



13 April 2016

Infratil Investor Day

Infratil has released the full package of presentation material for its annual Investor Day. Those attending include representatives of shareholders, fund managers, broker analysts, regulatory agencies, business partners and commentators. The intention is to provide opportunities for stakeholders to interact with Infratil's management and directors, to hear about the Company's opportunities and challenges and to receive an update on investment plans.

Based on Infratil's current share price and net borrowings, the wholly-owned Infratil group is 13% debt funded and Infratil could deploy \$750 million to \$1 billion while remaining within its target credit metrics. There are two overarching messages about how this capacity will be deployed. There are good opportunities to invest within Infratil's core areas, and the approach will be disciplined. Focus areas include the retirement and renewable energy sectors and Wellington Airport.

It is also believed that there will be opportunities to acquire assets in the secondary market. Public market valuations of some companies in Infratil's sectors do not appear reflective of their underlying value and, especially in Australia, companies with attractive assets and weaker values are looking at asset divestment. There is also the prospect that market volatility will create investment opportunities for well capitalised businesses such as Infratil.

One area of investment which Infratil Chief Executive Marko Bogoevski described has an additional strategic aspect. Infratil is actively scanning NZ and Australia for technology ideas that are likely to impact Infratil's target sectors and has committed US\$25 million to the California based Envision Ventures fund. The strategic objective is to help Infratil's businesses identify and engage with technology changes that will impact their activities. In transport, energy, aviation, and elder care, technology changes are accelerating and Infratil is positioning to benefit.

The changes now happening to the motive-power of cars, bikes and buses are a good example. Mobile electric power will create huge opportunities for improved urban mobility and will make a lot of petrol and diesel vehicles redundant. Infratil intends to be on the right side of the ledger and is using its investment in Envision and its research in NZ and Australia to position accordingly.

Infratil's goal is to own businesses that provide services and facilities that address community needs while delivering efficiency, service, and productivity gains to communities. The technology or "Infratech" initiative will augment in-house expertise.

Some investments, such as what is underway at Wellington Airport, are largely within the control of management. Others require opportunities to arise. An example of this was last year's unsuccessful bid for Pacific Hydro. The lesson from that process is that even if the asset is highly compatible, Infratil is strongly disciplined in its approach to capital allocation and will not chase returns down. Government bond rates are artificially depressed today and bear little relationship to the returns Infratil considers necessary to justify investment.

Infratil also remains committed to its goal of increasing its dividends. Infratil's outlook for the year ended 31 March 2016 is at the lower end of the guidance provided in November last year, after removing the contribution of iSite which was sold in December. Preliminary guidance has also been provided for the 2017 financial year.

The 2017 guidance reflects Metlifecare and RetireAustralia's contributions to EBITDAF as Infratil's share of underlying earnings rather than net profit after tax. This approach is consistent with the way the industry views elder care businesses. The most significant adjustment is the exclusion of unrealised investment property revaluations. By their nature it is problematic to include forecasts of revaluations in guidance.

| NZ\$ millions | 2017 Guidance* | 2016 Outlook* |
|--|-----------------------|----------------------|
| EBITDAF (continuing operations) | \$485-\$525 | \$495-\$505 |
| less: underlying earnings adjustment | (\$10) | (\$40) |
| Underlying EBITDAF** (continuing operations) | \$475-\$515 | \$455-\$465 |
| Operating cash flow | \$225-\$255 | \$255-\$265 |
| Net interest (continuing operations) | \$180-\$190 | \$165-\$175 |
| Depreciation & amortisations (continuing operations) | \$170-\$180 | \$170-\$180 |

* The 2016 outlook and 2017 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 other 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.

** Underlying EBITDAF is a non-GAAP measure of financial performance, presented to show management's view of the underlying business performance. Underlying EBITDAF 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 Infratil's share of its associates', Metlifecare and RetireAustralia, underlying profit. Underlying profit for Metlifecare and RetireAustralia removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment and excludes one-off gains and deferred taxation. Underlying profit is an industry-wide measure in the elder care industry.

Copies of the presentation material from the Investor Day are available on Infratil's website, Infratil.com

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ENDS



Infratil

Investor Day

13 April 2016

The Infratil plan for the next phase: Execution of high conviction ideas with a focus on future platforms and optionality



- **Optimise value and performance while the portfolio is being repositioned**
 - Extract value from remaining internal options and position for end-games where appropriate
 - Hit targets and assess opportunities for consolidation or divestment
- **Back our high conviction views on decarbonisation and the retirement sector**
 - Accelerate deployment of high-return capital in our proprietary platforms
- **Leverage the flexibility of the Infratil mandate and the capabilities of the organisation**
 - Develop future emerging platforms capable of independent scale
 - Position Infratil as the operating partner of choice for strategic and other long term capital in our region
 - Address strategic opportunities across listed markets
- **Continue to invest in ideas that matter**
 - Continue to invest in early stage ideas that address national imperatives and societal needs



We are well placed to commit when we see value

Divestments of mature assets has created unprecedented financial flexibility



- **Our existing portfolio is forecast to deliver above-average total returns over the next five years**

- Assuming no changes to the current portfolio and realistic returns on current proprietary development options

- **Infratil retains significant financial flexibility**

- Currently holding ~\$750m - \$1,000m of investment capacity relative to targeted credit metrics prior to any potential divestments

- **Our capital position is appropriate given our future investment plans and origination pipeline**

- Confidence in internal and external origination pipeline with near-term capital deployment opportunities in the retirement and renewable sectors
- Access to committed capital leads to stronger bargaining positions, higher probability of proprietary transactions, and ability to act quickly in volatile markets

- **We have the assets and capabilities required to compete in the new environment**

Confidence enables “no-regrets” decisions to be executed

- Trustpower separation and demerger
- Building out consented high-merit order wind farms in Australia
- Acquiring multi-product retail customers across electricity, telecommunications and gas in NZ
- Next phase of Wellington airport commercial and aeronautical capex
- Accelerating greenfield and brownfield development opportunities in RetireAustralia

The low-rate environment dominates returns analysis

Market is redefining required rates of return for mid-risk and growth infrastructure



- **“Lower for longer” expectations continue to drive up valuations, reinforcing the importance of proprietary pipelines**
 - Institutional inflows into infrastructure asset class continue, with increasing international investor presence in our home markets
 - Traditional “core” investors are moving up the risk curve into more complex assets and greenfield exposures
 - The window of opportunity for Infratil to recycle mature assets is not expected to close in this planning horizon
- **The emphasis on “infrastructure” has lessened over the years as we identify opportunities consistent with powerful drivers of future growth**
 - The focus is on investments which will respond well to active management, generate significant future optionality, and where downside risks are mitigated via a reasonable entry price

Declining core returns encourages the development of mid-risk alternatives

- Developing future emerging platforms
- Investigating options for an energy efficient public transport fleet
- Investing in a broader model of Eldercare and retirement services – including in-home services
- Identifying the key future market models to link variable load with decentralised energy generation
- Investing in “smart-city” initiatives
- Investing in the broader “Infratech” initiative

Significant value in our proprietary platforms

Clear path to deploy capital on an accelerated basis



- **IFT is in a very strong position to invest significant new capital into our key development platforms of renewables and retirement living**
 - A combination of proprietary development options and inorganic opportunities in these two sectors could absorb all available Infratil equity over the next 12-18 months
 - Trustpower separation gives Infratil a path to deploy significant capital to build out near-term wind farm developments. Step-out options include investments in Australian solar and international development vehicles
 - Our NZ & Australian retirement businesses have enhanced their internal development capability and pipelines over the last 12 months. Attractive industry consolidation options are emerging in Australia that could allow RetireAustralia to build a market leading position



Several emerging future platforms for Infratil

Portfolio will be enhanced by creating future platforms capable of independent scale



- **“Swim with the tide” and focus on new models to deliver essential services in the future**
 - Growth in data and related telecommunications infrastructure
 - Affordable housing for students, retirees, and state tenants
 - Specialist healthcare outcomes and accessibility
 - Improving agricultural productivity and maximising food and protein yields without damaging the environment
- **Research and relationships required to develop emerging future platforms**
 - Corporates and public sector searching for operating partners willing to adopt a long term perspective
 - Infratech investment is important to understand the impact of technology on future infrastructure business models
 - e.g. USD \$25m commitment to Envision Ventures and comprehensive market scan of NZ and Australia technology ideas related to our target sectors



We are also seeing value in listed markets

A pragmatic approach towards listed market opportunities



- **Public markets are increasingly relevant under current conditions**
 - Distortions are evident between private and listed markets relative valuations
 - Large corporates focused on capital intensity are looking to off-load assets and pass more commercial risk to long-term capital providers
 - The flexibility of the Infratil mandate opens up certain listed market opportunities – e.g. special situations (i.e. distressed sellers) or minority positions where there is a clear value gap, and/or a path to control with governance rights
 - Our top-down research is agnostic to private or public market access points and highlights areas where Infratil can be competitive relative to other, less flexible capital



A clear set of criteria to manage capital allocation decisions

Each asset has a role in the overall optimisation of the portfolio

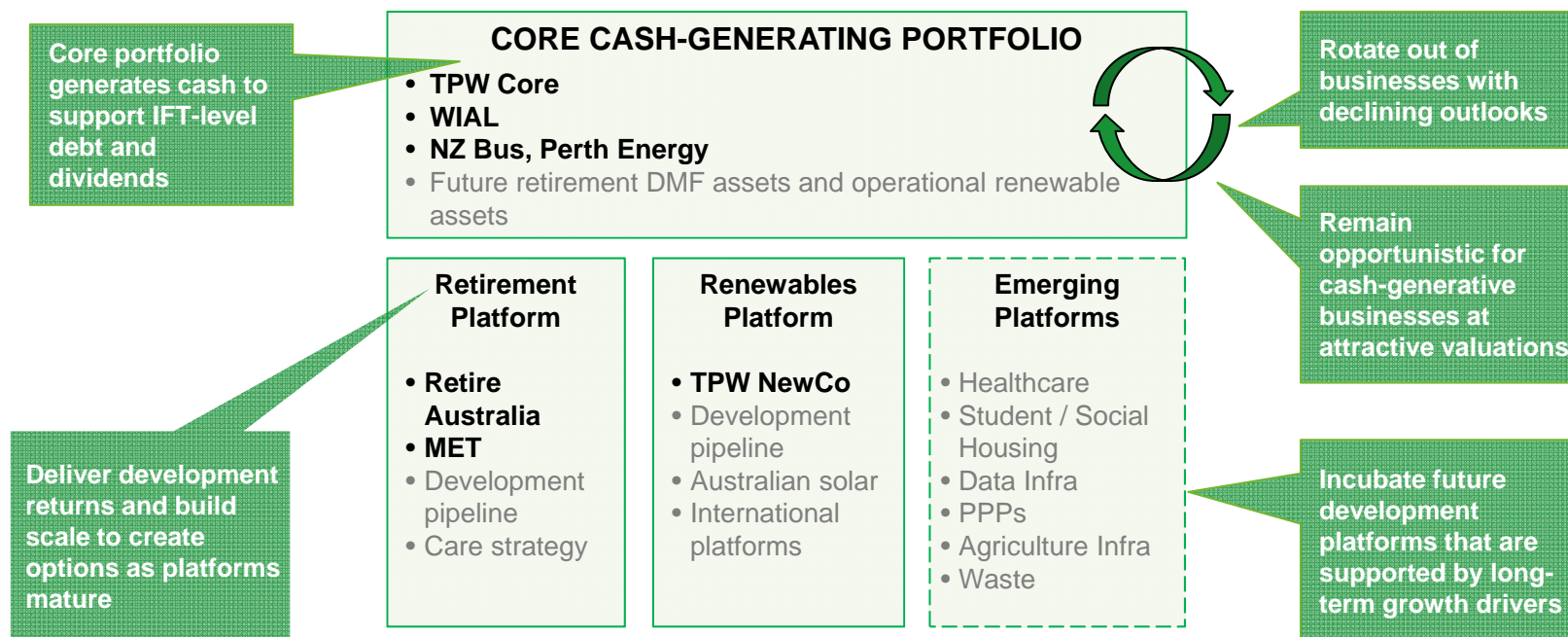


- **The total portfolio needs to be able to operate within targeted return, credit and liquidity parameters under realistic potential downside scenarios**
 - These parameters are assessed and managed at the portfolio level – allowing for individual assets to have more or less cash flow yield or liquidity
- **Total returns to shareholders are enhanced by building and maintaining a well balanced portfolio**
 - Lower growth core assets provide the cash flow to build development platforms and deliver higher blended absolute returns
 - Low maintenance capex levels and a stack of reinvestment options creates significant flexibility over capital management and discretion over the timing of major cash flows
- **Divestments of Z Energy and Lumo have created temporary distortions in the portfolio and short-term exposure to large cash balances**
 - While confidence levels are high, origination outcomes can be binary and we need to maintain discipline through a number of scenarios while accelerating development pipelines under our control
 - Acknowledge that capital management alternatives will be considered if origination is slower than anticipated or divestments continue

A balanced approach remains important, although liquidity, yield and DPS parameters are constantly reviewed as we build out growth platforms in Australia and NZ. Although the focus is on growth, it will be always be important to retain a proportion of core infra in the portfolio to facilitate the model.

IFT Portfolio strategy on a page

High return development platforms supported by a cash-generating core



Existing asset
Under Development

Infratil FY17 guidance and near term outlook

Steady growth in earnings and dividends as we reposition the portfolio for the future



- **EBITDAF trends reflect current momentum and changes in the portfolio**

- 2016 EBITDAF guidance at bottom end of our guidance range with the sale of iSite
- 2017 EBITDAF guidance moving to an underlying basis
- Underlying EBITDAF includes the contribution from Metlifecare and RetireAustralia as Infratil's share of their underlying profit. Underlying profit excludes fair value gains and deferred tax but includes realised capital gains and realised development margins
- Outlook for 2016/17 includes growth in Trustpower and Wellington airport

- **DPS profile remains in-tact**

- Capital structure and confidence in outlook are positive for continued growth in dividends per share

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Infratil investment programme is clear

Targeting a balance of incremental high confidence moves and option development



- **Infratil is set to perform well under a number of scenarios**
 - Performance of existing assets
 - Quality of people and capability
 - Strength of origination pipeline
 - Access to capital and capital structure
- **We are prepared to make larger commitments when uncertainty is low and the price is right**
 - Confidence around deployment of high-return capital in our proprietary renewables and retirement platforms
 - Will remain opportunistic and vigilant in home markets
- **We intend to ramp up the manufacture of future emerging platforms capable of independent scale**
 - Continue to invest in long-term development pipelines and future strategic options
 - Continue to invest in “ideas that matter”
- **We have a very flexible mandate which is well positioned in the current competitive environment for high quality assets**
 - Experience across multiple sectors and both late stage and early stage opportunities
 - Strong asset management capability to drive performance and returns
 - Ability to consider listed opportunities when appropriate

An Update on Morrison & Co Investment Views

Paul Newfield

Infratil Investor Day 2016

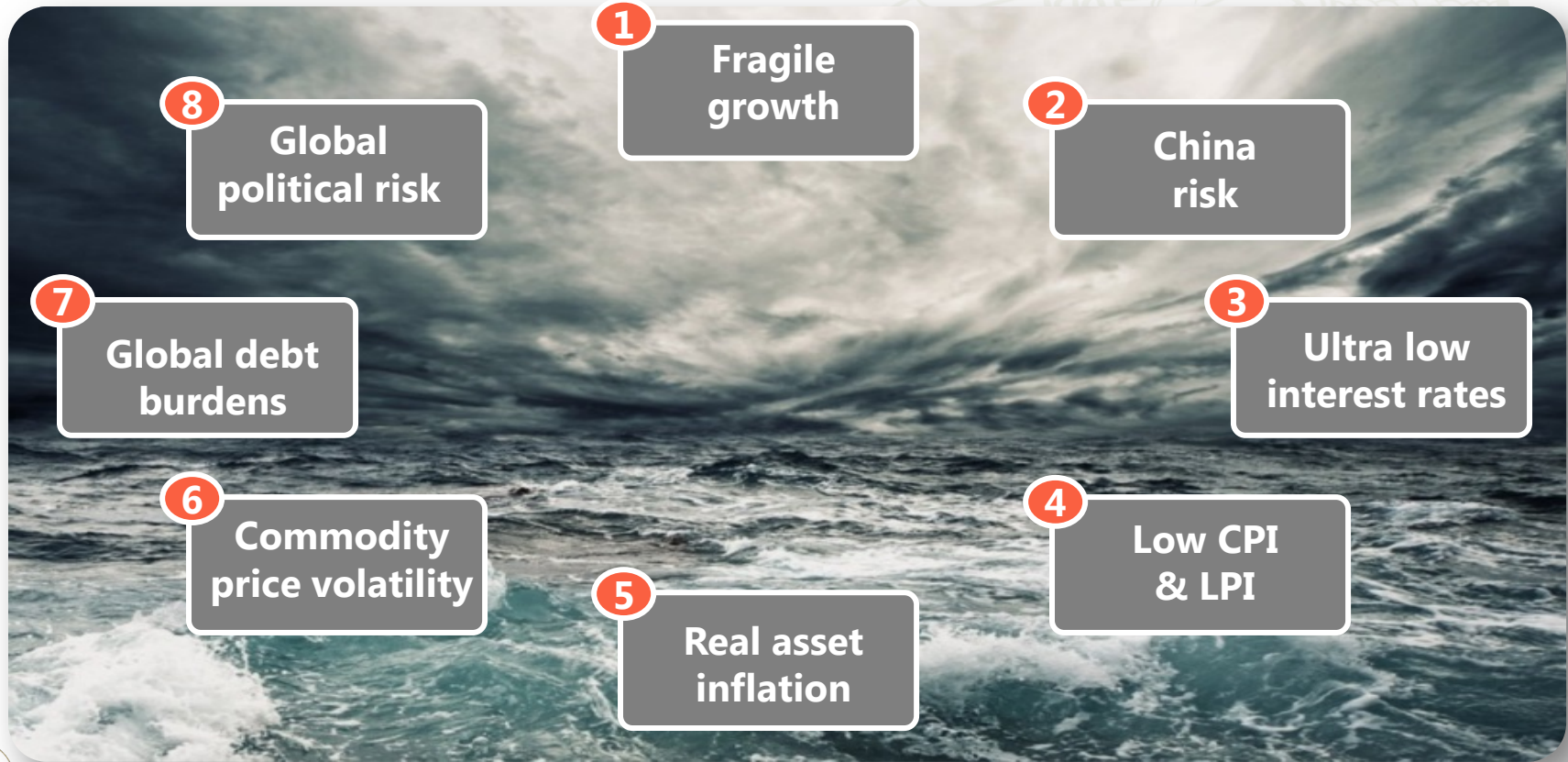


An update on Morrison & Co investment views

- What are our views on **current macro conditions** and the **outlook for infrastructure**?
- What will drive **future demand for essential services**?
- Where are we focusing our **proprietary research**?
- What are the **implications for investment strategy**?



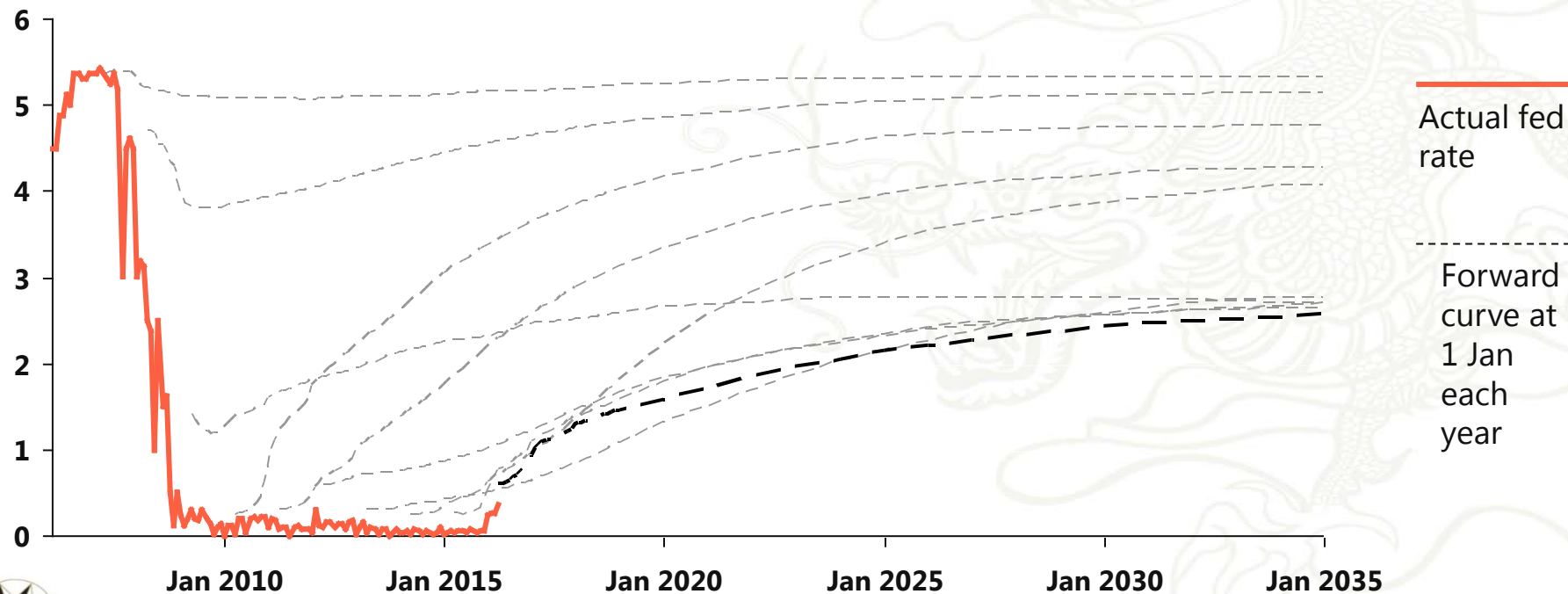
Multiple layers of risk & uncertainty in global markets



Global monetary settings remain in uncharted territory

US Federal reserve rate and forward curves as at 1 Jan each year

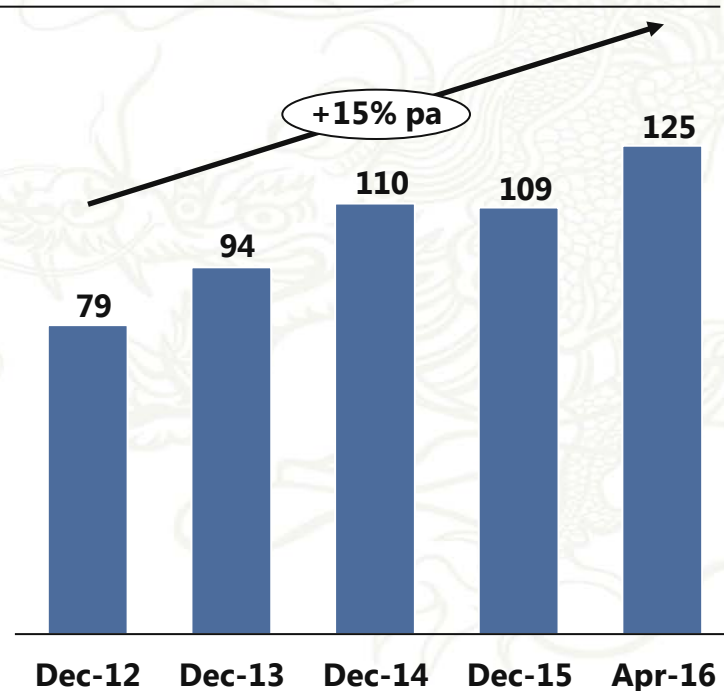
2007-2016, %



Ever-increasing investor demand for infrastructure

- **63% of global institutions** currently **below** their **target allocation** to infra, **only 10% above**
- **Chinese strategic investors** globally active
- **0% of infra fund managers** seeing **reduced competition** for assets
- **Full valuations evident in unlisted infra deals**
 - Both defensive utilities and more growth-oriented infrastructure trading strongly

Unlisted infrastructure fund dry powder
Dec 2012- March 2016, US\$bn



Prospering in an uncertain and competitive market

Market Outlook

- “Even lower for even longer”?
- Continued capital flows into infra
- Ongoing upward pressure on unlisted infra asset prices
- Multiple potential sources of listed market disruption

Strategic Implications

- ✓ **Maintain balance sheet flexibility**
- ✓ **Execute on embedded options**
- ✓ **Focus on essential services with strong long run demand drivers**
- ✓ **Stand ready to capitalise on market distress**



What will drive demand for essential services in the future?

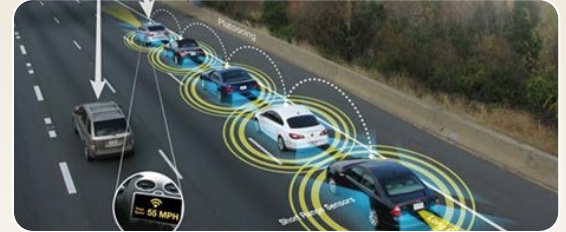
Decarbonisation



Aging Populations



Tech-Enabled Infrastructure



Infratil's Core Development Platforms

Emerging area of focus



Decarbonisation: A breakthrough year for global carbon action

- **COP 21 should be a global game-changer**
 - Long term climate action agreement with legal force
 - Emission reduction commitments from 187 countries
 - 130+ expected to sign 22 April 2016
- **Renewables will be central to implementation**
 - Expected to make up **78%** of new power generation investment in major economies through to 2030
- **Triggering a virtuous cycle of investment growth and cost reduction**
 - R&D Investment + Scale Production
 - Falling equipment costs, increasing efficiency, transformative technologies



Decarbonisation: Firmer policy settings will drive renewable investment

Australia



- **Bipartisan agreement on the RET**
 - New target for large-scale generation
 - 33,000 GWh in 2020
 - ~23.5% of Australia's electricity
- **Additional State Govt renewables support**
 - ACT, Vic, Qld all looking to stimulate electricity decarbonisation
- **RET requires a step-change in investment**
 - Additional 15,000 GWh of renewables
 - Several multiples of historic build rates
- **New contracting models will emerge**

USA

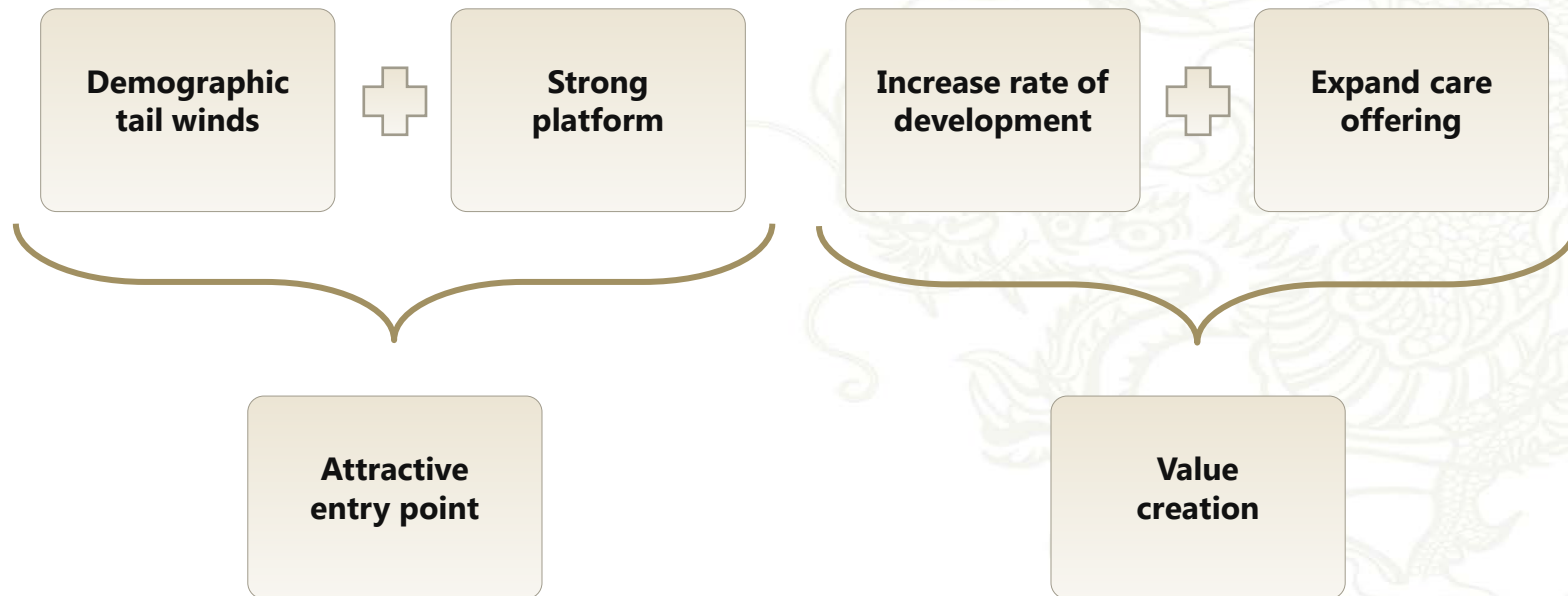


- **PTC's and ITC's extended in late 2015**
 - Extension to 2019, providing investment certainty for renewables developers
- **Obama's Clean Power Plan will accelerate decarbonisation**
 - Enforces energy sector emissions limits by State, starting in 2022
 - Goal of 32% reduction in power sector emissions by 2030 (vs 2005)
 - Will drive switch from coal to gas and renewables
- **Solar PV increasing share of utility-scale renewable investment**

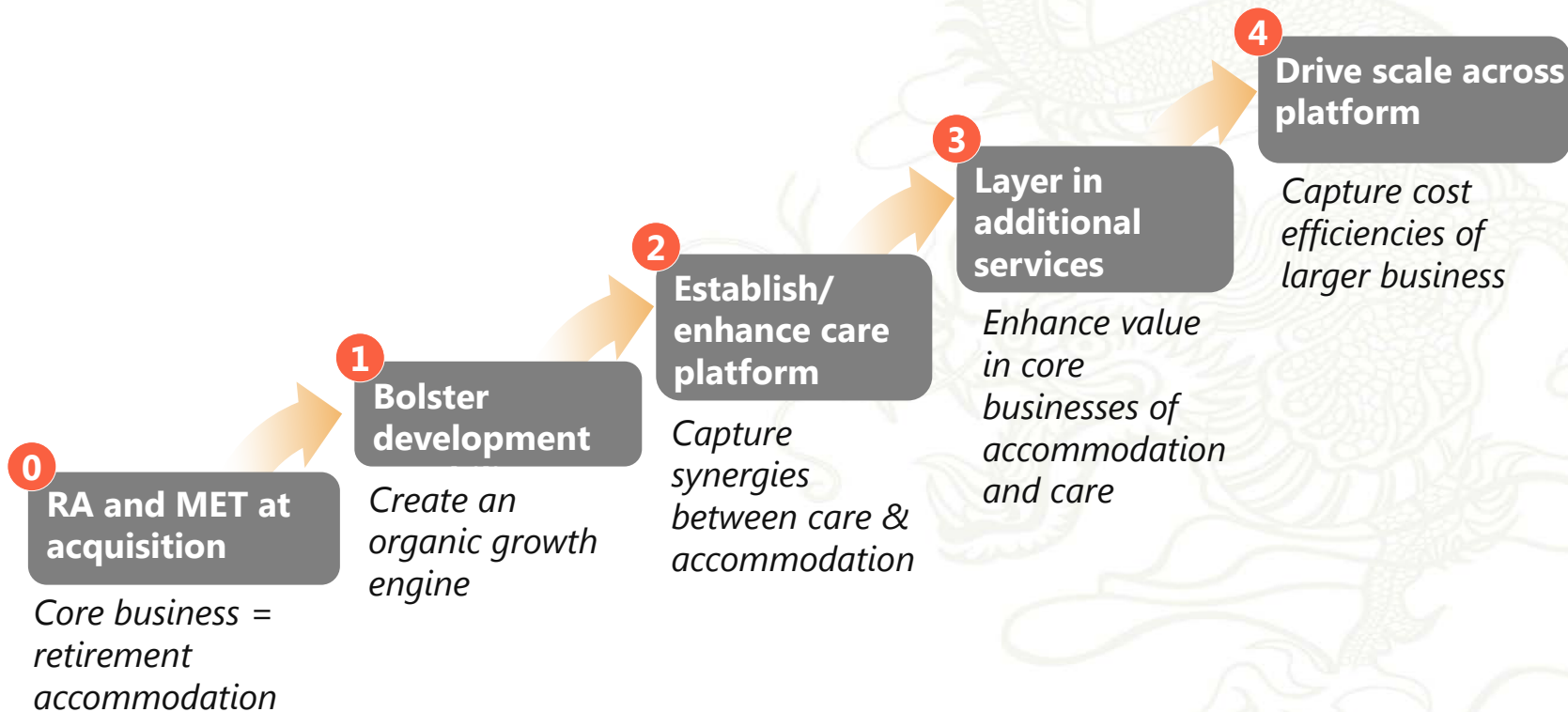


Aging Populations:

Our ingoing investment thesis for MET and Retire Australia



Aging Populations: Building an “essential eldercare services” business



Tech-Enabled Infrastructure:

How will technology transform the infrastructure sector?



[Autonomous vehicle video link](#)



Tech-Enabled Infrastructure:

How does technology show up in our portfolio strategies?

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graph LR; A[Impacts of Technology on Infrastructure Investment] --> B[Understanding threats and opportunities in traditional infra sectors]; A --> C[Identifying the infrastructure assets of the future];
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Impacts of Technology on Infrastructure Investment

Understanding threats and opportunities in traditional infra sectors

- *How could IoT and big data analytics impact energy markets?*
- *What do autonomous vehicles mean for transport infrastructure?*

Identifying the infrastructure assets of the future

- *What assets will governments and communities need to manage the explosion of data processing, storage and transmission?*
- *Which will offer the investment characteristics we seek from infra?*



Conclusion:

Three takeaways for Infratil investors

1. In uncertain market conditions, **the outlook for the infrastructure sector remains strong**
2. As demand for infrastructure assets expands, **the value of IFT's embedded options grows**
3. We are focused on **essential services that address fundamental and fast-growing societal needs**



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Infratil Investor Day 2016

RetireAustralia: PRESENT



- Founded in 2005, RetireAustralia is the largest privately owned retirement village operator in Australia
- Shareholders: Infratil Limited and New Zealand Superannuation Fund
- Underlying unit values of approximately \$1.5 billion



5,400+

Australians currently call a RetireAustralia village home.

350+

villas planned for construction within existing villages



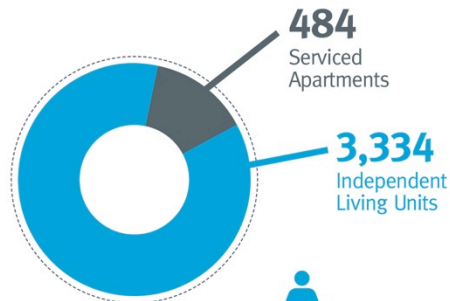
28

VILLAGES ACROSS
NEW SOUTH WALES,
SOUTH AUSTRALIA AND
QUEENSLAND

OPERATES

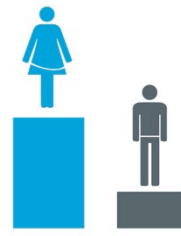
3,800+

VILLAS/APARTMENTS



The average entry age is

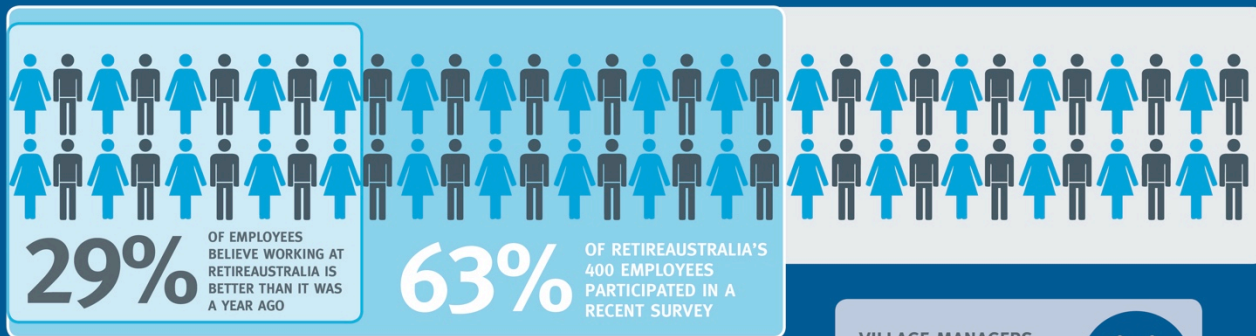
77



2/3
of all residents
are women

RetireAustralia: PRESENT

STAFF SATISFACTION



OVERALL EMPLOYEE SATISFACTION RATING

3.94 / 5



VILLAGE MANAGERS
REPRESENT THE MOST
SATISFIED



GARDENERS REPRESENT
THE LEAST SATISFIED

FUTURE STAFF SATISFACTION IMPROVEMENT

COMMUNICATION
IMPROVEMENT
STRATEGY TO
BE ROLLED OUT
COMPANY WIDE

COMPANY
BUSINESS
REVIEWS

3X
per year

INVOLVING ALL EMPLOYEES

RetireAustralia: PRESENT

RESIDENT SATISFACTION



59% PARTICIPATION RATE IN RECENT
PORTFOLIO WIDE SURVEY

OVERALL RESIDENT SATISFACTION RATING

4.25 / 5 

FUTURE CARE SERVICES

4.01/5

Would you like
RetireAustralia to be your
care provider of choice?



RetireAustralia: FUTURE



**Redefine
target
customer**

(people
looking
for a 'care
safety net')

**INCREASE INTEGRATED
CARE SERVICES**



INCREASE DEVELOPMENT



RetireAustralia: FUTURE

CARE STRATEGY

Define the target customer and optimal business model

**In-depth
fact-based
research**

**Experience at
RetireAustralia**

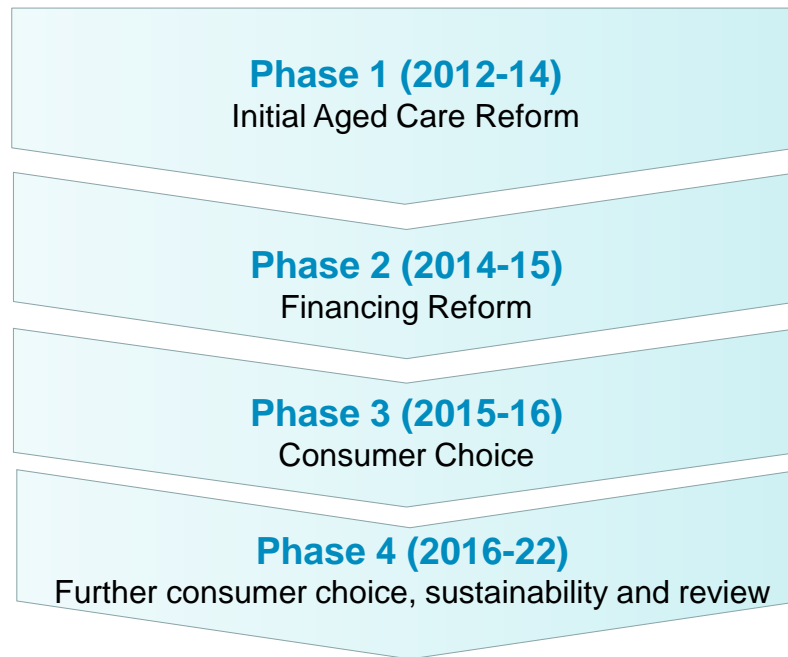
**New
General Manager
Care**

Steering Committee

- RAC
- Home Care
- Government
- Health care consultants

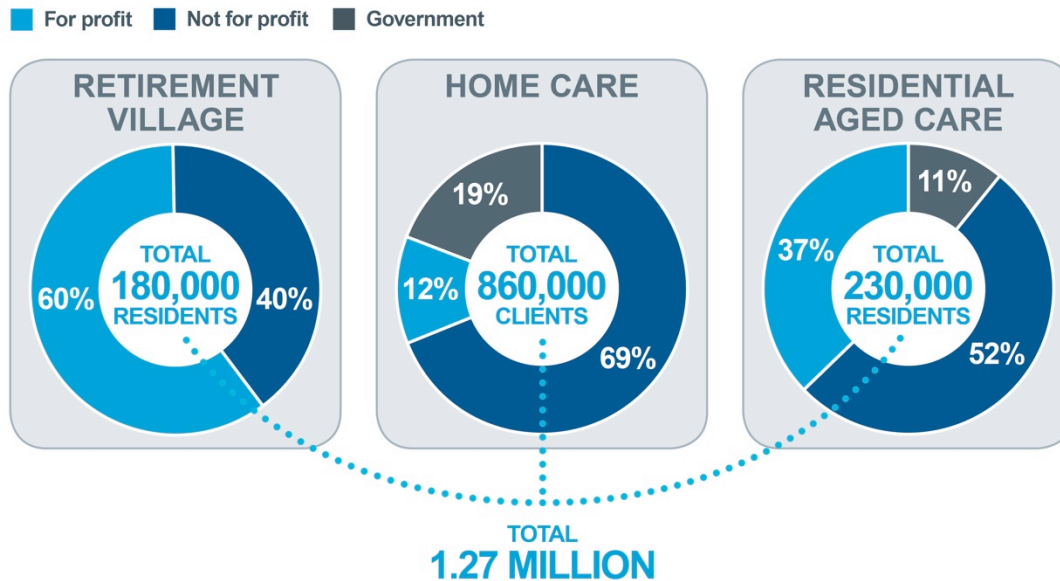
Retirement Industry: CARE

GOVERNMENT REFORMS



Retirement Industry: CARE

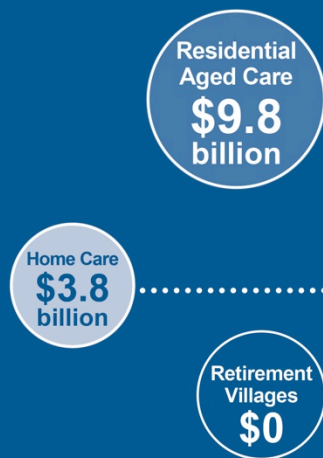
SENIOR SERVICES INDUSTRY MIX



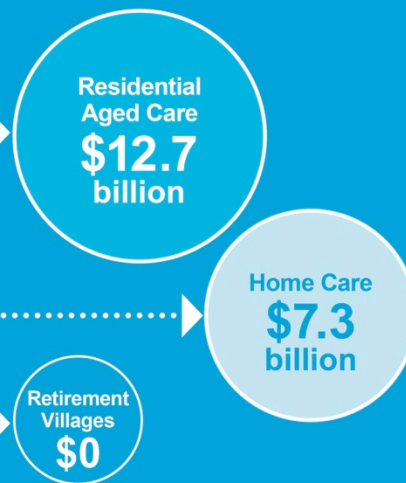
Source: ACFA 2015 report on the Funding and Financing of the Aged Care Industry, Property Council of Australia: National Overview of the Retirement Village Sector (2014). Grant Thornton.

Retirement Industry: CARE

2014 Government Expenditure



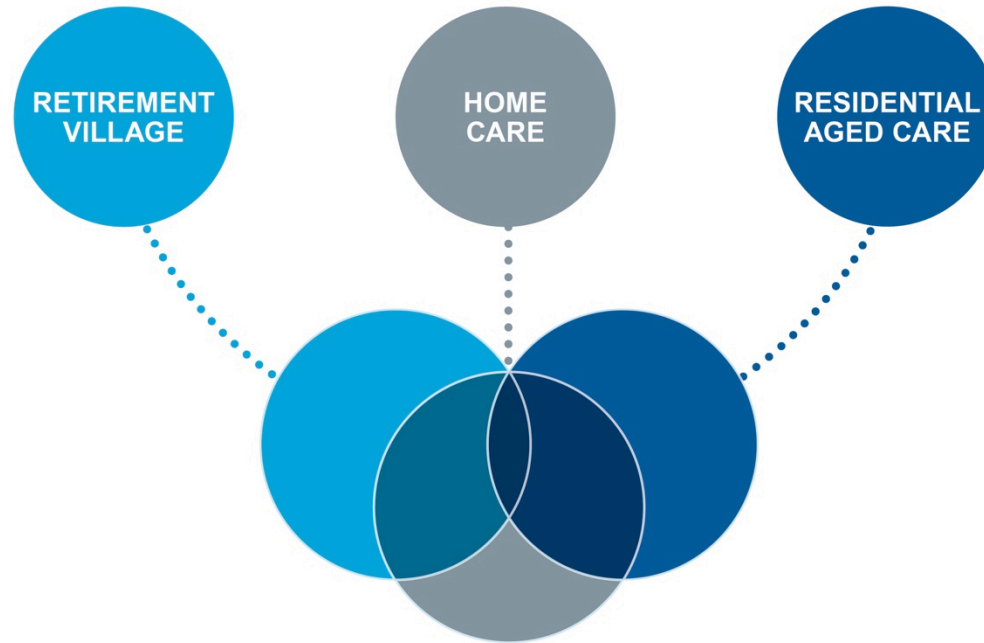
2022 Estimated Government Expenditure



Source: ACFA 2015 report, NCOA – Aged Care

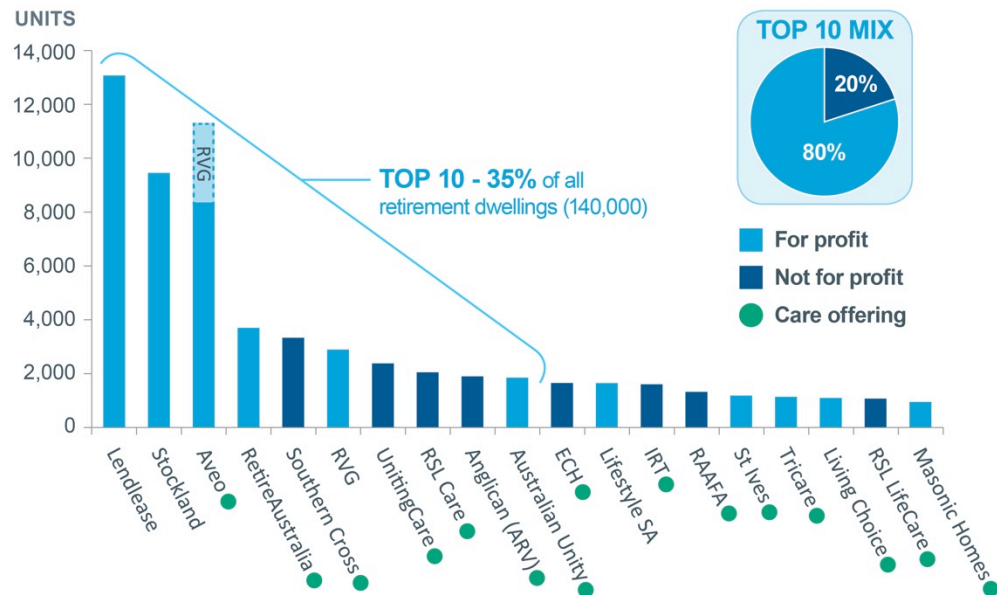
Retirement Industry: CARE

THE FUTURE



Retirement Industry: CARE

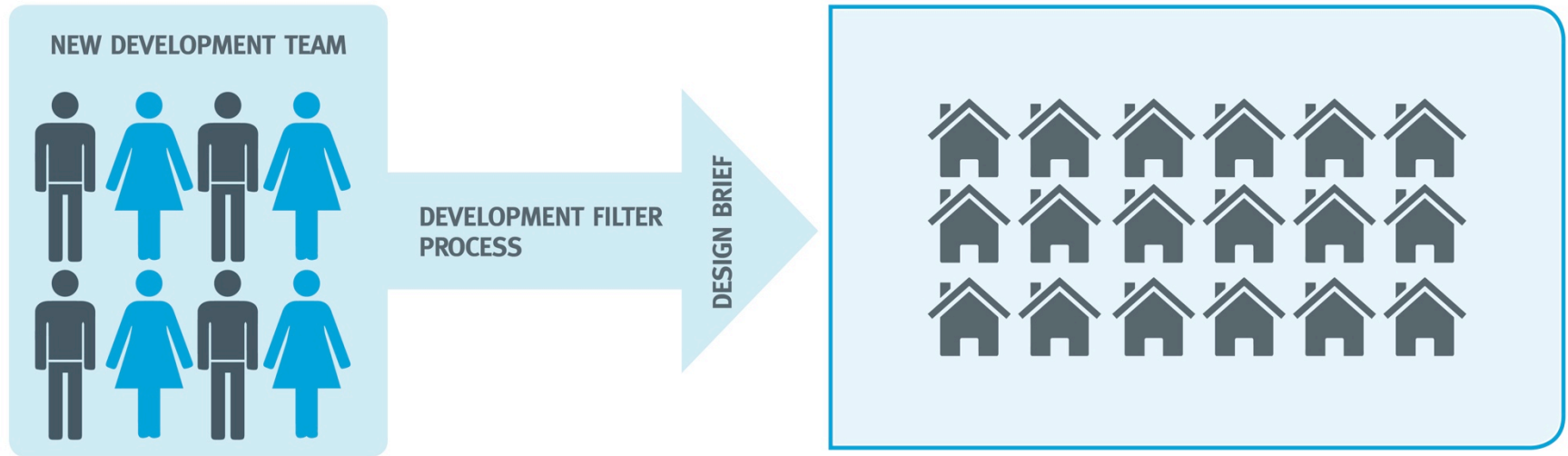
RETIREMENT SERVICES: LARGEST OPERATORS OFFERING CARE



Source: RetireAustralia analysis

RetireAustralia: FUTURE

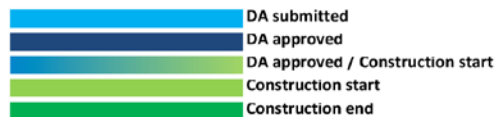
DEVELOPMENT



RetireAustralia: FUTURE

DEVELOPMENT PIPELINE GROWTH

| Village | Status | Units | FY17 | FY18 | FY19 | FY20 | FY21 |
|---------------------------|----------------|-------|-------------|-------------|-------------|-------------|-------------|
| Forresters Beach | DA approved | 78 | <div></div> | <div></div> | | | |
| Armidale | DA approved | 36 | <div></div> | <div></div> | | | |
| Glengara Jaeger Road | DA approved | 67 | <div></div> | <div></div> | | | |
| Tarragal | DA preparation | 21 | <div></div> | <div></div> | | | |
| Wood Glen | DA preparation | 69 | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> |
| Glengara | DA approved | 84 | | | | | |
| CURRENT - subtotal | | 355 | | | | | |
| Project 1 | Under DD | 94 | <div></div> | <div></div> | <div></div> | | |
| Project 2 | Under DD | 150 | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> |
| Project 3 | Under DD | 150 | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> |
| Project 4 | Under DD | 207 | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> |
| Project 5 | Under DD | 125 | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> |
| PROBABLE - subtotal | | 726 | | | | | |
| TOTAL FORECAST DELIVERIES | | 1081 | | | | | |



* March year end

RetireAustralia: FUTURE

PRICING INNOVATION

Increased financial certainty for resident

Fixed Fees
for Life

Entry based DMF -
operator takes risks/
reward on HPI

Simplify exit
process – no exit
costs, guaranteed
buyback

RetireAustralia: FUTURE (2021)



**METROPOLITAN
VERTICAL VILLAGES**



**REGIONAL
BROADACRE VILLAGES**

300+ purpose-designed seniors' dwellings constructed per annum



The average
entry age is

80



**7,000+
RESIDENTS**

in RetireAustralia
villages

Care

30% of residents
in our communities using care
services including e-health allowing
residents to receive support &
medical attention at home



Infratil Investor Day
13 April 2016

Different...



Disclaimer

This presentation has been prepared by Trustpower Limited (**Trustpower**) in relation to a proposed demerger transaction (**Demerger**).

Information: This presentation contains summary information about Trustpower and the currently intended activities of Trustpower Core and NewCo (which are working names for the two intended demerged entities under the Demerger transaction if that transaction is approved). The information in this presentation is of a general nature and does not purport to be complete nor does it contain all the information which a shareholder or prospective investor in Trustpower may require in order to evaluate the Demerger transaction or that would be required in a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013.

The Demerger remains subject to the approval of Trustpower shareholders and no financial products in Trustpower Core and NewCo can currently be applied for or acquired. No money is currently being sought or will be sought from Trustpower shareholders in relation to the Demerger. Any such approval that is sought from Trustpower shareholders will be sought in accordance with the Financial Markets Conduct Act 2013 and other applicable legislation.

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Financial data: All dollar values are in New Zealand dollars (NZ\$ or NZD) unless otherwise stated. References to "A\$" are to Australian dollars. Any financial information provided in this presentation is for illustrative purposes only and is not represented as being indicative of Trustpower's views on its future financial condition and/or performance, or that of any entity under the Demerger. Investors should be aware that certain financial data included in this presentation are 'non-GAAP financial measures' under Regulation G of the U.S. Securities Exchange Act of 1934 (as amended). Investors are cautioned not to place undue reliance on any non-GAAP financial measures included in this presentation.

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Agenda

- Trustpower Demerger
- Trustpower “Core” performance and strategy
- Australian Market and NewCo opportunity



Proposal to demerge Trustpower's
Australian and New Zealand wind
business

Different...



Announcement highlights

- Trustpower's Board is considering a demerger of the company's wind generation assets and development options
 - 'NewCo': will hold Trustpower's Australian and New Zealand wind assets and wind and solar development pipeline
 - 'Trustpower Core': will hold Trustpower's remaining assets and will retain the Trustpower name and brand
- Creates two independent, attractive, focussed businesses, with different investment and growth profiles
- Shareholders will receive one share in each company for every share held in Trustpower
- Intended that each entity will be listed on the NZX, with the intention of also listing NewCo on the ASX
- To be implemented by way of a scheme of arrangement which will be subject to shareholder approval, with a meeting expected in the second half of CY2016



Rationale for demerger

- Expectation for two independent and focused companies
 - NewCo – attractive portfolio of Australasian wind assets with a significant development pipeline and proven operational and development capability
 - Trustpower Core – a largely New Zealand electricity generator with a growing and profitable multi-product retail strategy and

Trustpower shareholders currently invest in the above businesses as a bundled opportunity

- Timing is right
 - Near-term window of wind development required in Australia to meet RET scheme requirements
 - Requires a flexible vehicle that can adapt to address dynamic market conditions
- Greater investment choice for shareholders
- Each company will be able to adopt a capital structure and dividend policy more tailored to its specific needs/business profile
- Expected to facilitate better recognition of value of businesses over time



Next steps

- Trustpower's Board has not formally determined to proceed
- A scheme booklet containing more information in relation to the Demerger is expected to be released to Trustpower shareholders in June 2016 once regulator reviews have been completed
- Any transaction will be subject to shareholder approval, with a meeting expected July 2016
- Management focused on successfully executing initiatives in parallel with minimal business disruption



Trustpower Core

“Great things happen when you get power
and broadband together”

Different...



NZ market overview – uncertainty abounds!

- Competition in the retail market remains intense, with continued high churn and an increasing number of new entrants
- NZ hydro storage levels recovered from a low at the start of FY16 and have since oscillated around average levels
- ASX prices have remained relatively low across the FY, peaking again at the start of 2016
- Huntly retirement decisions prior to 2020; North Island capacity and/or national energy shortfalls are a possibility
- Potential for Tiwai exit continues to provide uncertainty over future energy prices and investment economics, particularly in the South Island
- EA Transmission Pricing and Avoided Cost of Transmission reviews continue, with latest proposals set to be announced in Q2 CY2016

Trustpower is well positioned to adapt to these changing market dynamics



King Country Energy acquisition

- Trustpower holds 64.5% of KCE acquired at an offer price of \$4.78 per share.
- KCE owns and operates 5 hydro stations with a combined installed capacity of 54MW and generates around 190GWh/pa.
 - The Mangahao power scheme located near Palmerston North is the most significant generation asset with an installed capacity of 39.8MW.
- KCE's retail business serves approximately 17,500 largely provincial customers.
 - KCE's churn rate is about half market average.



Overview of Trustpower Core

Trustpower Core will be a growing, cash generative business with the ability to pay attractive dividends to shareholders

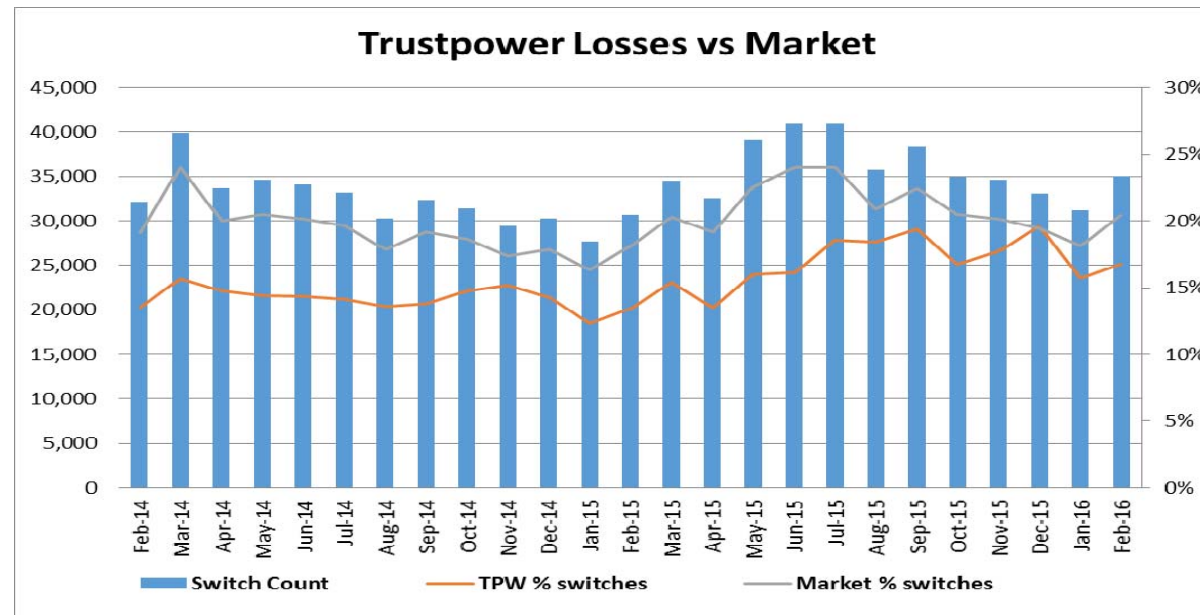
- Focused New Zealand retail and generation
- Continuing strong momentum in multi-product retail strategy

| Connections as at 31 December 2015 | 000s |
|------------------------------------|------|
| Electricity | 256 |
| Telecommunication | 56 |
| Gas | 31 |

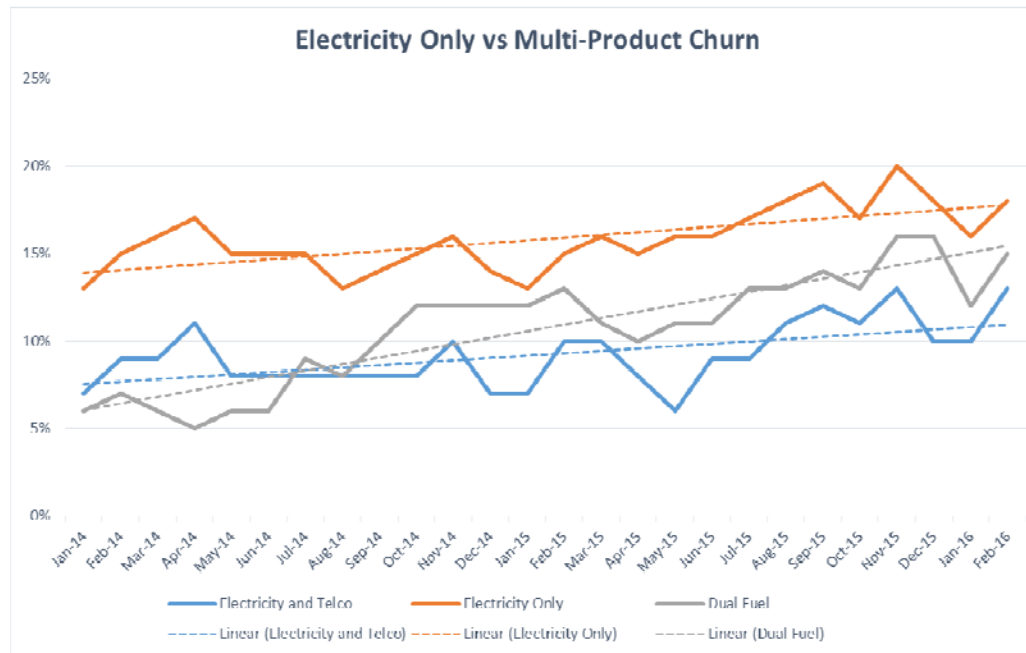
- Includes 12,100 fibre connections and 73,000 customers with two or more services
- Strong cashflow from existing 530MW hydro generation in New Zealand and Australia, with options for further optimisation
- Continuing to monitor for opportunistic acquisitions (e.g. King Country Energy) where Trustpower can add value



Loyalty is key to growth



Multi-product churn benefits continue



- Markets highly competitive in energy and telco
- 38% lower churn for multi-product customers
- No current evidence of increased churn as acquired broadband customers transition from \$49 to \$79 product



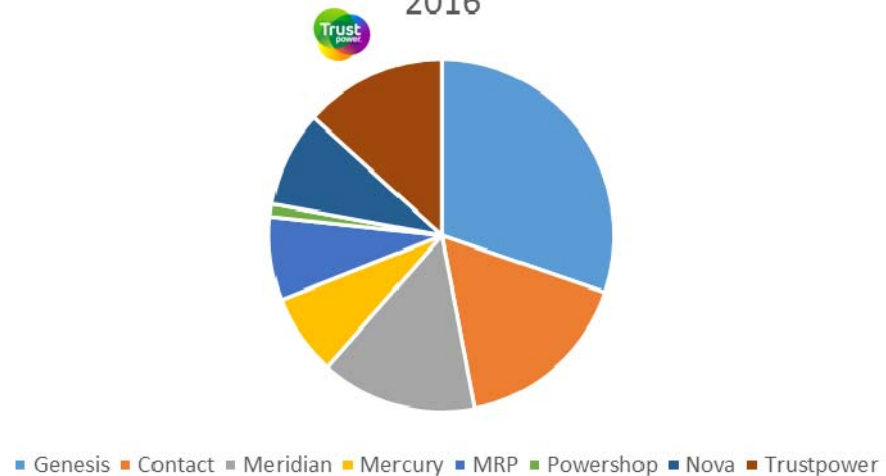
Energy relative media spend

Power

Trustpower had the 4th highest ratecard media spend of the power companies

- Ratecard spend for Genesis has been over double that of Trustpower's
- Contact's spend was over 120% of Trustpower's
- Meridian's spend was 113% of Trustpower's
- Mercury's spend was lower than Trustpower's, however the combined spend attributed to Mercury/MRP was slightly higher

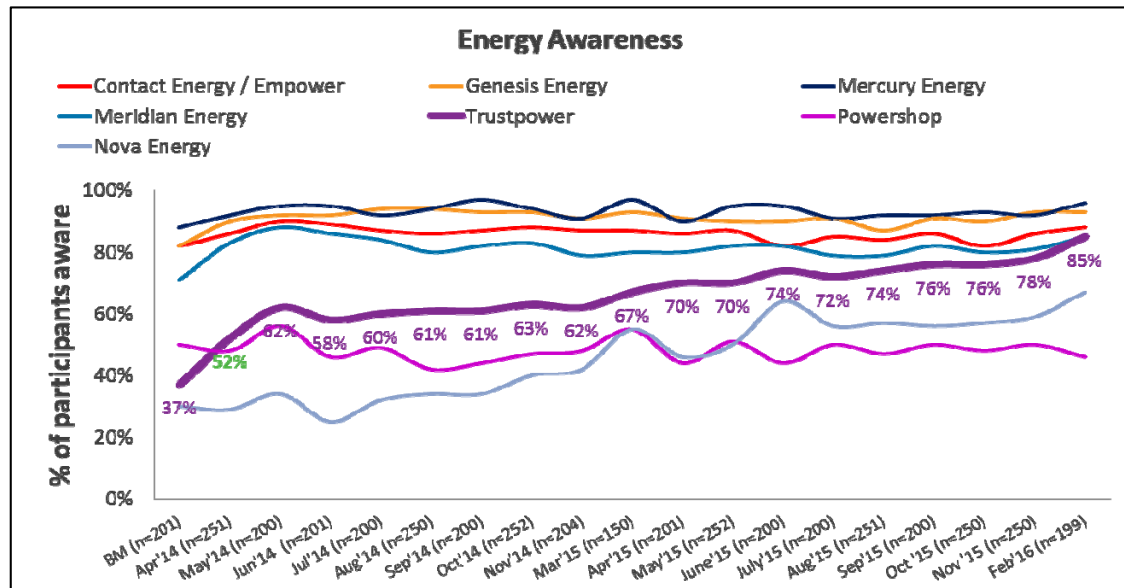
Total Ratecard Media spend April 2014 - Feb 2016



Trustpower energy awareness

– meets target in Auckland

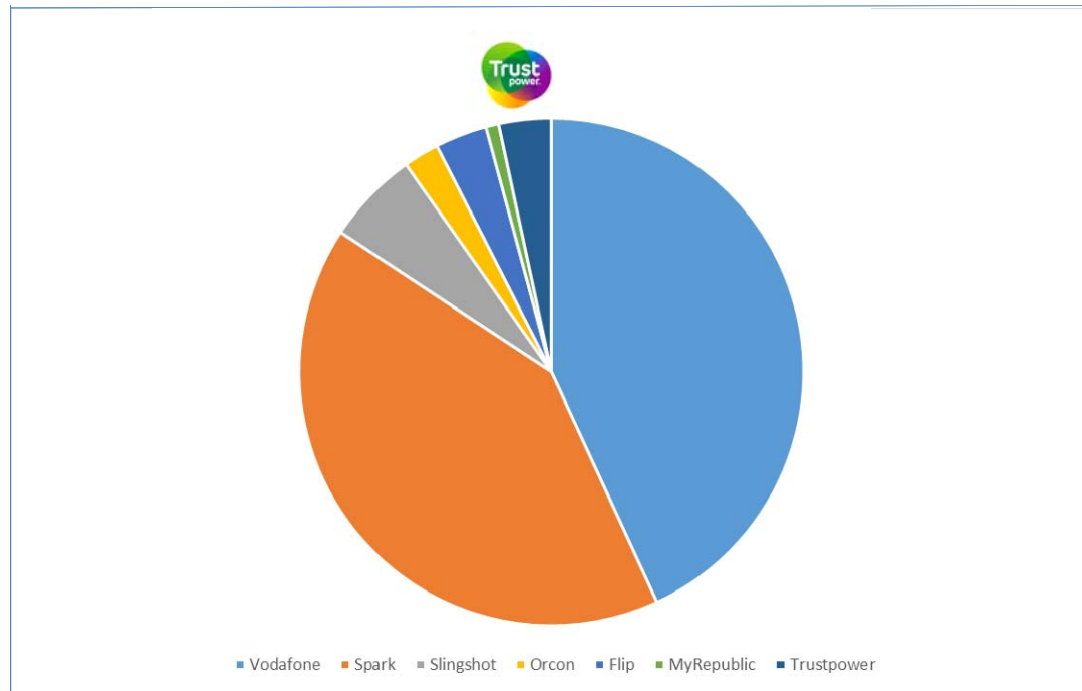
- Increasing awareness drives customer consideration
- Leads to increased acquisition performance



Telco relative media spend

Telco

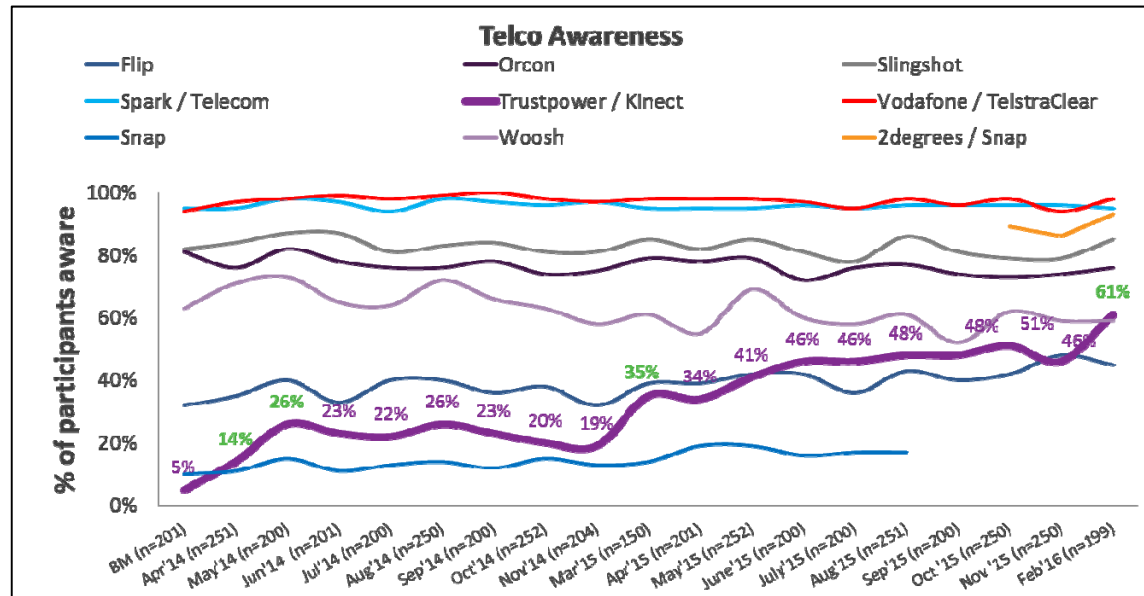
- Trustpower had the 4th highest media ratecard spend of the telco's.
- Vodafone's ratecard spend was nearly 13 times that of Trustpower
- Spark's ratecard spend was just over 12 times that of Trustpower
- Slingshot's spend was 1.8 times that of Trustpower
- Trustpower and Flip had virtually the same ratecard spend



Trustpower telco awareness

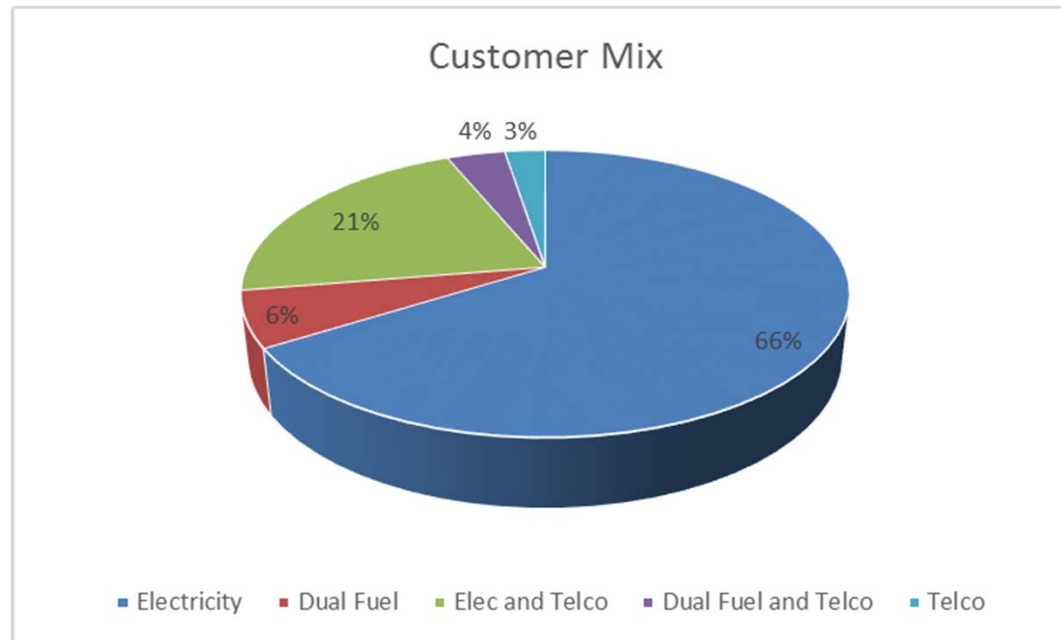
– Positive progress

- Increased telco brand awareness
- Leads to successful multi-product acquisition performance



Multi-product conversion gains momentum

- 1/3 of customers now Multi-Product
- Circa 80% of new customers taking both energy and telco services



Increasing awareness and consideration – leads to new campaign



JOIN FOR **POWER + BROADBAND**
ON A 24 MONTH PLAN

and get **unlimited data broadband**

\$49 a month for the **FIRST** year

\$84 a month for the **SECOND** year

Exit fees and Terms & Conditions apply – see www.trustpower.co.nz/49unlimited

* In Auckland offer applies to ADSL and 30/10 speed VDSL plans. Offer only available to new residential customers who join Trustpower for power and broadband at the same address. This offer may be subject to change or expiry without prior notice.

The advertisement features a man and a woman in superhero costumes (one green with a laptop emblem, the other purple with a lightning bolt) standing next to the Trustpower logo, which consists of three overlapping circles in green, blue, and yellow.

- By bringing together **energy** and **telco** Trustpower can offer customer better value - \$49 a month for unlimited broadband for a year



NewCo

- The pursuit of growth in renewables

Different...

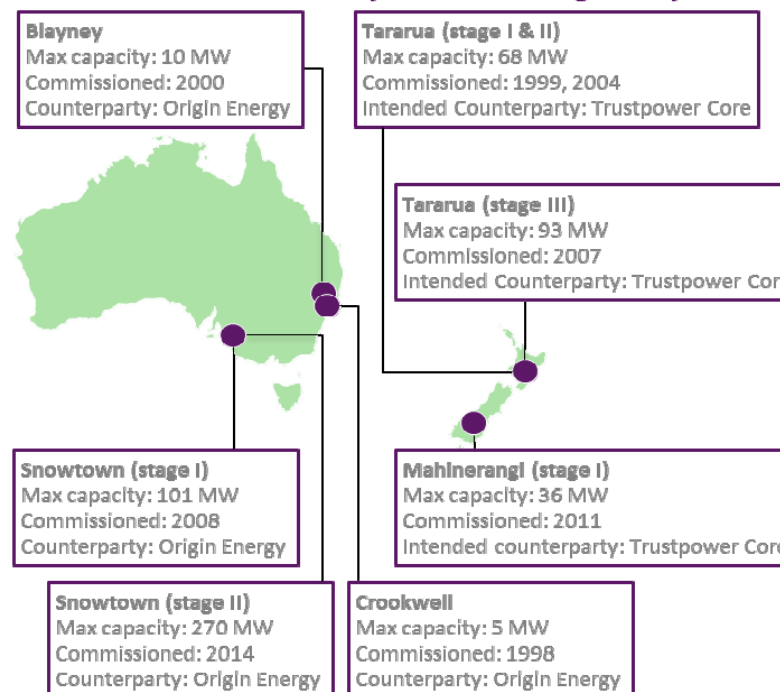


Overview of NewCo*

- High quality portfolio of contracted wind assets
 - with generation capacity of circa 580MW
 - operating track record and high quality sites
 - diversification by asset and country
- Low volatility cashflows with high quality counterparties in Origin Energy and Trustpower Core
 - high level of contracted cashflows with long term PPAs in place for Australia wind farms
 - NewCo to enter into life of asset PPAs with Trustpower Core for the New Zealand assets

* Prepared on the assumption NewCo will be established

Overview of NewCo: Trustpower's existing wind portfolio



Future conviction on renewable energy development

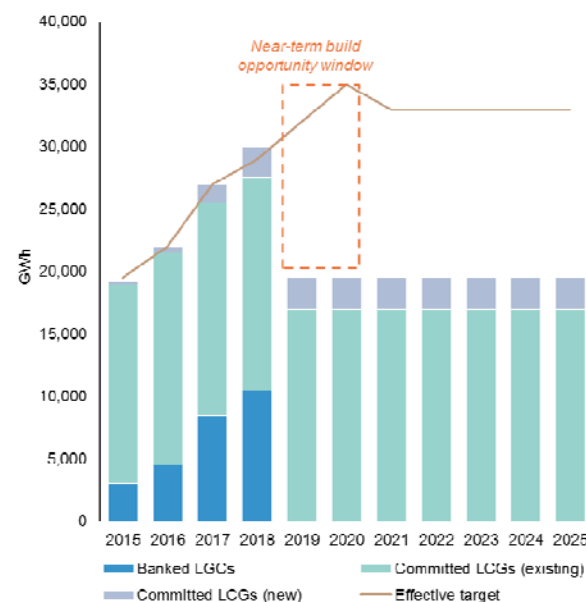
Expected new build opportunity of c15,000GWh in Australia over the next 5 years (80-90% likely to be wind)

Near-term development opportunity

- Development of low-carbon electricity generation is a critical component of the long-term global strategy to fight climate change
- The Australian electricity market has an ageing thermal fleet that will need to be replaced by gas and renewables in the medium term
- Renewables, in particular wind and solar, will continue to gather momentum and present opportunities for profitable growth
- RET (Renewable Energy Target) regime confirmed following change in Liberal leadership
- Expectation that Paris climate accord will provide a further boost for renewable generation development

Note: LGCs are large generator credits issued under the Renewable Energy Target Scheme

RET outlook



Source: Trustpower



Australasian renewable investment outlook

Australia

- Bipartisan support for Renewable Energy Target (RET) since 2001, recently confirmed at 33,000 GWh (2020)
- State targets and initiatives becoming more significant e.g. ACT reverse auctions, VIC LGC procurement
- Public support for renewables is high
- Ongoing policy support for renewables is likely to continue
- Energy mix is currently dominated by ageing emission intensive thermal plant. Investment in renewables will be key to addressing this situation
- Further strengthening of the RET and introduction of other policy frameworks which support renewables build likely to be required to make progress beyond 2020

New Zealand

- Wind investment has been possible in the absence of specific incentive schemes. Wind expected to be competitive with geothermal and gas for future new generation build
- Signalled closures of existing thermal plant will rebalance supply with demand (albeit with ongoing uncertainty regarding the future demand of Tiwai and other large industrial consumers)
- Potential need for new build to emerge over next 2-3 years
- Potential for carbon emission legislation to be strengthened to favour further renewable build over the medium term



Overview of NewCo – development pipeline

NewCo's Australian developments compare favourably to peers which indicates they should be developed within the current RET window

15 year wind development track record

- Trustpower has acquired or developed 580MW of wind generation since 2000, representing c.11% market share in Australasia
- Development and execution expertise:
 - experienced personnel
 - supplier relationships
 - understanding of wind technology
 - ability to move quickly
 - disciplined investment approach
- Operations and maintenance expertise
 - high availability
 - robust and flexible contracting with manufacturers

Well-positioned development pipeline

- Suite of competitive development options
- Development pipeline of 2,080MW in Australia (507MW Consented, although 350MW subject to appeal) and 530MW in New Zealand (400MW Consented)

Overview of key development projects



| Key projects | Location | Potential Size (MW) | Current Status |
|--------------------|----------|---------------------|--|
| Salt Creek | VIC | 52 | Consented |
| Waddi ¹ | WA | 105 | Consented |
| Dundonnell | VIC | 300 | Awaiting Consent approval |
| Rye Park | NSW | 350 | Progressing consent |
| Palmer | SA | 350 | Consent under appeal |
| NSW Project | NSW | 500 | Progressing consent |
| Mahinerangi | NZ | 160 | Consented |
| Kaiwera Downs | NZ | 240 | Consented |
| Waverley | NZ | 130 | Intention to lodge consent application shortly |

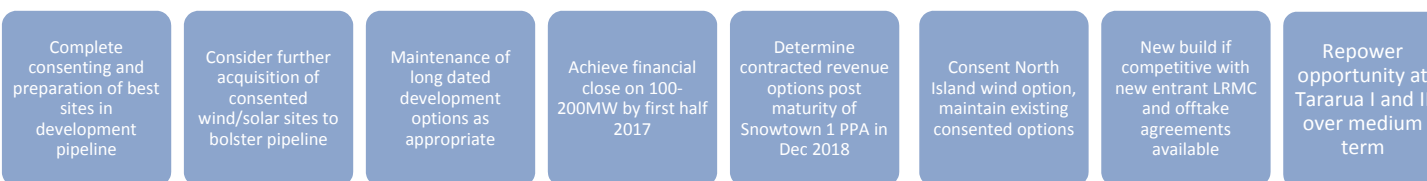
Notes:

- 1 Excludes unconsented Solar site with potential capacity of 40MWS



Strategic priorities

- Leverage existing assets and development pipeline to take advantage of available Australasian Investment opportunities
- Maintain a flexible and varied set of 'shovel ready' opportunities (wind and grid connected solar) and use key relationships to deploy these quickly and efficiently



Australia

New Zealand

Aspiration = more than double current operating renewable generation capacity over the next 5 years (to 1,500 MW) and position beyond 2020 with further wind and solar build if policy framework supportive



Key drivers for successful execution of strategic agenda

- Establishing a management team that can harness Trustpower's wind IP strengths and successfully execute NewCo's Growth agenda, including a smooth transition from Trustpower Group
- Appropriate capital structure to enable achievement of growth aspirations
- Bring forward new renewable investment opportunities in wind or grid connected solar that meet the risk and return appetite of NewCo's shareholders
- Achieve world class operational performance of existing asset base



NewCo's competitive advantage

In a unique position to leverage off the people, relationships, credibility and systems it has developed over many years. Key points of difference include:

Development and Execution Expertise

- Experienced personnel, spanning greenfield development to operations
- Deep understanding of wind technology and transmission connection challenges for renewable assets
- Strong, credible relationships with key suppliers and balance of plant contractors
- Early adoption of leading technology via understanding and management of risks
- Optimisation of wind turbine technology to ensure best fit with site conditions
- Flexible innovative approaches to contracting and financing
- Respect for environment, landowners and community
- Risk management techniques developed over a range of existing generation assets
- Proven project execution capability
- Disciplined investment approach
- Diverse range of development options already secured



NewCo's competitive advantage

Operations & Maintenance (O&M) Expertise

- Over 15 years' experience operating one of the world's toughest onshore sites (Taratua in NZ)
- Robust and flexible contracting with wind turbine manufacturers. First to market with production-based O&M payments to align priorities between owner and O&M contractor
- Innovative and open approach to dealing with defects and maintenance challenges
- Track record of high availability
- Local repair options developed to reduce reliance on European-based suppliers, lowering costs and turnaround time
- Enhancement focus, including maintenance programming and application of new technologies to existing assets
- In-house technical expertise to scrutinise performance and challenge O&M contractors



Immediate focus of the NewCo Establishment Team

- Organisation structure and capability review, positioning to meet growth aspirations
- External recruitment to fill gaps and bolster bench strength for growth
- NewCo Establishment plan to ensure smooth transition post demerger
- NewCo debt financing
- Finalisation of internal agreements with Trustpower Core
- Contribution to demerger process





Thank you

trustpower.co.nz

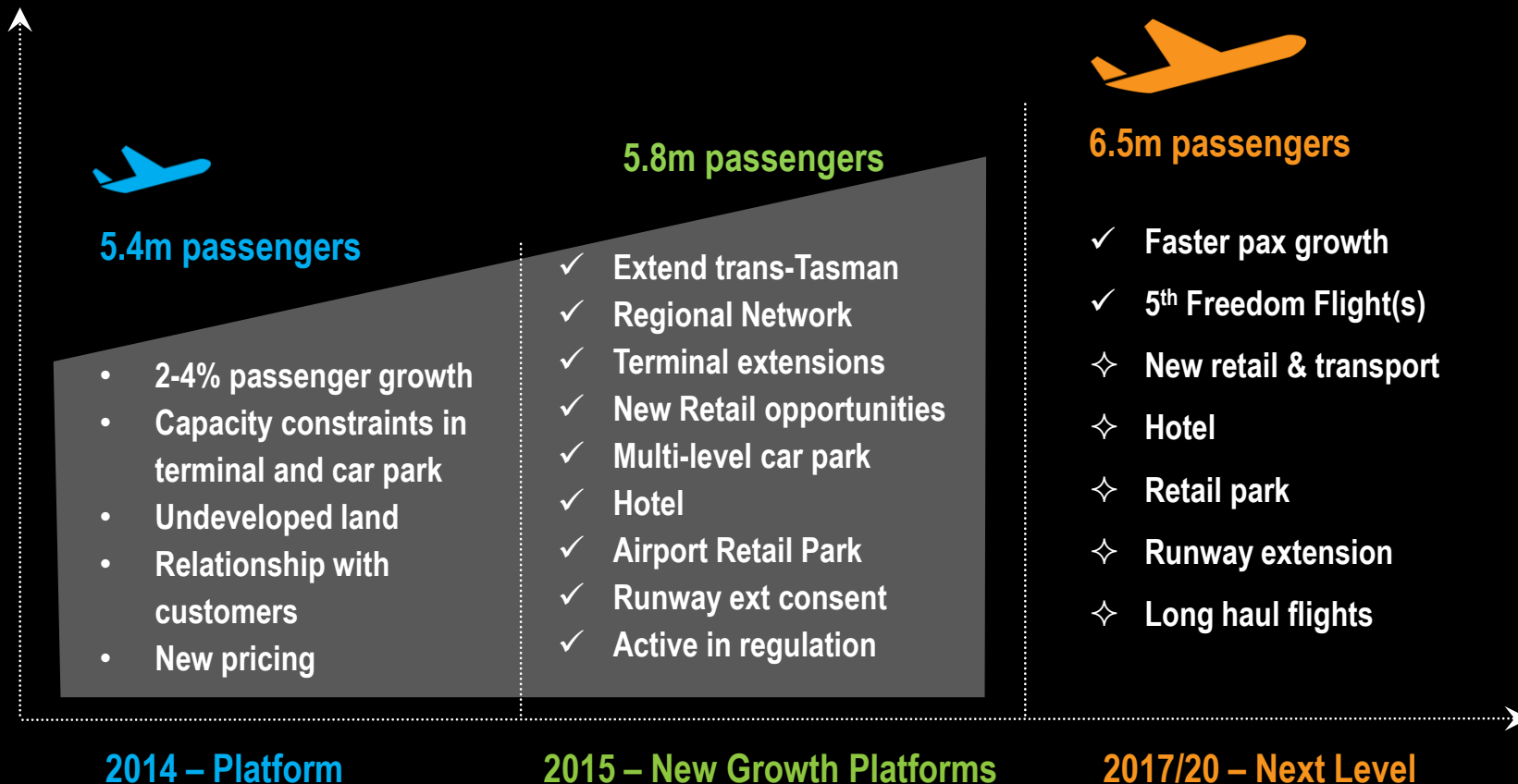


WELLINGTON

AIRPORT

IFT INVESTOR DAY

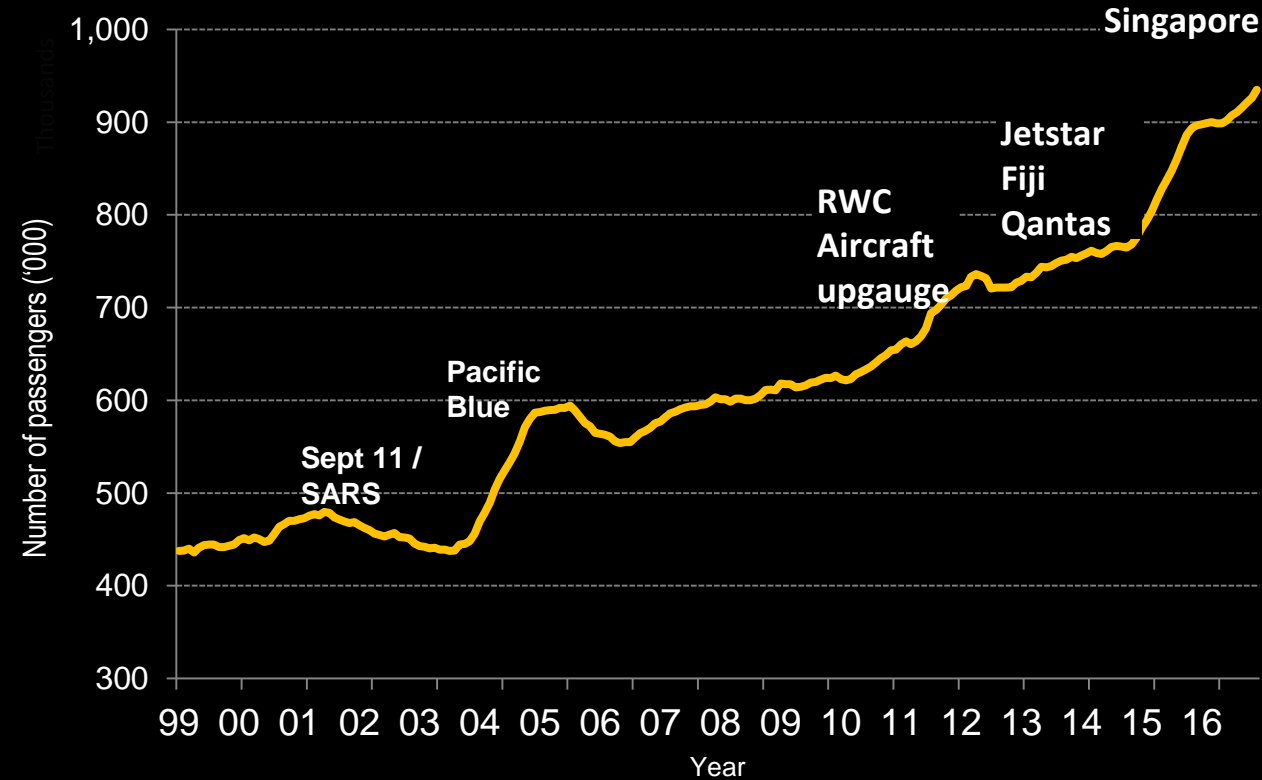
2017+ GROWTH STRATEGY



DRIVERS OF GROWTH

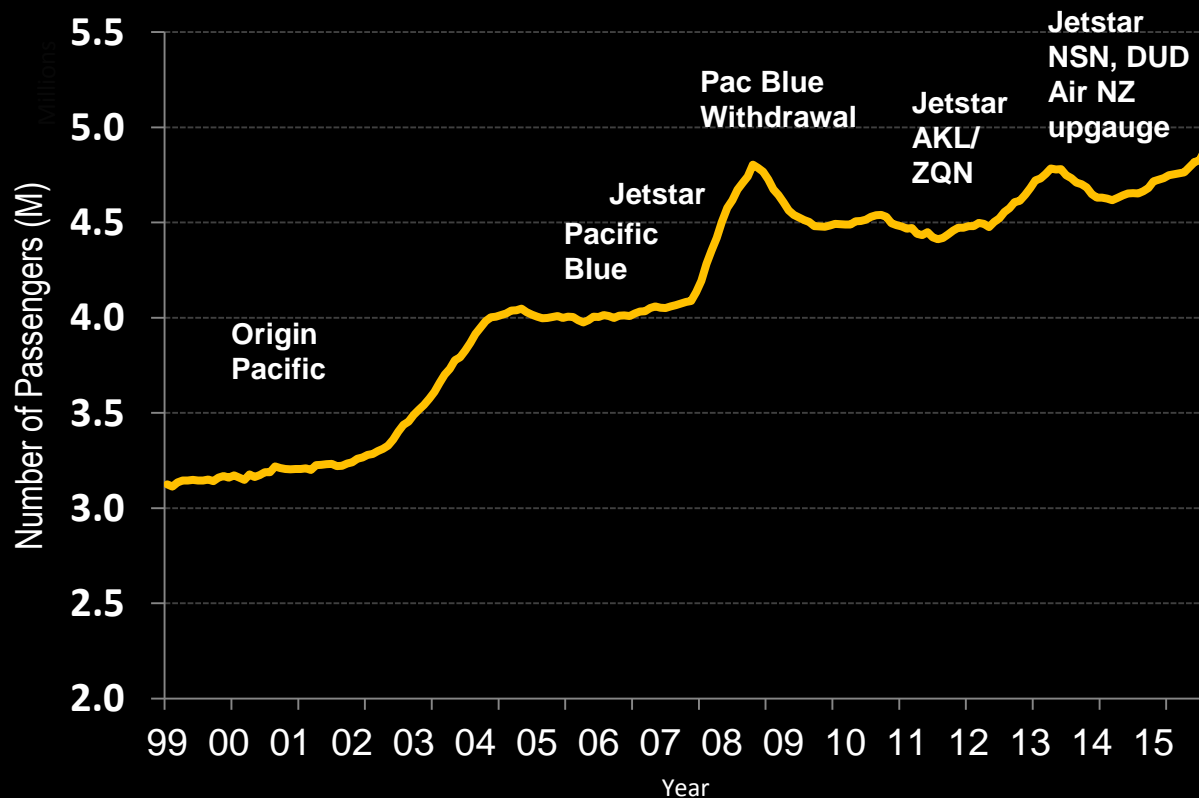


INTERNATIONAL PASSENGER GROWTH

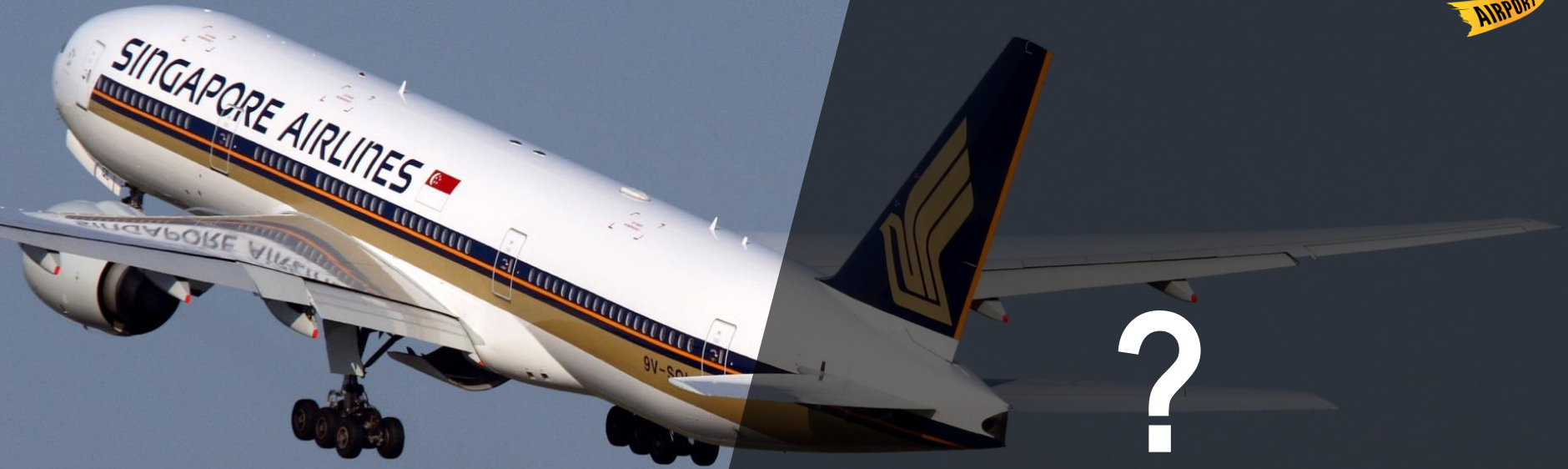


- FY16 = 16% Pax Growth
- JQ + 60k seats MEL
- JQ + 47k seats OOL
- FJ + 25k seats NAN
- QF + 12k seats BNE
- SQ + 110k seats CBR/SIN
- 1M international pax by 2018

DOMESTIC PASSENGER GROWTH



- FY16 = 4.6% Pax Growth
- NZ + 130k annual seats AKL
- JQ + 110k annual seats NSN
- JQ + 56k annual seats DUD
- 5M domestic passengers reached in FY17
- Regional growth Jetstar, Sounds Air



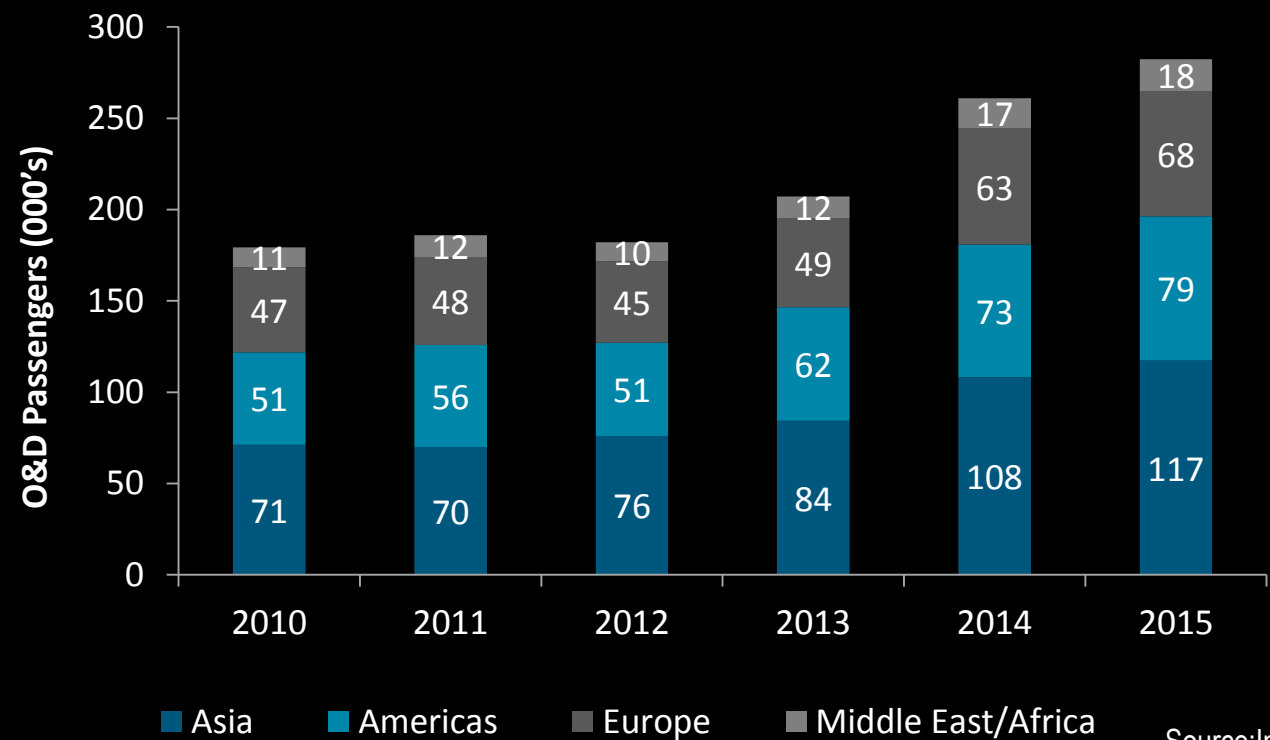
WELLINGTON
AIRPORT

Why Wellington

CHANGE IN LONG HAUL TRAFFIC



Wellington Long Haul O&D Passengers by Region



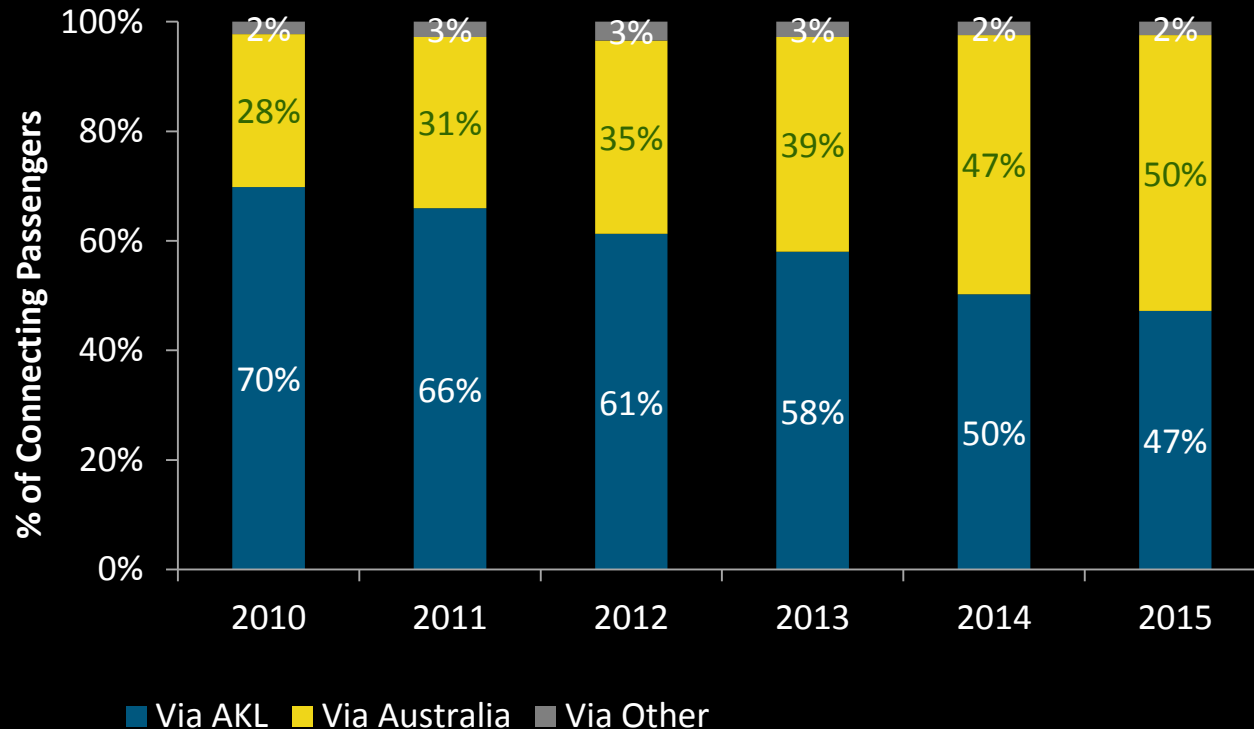
Long Haul traffic has increased by approximately 60% over 5 years.

Growth trends expected to continue. 2015 traffic is up 8% on 2014.

CHANGE IN LONG HAUL TRAFFIC



WLG – International Long Haul Connect Points

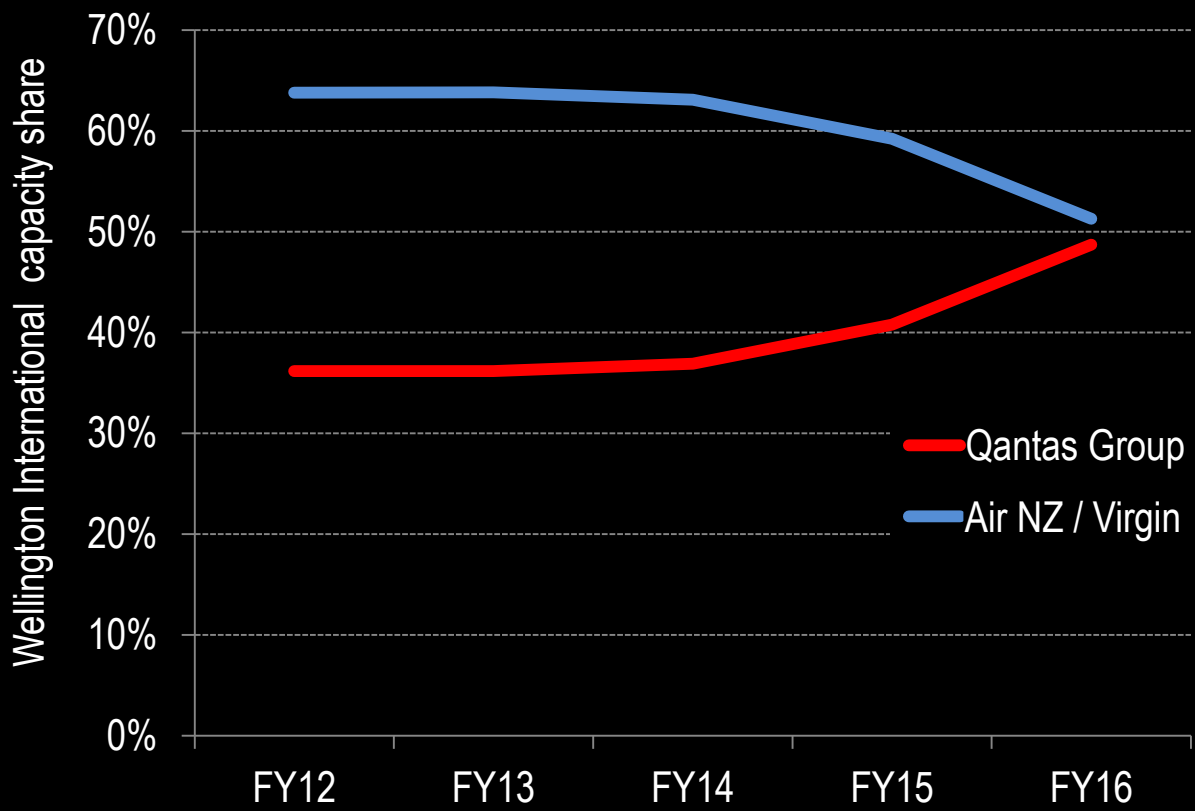


Significantly more long haul traffic is going via Australia.

Connections via Australia have increased 186% since 2010.

Australia routings are still not optimal and are capacity constrained.

CHANGE IN INTERNATIONAL TRAFFIC



Qantas group growing with Emirates network and connectivity into Asia.

Dual brand strategy of Qantas and Jetstar working.



- 4 days per week (SQ view to daily) from Sept 16
- 110,000 seats
- Business class, fastest connection to SIN and onwards on global network
- CBR 80 minute layover
- Capital to Capital avoid the Intl/Dom Airport Horror
- Est \$95M spend to New Zealand per annum, a \$44m contribution to GDP

350 METRE RUNWAY EXTENSION

WELLINGTON
AIRPORT

Seeking Resource Consent

Potential start late 2017

Net benefit = \$2.3B

BCR = 2.3

NBIR = 7.6

~ \$300M Construction cost



CAPITAL INVESTMENT



Retail Centre
\$10m

International
Terminal
\$60m

Hotel
\$50m

Misc.
\$30m

Taxiway
\$20m

Multi-Level
Car Park
\$70m

Domestic
Terminal
\$70m

Runway
Extension
\$300m

DOMESTIC TERMINAL EXPANSION

Complete Mid 2016

6000sqm extra floor space

New Regional South Pier

Apron development + push back propellers

Single AVSEC security point

Koru Lounge Airside

New Regional Koru Lounge 400sqm

1st Stage of new Retail Expansion

WELLINGTON
AIRPORT

\$70M



WELLINGTON
AIRPORT



VALET



MAIN TERMINAL RETAIL

Terminal area opened up

Optimised for retail, food and beverage

Best of Wellington and the World

New retail will drive up income per passenger
with improved mix and high yield offerings



\$5M

MULTI-LEVEL TRANSPORT HUB



Transport revenue worth \$22M per annum

Car parks from 2000 to 3500 needed by 2030.

Stage 1 of 3, open November 2017

8 levels providing 1000 car parks

Undercover bus stops & high vehicle access

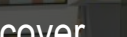
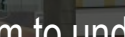
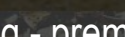
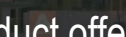
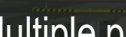
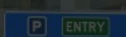
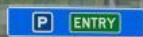
Reworks of ramps and circuit roads

Multiple product offering - premium to undercover and rooftop open air.

Real Time Park Assist signage + mobile APP

Built for electric cars with charging outlets

Strategic tie to Hotel parking requirements





HOTEL



4 Star, 134 beds

Restaurant, bar, gym, and conference centre

Since original business case:

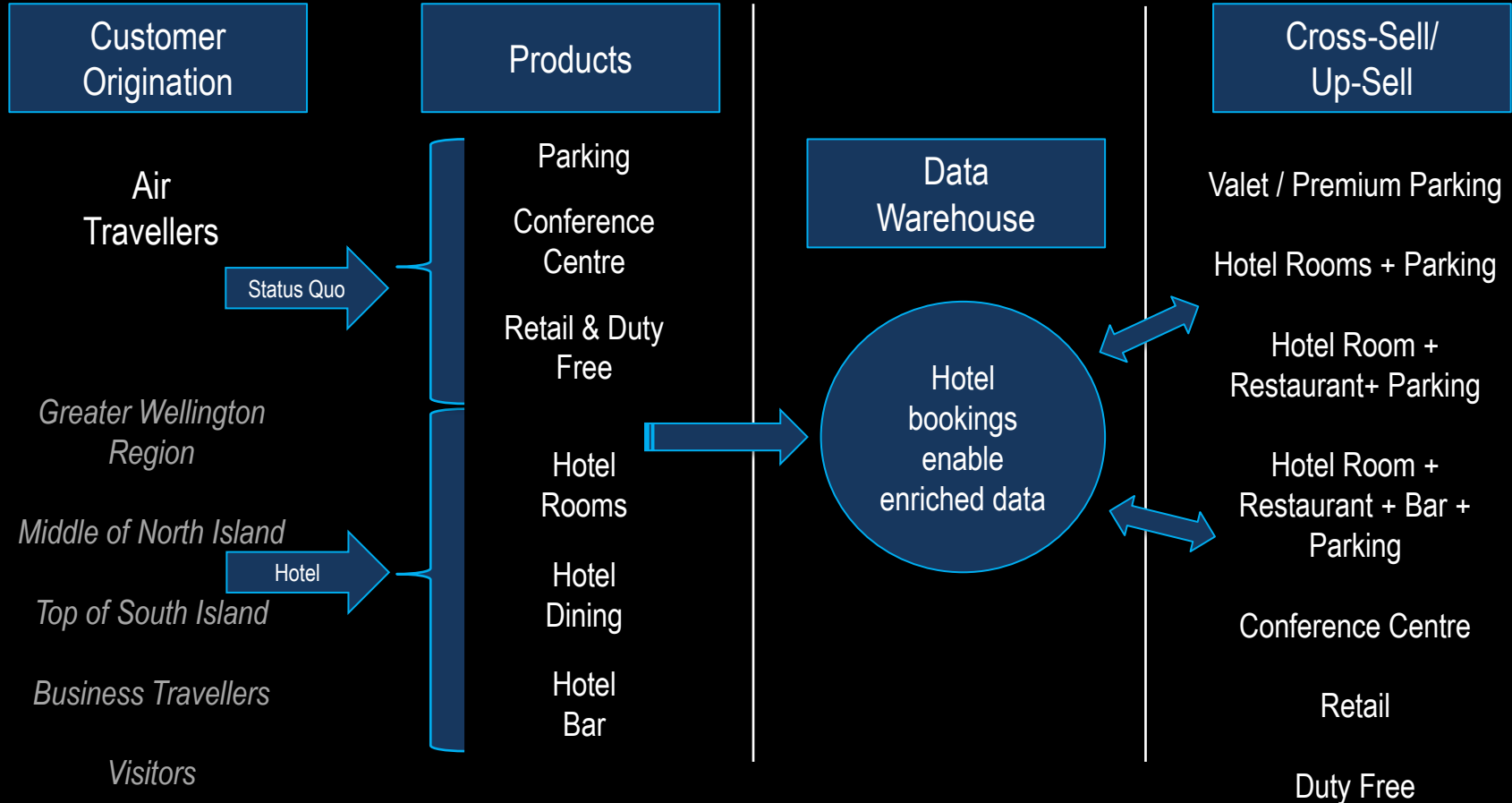
- Occupancy rate up 3% across NZ
- Average daily rate up 8.6%
- Wellington international visitor nights up
- 40% to 4M in 2015

Strategic Decision

- Servicing early & late flights
- Increased capture of international travelers from regions.
- Average parking is 7 days for trans-Tasman
- 50% international services suited to overnight connections.

\$50M

Airport Hotel Integrated Sales Model



The background image shows the Wellington International Airport terminal with its distinctive brown, ribbed, dome-like roof. In the foreground on the left, the tail and wing of a red and white Air New Zealand aircraft are visible. A small white passenger jet is flying in the sky above the terminal. Ground service equipment, including a yellow and white belt loader and a multi-unit baggage cart, are on the tarmac. A yellow banner with 'WELLINGTON AIRPORT' is attached to a tall pole on the right. A semi-transparent grey triangle is overlaid on the right side of the image, containing text about the expansion project.

INTERNATIONAL ARRIVALS EXPANSION

Design underway

Consultation with airlines commencing

Construction tender late 2016

\$60M

DELIVERY TIMELINE

