



Infratil Monthly Operational Report for October/November 2013

Infratil's Interim Report for the current financial year confirmed the Company's positive operational and financial performance.

The Report also addressed the contrary performance of Infratil's shares. To take advantage of the contradiction Infratil undertook a buyback of 27 million shares (4.5% of the total) although 2.5 million of these were re-issued pursuant to the dividend reinvestment scheme. The average buyback price was \$2.37.

Over the years Infratil has repurchased over 100 million of its own shares and the investment has been a good one for non-selling shareholders.

Since 30 September Infratil has also completed a number of previously announced transactions: the purchase of a 19.9% interest in Metlifecare and the sale of its two UK airports.

Infratil has registered a Simplified Disclosure Prospectus dated 13 December 2013. The bond issue is being undertaken because Infratil places a priority on maintaining a long term debt profile with an appropriate level of maturities in any one year.

6.75%
Per annum

Infratil
Infrastructure
Bonds
Maturing
15 November
2019

The Offer is open and the Simplified Disclosure Prospectus is available free of charge on Infratil's website, from Link Market Services 09 375 6998, a Manager to the offer, or from your usual financial advisor.

Application has been made to NZX for permission to quote the Infrastructure Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the date of this announcement have been duly complied with. However, NZX accepts no responsibility for any statement in this announcement. The NZX Debt Market is a registered market operated by NZX Limited which is a registered exchange, regulated under the Securities Markets Act 1968.

The Managers to the offer are:

ANZ
0800 269 476
anz.co.nz/ipo

DeutscheCRAIGS
0800 226 263
craigsp.com

FIRST NZ CAPITAL
0800 005 678
firstnzcapital.co.nz

FORSYTH BARR
0800 367 227
forsythbarr.co.nz

Westpac
Institutional Bank
0800 601 901

Trustpower

Construction of the Snowtown II wind farm continues on plan and budget with 23 of the 90 planned turbines now generating. The wind farm is expected to be fully commissioned within

twelve months when it, and Trustpower's Snowtown I, are projected to generate sufficient electricity for approximately 230,000 households and offset 950,000 tonnes of CO2 a year.

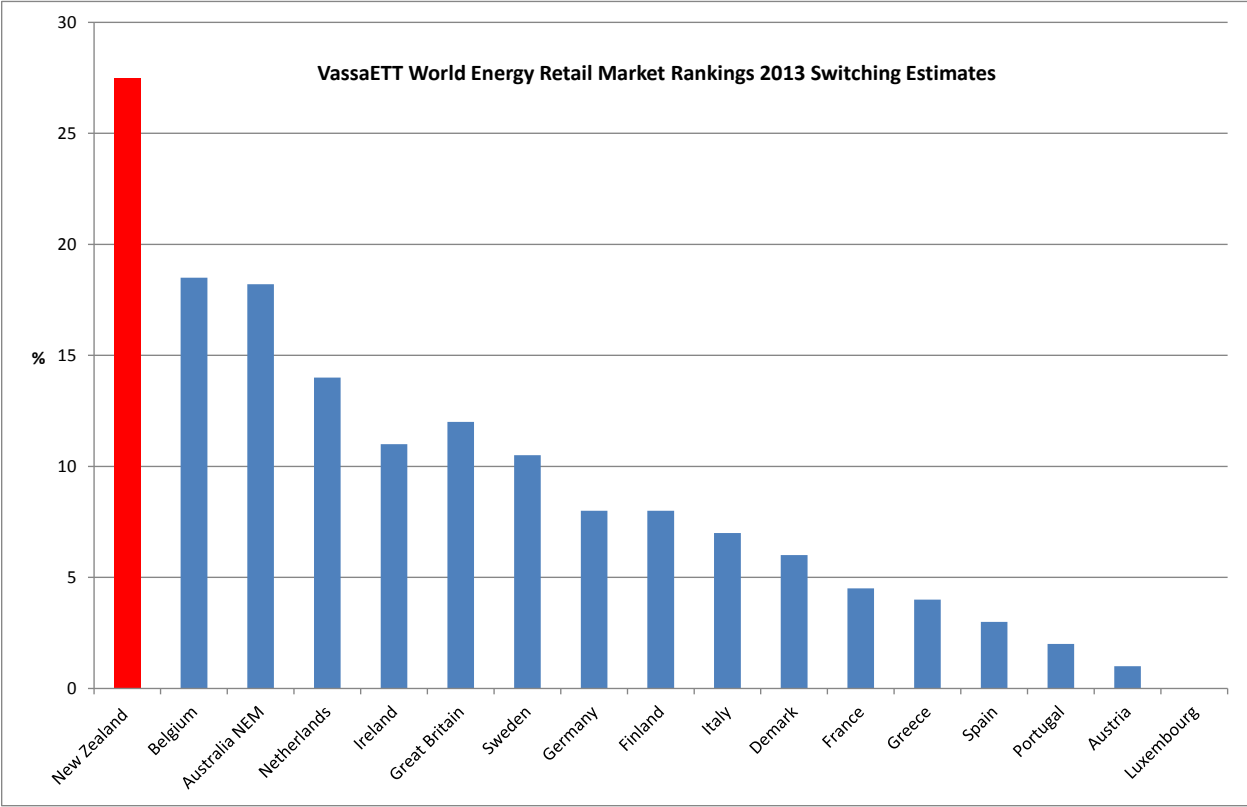
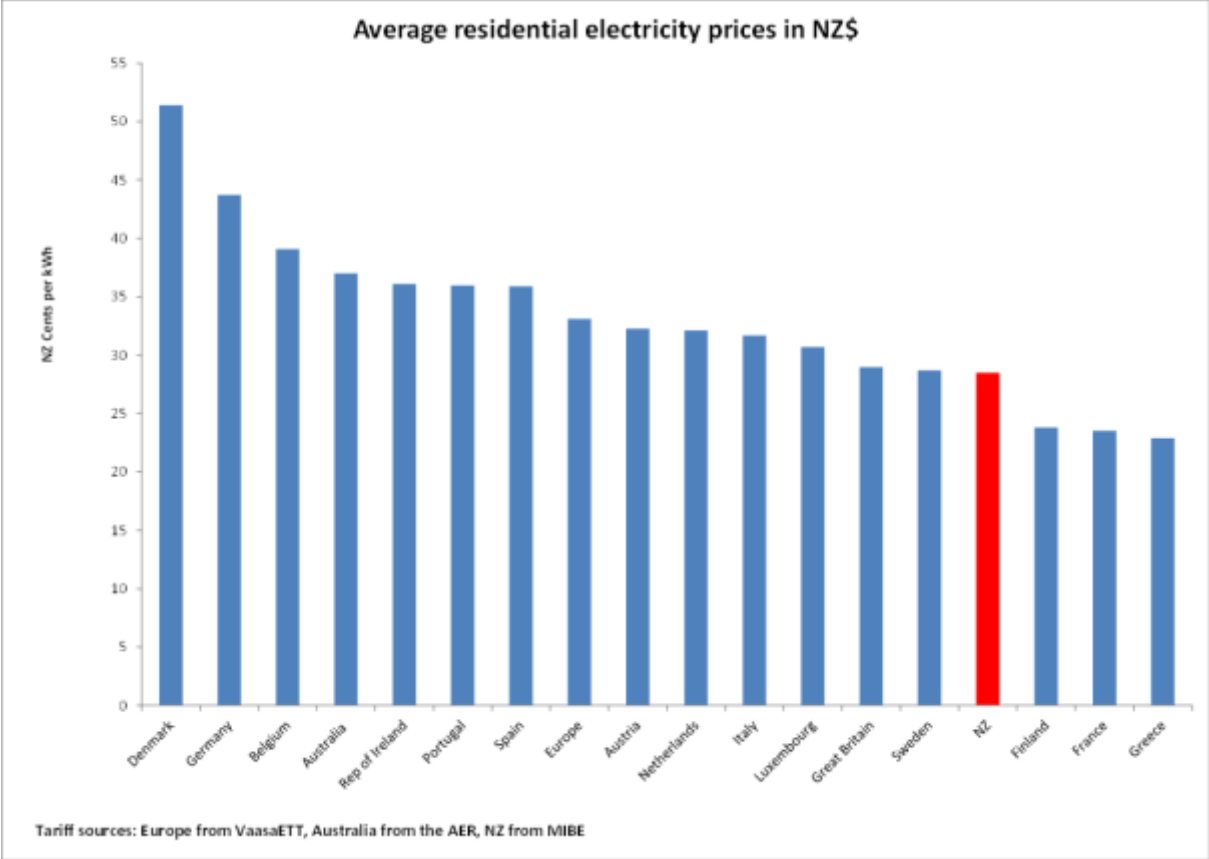


Connecting turbine blades to a tower.

The most recent VaasaETT global report on household electricity prices and markets showed that New Zealand is now the world's most competitive market as measured by the level of retail churn.

This reflects both the rising level of local competition and the cooling of activity in Australia following regulatory interventions which have reduced direct sales. The VaasaETT report notes that "New Zealand ... has been experiencing the highest annual switching levels ever seen in a competitive energy market anywhere in the world. The New Zealand market... has some of the world's most efficient switching procedures, a good supply of competitors and new supplier models..."

The most recent Ministry of Business, Innovation and Employment survey of household prices estimates an average New Zealand tariff of 28.5 cents/kwh. While this would place New Zealand household prices as fourth to most cheap in Europe (according to VaasaETT) the Ministry figures are generally believed to over-estimate actual average prices due to under-recognising features such as prompt payment discounts.



Lumo/Infratil Energy Australia

Customer churn in the National Electricity Market fell to an annualised rate of 18% in response to the tighter regulation of door to door sales. Wholesale electricity prices continue to be stable.

Lumo has maintained its modest rate of growth as it reappraises its marketing/sales programmes.

	Electricity	Gas	Total
November 2012	332,162	145,254	477,416
March 2013	338,301	152,469	490,770
September 2013	337,823	155,978	493,801
November 2013	339,571	156,709	496,280

The roll out of smart meters has concluded for Victorian households. The costs of this project were covered in Infratil's March 2012 Update. With the platform now available it remains to be seen if the cost is justified by changes in retailer and consumer behaviour.

NZ Bus

NZ Bus's commitment to safety was recognised by the ACC awarding the company its highest partnership status. NZ Bus is the only public transport operator in New Zealand to achieve this standard.

Disappointingly patronage continues to run at 2% lower levels than the prior year.

Northern	Month	12 months
October 2012	3,188,388	38,240,448
November 2012	3,166,953	38,108,662
October 2013	3,301,429	37,260,872
November 2013	3,091,199	37,185,118

Southern	Month	12 months
October 2012	1,747,707	20,535,153
November 2012	1,772,627	20,567,830
October 2013	1,765,374	20,250,629
November 2013	1,753,457	20,231,459

Over the period NZ Bus changed its Auckland buses over from Snapper ticketing to the Council owned Thales system. The switch over was accomplished with little fuss.

Snapper continues to operate on GO Wellington, Valley Flyer and Airport Flyer services in the Wellington region.

Greater Wellington Regional Council has begun consultations over its proposed network and unit structure for the new public transport contracting regime. The proposal could result in some significant changes to the operating environment in Wellington and covers matters like the retention of trolley buses post the 2017 expiry of the current contract.

Wellington Airport

After a relatively quiet year for builders, Wellington Airport is expected to shortly agree plans with its major airline customers for the work required to expand the domestic terminal and this is expected to start in 2014.

Wellington is also consulting with its major airline customers over its next price reset which is expected to come into effect in mid-2014. The consultation documents are placed on the Airport's website as they are released to the airlines. They include asset valuations, forecasts of costs and passenger numbers, price-structures, etc.

After almost 12 months gestation the High Court released its decision on the way the Commerce Commission requires airports to measure their asset values and the Commission's guidelines as to acceptable returns. The Court affirmed the status quo. This process has been extremely diverting for all parties, very expensive, and largely of questionable value. The law which the appeals were heard under created a novel benchmark for the Court. Any change had to be "materially better" and not surprisingly the Court found little in that category.

Both domestic and international passenger numbers remain at close to their highest ever levels, but the last couple of months have shown the impact of reduced airline capacity on domestic services. Positively, international numbers have stayed up notwithstanding airline static capacity.

Domestic Passengers	Month	12 months
October 2012	405,665	4,521,866
November 2012	427,262	4,555,581
March 2013	432,486	4,640,649
October 2013	408,157	4,774,464
November 2013	394,779	4,741,981

International Passengers	Month	12 months
October 2012	64,630	720,529
November 2012	60,561	721,766
March 2013	66,918	726,898
October 2013	65,817	744,659
November 2013	64,235	748,333