

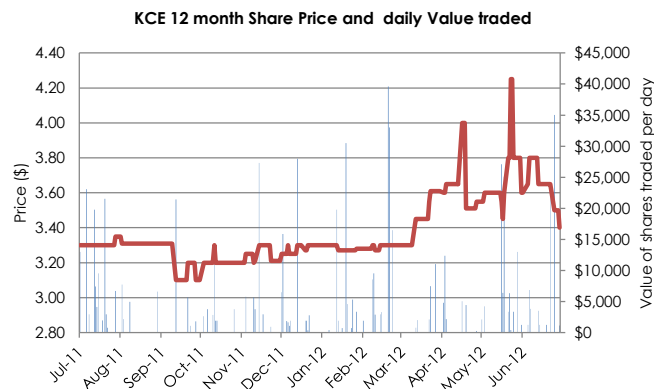
Issuer Profile



King Country Energy Limited



Code	KCE
Last Price	\$3.40
Issuer Profile Date	30/06/2012
Market	Unlisted
Listed	Jul-04
Year End	31-Mar
Shares issued	26,379,474
Market Cap	\$89,690,212
Dividend yield (Gross)	7.1%
Website	www.kce.co.nz



Company Overview

King Country Energy ('KCE') retails electricity throughout the King Country and Waikato regions to approximately 18,000 domestic, commercial and farming properties. It owns and operates four hydroelectricity power stations at Kuratau, Mokauiti, Piriaka and Wairere. It also owns the Mangahao power station near Shannon which is operated by Todd Energy.

KCE is a public company and its two largest shareholders are Todd Energy Ltd (54.1%) and King Country Electric Power Trust (14.2%). The remaining shares (31.7%) are held by around 7,688 smaller shareholders, many of whom reside in King Country area.

KCE was incorporated in 1991, taking over electricity retailing from the King Country Electric Power Board. It was restructured in 1999 following the Electricity Industry Reform Act 1998. At that time, King Country Energy and Waitomo Energy Services combined their assets and then split into King Country Energy Ltd (which acquired the generation and retail businesses) and The Lines Company (which acquired the electricity distribution business). KCE has its head office in Taumarunui.

Financial Summary (NZ\$000's)

Financial Performance	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11	31-Mar-12
Total Revenue (ex interest)	29,777	32,344	33,149	32,906	32,092
EBITDAF	7,935	9,801	5,712	8,515	11,047
EBIT	8,277	5,075	2,382	7,154	7,482
EBIT Margin	27.8%	15.7%	7.2%	21.7%	23.3%
Net Profit/Comprehensive Income	6,949	3,513	23,590	5,749	19,984
Financial Position					
Current Assets (ex cash)	5,025	4,750	5,226	5,008	4,275
Current Liabilities (ex debt)	(4,957)	(4,619)	(5,770)	(3,783)	(4,231)
Net Working Capital	68	131	(544)	1,225	44
Non-Current Assets	76,139	74,243	99,137	96,547	113,744
Non-Current Liabilities (ex debt)	(14,250)	(12,790)	(19,682)	(18,594)	(24,263)
Total Net Assets (ex cash/debt)	61,957	61,584	78,911	79,178	89,525
(Cash)	(4,111)	(3,457)	(5,169)	(6,092)	(11,180)
Debt	228	188	137	78	29
Net (Cash)/Debt	(3,883)	(3,269)	(5,032)	(6,014)	(11,151)
Shareholder Funds	65,840	64,853	83,943	85,192	100,676
Total Capital Employed	61,957	61,584	78,911	79,178	89,525
Total Assets (incl cash)	85,275	82,450	109,532	107,647	129,199
Cash Flows					
Operating Cash Flows	7,060	5,918	7,052	6,095	10,600
Investing Cash Flows	(1,906)	(2,032)	(789)	(612)	(963)
Financing Cash Flows	(4,449)	(4,540)	(4,551)	(4,560)	(4,549)
Net Increase/(Decrease) in Cash	705	(654)	1,712	923	5,088

Disclaimer

The information contained in this Issuer Profile has been prepared by Armillary Private Capital ('Armillary'), on behalf of Efficient Market Services Limited ('Unlisted'). While the intention is to provide accurate information based on historical performance and market information, Armillary and Unlisted accept no liability for any errors or inaccuracies in this Issuer Profile. The reader is advised to perform their own research to confirm the accuracy of the information contained in this Issuer Profile before relying on it for any investment decision making. This Issuer Profile has been prepared as a 'class service' as defined by the Financial Advisers Act and is general in nature.

Analysis

	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11	31-Mar-12
Investment Performance					
Closing Share Price (\$)	4.50	3.97	4.00	3.25	3.61
Annual Total Return (including net dividends)	(1.5%)	(6.4%)	6.8%	(12.8%)	18.5%
A Profitability (EBIT/Revenue)	27.8%	15.7%	7.2%	21.7%	23.3%
B Activity (Rev/Average Total Net Assets)	0.49	0.52	0.47	0.41	0.38
Return on Capital Employed (A x B)	13.5%	8.2%	3.4%	9.0%	8.9%
Return on Equity (NPAT/Average Shareholders Funds)	10.8%	5.4%	31.7%	6.8%	21.5%
Shares on Issue (m)	18.8	18.8	18.8	18.8	18.8
Reported Net Profit / Comprehensive Income (\$m)	6.9	3.5	23.6	5.7	20.0
Payout Ratio	64.8%	128.1%	19.1%	78.3%	22.5%
Net Dividend Yield	5.3%	6.0%	6.0%	7.4%	6.6%
Imputation Credits	100.0%	100.0%	100.0%	50.0%	-
Gross Dividend Yield	7.6%	8.6%	8.6%	8.6%	6.6%
Per Share (cents)					
EBITDAF	42.3	52.3	30.5	45.4	58.9
EPS - Basic	37.1	18.7	125.8	30.7	106.6
EPS - Diluted	37.1	18.7	125.8	30.7	106.6
Net Dividend	24.0	24.0	24.0	24.0	24.0
Net Tangible Assets	351.1	345.9	447.7	454.4	536.9
Cash Flow from Operations	37.7	31.6	37.6	32.5	56.5
Valuation (as at year end)					
Trailing P/E (multiple)	12.1	21.2	3.2	10.6	3.4
Market Value (\$m)	84.4	74.4	75.0	60.9	67.7
Net (Cash)/Debt (\$m)	(3.9)	(3.3)	(5.0)	(6.0)	(11.2)
Enterprise Value 'EV' (\$m)	80.5	71.2	70.0	54.9	56.5
EV/EBITDAF (multiple)	10.1	7.3	12.2	6.5	5.1
Price/Net Tangible Assets (multiple)	1.3	1.1	0.9	0.7	0.7
Operating Ratios					
EBIT Margin	27.8%	15.7%	7.2%	21.7%	23.3%
NPAT Margin	23.3%	10.9%	71.2%	17.5%	62.3%
Net Capex to Sales	6.4%	6.3%	2.4%	1.9%	3.0%
Annual Growth Rates					
Revenue	4.7%	8.6%	2.5%	(0.7%)	(2.5%)
EBITDAF	(20.7%)	23.5%	(41.7%)	49.1%	29.7%
NPAT	48.8%	(49.4%)	571.5%	(75.6%)	247.6%
Net Assets	3.0%	(0.6%)	28.1%	0.3%	13.1%
Equity	3.9%	(1.5%)	29.4%	1.5%	18.2%
Capital Structure					
Equity to Total Assets	77.2%	78.7%	76.6%	79.1%	77.9%
Net Debt/(Net Debt+Equity)	na	na	na	na	na
Net Debt to Equity	na	na	na	na	na
Interest Cover (multiple)	na	90.6	108.3	na	na

Directors	Position	Appointed
Brian Gurney	Chairman	28-Sep-07
Brian Needham	Director	28-Sep-07
Mahadevan Bahirathan	Director	9-Nov-07
Toby Stevenson	Director	1-Oct-09
Stephen Armstrong	Director	23-Dec-10

Top Ten Shareholders *	Shares	Ownership
Todd Energy Limited	14,262,520	54.07%
King Country Electric Power Trust	3,749,990	14.22%
Hedged Custodians Limited	249,044	0.94%
Custodial Services Ltd No. 1-5 Account	223,297	0.85%
JBWere (NZ) Nominees Limited	155,691	0.59%
Leveraged Equities Finance Limited	134,679	0.51%
L M Fitness	120,000	0.45%
P K Guy & A E Guy & J E C Anderson	114,000	0.43%
B A Hart & L M Fitness & J L Burney	100,000	0.38%
A P Thomas & G E Thomas	82,000	0.31%
Total	19,191,221	72.75%

* As at 30 June 2012