



8 June 2009

Dear Infratil Warrantholder

You are recorded as the holder of Infratil IFTWB warrants (Warrants) which entitle you to purchase one Infratil share for \$1.62 for each Warrant you hold. The Warrants must be exercised by 10 July 2009 or they lapse.

Infratil is proposing to provide an additional option to Warranholders (in addition to exercising them by paying \$1.62 to buy a share, selling them or letting them lapse).

This further option would allow Warranholders to spread the cost by paying 55 cents by 10 July 2009 and then a subsequent sum of \$1.12 at any time before 21 May 2010.

To allow this change Warranholders must vote in favour of it. The vote will be held at a special meeting of Warranholders on 25 June 2009.

This letter summarises the choices and the reasons for the proposal.

The change and the vote

Your directors propose this change because they regard it as being in the best interests of Warranholders and Infratil and recommend its support for the following reasons:

- It is anticipated that the proposed change will increase the take up of Warrants by allowing Warranholders who would like to exercise their Warrants, but are constrained from doing so, to take up their Warrants.
- It is in the best interest of Infratil if Warranholders are not disadvantaged by the current expiry of the Warrants and that the largest possible proportion of the Warrants are exercised (whether in full or by instalment).
- Infratil is indifferent between receiving the full value or the value in the two instalments, and believes that the proposed change is fair to shareholders. The pricing of the two instalment obligations does not transfer value. While the proposed change offers Warranholders more time to pay fully, the aggregate price payable increases to \$1.67 and Warranholders do not receive any dividends until the Warrants are paid in full.

Details of how and when you may vote on this matter are set out in the following Notice of Special Meeting.

Warranholders' options

Whether the 25 June 2009 vote is in favour or against, the existing rights of Warranholders to exercise on 10 July 2009, will not change. If the vote is in favour an additional course of action will become available. In that case the following options will be available:

- Lapse: If a Warranholder does nothing their Warrants will lapse on 10 July 2009.
- Full exercise: By paying \$1.62 by 10 July 2009, a Warranholder will receive an Infratil share for each Warrant exercised. These new shares will rank equally with existing shares including in respect of the 3.75 cents per share dividend that will be paid on 29 July 2009, and all subsequent dividends.
- Instalment exercise: If approved on 25 June 2009, Warranholders will be able to exercise their Warrants to purchase Infratil shares by way of two instalment payments. The first payment of 55 cents per Warrant will have to be made by 10 July 2009. The second payment can then be made at any time before 21 May 2010. Only when the second payment has been made will the share be issued. Until that second payment is made, Warranholders will not receive any dividends. These Warrants will continue to be quoted and tradable through the NZX.
- Sale: The Warrants may be sold through the NZX until Tuesday 7 July. The sale price will reflect the \$1.62 exercise price. They will be tradable again through the NZX from Monday 13 July 2009, provided that the 55 cents has been paid, and it is expected that the market price will reflect that this 55 cents has been paid.

After 25 June 2009 we will provide you with a further notification of your choices with regards to the Warrants and provide the appropriate exercise forms.

Yours sincerely



David Newman
Chairman

Notice of Special Meeting

Notice is hereby given that the Board of Infratil Limited (the Company or Infratil) calls a special meeting of persons who hold warrants that were issued by the Company on 5 July 2004 and are quoted on the NZSX Market under the code "IFTWB" (Warrants and Warranholders respectively) as an interest group.

The special meeting is to be held at Spectrum Theatre, BP House, cnr Customhouse Quay & Johnston Street, Wellington on 25 June 2009 commencing at 3.00pm.

BUSINESS

- A. Chairman's Introduction
- B. Warranholder Discussion
- C. Resolution

RESOLUTION

To consider and, if thought fit, pass the following special resolution:

That the terms of issue of the Warrants be altered to the terms contained in the appendix to this Notice of Special Meeting.

SPECIAL RESOLUTION

A special resolution is a resolution approved by a majority of 75% of votes of the Warranholders entitled to vote and voting on the resolution in person, by proxy or by representative.

NZSX Listing Rule 8.3 provides that Section 117 of the Companies Act 1993 is deemed to apply to equity securities such as Warrants. Section 116 provides that the rights attached to a share must not be altered except with approval by way of special resolution of each interest group. An interest group is a group of shareholders whose rights are identical and are all affected in the same way by a proposed course of action. Accordingly for present purposes all Warranholders are considered to be one interest group that must approve the Amended Terms (see under Explanatory Notes).

The NZSX Listing Rules do not have the effect of deeming Section 118 to apply to equity securities such as the Warrants. Accordingly no Warranholder will have minority buy out rights available to them if the Special Resolution is passed and they vote against the Resolution.

VOTING ENTITLEMENTS & RESTRICTIONS

Voting entitlements of the meeting will be determined at 3.00pm on 23 June 2009. Registered Warranholders at that time will be the only persons entitled to vote at the meeting and only the Warrants registered in those holders' names at that time may be voted at the meeting.

The Company has a further series of warrants on issue that are quoted on the NZSX market as "IFTWC" (IFTWC). Nothing in this Notice of Special Meeting applies to or affects the terms of issue of IFTWC and no holder of IFTWC shall be entitled to vote at the meeting.

There are no applicable voting restrictions. All Warranholders are entitled to vote on this Special Resolution.

PROXIES

All Warranholders that are entitled to attend and vote at the meeting may appoint a proxy (who need not be a security holder of the Company) or corporate representative (in the case of a corporate Warranholder) to attend and vote on their behalf. If you wish, you may appoint 'The Chairman of the Meeting' as your proxy or as an alternative to your named proxy. A proxy form is enclosed with this Notice of Special Meeting. The completed proxy form must be received by 3.00pm on 23 June 2009 at the offices of the Company's share registrar:

By delivery:

Infratil Limited
C/- Link Market Services Limited
138 Tancred Street
Ashburton

By mail:

Infratil Limited
C/- Link Market Services Limited
PO Box 384
Ashburton

By Facsimile:

+64 3 308 1311

You may also lodge your proxy online. To do this, go to the Link Market Services website at www.linkmarketservices.com and select the "Infratil Banner". Initial information including your CSN, holder name and FIN will be required to successfully validate your holding online before holding information and voting pages are made available. A Warranholder will be taken to have signed the proxy by lodging it in accordance with the instructions on the website. A proxy cannot be appointed online if they are appointed under a power of attorney or similar authority. The online proxy facility may not be suitable for Warranholders who wish to appoint two proxies with different voting directions.

NZX APPROVAL

NZX Limited (NZX) has approved this Notice of Special Meeting.

EXPLANATORY NOTES

A full copy of the proposed amended terms of issue for the Warrants is attached in the appendix to this Notice of Special Meeting (**Amended Terms**).

The Final Exercise Date for the Warrants is presently 10 July 2009. If this Special Resolution is passed, Warranholders will have four options (rather than the current three options) in respect of their Warrants.

The current options are:

- Pay the exercise price of \$1.62 (**Exercise Price**) per Warrant by 10 July 2009. On payment a Warrant is exercised and the Warrantheader receives one fully paid ordinary share in Infracil.
- Sell the Warrants. Warrants can be sold through the NZX (or by private treaty) at the prevailing market price. You can contact your sharebroker or financial adviser for assistance on this.
- Do nothing. If you do nothing then, at 5.00pm on Friday 10 July 2009, your Warrants will lapse and be of no value. You will not be able to sell them or exercise them after this date.

You may choose any of the above options at any time until Friday 10 July 2009 (however the Warrants will be suspended from trading on 8, 9 and 10 July 2009). They are not dependent on the outcome of this Special Resolution.

In order to implement the Amended Terms, Warrantheaders need to pass this Special Resolution. If the Special Resolution is not passed the Amended Terms will not come into effect and Warrantheaders will continue to have just the three options available to them (as set out above) in respect of their Warrants until 5.00pm on Friday 10 July 2009.

CHANGES UNDER THE AMENDED TERMS

Infracil now proposes to give Warrantheaders a fourth option (the Extension Option), as follows:

- Pay an Instalment payment (**Instalment Payment**) of 55 cents by 5.00pm Friday 10 July 2009. On payment of this 55 cents, the Final Exercise Date for the relevant Warrants will extend from Friday 10 July 2009 to Friday 21 May 2010. The Exercise Price payable by Friday 21 May 2010 will be \$1.12 per Warrant, making the aggregate of the Instalment Payment and the Exercise Price, \$1.67 per Warrant to receive one ordinary share.

If, and only if, this Special Resolution is passed will Warrantheaders have this additional Extension Option. Warrantheaders are not required to elect the Extension Option. They can still choose any of the first three options noted above.

The result of the vote on this Special Resolution will be promptly advised by public announcement and letter to you. We anticipate you will receive that letter in early July 2009.

Infracil identifies the key features of the Extension Option as follows:

- Upon making the Instalment Payment of 55 cents by 5.00pm Friday 10 July 2009, the term of the relevant Warrant will extend to Friday 21 May 2010.
- No share will be issued on payment of the Instalment Payment. Warrantheaders will continue to hold Warrants which will still be quoted on the NZX under code "IFTWB". Accordingly, the Warrants will be able to be bought and sold as now (both on and off market) but Infracil expects them to trade at a higher price reflecting the payment of the 55 cents.
- Provided that the Instalment Payment is made, a share will be issued on payment of the adjusted Exercise Price of \$1.12 per

Warrant. This payment can be made at anytime after Friday 10 July 2009 up until Friday 21 May 2010.

- The Instalment Payment is non-refundable.
- Payment of the Instalment Payment does not oblige a Warrantheader to subsequently pay the Exercise Price but if the Exercise Price (now \$1.12) is not paid by Friday 21 May 2010, the Warrants will lapse and be of no value. You will not be able to sell them or exercise them after this date and will not receive back any Instalment Payment made.
- The aggregate Exercise Price is \$1.67 per Warrant, which is 5 cents higher than the current Exercise Price of \$1.62. Infracil considers this a fair amount to reflect the benefit that Warrantheaders who elect this option receive from being able to defer the immediate payment of \$1.62. Warrantheaders that elect this option will not receive the final dividend for the 2009 financial year payable on 29 July 2009 or have a right to receive further dividends until they pay the Exercise Price of \$1.12 due by 21 May 2010. Infracil's intention is for the Extension Option to be value neutral as between shareholders and Warrantheaders. That is, while Warrantheaders are being offered the convenience of an instalment payment option, the higher aggregate Exercise Price ensures that there is an appropriate cost for this convenience and deferral of the payments, and that shareholders are not disadvantaged.
- As now, Warrantheaders will not receive any dividends on their Warrants until they are exercised.

Under the Amended Terms Infracil may also, at its discretion, accept late payment of the Instalment Payment or the Exercise Price providing it does not unfairly prejudice Infracil or any of its equity security holders.

BOARD RECOMMENDATION

The directors of Infracil unanimously recommend that Warrantheaders vote in favour of this Special Resolution because the Extension Option provides Warrantheaders with flexibility, without any prejudice to existing rights. Directors Duncan Saville and Marko Bogoevski abstained from voting with the Board on the basis that interests associated with their own Warrants disproportionately more than their respective shareholdings. These associated interests (and interests associated with Lloyd Morrison) have advised that they intend to vote in favour of this Special Resolution.

This is not a recommendation to choose the Extension Option (if the Special Resolution is passed) over the other options available to Warrantheaders. Warrantheaders should seek their own advice for their own personal circumstances in deciding which is the best option for them.

APPENDIX: AMENDED WARRANT TERMS OF ISSUE

1. In these terms and conditions, the following definitions apply:
 - (a) **Board**, means the board of directors of the Company;
 - (b) **Business Day**, means a day on which NZX is open for trading;
 - (c) **Company**, means Infracil Limited;

- (d) **Constitution**, means the constitution of the Company;
- (e) **Exercise Date**, means any Business Day in the Exercise Period;
- (f) **Exercise Notice**, means the form of notice that must be completed by a Warranholder in order to exercise its Warrants and apply for Shares;
- (g) **Exercise Period**, means the period commencing with the date of issue of the Warrants and expiring on (and including) 5.00pm New Zealand time on the Final Exercise Date;
- (h) **Exercise Price**, means the exercise price for each Share in respect of which a Warrant is exercised, as set out in clause 5, and as may be adjusted in accordance with clauses 10 to 12;
- (i) **Final Exercise Date**, means Friday 21 May 2010;
- (j) **Independent Expert**, means an investment banker, chartered accountant or other financial adviser (in each case, being appropriately qualified having regard to the purpose of the appointment) selected by the Board and approved by the chairperson for the time being of the Institute of Chartered Accountants of New Zealand;
- (k) **Instalment Notice**, means the form of notice that must be completed by a Warranholder in order to maintain their Warrants past the Interim Exercise Date;
- (l) **Instalment Price**, means \$0.55 per Warrant;
- (m) **Interim Exercise Date**, means Friday 10 July 2009;
- (n) **Listing Rules**, means the listing rules of NZX as in force from time to time;
- (o) **NZX**, means NZX Limited;
- (p) **Share**, means an ordinary share in the Company;
- (q) **Warrant**, means an option to subscribe for a Share, to which these terms and conditions relate; and
- (r) **Warranholder**, means, at any time, each person whose name is entered in the register maintained by the Company as a holder of Warrants.
2. Any term headed with a capital letter and not otherwise defined in these terms and conditions shall have the meaning given thereto by the Listing Rules.
3. Each Warrant shall be exercisable at any time until the Interim Exercise Date. Following the Interim Exercise Date and until 5.00pm on the Final Exercise Date, each Warrant shall be exercisable at any time provided that the Instalment Price has been paid in respect of such Warrant on or before the Interim Exercise Date.
4. Unless otherwise determined by the Board at any time or times, the minimum number of Warrants which may be exercised at any time shall be equivalent to the minimum holding level determined in accordance with the Listing Rules, provided that a Warranholder may exercise all Warrants held, notwithstanding that they may number less than the minimum holding level.
5. Subject to clauses 10 to 12, the Exercise Price shall be:
- (a) NZ\$1.62 until 5.00pm on the Interim Exercise Date; and
- (b) Provided that the Instalment Payment has been paid on or before the Interim Exercise Date, NZ\$1.12 thereafter until the conclusion of the Exercise Period.
6. A Warranholder may exercise Warrants at any time during the Exercise Period by sending or delivering to the Company care of its share registrar:
- (a) a duly completed Exercise Notice; and
- (b) payment for an amount equal to the relevant Exercise Price multiplied by the number of Warrants being exercised, so as to be received at any time prior to 5.00pm New Zealand time on the Final Exercise Date. The form of the Exercise Notice may be obtained from the Company or its share registrar or downloaded from www.infratil.com.
7. The Company shall allot, on or before the 5th Business Day after receipt of an Exercise Notice (and subject to clearance of any payment made by other than freely available cleared funds) ("Issue Date"), to the relevant Warranholder that number of Shares in respect of which the Warrants are exercised by payment of the relevant Exercise Price. All Shares so allotted shall rank in all respects *pari passu* with all other issued fully paid Shares, with effect from the relevant Issue Date.
8. The Company shall use its reasonable endeavours to ensure that the Shares remain quoted on the NZSX market while there are any Warrants outstanding, or until the Warrants no longer qualify for quotation, whichever is earlier.
9. A Warrant shall be transferable in the same manner, and subject to the same conditions, as a fully paid Share.
10. If, during the currency of any Warrants and prior to their exercise, the Company makes any Rights issue of Shares to the holders of Shares the Exercise Price, shall (subject to an alternative adjustment being made in accordance with clauses 11 and 12) be adjusted in accordance with the following formulae:
- $$O' = O - \frac{E [P - (S+D)]}{N + 1}$$
- O' = the new Exercise Price of the Warrants.
O = the old Exercise Price of the Warrants.
E = the number of Shares into which one Warrant is exercisable.
P = the average market price per Share (weighted by reference to volume) during the five Business Days ending on the day before the Rights date.
S = the subscription price for a Share under the Rights Issue.
D = the dividend due but not yet paid on the existing Share (except those to be issued under the Rights Issue).
N = the number of Shares with Rights or entitlements that must be held to receive a Right to one new Share.

The necessary adjustment shall be determined by the Board by applying the above formulae. The Board's determination shall, in the absence of manifest error, be binding on all Warranholders and other persons. Any adjustment so determined shall be made, and take effect, on the Business Day following the Record Date for relevant Rights issue.

11. If there is a bonus issue to holders of Shares or a consolidation or subdivision of the Shares, the number of Shares over which a Warrant is exercisable may be increased (or, as the case may be, decreased) by the number of Shares which the holder of the Warrant would have received if that Warrant had been exercised before the Record Date for the bonus issue, consolidation or subdivision.
12. If, notwithstanding the adjustment procedures permitted by clauses 10 and 11, during the currency of any Warrants, and prior to their exercise, there is any reconstruction of capital (including a Rights issue, bonus or other issue (including the issue of convertible securities, warrants or options), consolidation, subdivision, cancellation or share buyback) of the capital of the Company, and the Board determines, upon the advice of an Independent Expert, that the application of the formula in clause 10, an adjustment permitted by clause 11 or the non-applicability of both such clauses may produce a result which is prejudicial or unduly advantageous (based on reasonable grounds) to Warranholders, then the number of Warrants held, the number of Shares (or other Securities) over which a Warrant is exercisable, and the Exercise Price, or any combination thereof, shall, to the extent necessary (subject to the Listing Rules), be altered by the Board in a manner determined by the Board, upon the advice of an Independent Expert and subject always to the Listing Rules or relief therefrom, to ensure that Warranholders are not prejudiced (nor unduly advantaged) by the reconstruction of capital, and in all other respects the terms of the Warrants shall remain unchanged. Any such adjustment shall be final and binding on all Warranholders.
13. If application of any modified conversion ratio would result in a fraction of a Share being issued to a Warranholder, the number of Shares to be issued to that Warranholder shall be rounded down to the nearest whole number of Shares.
14. Part 7 of the Takeovers Code shall, to the maximum extent permissible, apply in respect of the Warrants.
15. Except as provided in these terms and conditions, the Warrants shall not confer on any Warranholder any entitlement to participate in any issue of equity capital, capital having an element of equity, securities convertible into equity capital or share options, warrants or rights to subscribe for or purchase equity capital in the Company or any other company, unless the Board otherwise determines.
16. Warranholders are entitled to attend meetings of Shareholders of the Company, and to receive copies of all notices, reports and financial statements issued generally to ordinary shareholders, but are not entitled to vote at any such meeting, provided that where the Listing Rules or the Constitution expressly requires that any matter relating to the Company be submitted to Warranholders (or any class of Warranholders) for approval or authorisation, Warranholders shall, to the maximum extent permitted by the Listing Rules, the Constitution and these terms, vote together as one class with Shareholders and holders of other securities in the Company.
17. Without limiting clause 16, the Company shall:
 - (a) provide to each Warranholder by the earlier of: (1) 90 days after the end of each financial year of the Company; and (2) the date upon which they are provided to holders of Shares, copies of:
 - (i) the financial statements of the Company; and
 - (ii) the consolidated financial statements of the Company and its Subsidiaries,for that financial year, each duly audited and signed; and
 - (b) provide to each Warranholder by the earlier of: (1) 60 days after the end of the first half of each financial year of the Company; and (2) the date upon which they are provided to holders of ordinary Shares, copies of:
 - (i) the financial statements of the Company; and
 - (ii) the consolidated financial statements of the Company and its Subsidiaries,for that half-year, unaudited, together with a statement containing a description of the activities of the Company and its Subsidiaries.
18. Warrants that:
 - (a) do not have their Instalment Price paid by 5.00pm New Zealand time on the Interim Exercise Date; or
 - (b) are not validly exercised by 5.00pm New Zealand time on the Final Exercise Date,shall lapse. Warranholders shall have no entitlements or claims against the Company in respect of any Warrants which have lapsed. Warranholders whose Warrants lapse shall have no right to recover or make a claim in respect of any Instalment Price that has been paid on those lapsed Warrants. The Company may, in its discretion, resolve to extend the Final Exercise Date.

19. Each Warrantholder shall (subject to these terms) be subject to, and shall enjoy the benefit of, the provisions of the Constitution applicable to the holders of "Equity Securities" (as defined in the Constitution), including, without limitation:
- (a) provisions setting out the consequences of acquiring an interest in an Equity Security in breach of the Constitution;
 - (b) provisions setting out the circumstances in which Equity Securities may be compulsorily acquired, or in which a holder of Equity Securities may compel the acquisition of that holder's Equity Securities; and
 - (c) provisions concerning actions of the Company which affect rights attaching to Equity Securities.
20. Notwithstanding any other provision of these terms:
- (a) the issue of further Warrants, notes, shares or other securities which rank equally with existing Warrants, whether as to voting rights, distributions or otherwise; and
 - (b) the amendment of these terms by the Board in order to comply with the requirements of NZX, or any legislation; and
 - (c) the exercise of any power, right or discretion given to the Board or the Company pursuant to these terms, are, for the purposes of the Constitution and the Listing Rules, deemed not to be actions affecting the rights attached to Warrants,
- may be undertaken without the approval of Warrantholders.
21. A meeting of the Warrantholders, or of the Warrantholders in an "Interest Group" (as defined in the Companies Act 1993 as modified by the Listing Rules in respect of Equity Securities that are not shares pursuant to Listing Rule 8.3.1) may be called by the Board at any time, and shall be called on the written request of persons holding Warrants carrying together not less than 5% of the voting rights entitled to be exercised on any of the questions to be considered at the meeting in question. All the provisions of the Constitution relating to meetings of holders of Shares apply, with all necessary modifications, to such a meeting, except that:
- (a) the necessary quorum is two or more Warrantholders eligible to vote at the meeting present in person or by proxy or representative, or, if there is only one eligible Warrantholder, that Warrantholder present in person or by proxy or representative;
 - (b) any Warrantholder, present in person or by proxy or representative, may demand a poll; and
 - (c) if the Board so elects, one meeting may be held of Warrantholders constituting more than one group, so long as voting at that meeting is by way of a poll, and proper arrangements are made to distinguish between the votes of members of each group.
22. The Company:
- (a) may, in its discretion, if so requested by a Warrantholder or a transferee of Warrants; and
 - (b) shall, if so requested by a Warrantholder who produces satisfactory evidence that Warrants held by that Warrantholder are held as bare trustee or nominee and two or more other persons are separate beneficial owners of parcels of those Warrants or have other separate relevant interests in parcels of those Warrants,
- cause the Warrants held or acquired by that Warrantholder or transferee to be registered in two or more separately identifiable parcels. The Company may thereafter, so far as it considers convenient or appropriate, communicate with that Warrantholder, make distributions and otherwise act, as if the separate registered parcels are each held by different Warrantholders.
23. Clause 13.10 of the Constitution, or any equivalent successor provision, shall be deemed to be applicable to Warrants and to Warrantholders, and to be incorporated into these terms, as if the references in that clause to "Shares" and "Shareholders" were, respectively, to "Warrants" and "Warrantholders".
24. A Warrantholder may pay the Instalment Price by sending or delivering to the Company care of its share registrar:
- (a) a duly completed Instalment Notice; and
 - (b) payment for an amount equal to the Instalment Price multiplied by the number of Warrants being maintained,
- so as to be received at any time prior to 5.00pm New Zealand time on the Interim Exercise Date. The form of the Instalment Notice may be obtained from the Company or its share registrar or downloaded from www.infratil.com.
25. Where any payment and/or notice is due under these terms and is not received by the Company on or before the final date by which the Company should have received such payment and/or notice but is received by the Company within 20 Business Days of such final date, the Company may, at its sole discretion and providing it does not unfairly prejudice the Company or any of its equity security holders, treat such payment and/or notice as having been received in accordance with the timeframes set out in these terms.
26. Payment of the Instalment Price does not attach any right to a Warrant to receive, either in full or in part, any 'Distribution' (as that term is defined in the Companies Act 1993) that may be declared by the Company in respect of Shares from time to time.

