



11 November 2015

## **Infratil Limited: Results for the half year ended 30 September 2015**

Infratil Limited today announced the results for the six months ended 30 September 2015. The reported results reflected strong operating contributions across the group and the gain on sale of the residual 20% stake in Z Energy.

### **Net parent surplus for the period was \$435 million compared with \$399 million in the same period last year**

- 78 cents per share up from 71 cents in the prior period.
- The sale of Infratil's 20% interest in Z Energy realised \$480 million and provided a gain on book value of \$392 million.

### **Consolidated EBITDAF<sup>1</sup> from continuing operations was \$271 million, up 14% on the same period last year**

- \$24 million increased contribution from Metlifecare and RetireAustralia in New Zealand and Australia.
- \$11 million increased contribution from Trustpower.
- Full year EBITDAF guidance for FY16 confirmed at \$500-\$530 million (last year actual \$452 million).

Infratil's balance sheet and financial leverage continue to improve, with gearing falling to 15% following recent portfolio sales. Cash on hand (including \$480 million for the sale of Z Energy) has risen to \$755 million and creates significant capital management and investment optionality. Confidence around future internal capital expenditure and external origination remains high.

### **\$55 million of capital was invested over the period compared to \$196 million in the same period last year**

- An increase in internal capital spending is anticipated in the second half of the year.
- Significant acquisition initiatives are under active development.

### **Net debt of Infratil and wholly owned subsidiaries fell to \$308 million from \$761 million at the start of the period (15% of total capitalisation from 30%)**

- A \$100 million issue of 5.25% p.a. bonds maturing September 2023 was opened after balance date and has been oversubscribed.
- \$153 million of 8.5% p.a. bonds mature in November 2015.

### **The interim dividend has been increased to 5.25 cents per share from 4.50 cents last year**

- The dividend will be paid on 15 December 2015 to shareholders of record on 27 November 2015.
- The DRP remains suspended for this dividend

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<sup>1</sup> EBITDAF is a non-GAAP measure which shows management's view of underlying business performance. It shows operating earnings before deducting interest, tax, depreciation and amortisation and before making any adjustments for fair value movements, realisations and impairments.

For the six-month period under review Infratil's operating earnings were excellent and asset disposals delivered significant value. The challenge now is to continue to provide earnings and value growth by deploying Infratil's substantial available capital.

While opportunities for new investments are under development, achieving the best outcome requires a patient long-term perspective. This naturally results in some uncertainty, but shareholders can be certain that this will be resolved in due course. Either by new investments being undertaken or by capital being returned.

A significant pipeline of wind and renewable developments is being progressed in Australia through Trustpower. The recent review of the renewable energy target regime has ended positively and created confidence around further investment in renewables in Australia. One potential investment which has been mentioned in public is Pacific Hydro. This company owns and develops renewable generation in Australia and South America and its breadth of generation assets and development pipeline is diversity of generation assets and jurisdictions makes it well suited to Infratil's active management capability. A resolution of the process is expected in December.

Marko Bogoevski  
Chief Executive Officer