MARKET RELEASE
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A successful year as Genesis establishes a solid platform for growth

	Full Year ended 30 June 2017	Change year on year
EBITDAF[1]	$333 million	1% decline on FY16 of $335 million
Net Profit	$119 million	36% decline on FY16 of $184 million
Earnings per share	11.88 cents	Down 36% from 18.43 cps
Dividend per share	16.6 cents	Up 1% on FY16 on 16.4 cents
Free cash flow[2]	$199 million	Down 2% on FY16 of $202 million

A refreshed strategic direction, two major acquisitions, and keeping a constant focus on moving towards a customer-centric future all helped to make FY2017 a successful one for Genesis Energy while building a platform for ongoing growth and innovation.

Genesis Energy (GNE) announced today it had delivered an EBITDAF of $333 million in the year ended 30 June 2017, ahead of market guidance.

"We are pleased to deliver a result that's ahead of guidance during a period of significant change," said Genesis chairman Dame Jenny Shipley.

The FY2017 result is consistent with the previous year's. The positive effects of revenue growth and lower costs had been offset by lower wholesale prices for most of the period.

Net profit after tax was $119 million, down 36% on the prior comparable period as a result of prior-year revaluations of assets, and free cash flow was down 2%.

While the roll-off of oil price hedges and one-off restructuring and transactions costs affected earnings, Genesis also saw the benefit from $15 million of additional earnings from its Kupe acquisition in the second half of the year.

Net debt was up $379 million on the same period, as borrowings were used to fund the Kupe and Nova Energy LPG distribution transactions. This included the issue of an 8-year $100 million wholesale bond and a 30-year $225 million capital bond which increased the average debt tenure to 11.4 years, while the average cost of debt declined 80 basis points to 5.7%.

"In FY2017 we made significant progress on our mission to reimagine energy, delivered through our optimise-innovate-invest strategy," said chief executive Marc England.

Mr England pointed to the strategic importance of the company's two major acquisitions in FY2017, firstly a 15% increase in the ownership share in Kupe for $168 million announced in November 2016, and then the acquisition of the retail bottled gas business of Nova Energy for $192 million announced in May 2017.

"These deals mean Genesis now has an integrated position between LPG production from Kupe and our significant retail position in a relatively high-margin market that continues to grow."

Mr England said a continual drive for efficiency delivered $8 million in cost savings in FY2017.

"In the wholesale business this was achieved through planning and scheduling maintenance activities that delivered both cost savings and greater plant availability.

[1] Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, fair value changes and other gains and losses
[2] Free Cash Flow is EBITDAF, less finance expense, taxes paid and stay in business capital expenditure.

"In the retail customer area of our business, the implementation of new technologies has resulted in call volumes falling and self-service transactions increasing.

"Our agile workplace culture is working to redefine products and experiences for our customers, building on our position as the only company that can offer its customers bottled LPG, natural gas, and electricity on one billing platform.

"By reimagining energy we will be able to deliver new products, services and ways of working with energy that give customers the convenience, control and comfort they want in their lives," Mr England said.

Dame Jenny Shipley said the Genesis board had declared a final dividend of 8.4 cents per share, taking total dividends to 16.6 cents per share - an increase of 1% on the same basis as the prior comparable period.

"This is consistent with our policy of growing dividends in real terms over time," Dame Jenny said.

The dividend will be paid on 13 October 2017, with a record date of 29 September 2017.

FY2018 guidance

EBITDAF guidance for the full year ended 30 June 2018 is in a range of between $345 million and $365 million. This assumes average hydrological conditions, an average hedged oil price of $56 USD/bbl and $15 to $20 million of additional operating expenditure to support future growth. Capital expenditure guidance for FY18 is $50 to $60 million with an additional sum of up to $10 million on Phase 2 expenditure at Kupe.

Further information on the company's operations and financing can be found in the investor presentation of the full year results at nzx.com/markets/NZSX/securities/GNE and www.genesisenergy.co.nz/presentations.

To view Genesis' *Annual Report* and additional content highlighting our acheivements in FY2017, go to yearinreview.genesisenergy.co.nz.

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About Genesis Energy

Genesis Energy (NZX: GNE) is a diversified New Zealand energy company. It sells electricity, reticulated natural gas and LPG through its retail brands of Genesis Energy and Energy Online. It is New Zealand's largest energy retailer with around 505,000 customers. The Company generates electricity from a diverse portfolio of thermal and renewable generation assets located in different parts of the country. Genesis Energy also has a 46% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki, New Zealand. Genesis Energy had revenue of $NZ2 billion during the 12 months ended 30 June 2017. More information can be found at www.genesisenergy.co.nz