INFRATIL LIMITED

RESULTS FOR THE YEAR ENDED 31 MARCH 2012

Highlights for the full year result ended 31 March 2012:

- Strong 2nd half momentum carried the full year EBITDAF(1) from continuing operations to $520 million from $471 million in the prior year.
- Group net profit after tax rose 6% to $127.0 million. Adjusted net profit after tax was $134 million, up 12% on the prior year.
- $246 million of capital expenditure invested in future growth across the group.
- 2012/13 outlook for EBITDAF in the range of $530 - $560 million.
- Final dividend of 5.0 cents per share, up 18% on the prior year.

Infratil today announced a reported net surplus after tax of $127.0m for the year ended 31 March 2012, up 6.2% on the prior year. Given the strong momentum in the business and the solid capital position the Board today declared a final dividend of 5.0 cents per share bringing the total dividend for FY12 to 8.0 cents per share, up from 6.75 cents previously.

Over the last year the priority has been disciplined growth and operation. In difficult markets it is tempting to chase market share, to postpone development, to harvest rather than sow. Infratil and its businesses continue to balance the requirement to invest in the long term while delivering current performance and yield.

A great deal of work has gone into developing and executing investment options. The group's capital spending was $246 million(2) and is expected to grow next year, before taking into account the potential for TrustPower's very substantial Snowtown II project. Over the medium term infrastructure businesses deliver higher earnings and value from growth investment so the pipeline of activity is crucial.

In addition to the $246 million investment in facilities, the group also invested $39 million repurchasing shares (Infratil $34 million and TrustPower $5 million).

Operational discipline has meant ensuring that the basics are done well, services are fairly priced, and that businesses pursue profitable growth. Across most of Infratil's markets; energy in Australia and New Zealand and fuel and air travel in New Zealand demand has been relatively flat and the priority is to keep meeting user needs effectively and efficiently without losing sight of the long-term. Public transport in Auckland is one exception to this markets picture and NZ Bus is working with Auckland Transport to meet and encourage growing user demand.

(1) EBITDAF is Earnings before interest, tax, depreciation, amortisation and movements in the value of financial derivatives.

(2) Capital investment includes 100% of that undertaken by Z Energy

Financial Highlights

- EBITDAF from continuing operations of $520 million was up from $471 million the previous year. Infratil Airports Europe has been classified as held for sale and accordingly is disclosed separately as discontinued operations (including restating the prior year). This increased reported EBITDAF by $12 million this year and $11 million the previous year.
- Group net profit after tax was $127 million, up from $120 million the previous year. Adjusted group profit, which removes the impact of fair value gains on acquisitions, revaluations, changes to tax rates, and discontinued operations, was $134 million, up from $119 million previously.
- Net surplus attributable to Infratil $52 million. Previously $65 million.
- 5 cents per share dividend will be paid on 15 June to shareholders as at 1 June.
- Over the year $99 million of Infratil infrastructure bonds matured and were refinanced. Bank facilities were maintained. The 100% Infratil group has dated debt as a percentage of debt and equity market value of 41% from 39% a year prior. Bank debt is 15% from 12%. While substantial facilities remain unutilised, debt is treated with caution. The paramount rule is to maintain resilience and flexibility with regards to funding.
- Over the year Infratil issued 3 million shares for $5 million under its dividend reinvestment plan and repurchased 19 million shares on market for $34 million.
- Over the year Infratil's ownership changed slightly with management lifting its interest from 10% to 13% and local ownership rising to approximately 77%.

Looking Forward

Infratil's strong current position and earnings momentum reflects how the group has prioritised capital to deliver disciplined growth in a difficult commercial and financial markets environment. The group's capital structure anticipates on-going volatility in the capital markets while enabling continuation of our long-term investment programmes. Infratil's businesses are operating well and are well placed to grow. The people behind these results remain energetic and committed.

For the financial year to 31 March 2013 Infratil's earning and cashflow guidance is:

- **Consolidated EBITDAF from continuing operations to rise to $530-$560 million from $510 million (normalised for Z Energy CCS adjustment).**
- **Consolidated operating cash flow to rise to $260-$290 million from $196 million.**
- **Investment spending of $240-$280 million from $246 million, before including Snowtown II (and including 100% of Z Energy).**

Management have also initiated formal processes to sell Infratil's two remaining European airports and continue to review targeted sectors for new investment opportunities.

Marko Bogoievski Chief Executive	David Newman Chairman

TrustPower

TrustPower delivered growth in EBITDAF for the tenth year in a row. This is remarkable given that the Company's generation output depends on rain and wind which fluctuates naturally. It is testament to disciplined risk and capital management and the underlying quality of the assets and people involved.

Over the last year good wind and rain in TrustPower's catchments resulted in generation being up 158GWh on long run averages. Due to their locations TrustPower's New Zealand power stations benefit from a diverse range of weather patterns; what can be dry for the main national hydro storage lakes can advantage TrustPower.

In addition to the "natural hedge" afforded by the diversity of its generation, TrustPower actively manages its exposure to electricity prices via both wholesale hedges and retail prices and load. The 5% decline in retail customers over the year reflected a disciplined approach to this market segment during a period when some retailers seem to have been willing to cross-subsidise.

TrustPower continues to develop projects so that it is able to invest in further generation when market opportunities warrant. In New Zealand this means a wide range of initiatives including substantial "greenfield" hydro and wind, upgrades to existing plant, and irrigation schemes.

In Australia TrustPower has been applying its wind farm development expertise and now has over 1,000MW of potential projects. The most immediate is the very substantial 270MW Snowtown II initiative. This is expected to progress in 2012 with the next milestone being the selection of a suitable co-investor.

	2012	2011
NZ output sold	3,960GWh	4,033GWh
NZ generation	2,582GWh	2,287GWh
Australian generation	376GWh	328GWh
Electricity customers	209,000	221,000
Av. generation spot price	7.2c/kwh	5.1c/kwh
EBITDAF	$300m	$274m
Infratil cash income	$64m	$61m
Investment spend	$49m	$109m

Infratil Energy Australia Group

IEA delivered earnings above expectations due to an excellent year at Lumo. Wholesale energy prices were relatively low over a cool summer and key back office areas such as receivables and complaints performed creditably.

Lumo also resumed growth with 27,000 customers added over the last 6 months.

Profitable growth requires management of procurement risk, effective marketing and sales, and cost-efficient functional systems and services. The return to growth partly reflects the significant investment and focus on the back office during the last two years.

Generation earnings from peaking facilities were slightly below expectations. The flip-side of Lumo benefitting from lower wholesale prices was lower generation income. Generally weak demand married with capacity growth is likely to mean wholesale prices continue to be soft over the next year; before taking into account the impact of carbon pricing. While these market circumstances are unfavourable for generators in the short term, IEA continues to plan for the long-term development of the Bamarang (NSW) site.

Perth Energy delivered to expectations; as with IEA it did better than forecast from retailing and not quite as well from generation. In its first year of operation, one of the new Kwinana power station engines had to be taken off-site for repairs and a replacement leased. Discussions are progressing with the manufacturer about cost recoveries.

Infratil is undertaking a review of its ownership of PE. IEA requires growth capital and choices have to be made as to its source.

Looking forward to the 2012/13 financial year, the Australian energy business are forecasting EBITDAF of A$60-A$70 million. A notable change in the composition of earnings is that the costs associated with excess gas and Greenhouse Abatement Certificates have largely ceased.

Operations

A$ millions	2012	2011
Lumo Customers	441,788	408,834
Lumo revenue	$571	$548
Earnings contribution		
Lumo	$44.1	$44.4
Gen	$10.9	$8.3
PE [1]	$12.4	$4.5
Excess gas [2]	($12.0)	($5.0)
Hedges/NGACs [3]	($2.8)	($6.5)
Development/Overhead	($2.8)	($3.5)
EBITDAF	**$49.8**	**$42.7**
Hedge revaluations	$30.9	$35.3
Depreciation [4]	($12.1)	($4.4)
Amortisation [5]	($11.7)	($10.6)
External interest [6]	($8.6)	($3.3)
Tax	($11.4)	($15.0)

1. PE's earnings in FY12 were A$8.6m from generation activities and A$3.8m from retailing.
2. The excess gas cost is not expected to reoccur.
3. Depreciation is attributable A$6m to each of IEA and PE.
4. In FY12 IEA incurred a cost of A$3.8 million from holding excess Greenhouse Abatement Certificates (NGAC). This scheme is discontinued from 1 July 2012.
5. A$11.5m of the amortisation cost is attributable to IEA.
6. A$2.4m of the interest cost was incurred by IEA.

Capital & Assets

A$ millions	IEA	PE	Group
Cash	$24.0	$11.8	$35.8
Receivables, etc	$142.0	$39.8	$181.8
Prepaid gas	$38.0	0	$38.0
Payables, etc	($82.1)	($25.4)	($107.5)
Net Current Assets	**$121.9**	**$26.2**	**$148.1**
PP&E [1]	$152.8	$138.4	$291.2
Intangibles [2]	$15.7	$0.2	$15.9
Deferred tax	($10.4)	($8.1)	($18.5)
Derivatives	$0.1	($1.7)	($1.6)
External debt [3]	($50.5)	($76.4)	($126.9)
Net	**$229.6**	**$78.6**	**$308.2**
NZ$ IFT Value [4]	NZ$325.7	NZ$81.1	
Goodwill	NZ$66.2	NZ$4.2	
Total	**NZ$391.9**	**NZ$85.3**	**NZ$477.2**

1. IEA's generation assets were written up in value by A$3.6m primarily a result of the commissioning of Port Stanvac power station, partially offset by small write downs elsewhere. Depreciation on the IEA stations was A$5.0m. PE's Kwinana station was depreciated by A$5.9m and written down by A$2.9m.
2. Intangibles mainly relate to computer software.
3. IEA had A$28.5m of vendor finance and A$22.0m of drawings on bank lines.
4 The value of IEA which Infratil reports is net of debt and cash. The net debt of wholly owned subsidiaries is included in the group's debt. Infratil owns 81.2% of PE. The exchange rate used was 0.7874.

Wellington Airport

Wellington's traffic growth over the year showed the uneven mix of factors impacting different services and markets. Melbourne was Wellington's best performing route, and people wanting to travel the Tasman generally benefitted from robust airline competition.

Traffic within New Zealand was flat. Fewer people travelled to and from Christchurch while most other routes experienced modest growth.

Wellington Airport is increasing its spending on attracting new airline services, especially to international routes. Although these are long-term projects and airline decisions are often based on the receipt of new aircraft, the dynamics and growth of the Asian/Australasian aviation market are positive.

The main commercial event over the year was the redetermination of airline charges for the five year period from 1 April 2012. This is the fourth time Wellington has gone through this consultation, although the first time since the implementation of new disclosure regulations. Consistent with the spirit of the new regulations, the airlines and Wellington agreed that all documents relating to the consultation would be made publically available. After the prices were set a comprehensive disclosure report was published explaining all the variables taken into consideration as well as the outcomes. Key variables and outcomes include:

- By 2017 Wellington's domestic passengers are forecast to have increased to 5,111,092 and international passengers to 837,192.

- Capital spending on aeronautical facilities is forecast to be $76.7 million over the five year period.

- Aeronautical charges have been increased and restructured. Average real charges rise 41 cents per passenger per year but the incidence changes. The cost per passenger on international services falls while peak-time-of day domestic charges relatively increase. Wellington has also implemented an incentive scheme to encourage airlines to increase services.

- The Airport's disclosure report shows approximately $500 million of aeronautical assets; 90% of which were included in the price consultation. The new prices reflect a targeted cash return over the next five years on the aeronautical assets included in the consultation of 5.8%pa. or 8.1%pa. when forecast asset revaluations are included.

An additional outcome of the consultation was a formal process to remediate the problem near-by neighbours experience with aircraft noise. This is the culmination of fifteen years of work by the Airport, neighbours, Council and airlines.

	2012	2011
Passengers Domestic	4,473,544	4,479,651
Passengers International	718,185	654,576
Aeronautical income	$61.2m	$57.1m
Passenger services income	$31.6m	$28.9m
Property/other *	$7.5m	$7.9m
Operating costs	($24.0m)	($21.6m)
EBITDAF	$76.3m	$72.2m
Investment spending	$22.2m	$15.6m
Infratil cash income	$56.5m	$27.2m

* During the year Wellington Airport sold its outdoor advertising subsidiary for a net $10.1 million. The above figures include contributions from this business of $0.8 million and $1.9 million for FY12 and FY11 respectively.

Z Energy

In a difficult market, Z maintained sales volume and net margin; testament to the benefits of being one of New Zealand's largest fuels distributors and operating smarter under local ownership and control.

Consistently high oil prices, low refining margins, and distributors competing to maintain throughput in a shrinking market created difficult headwinds. Z also had the challenge of rolling out its new brand and a significant reformatting of its retail stores. The visible part of this exercise is the 150 service stations and truck stops which have been rebranded. Z is also working to develop improved forecourt service, better fresh food and coffee, and a "can-do" corporate culture.

In addition Z is reviewing and upgrading its logistics chain; adding resilience through more storage facilities and back-up. The obvious manifestation of this was Z's support of the plans to invest $365 million in an upgrade of the Marsden Point refinery. Two of the four major oil company shareholders in Refining New Zealand supported this investment and two opposed; a signal of how the industry is evolving.

Ministry of Economic Development data shows that published retail fuel margins have risen over the last year, but Z's relatively stable returns show the prevalence of discounts and "bundling" schemes which make it difficult to observe actual margins. In addition, the Ministry's calculations do not take into account financing costs and are based on imported rather than locally refined fuel. The majority of Z's fuel is refined in New Zealand. Gross refining margins have been depressed and finance costs have also risen along with the value of average inventory required in the business.

Z is approximately half way through a $150 million internal investment programme which is projected to increase annual earnings by approximately $35 million. The goals are greater efficiency and higher volumes through improved service station formats, technology and the overall offer. Supply logistics have also been upgraded with additional investment and a move towards recovering the capital cost of infrastructure assets.

	2012	2011
Average crude price	NZ$137/bbl	NZ$115/bbl
Sales (litres)	2,647m	2,654m
Sourced from refinery	71%	68%
Distributed to retail	47%	47%
Inventory (litres)	605m	524m
Inventory value	$671m	$549m
Revenue (ex tax)	$3,179m	$2,795m
Gross margin	$422m	$401m
Operating costs	($250m)	($244m)
Current cost EBITDAF	**$172m**	**$157m**
Stock value adjustment	$30m	$62m
Associates contribution	$4m	$10m
Historic cost EBITDAF	**$206m**	**$229m**
External interest	($38m)	($30m)
Depreciation & Amortisation	($37m)	($27m)
Derivatives/revaluations/other	$5m	$112m
Tax	($31m)	($52m)
Shareholder surplus	$105m	$232m
Shareholder cash income	$58m	$25m
Capital spending	$74m	$29m
Average gross margin *	15.9c/litre	15.1c/litre
Margin after interest, tax & depreciation *	2.5c/litre	1.8c/litre

* Current Cost Earnings. Excluding Associate contributions

NZ Bus

Providing an additional 2 million customer trips in Auckland was an exceptional outcome and testament to the support and hard work of the NZ Bus team as well as those in Auckland Transport who manage the region's bus network.

The provision of additional services over the Rugby World Cup involved Auckland Transport and NZ Bus management and staff working together to deliver great experiences for the tens of thousands of people who travelled between Auckland's CBD and Eden Park .

This positive approach to growing the regions public transport fits well with implementation of the new regulatory regime later this year.

Recent speculation about a contest between NZ Bus and Auckland Transport over ticketing system indicates media misunderstanding. Auckland Transport sets the rules and NZ Bus complies with them. That is the nature of public transport and because the rules extend to ticketing systems NZ Bus' tickets will of course comply.

Infratil's support of the new regulatory regime is reflected by NZ Bus ordering 236 new buses of which 114 have been received and put in service. Other investment initiatives have included the ticketing system, a new depot in Onehunga and the Pathway to Safer Driving programme. In addition to signalling confidence in the public transport sector, these initiatives show NZBus' respect for its people and its willingness to invest in their health and security.

	2012	2011
Patronage north	38,713,136	36,475,026
Patronage south	20,341,102	20,359,263
Bus distance (kilometres)	46.4 million	47.4 million
Bus numbers	1,102	1,068
Passenger income	$127m	$117m
Contract income	$84m	$80m
EBITDAF	$46m	$40m
Capital spending	$64m	$12m

Snapper

By 31 March 2012 Snapper was operating on 1,014 buses, 3,000 taxis and in 526 retail outlets. The 369,000 Snapper and Hop cards on issue were being used on average 1.1 million times a week.

Snapper's notable delivery over the last year was the introduction of its cards and ticketing/information system on public transport services in Auckland as a part of Auckland Transport's integrated ticketing project. The Rugby World Cup "A pass" was the first phase.

During 2012 Snapper's tickets and systems will be developed to interoperate with the Thales system which services trains and ferries in Auckland. The central government transport agency, NZTA, are responsible for standards for integrated ticketing across NZ, while Auckland Transport are responsible for delivery of the Auckland project.

The recent launch in New Zealand of a Touch 2 Pay 2degrees/Snapper mobile smartphone heralds the next phase of innovation and convergence in the small-payments market where banks, credit card companies, telcos and ticketers are all testing and trialling different approaches.

Infratil Infrastructure Property

IIP was established to own and develop property peripheral to Infratil's core activities, which to date has mainly involved bus depots.

Over the last year IIP completed the $11 million sale of what had previously been the Mt Roskill depot at a $3 million profit against book and arranged the transfer of the depot function to a purpose built facility in Onehunga.

The other major project on which IIP was active over the period was the joint-venture with Auckland Council to develop two new buildings in New Lynn including a medical centre and carpark. Construction of this project commenced in January 2012 and is expected to take 12 months.

iSite Limited

Infratil acquired outdoor media company iSite from Wellington Airport in July 2011 for $10 million, plus debt, and increased the investment slightly later in the year. iSite has approximately 30% of the out of home media market and in the year to 31 March 2012 provided EBITDAF of $4 million.