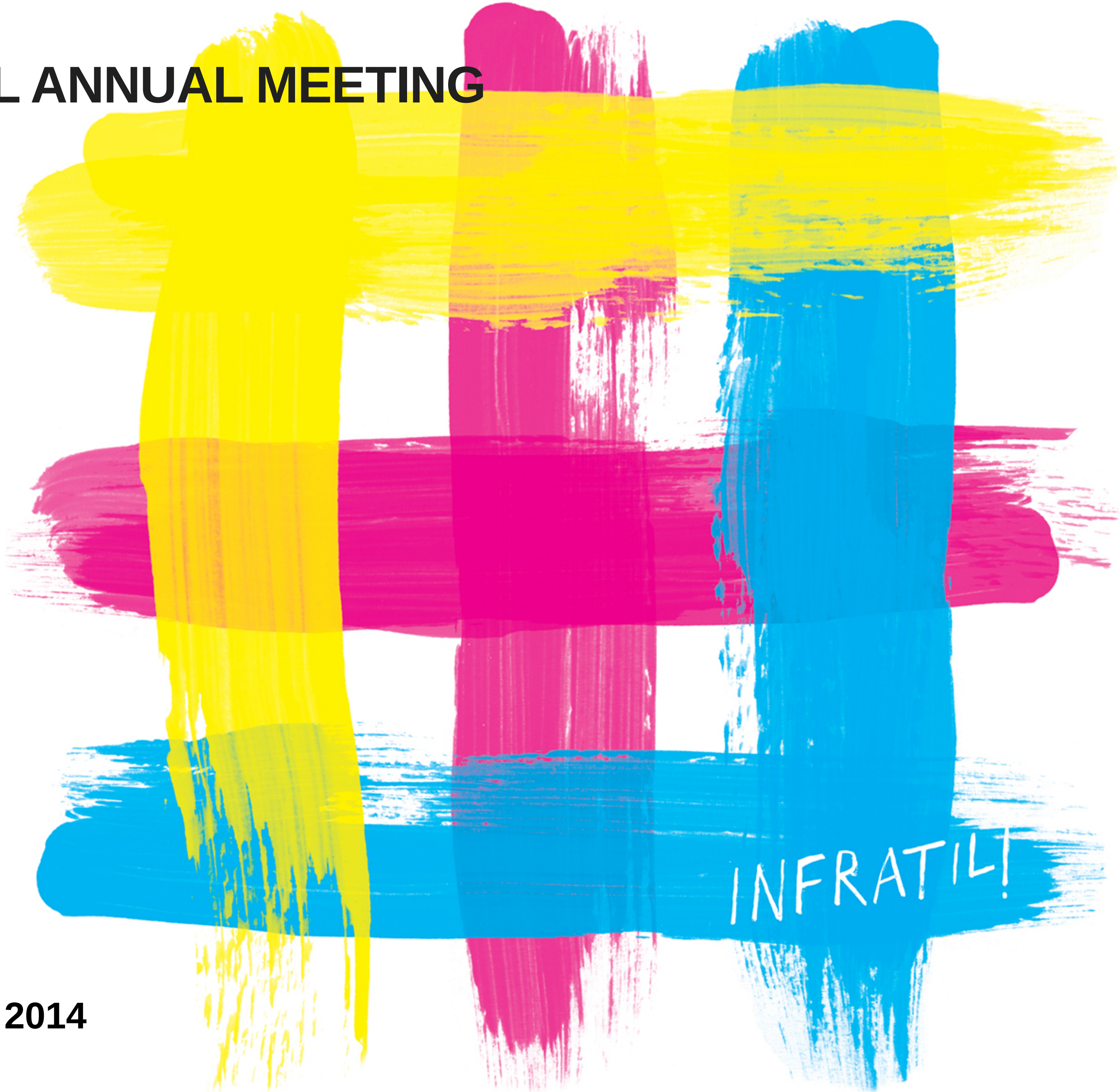
INFRATIL ANNUAL MEETING

2014



12 August 2014

Infratil Annual Meeting
Agenda

- Chairman’s introduction
- Chief Executive’s review
- Discussion of the Annual Report for the year ended 31 March 2014
- Questions from shareholders
- Resolutions
- Close and afternoon tea

Mark Tume
Chairman

- Independent Director since 2007 and Chairman since 2013
- Director of Infratil Energy Australia, several listed and private companies, Guardian of NZ Superannuation Fund
- Finance industry background

Marko Bogoievski
CEO and Director

- Joined Morrison & Co in 2008, and Infratil Board 2009
- Substantial experience in NZ and the USA in finance, operations and sales
- Director Z Energy
- Director Trustpower
- Fellow of the New Zealand Institute of Chartered Accountants
- Retiring by rotation, and up for re-election

Alison Gerry
Director

- Joined the Infratil board as an independent director in July 2014 and Chair of the Audit & Risk Committee
- Extensive international experience in finance and treasury
- Professional director
- Up for election

Paul Gough
Director

- Joined the Infratil board as an independent director in 2012
- Extensive investment banking and private equity experience in NZ and the UK
- Transport and energy sector expertise

Humphry Rolleston
Director

- Independent Director since 2006
- Director of several listed and private companies involved with finance, property, tourism, manufacturing and agriculture
- Fellow of New Zealand Institute of Directors and the Institute of Management

Duncan Saville

Director

- Foundation Director
- Director of Infratil's manager, Morrison & Co
- Director of the manager of Utilico (8.8%Infratil shareholder)
- Extensive investment and utility sector experience
- Fellow of both the Australian Institute of Directors and Chartered Accountants
- Retiring by rotation, and up for re-election

Anthony Muh
Alternate Director

- Director since 2007, alternate director for Duncan Saville since 2010
- Joined Morrison & Co in 2010 – Hong Kong based
- Finance and investment sector experience
- Fellow of INFINZ and the Hong Kong Securities Institute

David Newman
Director 1994-2013

- Founder Director - 1994
- Chairman from 2004 to 2013

REPORT TO SHAREHOLDERS

CHIEF EXECUTIVE REVIEW

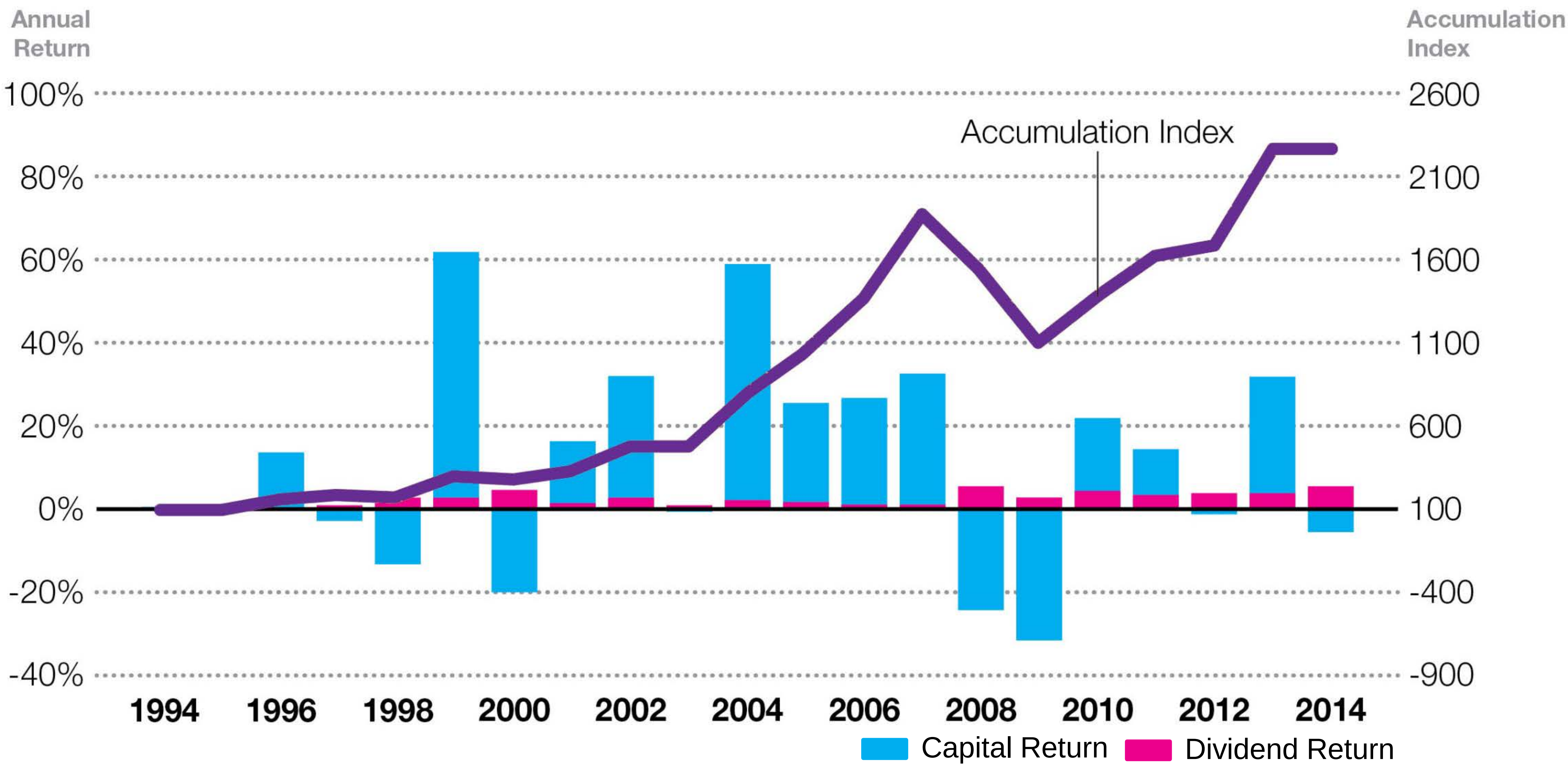
Record year for net earnings and cash flow

Infratil is realising value and investing in new areas

- Record year for net earnings and operating cash flows
- Satisfactory operating performance achieved despite increasingly competitive landscape and challenging electricity markets
- $614m of new investment in renewables, retirement sector and social infrastructure to underpin future earnings and growth
- Significant portfolio activity with over $400m of divestments completed and a broad strategic review of Lumo and Direct Connect underway
- Very strong free cash flow performance enabled full year dividend of 10.75 cps, up 16% on prior year
- Outlook for FY15 is for higher earnings and continuing strong cash flows

Record performance not reflected in share price

Value gains were largely offset by greater regulatory uncertainty



$100 invested in Infratil 1 April 1994 would have accumulated to over $2,480 by August 2014 at a CAGR of ~17% p.a.

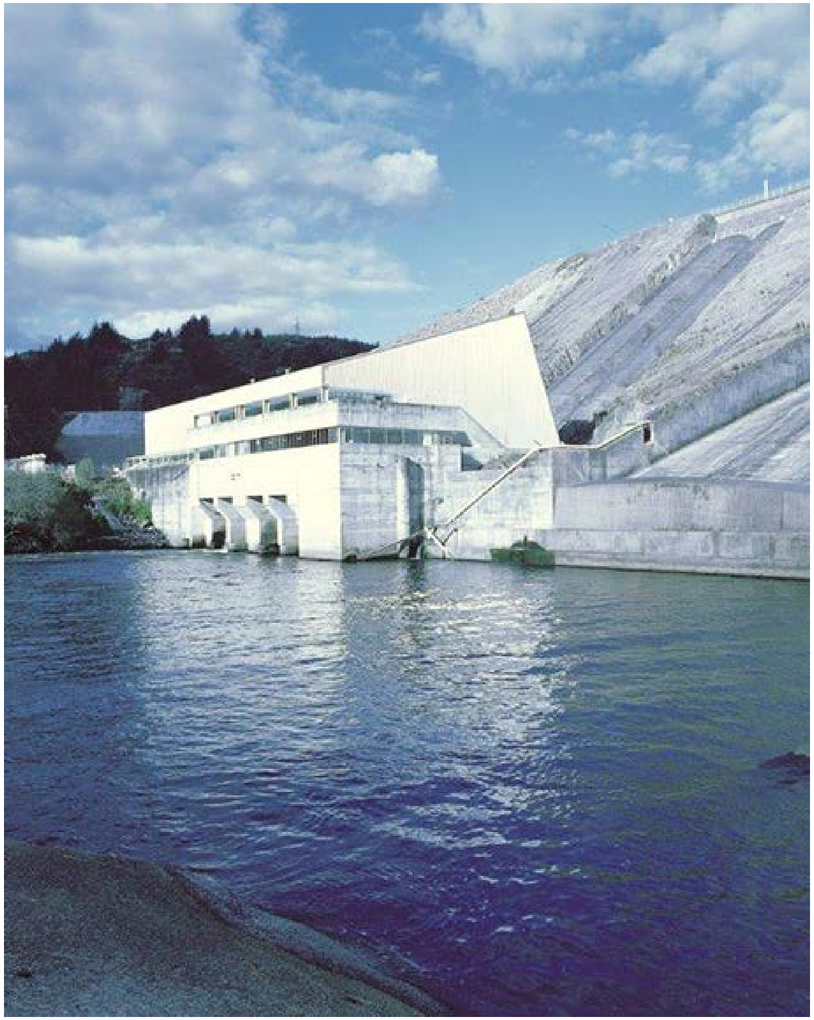
Infratil is nicely placed to benefit from recent trends

Capital + operational capability create the potential for excess returns

- Targeting high total returns to shareholders
- Balanced portfolio offering high-quality core assets with higher-return growth options
- Equity exposure to unique opportunities;
  - Exclusive pipeline of internal development opportunities
  - Capability to participate in higher-risk, higher-return early stage development projects
  - Complex private market transactions with stressed vendors or limited buyers
  - Co-investment with other sophisticated investors
- Experienced management teams, operational focus and active management approach
- Balance sheet flexibility and tight risk management through investment cycles
  - Importance of dividend growth and "proof of value" at this stage of the current cycle

The Infrastructure sector continues to be attractive

Capital is responding to increased demand for essential services



- Supply of capital accumulating in large pension and sovereign wealth funds is relentless and unlikely to change
- 72% of global SWF & Pension Funds have <5% exposure to infra[1]
- US$176bn of unlisted infra funds raised in the past 6 years – considerable dry powder remains[1]
- Increasing outbound infrastructure investment activity by Chinese SOEs
- Full prices achieved in many recent privatisations and secondary sales across Australasia, Europe and North America
- Short term yield play being replaced by a focus on assets that combine defensive characteristics and long term growth exposure

(1) Prequin Global Infrastructure Report

Discipline and patience are required to develop opportunities

Risk managemement remains an essential part of the recipe

- Prudent approach to balance sheet and liability management
- Comprehensive wholesale risk management in NZ and Australian energy markets
- Controlled net exposures to interest rates and foreign exchange
- Commitment to health and safety culture across the group
- Regulatory shifts remain our single biggest exposure
  - Electricity, airports and public transport have all had recent significant changes implemented or proposed
  - Portfolio and geographic diversity will remain important in the future
- Infratil remains cautious about the state of the capital markets;
  - Listed market exposures likely to remain volatile
  - Conscious of potential buying opportunities in the future

Our current assumptions and beliefs …

Growth infrastructure offers better value than core infrastructure

ASSUMPTIONS & BELIEFS:

- The strong demand for unlisted infrastructure is a long-term trend rather than a short-term market cycle
- Prices for listed infra with favourable long-term growth remain relatively undervalued
- Equity returns for greenfield and early-stage projects remain attractive
- Governments will build a solid pipeline of privatisation and alternative procurement opportunities;
  - Potential for AU$100bn+ of privatisations in Australia, across multiple states and sectors
  - Christchurch considering options to fund critical infrastructure rebuild and upgrades
  - Increasing use of PPP models to fund new social infrastructure and manage delivery risks

Leading to focused portfolio and origination activity

Goal is to get early equity exposure to new long-term trends

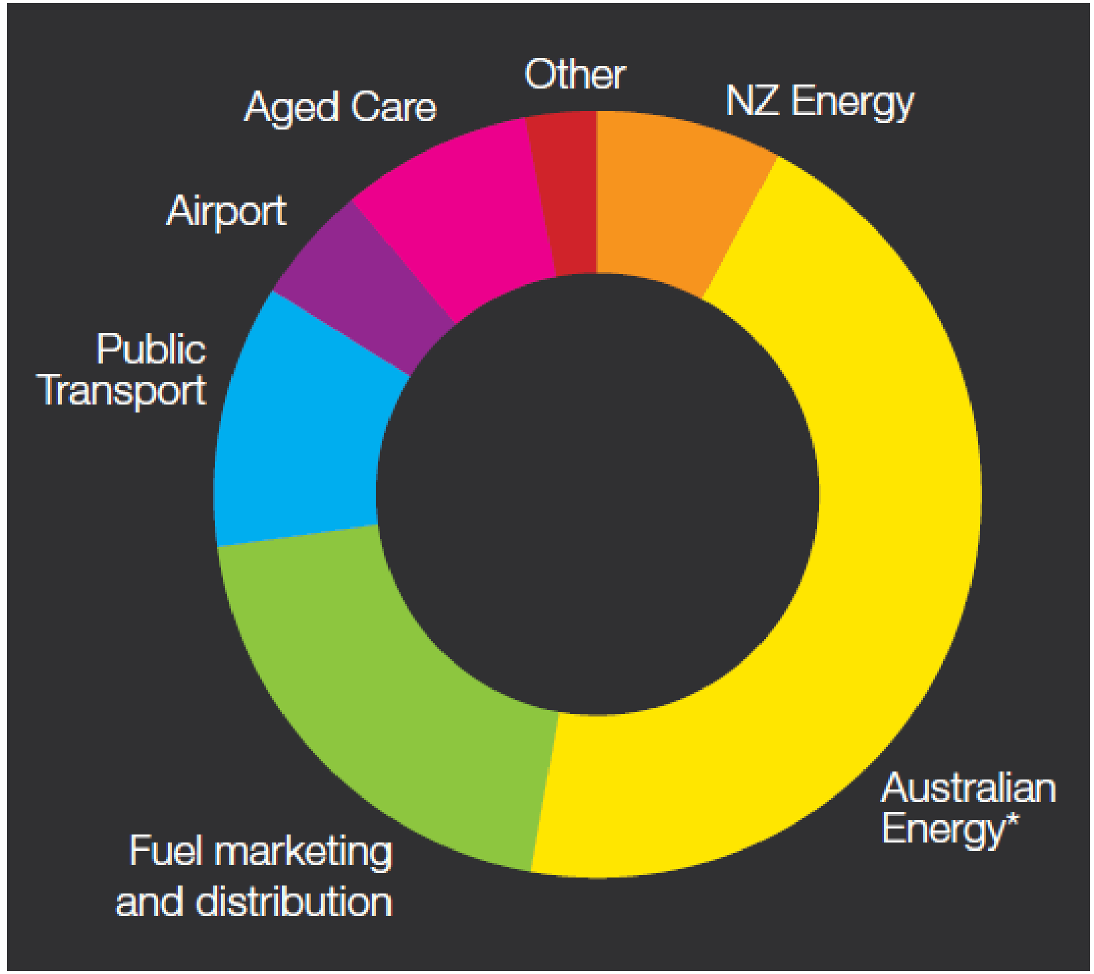
OUR CURRENT FOCUS:

- Complete the IEA/Lumo strategic review process
- Rebalance portfolio towards growth infrastructure in preparation for rising interest rates
- Target development opportunities and platforms in renewables, social infrastructure and other growth infrastructure - in Australia & NZ and abroad
- Maintain strong credit parameters and access to capital for opportunistic activity and potential for market corrections

Infratil has invested ~$2 billion over the last 5 years

Energy and transport sectors have dominated investment

5 Year Cumulative Capex ($Millions)	Through 31 March 2014
Trustpower	751
Infratil Energy Aust	304
Wellington Airport	93
NZ Bus	222
Metlifecare	148
Z Energy	384
Other	71
Total	1,973



* Includes Trustpower's wind farms

New sectors feature as the portfolio refresh develops

Retirement and social infrastructure are two new areas for Infratil

Capex ($Millions)	31 March 2014	FY15 Outlook
Trustpower	349.7	155 - 175
Infratil Energy Aust	22.0	25 - 35
Wellington Airport	20.3	65 - 75
NZ Bus	68.1	15 - 25
Metlifecare	147.9	-
Australian PPP	-	25 - 35
Other	5.6	10 - 20
Total	613.6	295 - 365

FY15 OUTLOOK

- Trustpower – $55m to complete Snowtown II wind farm and AU$72.2m acquisition of Green State Power
  - Green State Power - 92MW hydro and 14MW of wind assets in NSW expected to generate AU$8.5m of EBITDAF in the first full year
- Australian Energy - acquisition costs related to forecasted customer growth YoY
- Wellington Airport - terminal expansion, enhanced retail and multi-storey car park
- Public Transport - completion of bus fleet renewal
  - 343 new buses in Auckland (285) and Wellington (58) over the last 3 years
- Australian PPP - investment contribution to seed assets (new Royal Adelaide Hospital and South East Queensland Schools)

NZ Energy - Trustpower

Solid core with diversified Australian and NZ growth pipeline

RETAIL

NZ GENERATION

AUST GENERATION

IRRIGATION

- Trustpower is increasingly differentiating itself in the NZ market with its multi-product retail offering and significant investment options around Australian wind and NZ irrigation
- Our assumption is that NZ wholesale electricity prices are likely to stay lower for longer – this has driven Trustpower's recent investment activity;
  - Significant investment in retailing scale, capability, multi-product range and channels
  - Australian generation on track to provide approximately one third of Trustpower's output and EBITDAF in FY16. Timing of the next wind project is dependent on the Australian government RET review
  - Canterbury irrigation opportunities developing through to the next phase with local partners

NZ Fuel Distribution - Z Energy

Significant value ceation in FY14 with further potential

- Partial sell down via an IPO realised significant value. Three year return on $210m original investment of $625m with 20% shareholding continued to be held post the partial sell-down
- Growth in fuel and non-fuel margins delivered in competitive marketing environment
  - average EBITDAF of $120m prior to 2010 acquisition. $219m replacement cost EBITDAF recorded last year
- Strong retail support and customer preference metrics
- On-going efficiency gains in procurement, refining and distribution
  - revised imported product pricing from January 2014
  - supply optimisation with BP and Refining NZ from April 2014
  - Signficiant programme of new retail sites and “knock-down and rebuilds” of existing sites

Australian Energy - Infratil Energy Australia

From start-up to significant contributor to recent growth

Infratil Energy Australia

LUMO ENERGY lumoenergy.com.au

DIRECT CONNECT MAKES MOVING EASY

GENERATION | **ENERGY RETAILING** | **UTILITY CONNECTIONS** | **PERTH ENERGY**

- A decade's endeavour has resulted in a successful and profitable energy business – Lumo is now the largest of the 2nd tier electricity and gas retailers in the National Electricity Market
  - Assets comprise over ~530,000 customers in the NEM, 163MW of peaking generation and +110,000 p.a. utility connection business
- Major changes occurring in the Australian energy market
  - Price deregulation and market consolidation (e.g. AGL and APG, AGL and MacGen)
  - Regulatory environment (repeal of carbon tax and review of the LT renewable energy scheme)
  - Impact of residential roof-top solar PV and historic subsidies
- Strategic review of IEA and Lumo assets (excluding Perth Energy) is well underway

NZ Airports - Wellington Airport

Regulatory re-set and significant future capital investment options

AERONAUTICAL

PASSENGER SERVICES

LONG HAUL

- Continue to project growth at a multiple of GDP over the long-term
  - revenue is expected to increase over the next 5 years as PAX grows and new investment is undertaken
  - demand for this type of asset likely to remain firm over the long-term
- Ongoing changes in the airline market; Air NZ-Virgin and Qantas-Emirates alliances impacted capacity and PAX numbers at WIAL
- New 5 year aeronautical charges became effective from 1 June 2014
- Encouraging five year plan: +600,000 annual PAX requiring significant expansion and investment
- Long-haul and runway extension project led by various Wellington city and regional stakeholders

NZ Public Transport - NZ Bus & Snapper

Challenging PT market – mixed growth and higher operating costs

WELLINGTON

AUCKLAND

SNAPPER

- Encouraging growth emerging in Auckland
  - Passenger growth recovery (+4% in last quarter) from joint approach with Auckland Transport to improve service reliability and timetables
- Wellington flat with changes in fleet expected from 2015
- Revenue growth offset by significantly higher capex and depreciation from investment in new fleet
- New public transport contract regime (PTOM) to start in Auckland in early 2015
  - PTOM provides for a commercial partnership approach between transport authorities and operators to generate passenger growth and efficiency (contracts will include combination of tenders and negotiated routes)
  - NZ Bus is well prepared for the new regime

NZ and Australian Social Infrastructure

Retirement and social infrastructure represent two future focus areas

METLIFECARE

SOCIAL INFRASTRUCTURE - AUSTRALIAN PPP (ASIP FUND)

- Acquisition of 19.9% of MET completed in November 2013 for $147.9m ($3.53 per share)
  - Retirement villages and aged care; a high growth market driven by strong future demographics
- AU$100 million commitment to Australian social infrastructure
  - Commitment enables access to significant pipeline of PPP development opportunities in Australia
  - Initial contribution of AU$12m completed in April 2014
  - Private funding of social infrastructure is an absolute priority of Federal and State Governments
- Both sectors/businesses offer stable demand, with rewards for excellent management and mitigation of risk

Positive outlook within a competitive infrastructure market

Securing options will accelerate future growth

- Recent period of substantial value creation through strong operating performance, capital management and shifts in the portfolio
  - Broad strategic review of investment in IEA, Lumo and Direct Connect assets is underway
- Cash flow, well positioned investments with positive outlooks and capital structure support continued dividend growth
- Long-term infrastructure trends remain intact and play nicely into Infratil's experience and capability
  - Planned urbanisation, privatisation and developed markets renewal require a significant increase in investment and operating capability
  - Development infrastructure is relatively better priced and should respond well to our high-touch model
- Allocation of some capital to early stage and higher growth investments will be a driver of future out-performance

Discussion of the Annual Report for the year ended 31 March 2014 and the report of the auditor

Questions from shareholders

Resolution 1: Re-election of Director

Re-election of Marko Bogoievski: That Marko Bogoievski who retires by rotation in accordance with the Company's constitution, NZX Main Board Listing Rule 3.3.11, and ASX Listing Rule 14.4, and is eligible for re-election, be re-elected as a director of the Company.

Resolution 2: Re-election of Director

Re-election of Duncan Saville: That Duncan Saville who retires by rotation in accordance with the Company's constitution, NZX Main Board Listing Rule 3.3.11, and ASX Listing Rule 14.4, and is eligible for re-election, be re-elected as a director of the Company.

Resolution 3: Election of Director

Election of Alison Gerry: That Alison Gerry who retires in accordance with NZX Main Board Listing Rule 3.3.6 and ASX Listing Rule 14.4, and is eligible for election, be elected as a director of the Company.

Resolution 4: Directors' Remuneration

The resolution for shareholders is that the aggregate maximum remuneration payable to directors of the Company by the Company and any of its subsidiaries be authorised as at $896,855 (plus GST if applicable) being a reduction of $150,836 on the aggregate limit approved in 2013.

Resolution 5: Auditor’s Remuneration

That the Directors be authorised to fix the auditor’s remuneration.

Resolution 6: Infratil Executive Redeemable Share Scheme

The resolution for shareholders is that the Company be authorised to issue up to two million non-voting redeemable ordinary shares pursuant to the Infratil Executive Redeemable Share scheme, within 36 months of the approval of the resolution.

FOR MORE INFORMATION GO TO WWW.INFRATIL.COM