



Infratil

Dividend Reinvestment Plan 10 May 2010

Dividend Reinvestment Plan

The Infratil Dividend Reinvestment Plan gives Shareholders the option of receiving some or all of their Dividends (which includes other distributions) as Shares. Any Shareholder who does not apply to be included in the Plan will receive cash Dividends.

What you are required to do

If you wish to participate in the Plan you must:

- Complete the Participation Notice enclosed with this Offer Document. You may participate in regard to some or all of the Shares you hold.
- Send the completed Participation Notice to the Registrar:

Infratil Limited Share Registrar
Link Market Services, 138 Tancred Street
PO Box 384, Ashburton 7740
New Zealand

OR

Infratil Limited Share Registrar
Link Market Services
Locked Bag A14, Sydney South, NSW 1235
Australia

Key features of the Plan

- Shareholders are free to opt-in and opt-out of the Plan at any time so long as notification is received by Link Market Services by 5.00 pm (NZ time) on the Record Date for the relevant Dividend.
- The Dividend amount will continue to be taxable as at present. It is anticipated that Infratil's Dividends will continue to be fully imputed, whether they are received as cash or as Shares.
- When a Dividend is declared by Infratil it will be announced if the Plan will be operational (i.e. Infratil can revert to paying only cash Dividends) and if there is to be a discount in the price of the Shares issued.
- The price of the Shares issued under the Plan will be the volume weighted average sale price of all Shares which take place through the NZSX market over the 5 trading days after the relevant Record Date.
- Infratil may determine to issue the Shares under the Plan at a discount to the market price as calculated in the manner noted above.
- Shares issued under the Plan will rank equally in all respects with existing Shares.
- All Shareholders in Infratil with registered addresses in New Zealand or Australia are eligible to participate in the Plan. Infratil may, in its absolute discretion, elect to offer participation in the Plan to Shareholders whose address is outside New Zealand if the Board considers that to do so would not risk breaching the laws of places outside New Zealand and Australia.

1) Introduction

- a) This Offer Document contains the terms and conditions of the Plan. Under the Plan, Eligible Shareholders may elect to invest the net proceeds of cash Dividends payable or credited on all or some of their Shares to acquire Additional Shares. This Offer Document has been prepared as at 10 May 2010.
- b) These terms and conditions of the Plan comply with the Securities Act (Dividend Reinvestment) Exemption Notice 1998. Accordingly, no prospectus or investment statement is required in respect of the Plan.
- c) Capitalised terms used in this Offer Document have the meanings set out in the Glossary.

2) The offer and Plan availability

- a) Subject to clauses 4) and 5), Infratil offers to all Eligible Shareholders the right to elect to participate in the Plan.
- b) Eligible Shareholders may elect to participate in the Plan by exercising one of the following options:
 - i) Full Participation
If you elect full participation, participation in the Plan will apply to all of your Shares.
 - ii) Partial Participation
If you elect partial participation, only the number of Shares nominated by you will participate in the Plan. If you nominate a number of Shares in excess of the number of Shares held by you, your application will be deemed to be an application for full participation.
- c) If you do not wish to participate and you wish to receive Dividends in cash, you are not required to do anything. You will continue to automatically receive in cash any Dividends paid on all your Shares.
- d) Not later than when declaring each Dividend, Infratil shall advise whether the Plan is applicable in respect of that Dividend. If Infratil advises that the Plan is not applicable then, notwithstanding any Shareholder elections, all Dividends shall be paid in cash. In the absence of any such advice, the Plan shall continue to operate and Participating Shareholders shall receive Shares in accordance with their elections.

3) Information for Australian shareholders

- a) The offer of securities under the Plan does not need disclosure for the purposes of section 708 of the Corporations Act 2001 (Cth). Accordingly, this Offer Document will not be lodged with ASIC.
- b) Australian resident Shareholders should note that Infratil is not licensed to provide financial product advice in relation to the securities offered under the Plan. There is no cooling-off regime that applies in respect of your acquisition of securities offered under the Plan. This Offer Document does not take into account your personal objectives, financial situation or needs. You should consider obtaining your own financial product advice in relation to the proposed offer from an independent person who is licensed by ASIC to give such advice.

- c) At present Infratil is only listed on the NZX. Infratil may in future list on the ASX.

4) Ability to exclude overseas shareholders from the Plan

- a) All Shareholders in Infratil with registered addresses in New Zealand or Australia are eligible to participate in the Plan.
- b) The Plan is not capable of acceptance by persons in any jurisdiction where it would be unlawful to do so. Any Shareholder electing to participate in the Plan is deemed to represent that he, she or it is not in a jurisdiction which does not permit the making to him, her or it of an offer of the kind described in the Plan, and is not acting for the account or benefit of a person within such a jurisdiction. The Board may, in its absolute discretion and having regard to the associated costs, elect to offer participation under the Plan to Shareholders whose address is outside New Zealand or Australia if the Board considers that to do so would not risk breaching the laws of places outside New Zealand.
- c) Shareholders who are not resident in New Zealand or Australia and who hold Shares through a New Zealand or Australian resident nominee should not allow their nominee to participate in the Plan if participation in respect of their Shares would be contrary to the laws of their country of residence.
- d) Any person residing outside New Zealand or Australia who participates in the Plan through a New Zealand or Australian resident nominee will be deemed to represent and warrant to Infratil that they can lawfully participate in the Plan through their nominee. Infratil accepts no responsibility for determining whether a Shareholder is able to participate in the Plan under laws applicable outside of New Zealand or Australia.

5) Exclusion where liens or charges over shares

- a) Any Shares over which Infratil has a lien or charge in accordance with its Constitution or other requirements of law will not be eligible to participate in the Plan.

6) Method of participation

- a) To participate in the Plan an Eligible Shareholder must complete the Participation Notice in accordance with the instructions on that Participation Notice, and forward the completed Participation Notice to:

**Infratil Limited Share Registrar
Link Market Services, 138 Tancred Street
PO Box 384, Ashburton 7740
New Zealand**

OR

**Infratil Limited Share Registrar
Link Market Services
Locked Bag A14, Sydney South, NSW 1235
Australia**

(or such other person or address as Infratil may determine) by not later than the Record Date for the relevant Dividend.

- b) A Participating Shareholder may vary their terms of participation in the Plan by completing a Variation Notice and delivering it to the Registrar.
- c) If the Participation Form does not indicate the level of participation or indicates a level of participation in excess of the number of Shares then held by that Shareholder, it will be deemed to be an application for full participation.

7) Calculation of share entitlement

- a) The number of Additional Shares to be issued to a Participating Shareholder will be:
 - i) based on the net amount of the Dividend the Participating Shareholder would otherwise have received; and
 - ii) calculated on the basis that the issue price of the Additional Shares will be a set percentage of the market price of Shares, as determined in accordance with the formula set out in paragraph 7) b), where such percentage of the market price is determined from time to time by the Board in its absolute discretion. As at the date of this Offer Document, the percentage is 100 per cent.

- b) The number of Additional Shares to be issued to a Participating Shareholder who has elected to participate in the Plan will be calculated in accordance with the following formula:

$$N = \frac{S \times D}{C \times E}$$

WHERE:

- N** is the number of Additional Shares which will be acquired by a Participating Shareholder.
- S** is the number of Participating Shares.
- D** is the amount of the Dividend (expressed in cents and fractions of cents, including any supplementary dividends in respect of Participating Shares payable to non-resident Shareholders but excluding any tax credits and after deduction of any amounts of resident or non-resident withholding, or other, taxes, if any) payable per Share which would otherwise have been payable to a Participating Shareholder if the Participating Shareholder had not elected to participate in the Plan.
- C** is the volume weighted average sale price for a Share (expressed in cents and fractions of cents) calculated on all sales of Shares which take place through the NZSX market on the first five trading days following the Record Date for the relevant Dividend. If no sales of Shares occurred during the first five trading days following the Record Date then the volume weighted average sale price shall be deemed to be the first sale price for a Share which took place through the NZSX following that five day trading period. Any volume weighted average sale price so determined may be

reasonably adjusted by the Board to allow for any bonus or dividend or other distribution expectation. If, in the opinion of the Board in its sole discretion, any exceptional or unusual circumstances have artificially affected the volume weighted average sale price so determined, the Board may make such adjustment to that sale price as it considers reasonable.

E is the percentage determined by the Board from time to time, in its absolute discretion. As at the date of this Offer Document the percentage is 100 per cent. Any change to this percentage shall be notified to the NZX (and if Infratil is listed on the ASX, the ASX) not later than 10 Business Days prior to the relevant Record Date.

8) Fractional entitlements

a) Where the number calculated in accordance with the formula in paragraph 7) b) includes a fraction then the number of Additional Shares to be issued shall be rounded down to the nearest whole number.

9) Compliance with laws, listing rules and Constitution:

- a) The Plan will not operate in relation to a Dividend to the extent that the allotment or issue of Additional Shares under the Plan would breach any applicable law, the NZSX Listing Rules, any provision of the Constitution and, if Infratil is listed on the ASX, the ASX Listing Rules.
- b) If and to the extent that the Plan does not operate for such reason in respect of a Shareholder's Participating Shares, the relevant Dividend on Participating Shares will, until such time as the issue is resolved, be paid or distributed in the same manner as to Shareholders not participating in the Plan.
- c) Infratil will ensure that at the time the price for the Additional Shares is set under paragraph 7) b), it will have no information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Additional Shares if the information were publicly available.

10) Issue of shares

- a) Infratil will, on or about the day that a Participating Shareholder would otherwise have been paid a Dividend, either issue or arrange the transfer of the Additional Shares to that Shareholder in accordance with paragraph 7) a).
- b) Additional Shares issued to Participating Shareholders under the Plan will be issued on the terms and conditions set out in this Plan and, subject to the rights of termination, suspension and modification set out in paragraph 12), will not be issued on any other terms and conditions and will all be subject to the same rights as each other.
- c) The Additional Shares issued to Shareholders under the Plan will, from the date of issue, rank equally in all respects with each other and with all other Shares on issue as at that date.

- d) Additional Shares to be acquired by Participating Shareholders under the Plan may, at the Board's discretion, be:
 - i) new Shares;
 - ii) existing Shares acquired by Infratil or a nominee or agent of Infratil; or
 - iii) any combination of (i) and (ii) above.

11) Statements to Shareholders

- a) Infratil or its Registrar will send to each Participating Shareholder, as soon as practical after each Dividend Payment Date, a statement detailing in respect of that Participating Shareholder:
 - i) the number of Shares of the Participating Shareholder as at the relevant Record Date;
 - ii) the number of Participating Shares of the Participating Shareholder as at the relevant Record Date;
 - iii) the amount of the cash Dividend used to subscribe for Additional Shares and the amount of Dividend paid in cash for Shares not nominated for participation in the Plan (if applicable);
 - iv) the amount of any taxation deduction or withholding in respect of that cash Dividend;
 - v) the number of Additional Shares issued to the Participating Shareholder under the Plan, the issue price of those Additional Shares and the percentage determined by the Board under paragraph 7) a) (if different from 100 percent); and
 - vi) advice as to the amount of any imputation or other taxation credits in respect of that cash Dividend.

12) Termination, suspension and modification

- a) The Board may, in its sole discretion, at any time:
 - i) terminate or modify the Plan. If the Plan is modified, then a Participation Notice will be deemed to be a Participation Notice under the Plan as modified unless that Participation Notice is withdrawn by the Shareholder;
 - ii) suspend the operation of the Plan so that it will not apply to the whole or part of any Dividends;
 - iii) resolve that participation will not apply to the whole or part of any Dividend and that the Dividend or the balance of the Dividend (as the case may be) will be paid in cash;
 - iv) resolve that in the event of the subdivision, consolidation or reclassification of the Shares into one or more new classes of shares, that a Participation Notice will be deemed to be a Participation Notice in respect of the Shares as subdivided, consolidated or reclassified unless such Participation Notice is subsequently changed or withdrawn by the Participating Shareholder;
 - v) resolve that a Participation Notice will cease to be of any effect;

- vi) resolve that Shareholders in specific jurisdictions outside New Zealand and Australia may, or may not, participate in the Plan;
 - vii) resolve that the Plan may be underwritten on such terms as may be agreed between Infratil and an underwriter; or
 - viii) exclude Shares that are held under an employee share scheme.
- b) Notice of any termination, suspension or modification by the Board (including pursuant to paragraph 2) d) will be given to all Participating Shareholders by sending written notification of that termination, suspension or modification to the Participating Shareholders' addresses as held by the Registrar at least 10 Business Days prior to the Record Date from which the change applies.
- c) Notwithstanding paragraph 12) a), Infratil may at any time, without the need of any notice:
- i) modify the Plan to comply with the Constitution, the NZSX Listing Rules, any law or, if relevant, the ASX Listing Rules; and
 - ii) make minor amendments to the Plan where such amendments are of an administrative or procedural nature.

13) Variation or termination by a Participating Shareholder

- a) A Participating Shareholder may, at any time, increase or decrease the number of their Shares which are participating in the Plan by completing and sending a Variation Notice to Infratil or terminate their participation in the Plan by written notice to that effect to Infratil.
- b) A variation or termination under paragraph 13) a) will take effect immediately upon receipt by Infratil of the Variation Notice or the termination notice, as the case may be, but must be received by not later than 5.00 pm (NZ time) on a Record Date for it to be effective for the Dividend to which that Record Date relates.
- c) If a Participating Shareholder dies, participation by that Shareholder in the Plan will be terminated by Infratil upon receipt by Infratil of a notice of death in a form acceptable to Infratil. Death of one of two or more joint Participating Shareholders will not automatically terminate participation.

14) Reduction or termination of participation where no notice given

- a) Where a Participating Shareholder in respect of some but not all of their Shares disposes of some of their Shares without giving Infratil written notice terminating or varying the Participating Shareholder's participation in the Plan in accordance with paragraph 13) a) then, unless the Participating Shareholder notifies Infratil otherwise in writing:
- i) the Participating Shareholder will be deemed to have disposed of Shares which are not participating in the Plan if the total number of non-participating

Shares held by them is greater than the number of Shares being disposed of by them; and

- ii) if the number of Shares disposed of is greater than the number of their Shares which are not participating in the Plan, they will be deemed to have first disposed of all of their non-participating Shares, and the Participating Shareholder will be deemed to have terminated their participation in the Plan in respect of the balance from the date Infratil registers a transfer of those Shares.
- b) If a Participating Shareholder with full participation disposes of some of its Participating Shares without giving Infratil written notice terminating or varying the Shareholder's participation in the Plan in accordance with paragraph 13) a), the Participating Shareholder will be deemed to have terminated their participation in the Plan with respect to the Participating Shares disposed of by them from the date Infratil registers a transfer of those Participating Shares.

15) Dispositions of all Shares

- a) If a Participating Shareholder disposes of all of their holding of Shares without giving Infratil written notice terminating their participation in the Plan in accordance with paragraph 13) a), the Participating Shareholder will be deemed to have terminated participation in the Plan from the date Infratil registers a transfer of those Shares.

16) Taxation

- a) The below summaries reflect the relevant New Zealand and Australian tax law as at the date this Offer Document was prepared, and, as such, are subject to any change in New Zealand or Australian taxation laws. It is intended as a general guide only and is not an authoritative or complete statement of all potential tax implications for each Eligible Shareholder. Taxation is a complex area of law and the taxation consequences for each Participating Shareholder may differ depending upon their particular circumstances. Accordingly, each Participating Shareholder should consult their own tax adviser as to the taxation implications of the Plan. Infratil does not accept any responsibility for the financial or taxation effects of a Shareholder's participation or non-participation in the Plan.

NEW ZEALAND SHAREHOLDERS

- b) For New Zealand tax purposes, New Zealand resident Participating Shareholders should be treated in the same way as if they had not participated. This means that New Zealand resident Participating Shareholders should derive Dividend income of the same amount that they would have derived had they not participated (i.e. they will be treated as receiving a taxable Dividend from Infratil which is then applied to purchase or subscribe for Additional Shares).
- c) The Dividend treated as being received, together with the amount of any attached imputation credits, will be taxable to the Participating Shareholders at

their respective marginal tax rates. Infratil may deduct resident withholding tax from the Dividend. Where the Dividend paid by Infratil carries imputation credits, the resident withholding tax liability will be reduced by the amount of the imputation credits.

AUSTRALIAN SHAREHOLDERS

- d) Australian resident Participating Shareholders will also be treated as deriving a Dividend in the first instance, which is then reinvested in Additional Shares. If imputation credits have been attached to the Dividend, Infratil may decide to pay a supplementary Dividend reflecting non-resident withholding tax deductions from the main Dividend and the supplementary Dividend. If a supplementary Dividend is paid, this should effectively reduce the New Zealand 15% non-resident withholding deduction to 0%. If Dividends paid to Participating Shareholders who are resident in Australia do not have full New Zealand imputation credits attached, the Dividends will be subject to a non-resident withholding deduction of 15%.
- e) For Australian tax purposes, Australian resident Participating Shareholders will be treated as having received the cash Dividend which has been applied to purchase or subscribe for Additional Shares. The gross cash amount of the Dividend (i.e. before any deduction for New Zealand withholding tax) together with any Australian franking credits attached to that Dividend will be assessable to the Australian resident Participating Shareholders and taxed at their respective marginal tax rates. A tax offset will generally be available equal to the Australian franking credit, if any, attached to the Dividend. Further, a foreign income tax offset for any New Zealand withholding tax withheld may be available.
- f) Whether the future sale of Additional Shares acquired by Australian resident Participating Shareholders is assessable as ordinary income or as a capital gain will depend on the particular circumstances of the Participating Shareholder. For capital gains tax purposes, the cost base of the Additional Shares includes the cash amount of the Dividend (but not the Australian franking credit, if any) applied to acquire the Additional Shares.

NON-AUSTRALASIAN RESIDENT SHAREHOLDERS

- g) If imputation credits have been attached to the Dividend, Infratil may decide to pay a supplementary Dividend reflecting non-resident withholding tax deductions from the main Dividend and the supplementary Dividend. If a supplementary Dividend is paid, this should effectively reduce the 15% non-resident withholding deduction to 0%. If the Dividends paid to Participating Shareholders who are resident other than in New Zealand or Australia do not have full New Zealand imputation credits attached, the Dividends will be subject to a non-resident withholding deduction of 15%.

17) Costs

- a) There are no charges for participation or withdrawal from the Plan. No brokerage costs will be incurred on the issue of Additional Shares.

18) Stock Exchange listing

- a) Infratil will apply for quotation of the Additional Shares which may be issued under the Plan on the NZSX and, in due course if the Shares are listed on the ASX, for quotation of the Additional Shares on the official list of the ASX.
- b) It is expected that the Additional Shares will be quoted on the NZSX and, subject as noted immediately above, the ASX on completion of the allotment procedures. However, neither NZX nor ASX accept any responsibility for any statement in this Offer Document.

19) Governing law

- a) The Offer Document and the Plan, and its operation, will be governed by the laws of New Zealand.

20) Other information

A copy of Infratil's most recent Annual Report and Financial Statements, complying with the Financial Reporting Act 1993, are available to Shareholders free of charge by writing to:

**Infratil Limited
97 The Terrace
PO Box 320
Wellington 6140
New Zealand**

or email info@infratil.com

or visit our website at www.Infratil.com

Glossary

Additional Shares	the additional Shares to be issued or transferred to Participating Shareholders pursuant to the Plan.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange.
ASX Listing Rules	the listing rules of ASX.
Board	the board of directors of Infratil.
Business Days	any day (other than a Saturday or Sunday) on which banks are generally open for business in Wellington.
Constitution	the constitution of Infratil.
Dividend	a dividend or other distribution pays in respect of its Shares.
Dividend Payment Date	the date on which Infratil pays a Dividend.
Eligible Shareholder	a Shareholder with a registered address in New Zealand or Australia and such other jurisdictions as the Board determines from time to time.
Infratil	Infratil Limited.
NZSX	the main board equity security market operated by NZX.
NZSX Listing Rules	the listing rules of NZX.
NZX	NZX Limited.
Offer Document	this document which sets out the terms and conditions of the Plan.
Participating Shareholder	a Shareholder who has validly elected to participate in the Plan.
Participating Shares	the Shares in respect of which an election to participate in the Plan has been validly made (subject to any validly made variation or termination) by a Participating Shareholder at 5.00pm (NZ time) on the Record Date.
Participation Notice	the participation form accompanying this Offer Document.
Plan	Infratil's Dividend Reinvestment Plan established by the Board on the terms and conditions set out in this Offer Document, as amended from time to time.
Record Date	in relation to a Dividend, the date on which Infratil's register of Shareholders is closed in order to determine entitlement to the relevant Dividend.
Registrar	Link Market Services Limited.
Shareholder	a holder of Shares from time to time.
Shares	fully paid ordinary shares in Infratil.
Variation Form	the variation form available from Infratil or on Infratil's website, www.Infratil.com

