



Infratil supports Trustpower Demerger Proposal

Following today's announcement from Trustpower outlining consideration of a demerger of its Australian and New Zealand wind business, Infratil has confirmed its strong support for the proposal.

The proposal involves separation into two New Zealand listed companies and would result in all of the Australasian wind and solar assets being held by NewCo, while the Trustpower Core business would continue to hold the remaining New Zealand generation and retail assets.

The demerger will be subject to shareholder approval and would be achieved via a Court approved scheme of arrangement. Infratil confirms that if the demerger is approved, it intends to maintain its current 50.6% holding and support the future capital requirements of both vehicles.

Marko Bogoevski, Infratil's CEO, said "The scale of the development opportunities in Australia requires a focused vehicle with capacity to raise future capital on an efficient basis. We are positive about the outlook for renewable opportunities available to Trustpower and believe it is important to structure the business to take advantage of these".

It is expected that more details of the proposal will be available to Trustpower shareholders by the end of February 2016.

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18 December 2015



NZX Announcement

18 December 2015

Trustpower Considering Demerger of its Australian and New Zealand wind business

Trustpower announces that it is considering separating into two New Zealand listed companies, by way of a court approved scheme of arrangement which can be summarised, in general terms, as:

- NewCo: which will hold Trustpower's Australian and New Zealand wind assets and wind and solar development pipeline; and
- Trustpower Core: which will hold the remaining Trustpower assets.

Wind projects require large amounts of capital to develop. A demerger of Trustpower Core and Newco will provide Trustpower shareholders with choice in relation to capital allocation. It will allow NewCo to raise such capital from investors who have an appetite that is aligned with the type of opportunities expected to be available from the build out of NewCo's development pipeline.

Trustpower Chairman Dr Bruce Harker said: "Trustpower has a strong track record of developing wind assets in both Australia and New Zealand. Given the significance of the opportunity in front of us, we have been considering the most efficient way to fund the next phase of the wind development pipeline over an extended period. The proposed demerger would enable Trustpower to create two new businesses with clearly defined strategies, and provide investors with the flexibility to choose which parts of the business to invest in."

If the proposal is given effect, shareholders will receive one share in each of NewCo and Trustpower Core for each share held in Trustpower. Trustpower Core and NewCo will each be listed on the NZX and NewCo may also be listed on the ASX.

The proposed demerger will allow TPW Core to concentrate on its substantially New Zealand based hydro generation and growing multi-product retailing businesses. These businesses produce strong cash flows, so it is expected the TPW Core will continue to provide shareholders with regular dividend income with growth prospects over time.

Dr Bruce Harker has agreed to be designate Chair of NewCo and other designate leadership positions for NewCo are expected to be announced in early 2016. Proposed changes to Trustpower's board are outlined in a separate media release.

Trustpower's Board has not formally determined to proceed with the proposal. If the proposal proceeds, it will be subject to shareholder and court approval. A shareholder meeting is expected to be called in the second quarter of 2016 to consider the matter.

Greater detail on the proposal is expected to be provided prior to the end of February 2016.

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