



1 October 2018

Dear Bondholder

Infratil Infrastructure Bonds Maturing 15 December 2024 and 15 December 2028

Infratil has announced that it is making a new offer of unsecured, unsubordinated, fixed rate bonds in two separate series (**New Bonds**). The maturity dates of the two series of New Bonds are:

- 15 December 2024 (**2024 Bonds**).
- 15 December 2028 (**2028 Bonds**).

The interest rate for the 2024 Bonds will be fixed at 4.75% p.a for the full 6 year term of the 2024 Bonds.

The interest rate for the 2028 Bonds will be fixed for the first 5 years and then reset on 15 December 2023 for a further 5 years, so that:

- the interest rate of the 2028 Bonds for the period from the Issue Date to (and including) 15 December 2023 will be 4.85% per annum; and
- the interest rate of the 2028 Bonds for the period from (but excluding) 15 December 2023 until 15 December 2028 will be the sum of the Five Year Swap Rate on 15 December 2023 plus 2.50% per annum.

More information on the reset of the interest rate for the 2028 Bonds is set out in the Terms Sheet.

As part of the offer of New Bonds, Infratil is offering New Zealand resident holders of its bonds maturing on 15 November 2018 (**2018 Bonds**) the opportunity (subject to availability) to exchange all or some of those 2018 Bonds for New Bonds of either series via an exchange offer (**Exchange Offer**).

You have three options:

1. You can do nothing in which case the 2018 Bonds will be repaid in accordance with their terms.
2. You can complete the Exchange Offer application form in the Terms Sheet and apply to roll some or all your 2018 Bonds into one, or a combination of both, series of the New Bonds. Any maturing bonds that you elect not to roll-over will be repaid to you in accordance with their terms.
3. You can complete the Exchange Offer application form in the Terms Sheet and apply to roll all your 2018 Bonds plus an additional sum (by also completing the general offer application form) into one, or a combination of both, series of the New Bonds. In that case you will need to pay the additional sum as per the instructions in the Terms Sheet.

If your application for the Exchange Offer is accepted, you will receive one New Bond of the relevant series for each 2018 Bond exchanged. Once you submit a completed Exchange Offer application form you will no longer be able to sell or otherwise transfer your 2018 Bonds designated in that application form.

The Exchange Offer closing date is 5.00pm on 26 October 2018, although Infratil may close the offer earlier. Accordingly, applicants are encouraged to submit their application forms as soon as possible.

If you would like advice in respect of your choices or additional information we suggest that you contact your financial adviser or one of the managers to the New Bond issue. For a copy of the Terms Sheet please contact your broker, one of the managers listed below or download from Infratil's website www.infratil.com/for-investors/bonds/.

ANZ Bank New Zealand Limited	0800 269 476	www.anzsecurities.co.nz
Bank of New Zealand	0800 284 017	
Deutsche Craigs Limited	0800 226 263	
First NZ Capital Securities Limited	0800 005 678	
Forsyth Barr Limited	0800 367 227	www.forsythbarr.co.nz

or feel free to contact us at info@infratil.com 04 473 3663 or at Infratil Limited, PO Box 320, Wellington. If you decide not to reinvest, we thank you for your support over the last six years.

Yours sincerely,
Fiona Cameron, Infratil Treasurer