



30 September 2014

Completion of sale of Infratil Energy Australia

Infratil today announced completion of the sale of 100% of Lumo Energy (including its generation assets) and Direct Connect to Snowy Hydro Limited for gross proceeds of A\$646 million. Infratil expects its net cash proceeds from the sale of its interest to amount to approximately NZ\$668 million. The final NZ\$ proceeds are dependent on the working capital adjustment, which will be finalised after the completion date, and the NZ\$:A\$ exchange rate.

Updated Infratil Group Guidance

Infratil advises that its net debt at 30 September 2014 is NZ\$354 million, comprising infrastructure bonds of NZ\$989 million, other drawn debt of NZ\$111 million, and cash balances held of \$746 million, prior to settlement of outstanding sales costs estimated at NZ\$51 million.

As previously advised, Infratil will be assessing the full suite of capital management alternatives against ongoing opportunities for new investment and report on any decisions as that assessment is completed. Infratil expects that it will be in a position to provide a further update on this review no later than at its half year results announcement scheduled for 11 November 2014.

Infratil provides the following updated guidance for the financial year ending 31 March 2015 to reflect the sale of the Lumo Energy and Direct Connect businesses;

Year Ending 31 March 2015	Original Guidance (NZ\$ millions)	New Guidance (NZ\$ millions)
EBITDAF	530 – 560	520 – 545
Net Interest	180 - 190	170 – 180
Depreciation & Amortisation	170 - 180	150 – 160
Operating cash flow	330 - 360	300 – 320
Net gain on asset revaluations and realisations	-	335 – 345

Notes:

1. This guidance update is based on current expectations and assumptions in respect to future performance and is subject to risks and uncertainties, and no other major changes in the Infratil portfolio. Actual results could differ materially.
2. EBITDAF represents earnings before interest, tax, depreciation and amortisations and fair value gains/losses and asset revaluations or realisations. A reconciliation of Infratil's FY2014 EBITDAF to Net Surplus after Tax is available at: <http://www.infratil.com/assets/imported/nzx/193726.pdf>.
3. EBITDAF includes Infratil's share of Z Energy earnings based on replacement cost of sales. The EBITDAF outlook has been reduced for 2014/15 to reflect the sale of Lumo Energy and Direct Connect as at 30 September 2014.
4. The operating cash flow includes cash flows of Lumo Energy and Direct Connect to 30 September 2014.
5. Net gains on realisations and revaluations includes the estimated gain on sale of Lumo Energy and Direct Connect of \$333 million, a gain on sale of PayGlobal of NZ\$3 million and a gain on the disposal of other property of \$6 million. Sales costs in respect of the Infratil Energy Australia transaction are estimated at NZ\$55 million, including an international portfolio incentive fee estimated at NZ\$44 million payable to Infratil's manager H.R.L Morrison & Co under the terms of the management agreement. The net proceeds amount compares to the previous carrying value of Infratil's interest reported in the March 2014 financial statements of NZ\$275 million.

Marko Bogoeievski
Chief Executive Officer
Infratil Limited