



20 May 2016

Dear Bondholder

INFRATIL INFRASTRUCTURE BONDS MATURING 15 JUNE 2016

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

- Maturity date of 15 June 2021 with a coupon of 4.90% pa.
- Maturity date of 15 June 2024 with a coupon of 5.50% pa.

As part of the offer of New Bonds, Infratil is offering holders of its bonds maturing on 15 June 2016 (**2016 Bonds**) the opportunity (subject to availability) to exchange all or some of those 2016 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 2016 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 of your 2016 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 of your 2016 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 2016 Bond exchanged. Once you submit a completed Exchange Offer application form you will no longer be able to sell or otherwise transfer your 2016 Bonds designated in that application form.

The Exchange Offer closing date is 5.00pm on 13 June 2016, 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.

Copies of the Terms Sheet will be available from your broker, from one of the managers listed below and on Infratil's website www.infratil.com/for-investors/bonds/.

ANZ Bank New Zealand Limited	0800 269 476 www.anzsecurities.co.nz
Deutsche Craigs Limited	0800 226 263 www.craigsip.com
First NZ Capital Securities Limited	0800 005 678 www.firstnzcapiatal.co.nz
Forsyth Barr Limited	0800 367 227 www.forsythbarr.co.nz
Westpac Banking Corporation (acting through its New Zealand branch)	0800 942 822

or if you would like a printed copy of the Terms Sheet please 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 five years.

Yours sincerely

Fiona Cameron
Treasurer