INFRATIL ANNUAL MEETING 2015

21 August 2015

Infratil Annual Meeting

Agenda

- Chairman’s introduction
- Chief Executive’s Review
- Discussion of the Annual Report for the year ended 31 March 2015
- Questions from Shareholders
- Resolutions
- Close and Afternoon Tea

Mark Tume

Chairman

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

Humphry Rolleston

Director

- Independent Director of 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
- Retiring by rotation and up for re-election

Marko Bogoievski

CEO and Director

- Joined Morrison & Co in 2008, and Infratil Board 2009
- Substantial experience in New Zealand and the USA in finance, operations and sales
- Director of Z Energy Limited
- Director Trustpower Limited
- Fellow of the New Zealand Institute of Chartered Accountants

Duncan Saville

Director

- Foundation Director
- Director of Infratil’s manager, Morrison & Co
- Director of the manager of Utilico (6.3% Infratil shareholder)
- Extensive investment and utility sector experience
- Fellow of both the Australian Institute of Company Directors and Institute of Chartered Accountants – Australia and New Zealand

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

Paul Gough

Director

- Joined the Infratil board as an independent director in 2012
- Extensive investment banking and private equity experience in New Zealand and the UK
- Transport and energy sector expertise
- Retiring by rotation and up for re-election

Alison Gerry

Director

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

REPORT TO SHAREHOLDERS

CHIEF EXECUTIVE REVIEW

The Infratil model at work

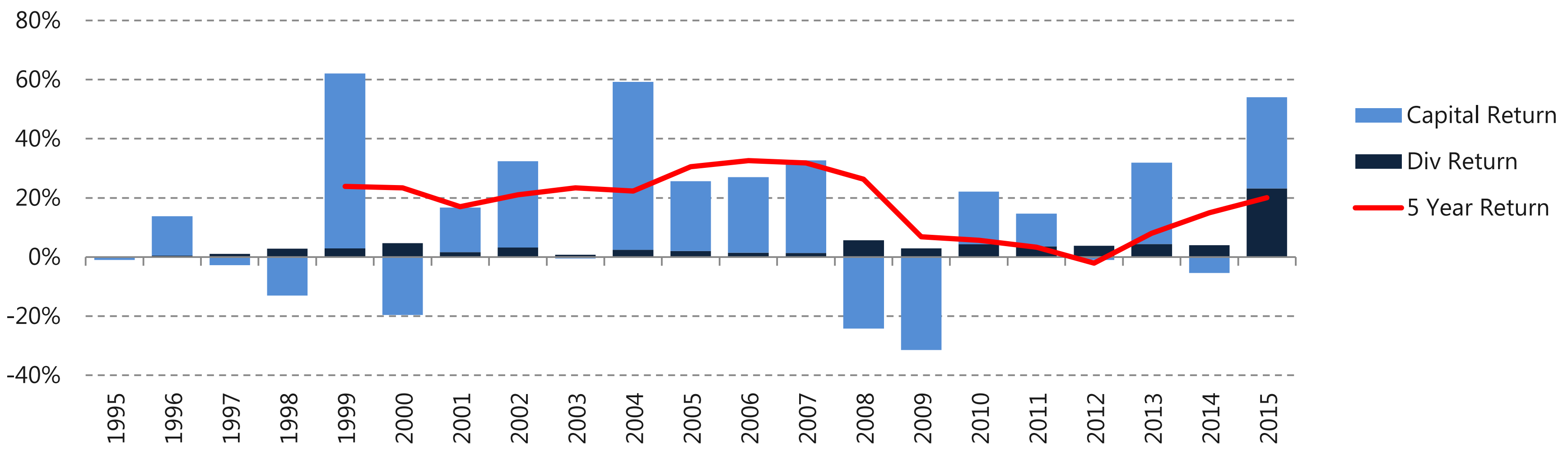
Record earnings and cash flows following asset realisations

Hume Hydro Station NSW

- Record net surplus following asset realisations
- Portfolio renewal and capital expenditure:
  - Acquisition of 50% of RetireAustralia
  - Acquisition of Green State Power by Trustpower
  - Completion of Snowtown Stage 2 wind farm
- $120m capital distributions to shareholders:
  - Two special dividends of 15.0 cps and 6.4 cps paid for the year
- Total ordinary dividends of 12.5 cps for the year, up 16.3%
- Strong capital position and confidence around future investment opportunities

Value creation reflected in share price

Capital allocation decisions and performance drive growth



$100 invested in Infratil on 1 April 1994 would have accumulated to over $3,445 by 31 March 2015 at a CAGR of 18.4% per annum

Lumo and Z Energy case studies

Material gains from two contrasting investments

Infratil

LUMO / INFRATIL ENERGY AUSTRALIA

- ~9 year development programme
- Start-up investment
- Early losses and free cash flow negative
- Capability development consistent with growth in customer base
- Significant exposures mitigated and managed along the way
- Sale in 2014 capitalised on the strong drivers towards market consolidation in the National Energy Market in Australia
- Post-tax equity IRR since inception **+17.7%**

Z ENERGY

- ~5 year development programme
- Acquisition of existing business with significant capability in a mature sector
- Strong yield from day 1
- Multinational owner prioritised other markets leaving opportunity for focused local investors
- Earnings growth and multiple expansion lead to very positive IPO outcome in 2013
- Announcement of Caltex NZ deal shows further gains are possible
- Post-tax equity IRR since inception **+48.5%**
  (at 31 March 2015 share price of $5.13)

The case for capital retention
Committed capital is one of our keys to success

Artist's impression: Wellington International Airport terminal extension

- Current origination outlook suggests capital base is appropriate
- Goal is to maintain financial flexibility in any future capital structure
- Sentiment around infrastructure and capital markets is shifting;
  - we remain cautious given current pricing with the potential for significant volatility
- Advantageous to have committed capital in large private market processes, listed placements, and at times of market dislocation
- Capital flexibility balanced by dividend growth and capital management initiatives

Our current assumptions and beliefs

“Lower for longer” mantra hides other growth opportunities

1 Capital will begin moving up the risk curve

- Capital, fuelled by continued inflows, record low interest rates and the search for yield, will begin moving up the risk curve into operationally complex/greenfield assets
- Pressure on equity returns, refinancing risks and business case assumptions
- Uncertainty over US interest rates and unwind of quantitative easing programme

2 Growth infra attractive on a relative basis

- More limited investor pool targeting growth infrastructure
- Greenfield and economically exposed assets can be attractive if risks can be isolated and effectively managed or passed down
- Potential for subsequent internal origination and reinvestment opportunities is a plus

3 Technology to disrupt infra in the near-term

- Use of big-data to optimise the performance of real assets
- Technology enabling infrastructure sharing, system coordination, and demand management will become pervasive
- Governments and policy makers to address new targets for renewable generation

4 Strategic relationships as a major theme

- Corporates and industrial players will come under pressure to increase capital intensity and develop long-term strategic relationships with capital providers
- “Quasi infra” or “infra-like” assets effectively hidden inside diversified strategic participants and corporates

Current Infratil origination focus

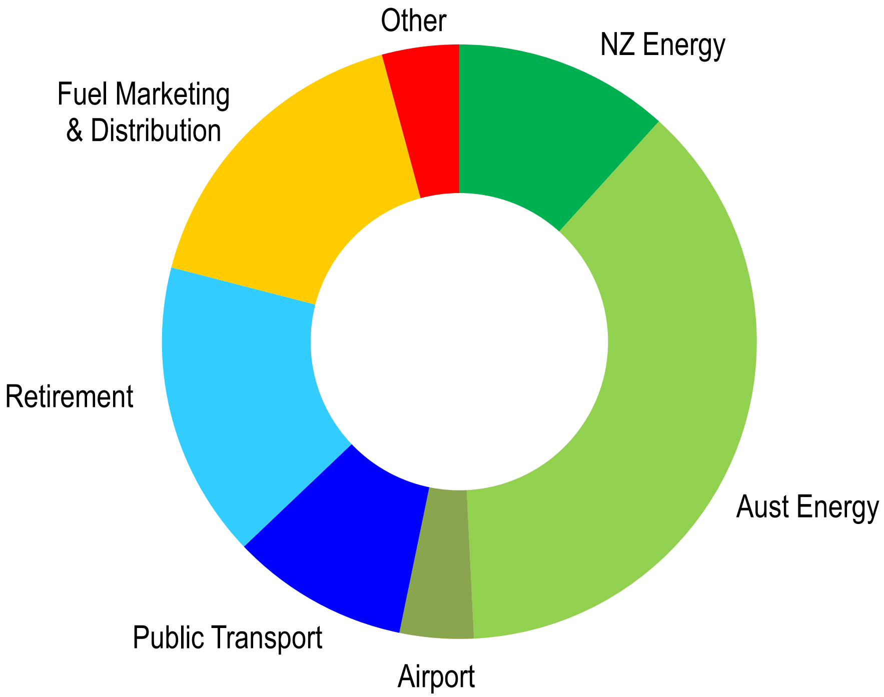
Internal origination and development of existing platforms

- Development of internal capital expenditure options and existing renewable and retirement platforms;
  - Policy makers and governments will need to address a low-carbon environment
  - Trustpower Australian wind pipeline
  - Retirement services model to emerge from current accommodation focus (MET and RetireAustralia)
- Looking for additional development platforms to augment renewables and retirement activity
  - Potential for relationships with corporates and strategic players
- Important to retain the ability to act opportunistically in large New Zealand and Australia special situations

Infratil has invested ~$2.3 billion over the last 5 years

Energy dominates historic investment, diversification increasing

5 Year Cumulative Capex ($Millions)	31 March 2015
NZ Energy	268
Australian Energy*	858
Wellington Airport	92
Public Transport	221
Retirement	369
Fuel Marketing & Distribution	384
Other	96
Total	**2,288**



* Includes Trustpower's Australian assets

Group capital expenditure and investment

Lower capex profile compared to recent years

Capex ($Millions)	31 March 2015	FY16 Outlook
Trustpower	199.8	**40-50**
Wellington Airport	21.9	**90-100**
Public Transport	15.3	**7-10**
Metlifecare	1.6	**-**
RetireAustralia	219.2	**-**
Australian PPP	32.0	**8-12**
Other	17.8	**15-18**
Total	**507.6**	**160-190**

Capital expenditure excludes asset level capex of Z Energy, RetireAustralia and Metlifecare

- **Trustpower** – Snowtown II dominated FY15. No major FY16 capex planned
- **Wellington Airport** - terminal expansion, airfield engineering and multi-level car park
- **NZ Bus** – includes fleet renewals and upgrades
- **Australian PPP** - investment contributions for the Royal Adelaide Hospital development
- Forecast assumes no changes in the portfolio

Risks still need to be managed
IFT remains cautious about the state of the capital markets

RECENT DEVELOPMENTS

- Greek crisis and flow-on effects from Europe
- US Federal Reserve poised to begin tightening and increase interest rates
- Volatility in Chinese bourses and macroeconomic variables
- Weak commodity and energy prices (including dairy)
- Housing bubbles in most developed market metropolitan centres

IFT POSITION

- Prudent approach to balance sheet and liability management
- Comprehensive wholesale risk management in energy markets
- Controlled net exposures to interest rates and foreign exchange
- Commitment to health and safety culture across the group
- Regulatory shifts remain as material exposures
  - Electricity, airports and public transport continue to be exposed to negative regulatory outcomes or uncertainty
  - Portfolio and geographic diversity will remain important in the future

Australasian Energy - Trustpower
Growth agenda delivering despite difficult conditions

- EBITDAF increased 19% over prior period
  - Commissioning of Snowtown Stage 2
  - Benefits from multi-product growth strategy
- $400m revaluation of generation assets;
  - Snowtown Stage 2 up AUD$300m validating the attractiveness of the investment
- Australian renewable energy target confirmed at 33,000 GWh for 2020
  - Over 2,000MW of wind in the TPW development pipeline
- Announced closures of Huntly (500MW) and Otahuhu (400MW) units positive for the sector

NZ Airports – Wellington Airport

New round of significant capital expenditure supporting growth

- Total Passenger numbers now ~ 5.5m
  - International PAX growth due to growth in Melbourne and introduction of new routes to Coolangatta and Fiji
- $22m of capex invested during the year including start of the main terminal extension and airfield expenditure
  - Future potential spend includes a multi-storey car park, hotel, retail park expansion, international terminal extension and noise mitigation programme for neighbouring residents
- Resource consent process is underway for the 300m runway extension that will provide capability for long-haul services to and from Wellington
  - The Wellington City Council has included a $100m contribution in its long-term plan (final commitment agreed dependent on business case and consents)

NZ Fuel Distribution – Z Energy

Proposed acquisition of Caltex NZ a positive development

Infratil

- Z Energy has agreed to acquire Chevron NZ’s downstream fuels business (Caltex NZ)
  - Subject to NZ Overseas Investment Office approval and NZ Commerce Commission clearance
- Purchase price of $785m
  - 146 Caltex branded sites + 73 truck stops
  - 10 terminal assets (owned and JVs)
  - Challenge and Caltex brands, and participion in AA Smartfuel loyalty programme
  - Strong synergies and earnings accretion anticipated
  - Pro-rata equity raise of ~$185m targeted following regulatory approvals
- Settlement expected late 2015

Acquisition of RetireAustralia
High quality access point in an attractive sector with strong trends

- Infratil and NZ Superannuation Fund acquired a 50:50 interest in RetireAustralia for an equity value of $406m
- RetireAustralia operates 28 retirement villages across NSW, Queensland and South Australia comprising ~3,700 villas and apartments
- Current brownfield development pipeline of 500+ villas and apartments and greenfield opportunities available
- Opportunity to develop a leadership position in the retirement services sector in Australia

NZ Public Transport – NZ Bus
Strong PAX growth offset by yield changes and restructuring costs

- Total passengers of 60m, 4.2% growth over the prior year
- EBITDAF of $34.2m, -14%
  - Patronage growth offset by a decline in fare yield in Auckland and investment in future efficiency initiatives
  - $2m provision for the decommissioning of trolley buses in Wellington in July 2017
- On-going commitment to HSE & zero harm workplace
  - Launched new health and safety management system
  - Positive industrial relations environment
- Contracts under the new Public Transport Operating Model to be progressively rolled out from 2015

2015/16 Outlook

Significant growth forecast from continuing operations

$Millions	FY 2015 Actual	FY 2016 Outlook(1)
EBITDAF(2) – continuing operations	453.4	**520 – 550**
Net interest	178.2	**165 – 175**
Operating cash flow	235.6	**270 – 300**
Depreciation and amortisation	149.7	**160 – 170**

2015/16 EBITDAF range $520m - $550m:

- TPW increase due to full year contribution from Snowtown II and Green State Power, and growth in retail customer base
- WIAL increase in aeronautical revenue in line with pricing consultation and anticipated passenger growth
- Gains across other businesses reflect a full year contribution from RetireAustralia and improvement in operating margins in other businesses

1) The 2016 guidance is based on management's current expectations and assumptions about the trading performance of Infratil's investments and is subject to risks and uncertainties, is dependent on prevailing market conditions continuing throughout the outlook period and assumes no major changes in the composition of the Infratil investment portfolio. Trading performance and market conditions can and will change, which may materially affect the guidance set out above.

2) EBITDAF is a non-GAAP measure of financial performance and represents consolidated net earnings before adjustments for interest, tax, depreciation, amortisation, financial derivative movements, revaluations, non-operating gains or losses on the sales of investments, and includes adjustments to reflect the Z replacement cost of inventory. EBITDAF is a non-GAAP measure of financial performance, presented to show management's view of the underlying business performance.

Infratil Group – Summary
Confidence in origination supports the case for capital retention

- Long-term Infratil track record enhanced by recent performance
- Origination focus will be on building out our existing platforms in the renewables and retirement sectors
  - Internal pipeline of development opportunities continues to strengthen
- Key value drivers for 2015/16 financial year;
  - Further traction with the retail multi-service offering in Trustpower
  - Progressing Trustpower's Australian wind opportunities following completion of the LRET review
  - Identification of additional future platforms or higher growth development exposures in favoured sectors
  - Execution of the capital expenditure plans at Wellington Airport
  - Secure reasonable share of NZ Bus contracts under the new Public Transport Operating Model
  - Maintaining an opportunistic posture on material domestic opportunities in relevant sectors
- Cash flow growth and outlook supports continued growth in dividends per share
- Review position for long-term capital management at the half year result in November 2015

Discussion of the Annual Report for the year ended 31 March 2015

Questions from shareholders

Resolution 1

Re-election of Director

- **Re-election of Paul Gough:** That Paul Gough 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.

For	Against	Discretionary
264,392,519 (98.57%)	226,643 (0.08%)	3,599,077 (1.34%)

Resolution 2

Re-election of Director

- **Re-election of Humphry Rolleston:** That Humphry Rolleston 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.

For	Against	Discretionary
264,340,582 (98.55%)	281,940 (0.11%)	3,595,577 (1.34%)

Resolution 3

Directors' Remuneration

- The resolution for shareholders is that the maximum aggregate remuneration payable to directors of the Company, by the Company and any of its subsidiaries, be authorised as $940,923 per annum (plus GST if applicable) being an increase of $44,068 per annum on the aggregate limit approved in 2014.

For	Against	Discretionary
227,441,864 (97.82%)	1,406,895 (0.61%)	3,653,559 (1.57%)

Resolution 4

Auditor's Remuneration

- That the Directors be authorised to fix the auditor's remuneration.

For	Against	Discretionary
264,256,510 (98.58%)	122,904 (0.05%)	3,683,657 (1.37%)

For more information:

www.infratil.com