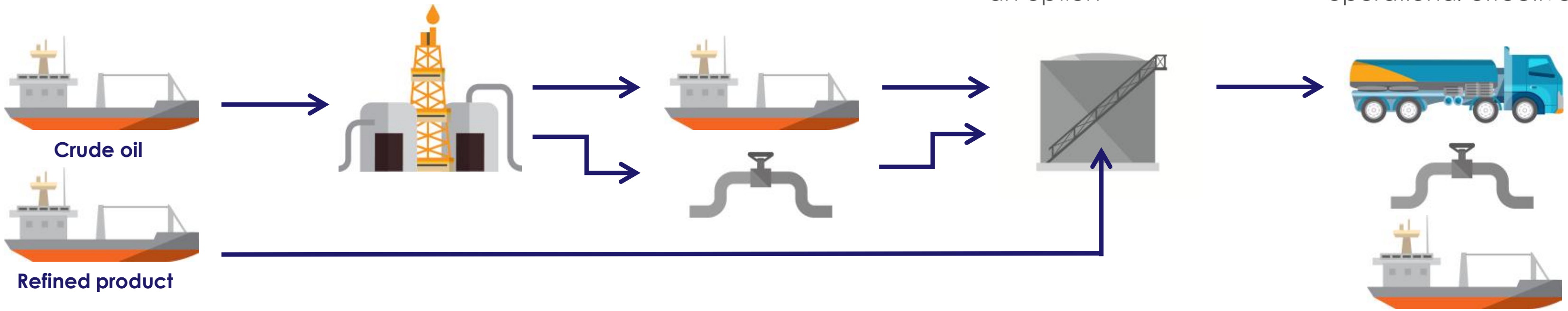
Improving returns based on more commercial arrangements

Clear understanding on port by port basis where strategic investment is an option

Secondary Distribution

Opportunity to improve the integration across bulk, distributor and Mini-Tankers channels

Delivery optimisation, the balance of cost versus operational effectiveness

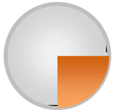


Strategy 2.0

Focused on leveraging competing supply chains, fully commercialising terminals infrastructure and optimising logistic operations

What we have achieved:	Now it's all about:	Our three strategic themes are:
We know what it takes to be independent and competitive in the downstream oil supply chain	**Delivering refinery returns that exceed our import options**	Optimise two competing supply chains (viable NZR and imports) to reflect true alternative acquisition costs and reflect Z's regional independence
We have made significant inroads on the journey of commercialising our terminal infrastructure	**Catalysing change in the industry arrangements**	Fully commercialise terminal and pipeline infrastructure (including providing appropriate investment signals)
Our logistics business consistently and safely delivers on customers' needs with growing efficiency	**Driving further efficiency through our logistics options**	Optimising and leveraging the potential of fleet across bulk haulage, our distributors and Mini-Tankers

Strategy 2.0 contribution



Supply optimisation

We remain focused on ongoing refinery optimisation and are committed to ensuring we play our role in keeping NZR competitive

ENERGY

Background:

- Four companies independently planning, selecting crude, arranging delivery
- Created operational challenges for NZR due to less than optimal sequencing of feedstocks
- Has been a long-standing limitation

Manufacturing

NZR self help includes:

- A more competitive refining proposition
- Fit for purpose organisation
- Manage costs
- Increased manufacturing yield
- Te Mahi Hou

A more competitive refining proposition

- Our collaborative feedstock selection initiative with NZR and our joint crude import procurement initiative with BP will bring increased efficiency in refinery operations
- The benefit for NZR is realised in improved physical refining performance; for Z the benefit is realised from a reduction in processing fees paid for certain products
- It reinforces we optimise supply differently to some of our other major competitors; furthermore that some of our competitors are starting to look at the NZ market differently

Capital update

Chris Day

Chief Financial Officer

Capital and Strategy 2.0

Strategy 2.0 EBITDAF uplift of $40-$50m is concentrated in five areas. Our short term themes are aimed at focused, distinctive and material performance

New sites and rebuilds (Retail)

- Investment to strengthen network through ~five new sites and ~three rebuilds per annum

Evolution of Tier 1 Store offer (Retail)

- Development of best in class food on the go offer and further "hero" categories

Extend Tier 2 Store offer (Retail)

- Push current food and coffee offer deeper into remaining network

Inland diesel portfolio management (Commercial)

- Refocus Commercial diesel volume by region, channel and then customer segment

Competing supply chains (Supply & Distribution)

- Leveraging improved refined product pricing across manufactured volume

ZEL Share Performance

First eight months as a listed company. A strong start reinforcing our investment fundamentals

Our people have adjusted well to life in a listed company

Half year earnings were consistent with expectations

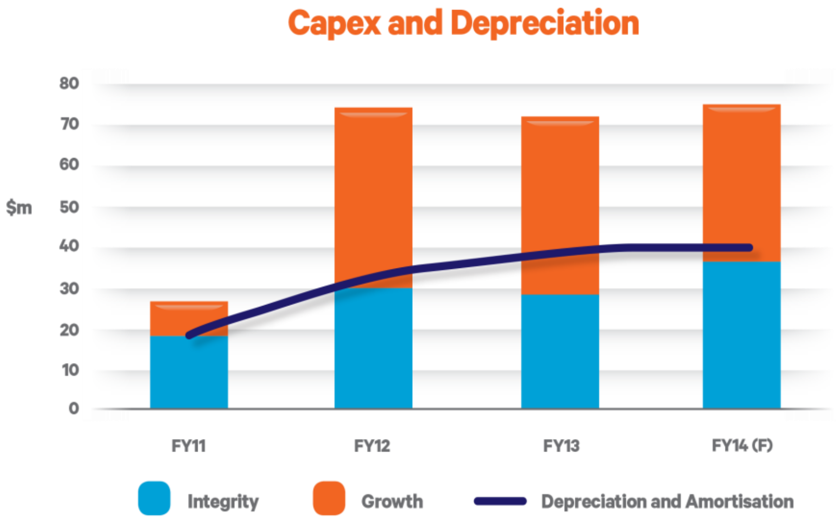
'Distractions' of the IPO now behind us

Source: Bloomberg

Capital Expenditure

Our capital expenditure programme has enabled us to deliver Strategy 1.0 benefits. Within the planning horizon we expect spending to return to levels closer to depreciation

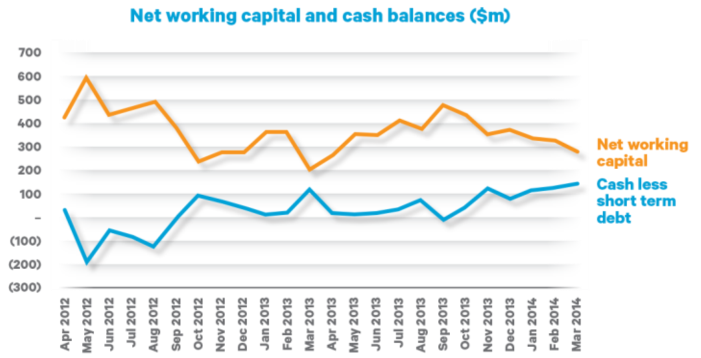
- Since acquisition over the FY11-FY13 period Z has invested $170m in a combination of integrity and growth capex initiatives
- Integrity capex relates to items such as tank replacements. The large increase in growth in FY12 and FY13 relates to the roll out of the brand and refit of retail sites
- FY14 capital programme less than forecast given our decision to defer supply chain investments and slower retail new site builds. Will flow into Q1 of FY15
- Targeted integrity capex of ~$30m per annum and growth capex of $30-$40m

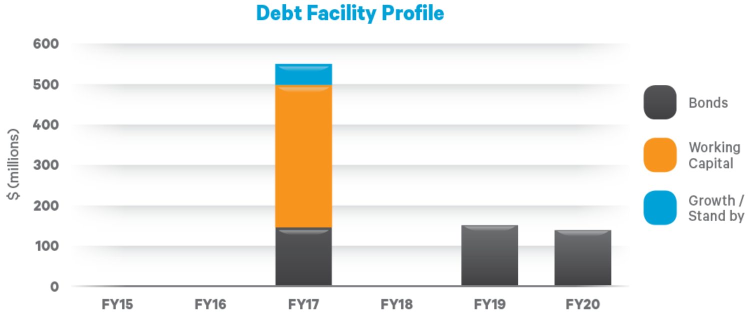


Funding and Cash

Good capacity. March 2014 cash position in line with PFI guidance

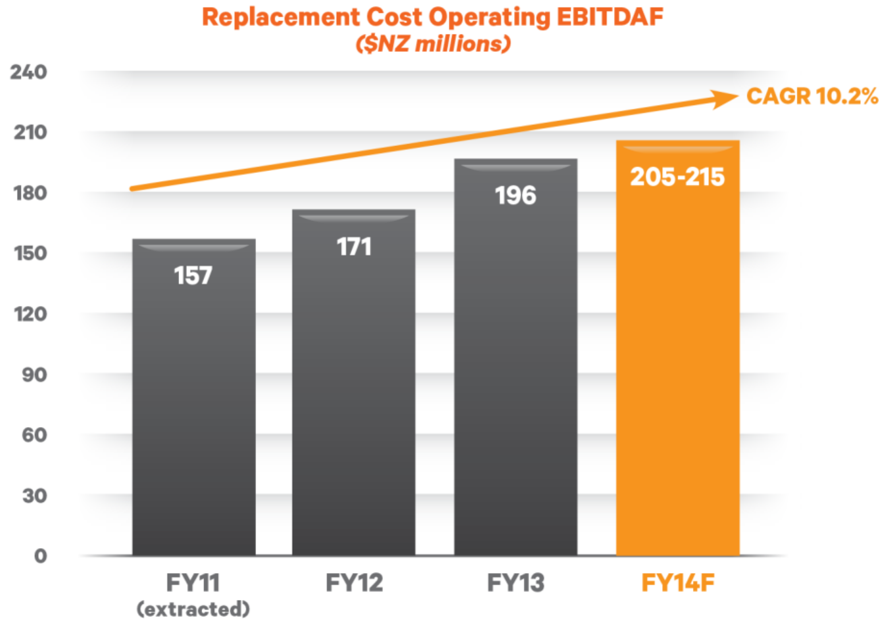
- Debt funding secured pre IPO with long term horizons
- Facilities:
  - $350m working capital facility
  - $50m growth/stand by
  - Well within covenants at 30 Sep 2013. Total debt coverage at 2.2X (covenant < 3X)
  - Additional Balance Sheet capacity (if required) in the form of a further tranche of sale and leaseback of retail property assets ~$40m
- Current gearing (debt:debt + book equity) ~32% so well positioned to fund Strategy 2.0





EBITDAF growth and FY14 guidance

We have delivered strong growth and have a solid outlook given Strategy 2.0 benefits



- Mid point of current guidance = CAGR of 10.2%
- Reported MBIE margins supportive
- FY14 guidance unchanged
- FY14 full year results announcement 8 May 2014

Distributions

Through Strategy 2.0 we aim to deliver an increase in dividend per share over time commensurate with increase in profitability

- Policy – subject to performance and Directors' discretion, Z seeks to distribute 80% of full year Replacement Cost NPAT
- Aim is for earnings growth to support a lift in dividend per share over time
- 35%:65% split between interim and final dividends
- FY14 interim dividend of 7.7 cents per share (fully imputed) was in line with PFI forecasts

Summary

We have capacity to fund Strategy 2.0 organic growth. We are targeting increased dividend returns to shareholders

- We have been disciplined – did not participate in Refining NZ capital issue
- Existing capacity is strong, both in available facilities and saleable property assets
- Cash being generated by the business is broadly consistent with PFI expectations
- We have grown EBITDAF earnings at a CAGR of around 10% since the acquisition
- Strategy 2.0 builds on performance to date - there is more 'gas in the tank'!

Wrapping up

Mike Bennetts

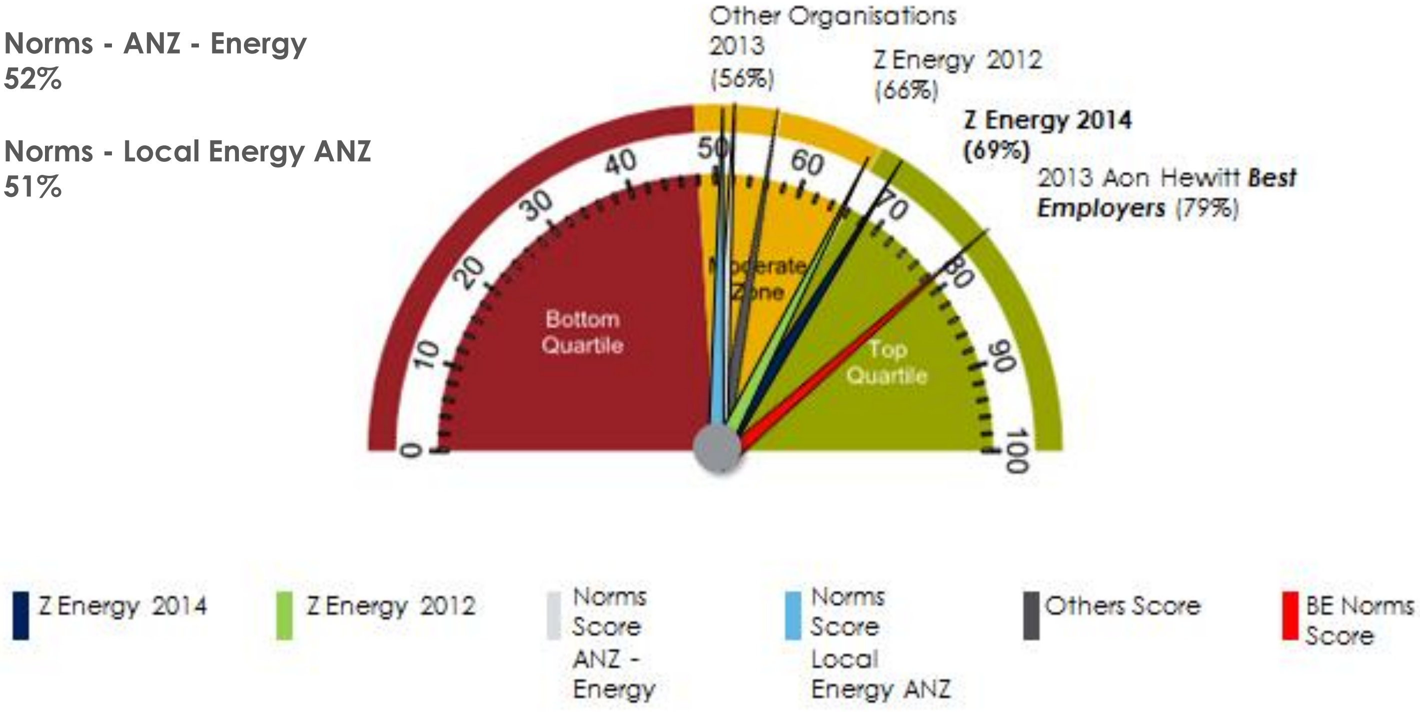
Chief Executive

Employee engagement

Z ranks in the upper quartile for employee engagement across ANZ knowing that higher engagement is correlated to outperformance on total shareholder returns

Norms - ANZ - Energy
52%

Norms - Local Energy ANZ
51%



Overview

We continue to demonstrate our investment themes through delivery in FY14 and the forecasts for the years ahead

- There are both operational and strategic considerations to our HSSE performance
- We bring rigour and thoroughness to the development and execution of strategy
- Strategy 2.0 delivers a distinctive $40-50m of EBITDAF by FY18 on top of any momentum in underlying earnings
- Biodiesel manufacturing is a sensible "beyond the core" investment
- We are disciplined with capital allocation and can fund the growth we are projecting
- Management are capable of executing all of our growth options enabled by a highly engaged team of employees