INFRATIL
FULL YEAR RESULTS
Year ended 31 March 2015

19 May 2015

Full Year Overview
Asset sales and new investments generate record results in FY15

- Record net surplus following asset realisations
  - $337.7m gain on sale of the IEA/Lumo Group
- EBITDAF from continuing operations +3.7% (+10.3% adjusted)
- Successful execution of portfolio renewal and capital expenditure:
  - Acquisition of 50% of RetireAustralia - A$203.9m
  - A$72m acquisition of Green State Power by Trustpower
  - Completion of A$427m Snowtown II wind farm
- $120m capital distributions to shareholders:
  - Additional special dividend of 6.4 cps ($36m), replaces previously signaled on-market buyback
  - Special dividend of 15 cps ($84m) paid in December 2014
- Final ordinary dividend of 8 cps, up 14% on prior year, and total ordinary dividends of 12.5 cps for the year
- Strong capital position and confidence around future investment opportunities

Financial Highlights

Gain on sale of Lumo dominates reported net surplus

Full Year Ended 31 March ($Millions)	2015	2014	Variance	% Change
EBITDAF (continuing activities)	**453.4**	437.4	16.0	3.7%
Operating Earnings (continuing activities)	**125.5**	131.1	(5.6)	(4.3%)
Net Surplus after Tax, MI and Disc Ops	**383.5**	198.9	184.6	92.8%
Net Operating Cash Flow	**235.6**	407.2	(171.6)	(42.1%)
Capital Expenditure/Investment	**507.6**	616.1	(108.5)	(17.6%)

Result Summary

Adjusted EBITDAF +10.3% on prior year

- $45.1m increase in adjusted EBITDAF(1) to $484.0m (+10.3%)
- Increased contribution from Trustpower partially offset by aeronautical price reset in WIAL
- Full year contribution from Metlifecare
- Decreased contribution from Z Energy as a result of the FY14 IPO
- IEA EBITDAF included within discontinued operations

($Millions)	31 March 2015	31 March 2014	% Change
EBITDAF(1)	**453.4**	**437.4**	**3.7%**
Equity earnings adjustment(2)	30.6	1.5	1,940%
Adjusted EBITDAF	**484.0**	**438.9**	**10.3%**
Depreciation & Amortisation	(149.7)	(126.2)	(18.6%)
Adjusted EBIT	**334.3**	**312.7**	**6.9%**

(1) EBITDAF from continuing operations

(2) Equity earnings adjustments detailed in Appendix II (Z Energy replacement cost adjustment and RetireAustralia one-off items)

Result Summary

Special dividend of 6.4 cps will augment final dividend of 8.0 cps

Infratil

OPERATING CASH FLOW

- $235.6m for the period (-42% versus PY of $407.2m)
- Prior period included $100.9m of distributions from Z Energy, full year of Lumo and derivative realisations of $37.5m

MARK TO MARKET FAIR VALUES

- Energy, FX and IRS derivative losses of $36.3m
- Fair value gain on acquisition of Green State Power of $25.2m
- Gains on realisations of PayGlobal and New Lynn property of $7.4m after tax

FINAL ORDINARY DIVIDEND AND SPECIAL DIVIDEND [1]

Final **ordinary** dividend of **8.0** cps and **special** dividend of **6.4** cps, fully imputed payable on **15 June 2015** to shareholders recorded as owners by the registry as at **5 June 2015** (last year final ordinary of 7.0 cps)

[1] The DRP will be suspended for these dividends

Adjusted EBITDAF Breakdown

Completion of Snowtown II drives EBITDAF growth

FY 31 March ($Millions)	2015	2014
Trustpower	**330.7**	277.4
Wellington Airport	**82.1**	86.0
NZ Bus	**34.2**	40.0
Perth Energy	**14.1**	16.8
Other, eliminations, etc.	**(19.2)**	(20.5)
EBITDAF pre associates	**441.9**	**399.7**
Z Energy – adjusted (1)	**24.2**	34.2
Metlifecare	**16.3**	5.0
RetireAustralia – adjusted (1)	**1.6**	-
Adjusted EBITDAF – continuing	**484.0**	**438.9**

(1) Z Energy replacement cost adjustment and RetireAustralia acquisition cost adjustment detailed in Appendix II

- **Trustpower** – EBITDAF increase of 19% following completion of the Snowtown II wind farm
- **Wellington Airport** – Reset aeronautical charges depressed growth in EBITDAF despite PAX and commercial revenue growth
- **NZ Bus** – EBITDAF -14% reflects 4.2% passenger growth offset by lower Auckland yield and one-off restructuring costs of $5m
- **Z Energy** – strong growth in replacement cost earnings partially offset by decrease in IFT ownership percentage post 2013 IPO
- **Metlifecare** – Acquired in November 2013, continued growth in operating performance, development activity and asset revaluation
- **RetireAustralia** – Acquired 31 December 2014, on plan for first quarter

Debt Position

Strong capital base with facility head room and duration

- Cash position of $309m and wholly owned subsidiaries bank facilities drawn of $80m
- Senior debt facilities have maturities up to 4 years and 6 years (for bus finance export credit facility)
- Reduction of $340m in unused facilities during the period to $356m
- Infratil gearing 29.9**%** (net debt / total net debt + equity capitalisation) including Piibs (down from 45.6% at March 2014)
- Infratil continues to target duration of its borrowings consistent with the profile of its assets and long-term ownership

As at 31 March ($Millions)	2016	2017	2018	2019	>4 yrs	>10 yrs
Bonds	152.8	100.0	147.4	111.4	242.7	234.9
Infratil bank facilities[1]	62.0	132.0	57.0	25.0	-	-
100% subsidiaries bank facilities[2]	12.7	12.7	12.7	12.7	29.4	-

[1] Infratil and wholly-owned subsidiaries excludes Trustpower, WIAL, Perth Energy, RetireAustralia, Z Energy and Metlifecare
[2] NZ Bus export credit guarantee fleet procurement facility

Net Asset Values
Book values at 31 March

Investment ($Millions)	2015	2014
Trustpower	**1,270.0**	1,036.7
Z Energy	**410.4**	312.0
Wellington Airport	**349.9**	351.1
NZ Bus	**285.8**	303.1
RetireAustralia	**208.6**	-
Metlifecare	**199.6**	170.6
Perth Energy	**76.7**	76.8
Other	**86.5**	78.6
Infratil Energy Australia	**-**	271.9
Total	**2,887.5**	**2,601.2**

- **Trustpower** – listed market value ($7.95) reflects re-rating of NZ electricity generators/ retailers post the NZ election
- **Z Energy** – significant growth in listed market share price ($5.13 vs $3.90)
- **WIAL** – investment value represents 66% of book value of net assets
- **NZ Bus** – movement reflects asset depreciation
- **RetireAustralia** – acquisition cost plus share of trading result
- **Metlifecare** – movement in listed market share price ($4.72 vs $4.07)
- **Other** investments include ASIP, iSite, Snapper and Property

Sale of IEA/Lumo 30 September 2014

Significant gain on sale following 14 years of development

- On 30 September 2014, Infratil completed the sale of 100% of the IEA Group to Snowy Hydro Limited for a net sales price of $671.4m
- Net gain on sale of $337.7m recognised within discontinued operations

Reported gain on IEA Group Sale	$Millions
Gross sales proceeds	725.8
less: sales costs	(9.9)
less: incentive fee paid to Morrison & Co	(44.5)
Net sales proceeds	**671.4**
Carrying value of net assets sold	(325.9)
Realised FX and derivative losses	(7.8)
Net gain on sale	**337.7**

Economic value gain	$Millions	$ per share
IFT carrying value at 31 March 2014	271.9	0.48
Increase in NAV during period	61.8	0.11
Net sales proceeds	671.4	1.19
Net gain on sale	**337.7**	**0.60**
Total gain during period	399.5	0.71

Acquisition of RetireAustralia on 31 December 2014
High quality access point into an attractive sector with strong trends

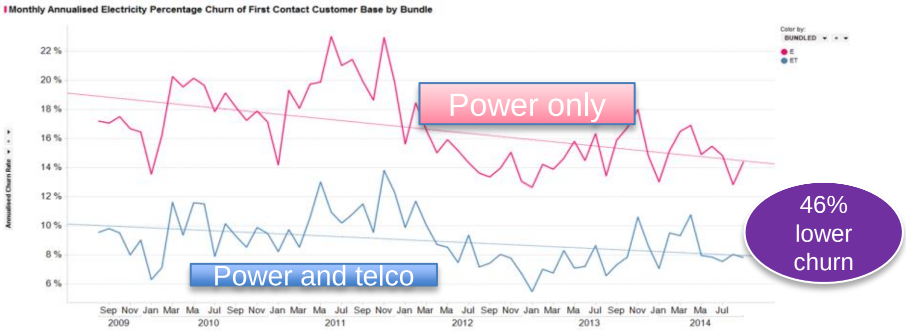
- Infratil and NZ Superannuation Fund acquired a 50:50 interest in RetireAustralia (RA) for an equity value of $406.0m and enterprise value of A$616.7m
  - Infratil 50% share of RetireAustralia NZD$219.1m (including transaction costs)
  - Purchase price represents 1.0x NTA
- RA operates 28 retirement villages across NSW, Queensland and South Australia comprising 3,721 villas and apartments
- Current brownfield development pipeline of 500+ villas and apartments & greenfield opportunities available
- First quarter performance in line with expectations, with operating cash flow of A$11.2m and underlying EBIT of A$6.6m
  - Infratil 3 month share of associate earnings includes $7.1m of transaction costs expensed

Australasian Energy - Trustpower
Growth Agenda delivering despite tough conditions

Hume Hydro Station NSW

- EBITDAF increased 19% over prior period
  - Commissioning of Snowtown Stage 2 (October 2014)
  - Increased retail margin from multi-product growth strategy
  - Continued low NZ generation and softer wholesale prices
  - Continued strengthening of NZD vs AUD
- Revaluation of generation assets up nearly $400m;
  - Snowtown Stage 2 up AUD$300m validating the attractiveness of the investment
- Acquired hydro and wind assets of Green State Power in NSW (106.5MW)
  - Gain on acquisition of $25m following revaluation to fair value

Australasian Energy - Trustpower
Growing in a competitive retail market



- Trustpower churn rates significantly lower than industry
  - 14% vs total market 19%
- Significant increase in expenditure on capability to differentiate future offering
  - True multi-product offering (Electricity, Gas, LPG, Broadband and Telephone)
  - Continuation of metro market campaigns supported by refreshed multi-media advertising
- Multi-product offering showing signs of success
  - Electricity connections up 8% to 242,000
  - Gas connections up 74% to 24,000
  - Telecoms connections up 22% to 38,000
  - Number of customers with 2 or more products up 37% to 52,000

Australasian Energy - Trustpower
Snowtown II – construction update and economic impact

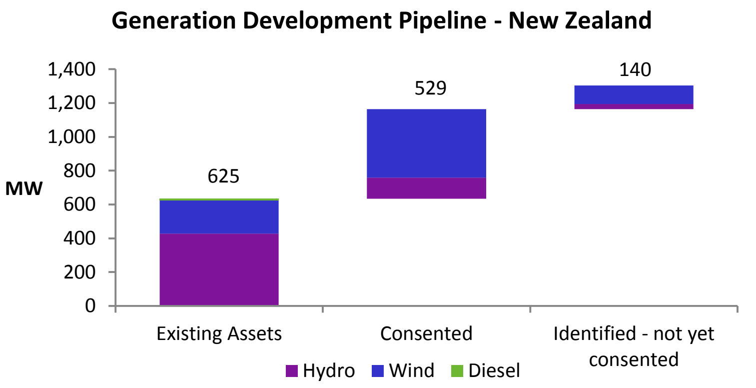
Commissioned October 2014:

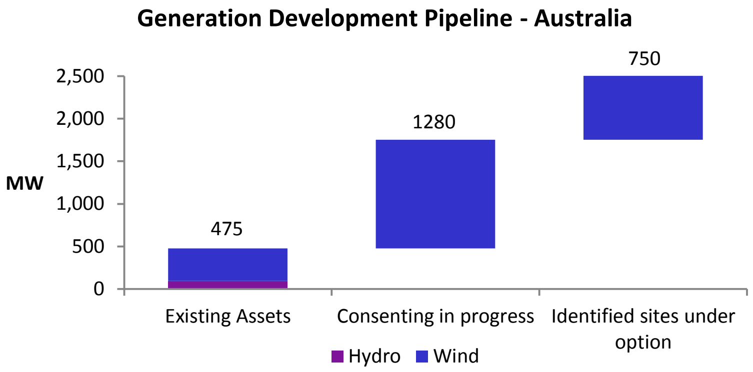
- Construction completed two months ahead of schedule
- A$16m under budget
- A$65m of EBITDAF contribution in FY15 will increase in FY16 with full year of production to around A$77m

Key Facts:

- 270MW split into two separate wind farms
- A$430m capital cost
- Long term O&M contract with Siemens
- 15 year PPA with Origin Energy

Australasian Energy - Trustpower
Significant generation development options





NZ Hydro, Wind and Irrigation

- Near term oversupply headwind to investment
- Maintain options as long as possible

Australian Wind

- 20% by 2020 renewable energy target largely met by wind
- PPAs mitigate risk
- Progressing Development Applications in SA, VIC and NSW with view that Government review of LRET will continue to support further wind development

NZ Fuel Distribution – Z Energy
10% growth in replacement cost operating EBITDAF

- 10% growth in Replacement Cost EBITDAF to $251.2m
- 2nd half refining margin recovery underpins strong result
- Strong performance by marketing business through margin and volume expansion
- Strategy projects support momentum:
  - 3 new sites and 7 rebuilds complete, with 3 further new sites to open in the 2Q of FY16
  - Refined product procurement savings to deliver $8.0m p.a.
  - Inland diesel portfolio management
  - Evolution of Tier 1 offering and extension of Tier 2 offerings
- Retail and commercial customer satisfaction metrics continue to lead the market
  - Corporate reputation ranking of #2 in New Zealand
- Final dividend of 16.5cps to be paid 3 June 2015

NZ Airports – Wellington Airport
EBITDAF reflects near-term aeronautical price reset

- EBITDAF -4.6% to $82m, total PAX 5.46m
  - Reduction due to aeronautical price reset in FY15 at lower charges
  - Good international PAX growth +2.9%, due to growth in Melbourne and introduction of new route to Coolangatta. Fiji services to commence in June 2015 with 15% increase in international capacity forecast
  - Domestic PAX were flat on the previous year due to domestic airline capacity changes
- $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
- Revenue and EBITDAF is expected to increase as PAX numbers grow, scheduled increases in aeronautical charges for FY16 to FY19 take effect and new investment is undertaken

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
  - Patronage growth results from focus on timetabling, fleet investment and customer service
  - Strong growth in Auckland pax (+6%), weaker Wellington (+0.8%)
- EBITDAF of $34.2m, -14%
  - Revenue +3%, reflecting patronage growth offset by a decline in fare yield in Auckland
  - Expenses +7%, including +$3m spend on operations & maintenance productivity initiatives to improve future efficiency and prepare the business for upcoming tendering
  - $2m provision for the decommissioning of Trolley Buses in Wellington in July 2017
- On-going commitment to HSE & zero harm workplace
  - Launched new health & safety management system & retained tertiary status (highest level) under the ACCPP
  - Positive industrial relations environment

NZ Public Transport – NZ Bus

Moderate fleet investment – well advanced in new contract planning

- Moderate new fleet investment:
  - 9 Alexander Dennis buses delivered in FY15
  - Continuation of fleet repower and refurbishment modernisation projects which have scheduled completion dates early FY16
  - Investigating opportunity to introduce new double decker fleet on key Auckland corridors to reduce congestion
- Contracting market update (Public Transport Operating Model)
  - Draft PTOM contracts for Auckland are with NZTA for final approval, which is expected in the next few weeks
  - South Auckland tenders are expected to follow shortly thereafter, with the remainder of Auckland re-contracted over next 12-18 months
  - New contracts will include combination of tenders and negotiated routes, proportions based on commerciality ratios
  - Auckland NZ Bus 50/50 tendered/negotiated kms
  - Wellington tendered/negotiated kms & replacement Trolley fleet still to be agreed with Greater Wellington Regional Council and tenders are expected later in calendar year

Australia Retirement Living - RetireAustralia

RetireAustralia transition phase into the IFT portfolio

- First quarter results on plan (3 months to 31 March 2015)
  - A$6.6m underlying cash EBIT
  - Operating cash flow of $11.2m (pre-finance and acquisition costs)
  - On track to meet acquisition forecast of A$35m - A$40m for the year to 30 June 2015
  - Senior debt refinance terms agreed – extended maturity and improved pricing
- Governance and organisation change
  - Recently appointed 2 new non-executive directors with care and development experience
  - CEO search underway, CFO in acting CEO role
- Strong brownfield new sales momentum
  - Expect to achieve 80+ settlements and A$16m+ development margin for the year to 30 June

NZ Retirement Living - Metlifecare
Metlifecare showing strong profit growth and development

- $16m equity-accounted contribution to Infratil
  - Underlying profit up 70% to $26.0m (HY2014)
  - Revaluation gains $32.3m and realised gains of $17.5m (HY2014)
  - Infratil gain of $51.7m on purchase price
- Development pipeline of ~1,750 units and care beds
  - Targeting sustainable development rate of +200 units & beds p.a.
  - Greenfield and brownfield construction underway across North Island – over 300 units & beds currently under construction & over 500 units and care beds forecast to be delivered in FY16 and FY17
  - Resource Consent obtained for brownfield developments at The Avenues (BoP) and Somervale (Mt Maunganui)
  - 2 new Auckland proposed development sites - land under conditional contracts (Manukau golf course and Red Beach)

Property – Infratil Infrastructure Property
Working in partnership with local government

- Owner and manager of 7 bus depots and investment properties
- Developing a new NZ Bus maintenance facility in Thorndon, Wellington
- Developing designs for reconfiguration of the Kilbirnie (Wellington) and Halsey St (central Auckland) depots for NZ Bus operations and maintenance and to optimise site use
- IIP future focus:
  - Development of assets to maximise value
  - Close working relationships with Central and Local Government primarily based around new infrastructure projects

Capital Management

Balancing capital returns with investment capacity

- Goal is to maintain financial flexibility in any future capital structure while we remain positive on investment prospects
- Infrastructure and capital markets are currently positive, although we remain cautious given current pricing and the potential for significant volatility as developed markets face the end of QE
- Advantageous to have committed capital in large private market processes and at times of market dislocation
- Special dividend preferred at the full year to reduce imputation credit balance
- Share buybacks remain a longer-term consideration to add shareholder value

Capital Management (cont'd)
Developments in confirmed areas of interest

- Infratil is likely to build on the core investment platforms established for renewables and the retirement sector
  - Strong top-down themes and tail-winds
  - Good value is available as market disruptions occur (e.g. Australian renewables post the RET review)
  - Possible that both models can be extended beyond traditional Australasian markets in the long-term
- Identification of additional scalable platforms will be important
  - Recognition that future platforms are likely to originate from long-term relationships with industry participants and involve co-investment
  - Search for controlled development risk may require consideration of new geographies and sectors
- A number of near-term accretive opportunities are under development

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 and GSP acquisition dominated FY15. No major FY16 capex planned, forecast includes head office fit out and seismic strengthening at generation schemes
- **Wellington Airport** - Terminal expansion, airfield engineering and multi-level car park
- **NZ Bus** – includes fleet renewals and upgrades
- **Australian PPP** - Investment contributions for the new Royal Adelaide Hospital development via ASIP
- **Other** - Investment to design bus depot upgrades and digital billboard offering
- Forecast assumes no changes in the portfolio

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 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.
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
Origination focus supported by performance and access to capital

- Significant capital investment and recycling is positioning the Infratil portfolio for the next stage of growth and provides options and flexibility
- Growing confidence in origination and uncertainty in markets support the case for capital retention and financial flexibility
  - A number of near term value accretive investment opportunities are underway
- Key value drivers for 2015/16 financial year;
  - Further traction of the NZ retail multi-service offering and international development programme in Trustpower
  - Execute the capital expenditure plans in Wellington Airport
  - Assess future long-term returns available from NZ public transport with the Public Transport Operating Model
  - Allocate further capital to early stage and/or higher growth development exposures in favoured sectors (e.g. renewables, retirement, water and irrigation, telco infrastructure)
  - Regulatory clarity in Australia following confirmation of the RET review and the new 33,000 GWh target for 2020
- Cash flow growth and outlook supports continued growth in dividends per share
- Review of position for further capital returns in FY16 following developments and progress with internal and external origination

For more information:

www.infratil.com

Appendix I
Consolidated Profit & Loss

Group Financial Performance ($Millions)	FY March 2015	FY March 2014
Operating revenue	1,668.9	1,553.5
Operating expenditure	(1,215.5)	(1,116.1)
EBITDAF (continuing activities)	**453.4**	**437.4**
Net interest	(178.2)	(180.1)
Depreciation & amortisation	(149.7)	(126.2)
Operating earnings (continuing activities)	**125.5**	**131.1**
Net gain on foreign exchange and financial derivatives	(36.3)	70.7
Net investment realisations/(impairments)	29.5	189.1
Fair value gain on acquisition of Metlifecare	-	33.1
Tax	(19.6)	(58.8)
Discontinued operations (1)	367.2	(90.6)
Net Surplus after tax	**466.3**	**274.6**
Minority interests	(82.8)	(75.7)
Net Parent Surplus	**383.5**	**198.9**

(1) Discontinued operations relate to the IEA Group and PayGlobal which were sold in FY15 and the European Airport investment which was sold in FY14

Appendix II

Adjusted Earnings Reconciliation

Year Ended 31 March ($Millions)	March 2015	March 2014	Variance	% Change
Net Profit after Tax – reported	**466.3**	**274.6**	**191.7**	**69.8%**
Net (gain)/loss on foreign exchange and derivatives (1)	36.3	(70.7)		
Net investments revals, realisations and impairments	(29.5)	(222.2)		
Tax effect of changes(2)	(1.5)	30.3		
Add back result from discontinued operations	(367.2)	90.6		
Equity Earnings Adjustments (after tax)				
Z Energy equity earnings (HCA to RC adjust) (3)	22.8	1.5		
Reverse RetireAustralia Acquisition Costs	7.8	-		
Net Profit after Tax – adjusted	**135.0**	**104.1**	**30.9**	**29.7%**

(1) Mark to market movements on derivatives reflect the market value of interest rate, foreign exchange and energy hedges at a reporting date and are subject to the market prices of the respective hedges.

(2) The tax effect reflects the tax change as a result of removing the other adjustments.

(3) Z Energy reports its earnings on a historic cost basis, which may be volatile depending on how much the price of oil fluctuates.

(4) Acquisition costs of $7.2 million were incurred on the acquisition of RetireAustralia and are one-off and non-operational in nature.