INFRATIL HALF YEAR RESULTS PRESENTATION

Six Months Ended 30 September 2014

11 November 2014

Half Year Overview

Investment realisations provide capital management options

- Record net surplus following asset realisations
  - $336.7m gain on sale of the IEA Group
- EBITDAF from continuing operations +4.9%
- New capital investment continues:
  - A$72m acquisition of Green State Power by TPW
  - Completion of Snowtown II wind farm
- FY2015 guidance maintained (adjusted for the sale of IEA Group)
  - Revised FY2015 EBITDAF range of $475-$500m
- $120m capital return targeted for 2nd half of FY15:
  - Special dividend of 15cps ($84.2m)
  - On-market buyback of $35.8m via tender in Q4 FY15
  - Review further capital options post FY15
- Increase in interim dividend to 4.5cps (+20%)

Financial Highlights

IEA Group divestment drives record net surplus

Half Year Ended 30 September ($Millions)	2014	2013	Variance	% Change
EBITDAF (continuing activities)[1]	242.5	231.2	11.3	4.9%
Operating Earnings (continuing activities)[1]	78.0	79.8	(1.8)	(2.3%)
Net Surplus after Tax, MI and Disc Ops	398.8	230.0	168.8	73.4%
Net Operating Cash Flow	122.2	274.6[2]	(152.4)	(55.5%)
Capital Expenditure/Investment	196.0	257.4	(61.4)	(23.9%)

(1) Continuing operations in FY14 and FY13 exclude the IEA Group and PayGlobal which were sold during the period and the European Airports which were sold in November 2013

(2) Net operating cash flow includes $107m of distributions from Z Energy in 2013

Result Summary

Adjusted EBITDAF +6.8% on prior year

- $15.6m increase in adjusted EBITDAF[1] of $245.9m (+6.8%)
- Increased contribution from Trustpower offset by lower historic cost contribution from Z Energy
- Steady underlying performance from Z Energy, WIAL, NZ Bus and MET
- IEA EBITDAF included within discontinued operations

($Millions)	30 Sep 2014	30 Sep 2013	% Change
EBITDAF[1]	242.5	231.2	4.9%
Z Energy equity earnings adjustment[2]	3.4	(0.9)	477%
Adjusted EBITDAF	245.9	230.3	6.8%
Depreciation & Amortisation	(72.1)	(60.3)	(19.6%)
Adjusted EBIT	173.8	170.0	2.2%

(1) EBITDAF from continuing operations
(2) Z Energy adjustments detailed in Appendix II

Results Summary

Portfolio changes have dominated reported results

IEA GROUP SALE

- Sale of 100% of the IEA Group for net sales price of $670.4m
- Net gain on sale of $336.7m
- Gain on sale and 6 month results reported within discontinued operations

OPERATING CASH FLOW

- $122.2m for the period (-55% versus PY of $274.6m)
- Prior period included $100.9m of distributions from Z Energy and derivative realisations of $37.5m

MARK TO MARKET FAIR VALUES

- Energy, FX and IRS derivative losses of $4.7m
- Fair value gain on acquisition of Green State Power of $25.0m
- Gains on realisations of PayGlobal and New Lynn property of $7.4m after tax

INTERIM DIVIDEND [1]

Interim dividend of **4.5 cps** and Special dividend of **15.0 cps**, both fully imputed and payable on **15 December 2014** to shareholders of record as at **28 November 2014** (last year 3.75 cps)

[1] The DRP will be suspended for this dividend

EBITDAF Breakdown

EBITDAF growth driven by Snowtown II wind farm

HY 30 September ($Millions)	Sep 2014	Sep 2013
Trustpower	173.3	153.2
Wellington Airport	40.4	42.4
NZ Bus	20.0	21.5
Perth Energy	4.9	3.5
Other, eliminations, etc.	(8.8)	(11.2)
EBITDAF pre associates	229.8	209.4
Z Energy	4.4	21.8
Metlifecare	8.3	-
EBITDAF – continuing	242.5	231.2
Infratil Energy Australia	40.8	53.9
Other Discontinued	1.2	(6.3)
Total EBITDAF	284.5	278.8

- **Trustpower –** EBITDAF increase of 13% driven by growth in Australian generation volumes from Snowtown II
- **WIAL –** Reset aeronautical charges reducing EBITDAF from 1 June
- **NZ Bus –** Growth in patronage offset by reducing fare yields in Auckland
- **Z Energy –** Reduction in ownership percentage following IPO in 2013
- **Metlifecare –** Acquired in November 2013, contribution driven by asset revaluations
- **IEA –** sold to Snowy Hydro on 30 September 2014 and result included within discontinued operations

IEA Group Sale

Significant gain realised on sale

- On 30 September 2014, Infratil completed the sale of 100% of the IEA Group to Snowy Hydro Limited for a net sales price of $670.4m, subject to finalisation of the working capital adjustment
- Net gain on sale of $336.7m recognised within discontinued operations

Reported Gain on IEA Group Sale	$Millions
Gross sales proceeds	726.3
less: sales costs	(10.7)
less: incentive fee payable to Morrison & Co	(45.2)
Net sales proceeds	670.4
Carrying value of net assets sold	(325.9)
Realised FX and derivatives	(7.8)
Net gain on sale	336.7

Economic value gain	$Millions	$ per share
IFT carrying value 31 March 2014	271.9	0.48
Increase in NAV during period	61.8	0.11
Net sales proceeds	670.4	1.19
Net gain on sale	336.7	0.60
Total gain during period	398.5	0.71

Debt Profile

Strong net cash position and duration profile

- Total Infratil and wholly owned subsidiaries[(1)] bank facilities of $502.6m. Net cash position of $640.4m at 30 September 2014
- Senior borrowing facilities include senior debt with terms up to 5 years and 7.5 year export credit facilities
- Infratil gearing 20.0**%** (net debt / total net debt + equity capitalisation) including Piibs (down from 46% at March 2014)
- Infratil continues to target duration of its borrowings consistent with the profile of its assets and long-term ownership

As at 30 September[(2)] ($Millions)	2015	2016	2017	2018	>4 yrs	>10 yrs
Bonds	-	152.8	100.0	147.4	354.1	234.9
Infratil bank facilities[(1)]	-	62.0	132.0	197.0	25.0	-
100% subsidiaries bank facilities [(3)]	6.4	12.7	12.7	12.7	42.1	-

(1) Infratil and wholly-owned subsidiaries excludes Trustpower, WIAL, Perth Energy, Z Energy and Metlifecare
(2) Maturity profile based on 31 March financial year ends
(3) NZ Bus export credit guarantee fleet procurement facility

Capital Management

Current context - full range of alternatives examined

- Following the sale of IEA, Infratil has significant cash balances, no net wholly-owned bank debt, and no bond maturities until November 2015
- Macro view suggests it will be advantageous to maintain financial flexibility in any future capital structure;
  - Infrastructure and capital markets are currently positive, although we remain cautious given current pricing and the potential for significant volatility as developed markets face the end of QE
  - The pipeline for future investment remains strong with an emphasis on growth infrastructure, and developments in confirmed areas of interest (e.g. renewables and retirement sector)
  - A number of near term value accretive investment opportunities are underway
- Capital management is always challenging when buying or selling large private market or control assets

Capital Management (cont'd)

A flexible and staged recommendation

- A combination of a fully imputed special dividend and a share buy-back will improve capital efficiency while rewarding shareholders equitably:
  - Addresses current IFT valuation and capacity to secure long-term returns from growth infrastructure
  - Current stock of imputation credits is inefficient and high relative to existing dividend policy
  - Buyback accretion benefits are meaningful, although residual capital structure needs to provide ongoing flexibility
  - Infratil's share price has responded very positively to the sale of Lumo/IEA, lifting 50 cents per share (20%) since the announcement with commensurate increases in consensus broker valuations
- Review of position for further capital returns in FY16 following developments and progress with internal and external origination

Capital Return	• Special dividend of 15cps ($84.2m) in conjunction with the interim dividend • On-market buyback via tender of $35.8m targeted for Q4 2015

Net Asset Values

Book Values at 30 September – sale of IEA has reduced totals

Investment[1,2] ($Millions)	30 Sep 2014	31 Mar 2014
Trustpower	1,167.7	1,036.7
Wellington Airport	329.6	351.5
NZ Bus	300.5	303.1
Infratil Energy Australia	-	271.9
Perth Energy	76.5	76.8
Z Energy	316.8	312.0
Metlifecare	193.4	170.6
Other	73.3	78.6
Total	2,457.8	2,601.2

(1) Book values represent accounting based measures of value, other than for listed investments (Trustpower, Z Energy and Metlifecare)
(2) Values exclude 100% subsidiaries' cash balances and deferred tax where CGT does not apply

- **Trustpower** – listed market value ($7.31) reflects re-rating of generators-retailers post the NZ election
- **WIAL** – minor movement reflects shareholder distributions and payment for tax losses
- **NZ Bus** – minor movement in net invested capital
- **Z Energy** – movement in listed market share price ($3.96)
- **Metlifecare** – movement in listed market share price ($4.60)
- **Other** investments include ASIP, iSite, Snapper and Property

NZ Energy - Trustpower

Snowtown II construction completed ahead of expectations

EBITDAF of $173.3m up 13% over prior period

Good traction on mass market acquisitions through metro market campaigns

- energy accounts increased to 255k, up 12% over prior period
- multi-service offer continues to gather momentum

Snowtown II construction completed

- full hand-over 24th October
- final cost of A$424m (ex capitalised interest). $16m under budget (14%+ project IRR)
- Snowtown I and II wind farms produced 584 GWh up 300% on prior year

Acquisition of Green State Power

- successful acquisition of NSW-based hydro and wind assets. 105MW of hydro and wind expected to produce 270 GWh in an average year

NZ Fuel Distribution - Z Energy

Solid underlying performance impacted by GRM and FX volatility

- 13% decline in RC operating EBITDAF despite fuel marketing margin growth
- Extremely low refining margins exacerbated by unplanned operational production outages at Refining NZ
- Negative impacts from foreign exchange volatility at the end of the reporting period
- Fuel margin +5% and non-fuel margin +7%
- Strategy projects support momentum:
  - 2 new sites and 5 rebuilds completed during the period
  - New agreement for product imports finalised (+$1m savings)
- FY guidance for replacement cost EBITDAF maintained suggesting stronger 2nd half performance
- Interim dividend of 7.7cps to be paid 3 December 2014

Wellington International Airport
Major development programme initiated

- **EBITDAF -4.8% to $40.4m**
  - 40 cent per passenger charge reductions effective 1 June 2014
  - Passenger growth on budget but below trend, expected to improve in the second half of year
  - New Jetstar direct service to Coolangatta commences December 2014 and delivers an additional 50,000 seats to Wellington’s trans-Tasman market and improved connectivity to Asia

- **Capital expenditure programme**
  - Work about to commence on a 6,000 sq metre extension to the terminal
  - Evaluation of the proposed 300m extension to the runway positive

NZ Public Transport – NZ Bus

New contract environment imminent

- **EBITDAF $20.0m vs prior year $21.5m**
  - Total passengers of 31 million, up 3% on the prior year
  - Reduction in yields following the introduction of integrated ticketing in Auckland
  - Additional spend on operational efficiency measures aimed at productivity improvement and positioning for new bus contract tenders
- **Public Transport Operating Model (PTOM)**
  - Auckland Transport has released draft contracts and consultation with incumbent operators is underway
  - The first round of tenders will follow contract finalisation, with implementation expected 2015/16
  - Dialogue is continuing with GWRC on a transition plan for trolley buses in Wellington

NZ Retirement - Metlifecare

Solid progress across most KPIs

- **$8m equity accounted contribution to the group**
  - On track to deliver 200+ units and beds target per annum by FY15
  - Result included strong revaluation gains
- **Current land-bank capable of accommodating 1,000 units and care beds**
  - Greenfield and brownfield construction in Auckland and Tauranga
  - Resource consent obtained for Greenwich Gardens
- **Continuum of care model developing**

Capital Expenditure

Modest internal capex profile for the 2nd half

Capex ($Millions)	30 Sep 2014	FY15 Outlook
Trustpower	143.9	155-175
Wellington Airport	7.3	40-45
NZ Bus	10.3	15-25
Infratil Energy Australia	16.4	16.4
Perth Energy	0.1	1-2
Z Energy	-	-
Metlifecare	0.5	1-2
Australian PPP	16.4	25-35
Other	1.1	1-2
Total	196.0	255-305

- **Trustpower –** Snowtown II completed in September 2014 and acquisition of Green State Power concluded – remaining capital spend on ongoing optimisation of NZ hydro facilities
- **Wellington Airport –** commencement of 6,000 sq metre terminal expansion in November 2014
- **NZBus –** investment in bus repowering
- **Australian PPP –** investment contributions for the new Royal Adelaide Hospital development via ASIP

2014/15 Outlook

Updated guidance post the sale of the IEA Group

$Millions	30 Sep 2014 Actual	FY 2015 Outlook[1]
EBITDAF – continuing operations	242.5	475-500
Net interest	92.2	165-175
Operating cash flow	122.2	250-280
Depreciation and amortisation	72.0	155-165

[1] Continuing operations based on Z Energy replacement cost earnings (refer Appendix III)

- 2014/15 EBITDAF range $475m - $500m:
  - Assumes no further major changes in the IFT portfolio
  - Reduction from original guidance reflects the sale of IEA – now included in discontinued operations

Infratil Group - Summary
Previous divestment bias shifting to origination focus

- Strong underlying performance in the portfolio and the sale of Infratil Energy Australia has created significant flexibility for the Group
  - Following the sale of IEA, Infratil has significant cash balances, no net wholly-owned bank debt, and no bond maturities until November 2015
  - Combination of $120m special dividend and share buy-back will improve capital efficiency while rewarding shareholders equitably
- Growing confidence in origination and uncertainty in markets support the case for capital retention and financial flexibility
  - A number of near term value accretive investment opportunities are underway
- Near term portfolio plan includes:
  - Allocate some capital to early stage and higher growth development exposures in favoured sectors (e.g. renewables, retirement, water and irrigation)
  - Further traction of the NZ retail multi-service offering and international development programme in TPW
  - Execute the capital expenditure plans in WIAL
  - Assess future long term returns available from NZ public transport with PTOM
  - Continue to support MET and ZEL as an active shareholder
- Cash flow growth and outlook supports continued growth in dividends per share

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Appendix I – Consolidated Profit & Loss

Group Financial Performance ($Millions)	30 Sep 2014	30 Sep 2013
Operating revenue	852.2	794.4
Operating expenditure (excluding depreciation & amortisation)	(609.7)	(563.2)
EBITDAF (continuing activities)	**242.5**	**231.2**
Net interest	(92.4)	(91.1)
Depreciation & amortisation	(72.1)	(60.3)
Operating Earnings (continuing activities)	**78.0**	**79.8**
Net (loss) / gain on foreign exchange and financial derivatives	(4.7)	65.5
Net investment realisations	29.9	185.7
Tax	(21.8)	(32.3)
Discontinued operations[i]	367.0	(21.4)
Net Surplus after Tax	**448.4**	**277.3**
Minority interests	(49.6)	(47.3)
Net Parent Surplus	**398.8**	**230.0**

[i] Discontinued operations refers to the European Airport investment which was sold in November 2013, the IEA Group sold in September 2014 and PayGlobal Limited sold in August 2014

Appendix II – Adjusted Earnings Reconciliation

Half Year Ended 30 September ($Millions)	Sep 2014	Sep 2013	Variance	% Change
Net Profit after Tax – reported	448.4	277.3	171.1	61.7%
• Net (gain)/loss on foreign exchange and derivatives[(i)]	4.7	(65.5)		
• Net investment revals, realisations and impairments	(29.9)	(185.7)		
• Tax effect of changes[(ii)]	0.3	18.3		
• Add back result from discontinued operations	(367.0)	21.4		
Z Energy Adjustments (after tax)				
• Z Energy equity earnings (HCA to RC adjustment)[(iii)]	3.4	(0.8)		
• Z Energy gain on derivatives	-	(0.2)		
• Z Energy net investment revals, realisations and impairments	-	0.1		
Net Profit after Tax – adjusted	**59.9**	64.9	**(5.0)**	**(7.7%)**

(i) Mark to market movements on derivatives reflect the market value of interest rate, foreign exchange and energy hedges at a reporting date and are subject to the market prices of the respective hedges

(ii) The tax effect reflects the tax change as a result of removing the other adjustments

(iii) Z Energy reports its earnings on a historic cost basis, which may be volatile depending on how much the price of oil fluctuates. Further details are provided on the next page

Appendix III

Z Energy HCA to RC Adjustment

- RC Earnings is a non-GAAP measure used by the downstream fuel industry to measure and report earnings on a replacement cost basis
- RC Earnings adjusts purchases of crude and product as if the product sold in a month had been purchased in that month, rather than the Historical Cost (HC) which reflects the prices at the time of purchase
- RC Earnings exclude the impact of changes in crude oil and refined product prices on the value of inventory held by Z, thus it is a better measure of underlying performance
- The difference between HC earnings and RC earnings is the Cost of Sales Adjustment (COSA). Refer to the reconciliation between HC NPAT and RC NPAT in these appendices