



18 May 2017

Infratil Limited Results for the Year Ended 31 March 2017

Infratil's consolidated underlying EBITDAF¹ from continuing operations was \$519.5 million up 12.4% from the \$462.1 million reported in 2016. Net parent surplus was \$66.1 million compared to \$438.3 million in the prior period which benefited from \$436.3 million of gains on the sale of Z Energy and iSite.

Infratil's consolidated underlying EBITDAF was \$15 million higher than the \$485-505 million guidance range indicated in March. The weather literally provided a late windfall for Tilt and Trustpower's generation.

Infratil had a positive year of operating performance and capital allocation and is well placed to provide good returns going forward.

For the year ended 31 March 2017 Infratil invested \$728.2 million; \$168.1 million was internal capital expenditure and \$560.1 million was spent acquiring new investments. This was the most active year for acquisitions in Infratil's 23 year history.

The \$728.1 million of investments resulted in the net debt of the wholly-owned group rising to \$913.3 million as at 31 March 2017, which was 36% of capitalisation. Just after balance date debt was reduced by \$237.9 million following receipt of proceeds following the sale of Metlifecare. (The shareholding was acquired in November 2013 for \$147.9 million.) Current available cash and committed bank facilities of the wholly-owned group following the Metlifecare sale stand at \$631 million.

Infratil's investment in Canberra Data Centres, Longroad Energy and ANU Student Accommodation and the establishment of Tilt Renewables are designed to create platforms for future growth. The new platforms combine well with Trustpower, Wellington Airport and RetireAustralia as they continue to deploy growth capital to expand their operations.

¹ Underlying EBITDAF is a non-GAAP measure of financial performance, presented to show management's view of the underlying business performance. Underlying EBITDAF represents consolidated net earnings before interest, tax, depreciation, amortisation, financial derivative movements, revaluations, gains or losses on the sales of investments, and includes Infratil's share of Metlifecare and RetireAustralia's underlying profits. Underlying profit is a common performance measure used by retirement companies and removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, one-off gains and deferred taxation, and includes realised resale gains and realised development margins. A reconciliation from Net Parent Surplus to Underlying EBITDAF is provided in Infratil's 2017 Annual Report.

Financial

	2017	2016	
Net parent surplus	\$66.1 million	\$438.3 million	FY16 included \$436.3m sale gains
Underlying EBITDAF	\$519.5 million	\$462.1 million	+12.4%
Investment	\$728.1 million	\$220.9 million	Including \$560m of acquisitions
Divestment	-	\$530.5 million	
Net debt of 100% group	\$913.3 million	\$295.9 million	Debt to capitalisation of 36%
Final dividend	10 cps	9 cps	Total dividend 15.75cps +11%

This year's net surplus was reduced by the transaction costs of the Trustpower demerger and the acquisition of CDC, and an accounting adjustment of Metlifecare's book value to reflect its sale price.

The positive earnings and strong financial position has allowed for continued growth of Infratil's dividend. The dividend will be paid on 15 June 2017 to shareholders of record as at 2 June 2017. The dividend is fully imputed, but reflecting Infratil's strong capital position, the dividend reinvestment scheme will again not be in operation.

Guidance for FY2018

Underlying EBITDAF and operating cash flow guidance for FY2018 are set out below:

2018 Financial Year	2017	Guidance FY2018
Underlying EBITDAF	\$519.5 million	\$460-\$500 million
Operating cash flows	\$245.0 million	\$210-\$250 million

The guidance range assumes that business conditions remain consistent with those currently being observed with no material investments, divestments or capital management initiatives. A reversion to normal weather conditions in Tilt and Trustpower's catchments allows for long-run average levels of generation.

Bonds

Infratil has today opened an offer of two new Infrastructure Bonds. The aggregate issue amount is \$75 million with up to \$75 million of oversubscriptions possible.

The managers of the bond issue are ANZ Bank, First NZ Capital Securities, Forsyth Barr, and Westpac Banking Corporation.

- 15 December 2022 5.65% quarterly coupon
- 15 June 2025 6.15% quarterly coupon

The issue is now open and the Exchange Offer will close 5pm on 12 June 2017 and the General Offer will close on 23 June 2017 (or earlier at Infratil's discretion). If you have an interest in these bonds contact Infratil, a manager or your financial adviser.