



24 December 2014

Infratil and NZ Super Fund to acquire RetireAustralia

A consortium owned 50% by Infratil Limited and 50% by the New Zealand Superannuation Fund has today entered into a sale and purchase agreement to acquire 100% of RetireAustralia.

The total consideration is A\$640.2 million with Infratil and the NZ Superannuation Fund providing total cash equity of A\$429.5 million (A\$214.8 million each) with the balance being funded by existing bank debt on RetireAustralia's balance sheet. The consideration includes estimated transaction costs of A\$23.5 million and is subject to the usual completion adjustments for working capital and net debt. The acquisition price represents a multiple of 1.0x NTA.

The transaction is expected to settle on 31 December 2014.

"RetireAustralia provides a strong platform in an Australian sector that offers very attractive long-term growth prospects," said Marko Bogoevski, CEO of Infratil. With 28 villages across New South Wales, South Australia and Queensland and over 3,700 independent living units and apartments, the business has the potential to become the market leader in the retirement living sector."

"RetireAustralia is led by an experienced management team and comes with a strong development pipeline and a mature existing portfolio. Underlying EBIT¹ for the June 2015 financial year is forecast at A\$35-40 million."

"We have spent a considerable amount of time evaluating the sector in Australia and identified RetireAustralia as a high quality access point given the profile of the assets and the capability of the management team".

Matt Whineray, Chief Investment Officer at the NZ Super Fund, said "We are pleased to be increasing our exposure to the retirement village sector in Australia. The sector's attractive demographics and future growth opportunities make it a good fit for long-term investors such as the NZ Super Fund."

Tim Russell, CEO RetireAustralia added "My preference has always been to find owners like Infratil and the NZ Super Fund who have the necessary experience and access to capital to enable a long term focus for the business as it enters the next phase of

¹ Underlying earnings before interest and tax is a non-GAAP financial measure and removes the impact of non-cash items, deferred taxation and the impact of the company's capital structure. It is provided to assist readers in understanding the operating performance of the business and in comparing with other retirement village living operators.

growth. The management team remains focused on delivering the best outcomes for our residents and investors over the long term”.

The business is currently owned by Morgan Stanley Real Estate Investing and the J.P. Morgan Global Special Opportunities Group.

The RetireAustralia investment will be managed by investment management firm H.R.L. Morrison & Co on behalf of Infratil and the NZ Super Fund. Wellington based H.R.L. Morrison & Co has held a NZ Super Fund investment mandate since 2006.

Infratil and the NZ Super Fund have worked successfully together before, purchasing the downstream assets of Shell New Zealand (now Z Energy) in 2010. This investment was also managed by H.R.L. Morrison & Co.

ENDS

Contacts:

Infratil; Marko Bogoevski, CEO, +64 4 473 3663, info@infratil.com

NZ Super Fund; Catherine Etheredge, Head of Communications, +64 274 777 501, cetheredge@nzsuperfund.co.nz

Infratil

Infratil is an owner and operator of businesses in the energy (mainly renewable), airport, public transport, and social infrastructure sectors. Its energy operations are predominantly through Trustpower in Australia and New Zealand. The Company owns Wellington Airport in New Zealand. Infratil’s public transport services are in Auckland and Wellington, New Zealand. It also has an investment in Metlifecare, one of New Zealand’s leading providers of retirement and aged care living facilities. It currently manages assets in excess of NZ\$5.9 billion.

Infratil invests in growth infrastructure sectors supporting excellent management and employee commitment to deliver top quartile financial, operational and service performance.

Infratil is listed on both the New Zealand and Australian Stock Exchanges (IFT.NZ, IFZ.AX).

NZ Super Fund

The New Zealand Superannuation Fund is a NZ\$27 billion sovereign wealth fund established by the New Zealand Government to partially pre-fund the future cost of universal pension payments. A long-term, growth-oriented investor, the Fund has returned 9.9% p.a. since inception in 2003. The Fund is managed by the Guardians of New Zealand Superannuation, a Crown entity. The Fund also has investments in Australian toll roads, timber, private equity and listed equities. For more information, visit www.nzsuperfund.co.nz.

RetireAustralia

RetireAustralia is a leading operator in the retirement living sector in Australia, with over 3,700 independent living units and apartments across 28 villages in NSW, SA and QLD. It is the largest privately-held pure-play retirement operator in Australia and has an experienced management team headquartered in Brisbane.