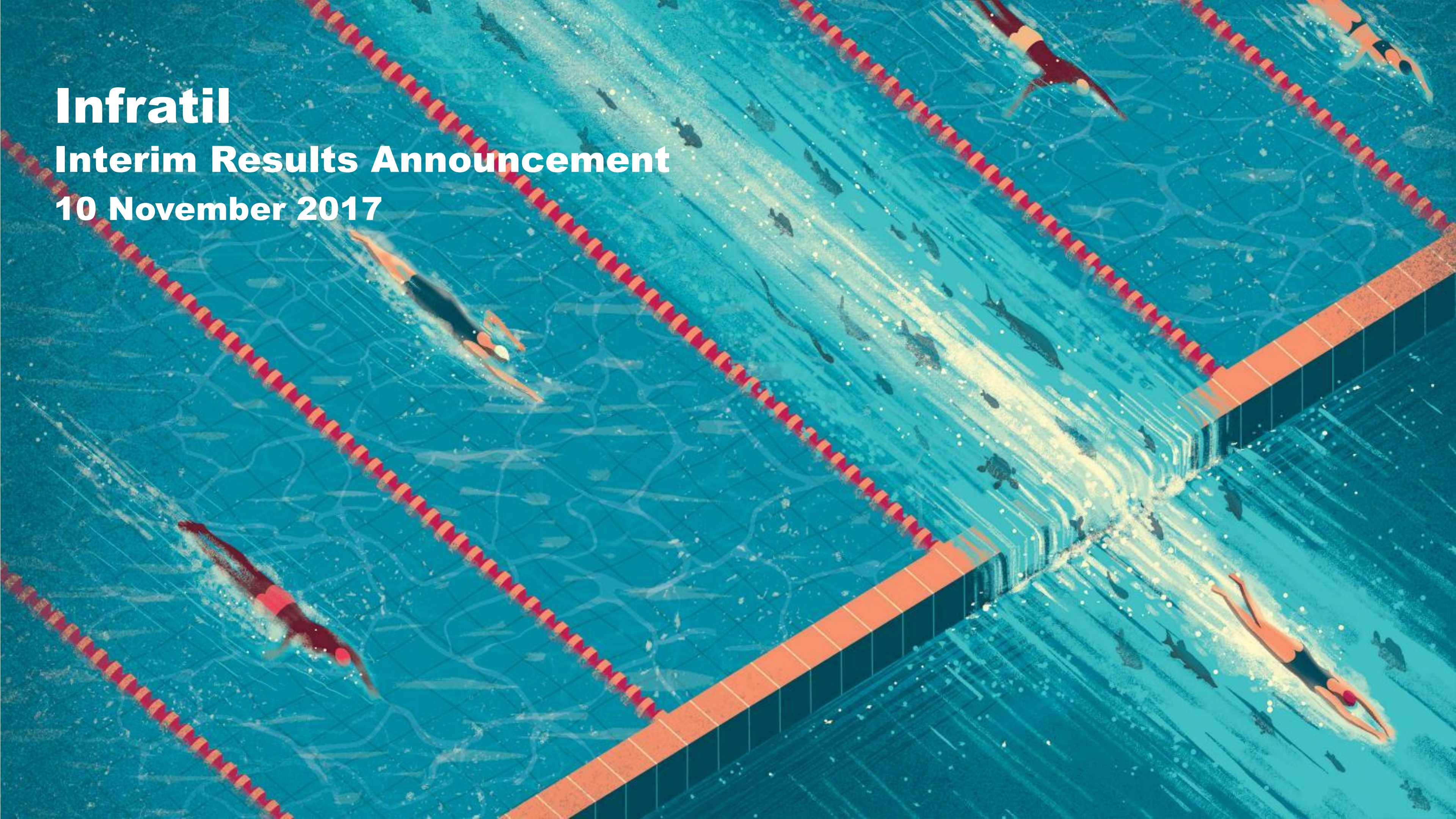
Infratil

Interim Results Announcement

10 November 2017



Half Year Overview

Strong operating performance and progress in new platforms

- Underlying EBITDAF of $291.3 million, up $45.3 million (+18.4%) from the comparative prior half year of $246.0 million
- Operating cash flow of $130.8 million, up $19.9 million (+17.9%) from the comparative half year
- Result reflects strong operating performance and solid progress in new platforms:
  - Trustpower delivered a very strong result, with EBITDAF of $159.1 million, $40.2 million (34%) up from comparative half year
  - Wellington International Airport performing well while also investing in transport hub, terminal expansion and hotel facilities
  - Canberra Data Centres secured a significant contract with Microsoft and has committed to developing a further data centre
  - RetireAustralia benefitted from higher new sales/resales values and is showing expanding development opportunities
  - Longroad Energy well established with operational assets and a ‘services’ line of business to complement its development activity
  - Over $670 million of cash and undrawn bank facilities available
- Fully imputed interim dividend of 6.00cps, up 4.4% on the prior year interim dividend
- FY18 Underlying EBITDAF guidance range remains unchanged at $485-$525 million

Financial Highlights

18.4% growth in Underlying EBITDAF drives a strong half-year result

Half Year ended 30 September ($Millions)	2017	2016	Variance	% Change
Underlying EBITDAF[1]	**291.3**	246.0	45.3	18.4%
Net Parent Surplus	**33.4**	28.9	4.5	15.6%
Net Operating Cash Flow	**130.8**	110.9	19.9	17.9%
Capital Expenditure	**117.5**	103.5	14.0	13.5%
Investment	**22.0**	496.3	(474.3)	(95.6%)
Earnings per share (cps)	**6.0**	5.1	0.9	17.6%

[1] Underlying EBITDAF is a non-GAAP measure of financial performance, presented to show management's view of the underlying business performance. A reconciliation from net parent surplus to underlying EBITDAF is provided as an appendix to this presentation.

Results Summary

Higher NPAT and net parent surplus from slightly lower consolidated revenues

30 September ($Millions)	2017	2016
Operating revenue	935.7	971.2
Operating expenses	(648.6)	(717.9)
Depreciation & amortisation	(96.7)	(88.5)
Net interest	(79.9)	(79.6)
Tax expense	(35.4)	(22.4)
Revaluations	10.2	0.1
Net profit after tax	**85.3**	**62.9**
Minority earnings	(51.9)	(34.0)
Net parent surplus	**33.4**	**28.9**

- Operating revenue reduced by 3.7%, reflecting declines within NZ Bus and Perth Energy following contract losses and changing retail mix respectively
- Operating expenses reduced by 9.7% due to a strong performance by Trustpower's New Zealand generation assets leading to less electricity being purchased from third parties and Perth Energy reducing overall contracted volume to focus primarily on higher margin segments of the market
- Increase in depreciation and amortisation reflects growth in asset base
- Net interest has remained steady with net cash at the corporate level having decreased following investments at the end of the prior period. This is offset by maturing bonds across the Group being replaced with coupon rates up to 285 basis points lower

Underlying EBITDAF

Trustpower and Canberra Data Centres contribution drives half-year result

30 September ($Millions)	2017	2016
Trustpower[1]	159.1	118.9
Tilt Renewables[1]	52.8	65.9
Wellington Airport	47.3	43.7
NZ Bus	17.9	25.0
Perth Energy	(6.2)	(9.7)
CDC	18.9	0.6
Longroad	(5.9)	-
Metlifecare	-	7.4
RetireAustralia[2]	14.7	7.1
ANU Student Accommodation	5.9	1.5
Other	(13.2)	(14.4)
Underlying EBITDAF	**291.3**	**246.0**

- **Trustpower's** higher average wholesale prices, favourable hydrology and an uplift in retail EBITDAF delivered a material increase in operating result
- Unfavourable wind conditions in both Australia and NZ resulted in a reduction in **Tilt Renewables'** earnings
- **WIAL** increasing passenger numbers and commercial revenue driving continued earnings growth
- **NZ Bus** reflects the loss of South Auckland services and costs incurred in transitioning to the new operating model
- **Perth Energy** improved performance of retail business but market conditions in Western Australia remain challenging
- **RetireAustralia** underlying profit of A$27 million (100%) up A$13 million from the prior period reflecting strong unit prices
- **CDC** result reflects a full period contribution and change to the accounting treatment of Data Centre assets (A$9.7 million)

[1] Trustpower and Tilt 2016 comparatives relate to the respective performance of the two entities pre-demerger.
[2] Underlying EBITDAF for RetireAustralia includes Infratil's share of its underlying profits. Underlying profit is a common performance measure used by retirement companies and removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, one-off gains and deferred taxation, and includes realised resale gains and realised development margins.

Group Capital Expenditure and Investment

Continuing to capture value in existing assets and platforms

30 September ($Millions)	2017	2016
Trustpower	15.9	20.2
Tilt Renewables	21.1	6.0
Wellington Airport	40.3	44.0
NZ Bus	11.4	12.3
RetireAustralia	20.6	16.6
CDC	5.3	-
Other	2.9	4.4
Capital Expenditure	117.5	103.5
CDC	-	411.5
ANU Student Accommodation	-	84.8
Longroad	22.0	-
Investment	22.0	496.3
Total	139.5	599.8

- **Trustpower** capex reflects its operational and maintenance programme
- **Tilt** capex includes the commencement of construction of the Salt Creek wind farm
- **Wellington Airport** ongoing land-transport hub, commencement of the onsite hotel and the south terminal extension
- **NZ Bus** purchased a further 14 double decker buses for operation in Auckland. Period of low investment as new contracts are negotiated prior to investment commitment
- **RetireAustralia** spend includes 50% share of new units built during the period. RetireAustralia has delivered 36 new villas in the first half of 2018
- An additional $22 million of capital was called by **Longroad** during the period to fund the acquisition of a 270MWh portfolio of operational distributed generation solar PV projects and two operating wind farms totalling 80MWh

Asset Values

Conservative asset values relative to current infrastructure market

30 September ($Millions)	2017	2016
Trustpower	877.0	734.8
Tilt Renewables	329.1	341.8
Wellington Airport	397.5	414.5
NZ Bus	179.0	191.2
Perth Energy	61.8	73.4
CDC	435.2	426.3
Metlifecare	-	237.9
RetireAustralia	287.1	278.2
ANU	92.6	91.2
Longroad Energy	48.3	33.2
Other	86.9	84.8
Total	**2,794.5**	**2,907.5**

- **Trustpower** movement in listed market share price ($5.49 vs $4.60)
- **Tilt Renewables** movement in listed market share price ($2.06 vs $2.14)
- **Wellington Airport** book value implies an EV/EBITDA multiple of 8.4x, compared to Auckland Airport >20x
- **NZ Bus** reflects the movement in capital expenditure less asset depreciation
- **CDC**, **RetireAustralia, ANU** and **Longroad** reflect the acquisition cost plus share of trading result adjusted for AUD and USD movements
- **Perth Energy** is Infratil's share of net assets
- Other investments include **ASIP**, **Snapper** and **Infratil Infrastructure Property**

Debt Position

Current gearing headroom provides opportunity for further investment

- Cash position of $425 million and wholly owned subsidiaries' bank facilities drawn of $48 million
- Senior debt facilities have maturities up to 3 years and 4.5 years (for bus finance export credit facility)
- $143 million in Infrastructure Bonds was raised in June, replacing $66 million of maturing bonds and largely pre-funding the November maturity ($81.1 million)
- Infratil gearing 28.8% (net debt / net debt + equity capitalisation)
- Infratil continues to target duration of its borrowings consistent with the profile of its assets and long-term ownership

Maturities in period to 31 March ($Millions)	2018	2019	2020	>4 yrs	>10 yrs
Bonds	81.1	111.4	149.0	509.2	231.9
Infratil bank facilities[1]	57.0	71.0	33.0	85.0	-
100% subsidiaries' bank facilities[2]	6.3	12.7	12.7	16.7	-

[1] Infratil and wholly-owned subsidiaries exclude Trustpower, Tilt, WIAL, Perth Energy, CDC, Longroad Energy, RetireAustralia and ANU

[2] NZ Bus export credit guarantee fleet procurement facility

Funds Available for Investment

Significant capacity remains to support further investment

- Over $670 million of cash and undrawn bank facilities available

30 September ($Millions)	2015	2016	2017
Net bank debt (cash on hand)	(682)	(194)	(425)
Infratil bonds (incl. PiiBs)	989	1,007	1,083
Market value of equity	1,719	1,822	1,747
Total capital	2,026	2,635	2,405
Gearing (net debt / total capital)	**15%**	**31%**	**29%**
Infratil undrawn bank facilities	276	246	246
100% subsidiaries cash	755	255	425
Funds Available	**1,031**	**501**	**671**

Portfolio Composition and Outlook

Newer platforms supported by core and poised for strong investment cycle

Infratil

Core Cash Generation

Trustpower

Wild at Heart
Wellington Airport

NZ BUS

Australian National University

Catalysts for Growth

tilt renewables

retire australia

cdc

longroad ENERGY

Trustpower

Positive hydrological conditions drive substantial lift in earnings

EBITDAF for 1H18 was $159.1 million, $48.9 million (44%) above 1H17

- Trustpower's diverse and flexible fleet of generation assets, together with sound operating decisions, has allowed for above average prices and a strong result
- Increased Retail EBITDAF of $29.6 million up $15.4 million from comparative period, indicating that the investment in customers is starting to pay off

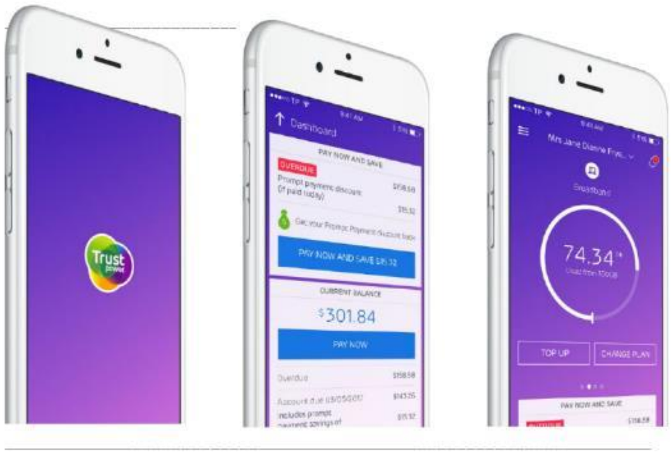
Customers

Customer growth was modest as retail acquisition campaigning was put on hold during the period while the company realised high wholesale electricity prices

- Total accounts up 1% since 31 March 2017 to 390,000 accounts (up 3% since September 2016)
- Total accounts with two or more utilities up 4% since 31 March 2017 to 94,000 accounts (up 12% since September 2016)

Generation

- New Zealand generation production of 1,325GWh was 266GWh above the prior period due to favourable hydrological conditions
- The weighted average wholesale price received for New Zealand generation was $91/MWh up from $58/MWh in 1H17



Tilt Renewables

Below average wind offset by good progress within the development pipeline

EBITDAF for 1H FY18 was A$49.3 million, A$12.0 million below 1H FY17

Generation

- Unfavourable wind conditions in the June quarter saw Australian production end 6% below expectations despite a strong second quarter
- New Zealand wind production was 15% below long-term expectations
- All assets had lower production than the comparative half year, which benefited from above average wind conditions
- Lower generation production costs as a result of production-linked maintenance and landowner costs and higher level of capitalised asset replacements
- Market volatility continues in South Australia with higher levels of ancillary service costs and the impact of curtailment (20GWh since 1 July 2017)

Construction and development

- Construction remains on schedule at Salt Creek Wind Farm (54MW in southwest VIC) to achieve commercial operations by July 2018
- Development activity is focused on preparing Dundonnell Wind Farm (~300MW in southwest VIC) for investment decision in mid CY18
- Secured approvals for two Queensland solar projects (combined 350MW potential)

Longroad investment

Significant progress in the development of renewables in the U.S.

Development business on track

- Final approval for ~488MW of development projects scheduled for consideration prior to 31 March 2018
- Substantial progress on a further ~600MW of near term solar projects expected to reach financial close during 2018/19
- Further 6.7GW pipeline of greenfield utility-scale wind and solar development options
- Construction, financing and equipment markets remain active

Acquisition of accretive operational assets with further optionality

- Acquired 378MW of operating wind and distributed solar generation plants with further MW under agreement and expected to close in 2017/2018
- Strong services cashflow with options to refinance, repower and/or extend revenue contracts

Establishment of Longroad Energy Services and 24hr Network Operations Centre

- Currently 1200MW of owned and 3rd party assets under management with ~50 employees in the NOC, field technicians and operations/asset management

Continued political headwinds at the Federal level

- Proposed solar panel importation tariff and policies which favour coal
- Individual U.S. States modifying local renewable schemes to continue decarbonisation push and fill leadership gap left by the Federal administration

Canberra Data Centres

Investment thesis continues to gain momentum

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Current EBITDAF is forecast to improve to a A$70 million run rate by 31 March 2018

- Announcement of partnership with Microsoft is leading to incremental new customer interest in the CDC facilities
  - Strong endorsement of CDC's offering and a significant enhancement of the ecosystem
  - Increases CDC's utilisation of existing facilities from 56% to 74%
- The delivery of CDC's contract with Microsoft to host hyper-scale cloud services from CDC's two Canberra based data centre campuses is progressing well (footprint is being progressively handed over in October and November)
- In September CDC started construction works on the new 21MW Fyshwick 2 data centre which will take total capacity to 59MW, up from 30MW at the time of acquisition
- The sector continues to be boosted by a range of positive developments, with data centres squarely in the sighs of infra investors and increasing valuations of comparative companies in the period since the CDC acquisition

Wellington International Airport

Half year earnings growth as aero and commercial activities perform well

EBITDAF for 1H FY18 was $47.3 million, $3.6 million (8.2%) above 1H FY17

Passengers

- Total passengers over 3.0 million, +3.1% or 90,000 increase on prior period
- International passenger growth +4.4% from the prior period with one year anniversary of the Singapore Airlines service
- Commercial revenues +8.8% up on last year driven by passenger growth and strong vehicle and retail performance

Capital Expenditure

- $40 million capital investment for the period:
  - Transport hub construction progressing with the elevated concourse opened in August 2017 (expected completion mid 2018)
  - Hotel construction on the 134 room, 4.5 star hotel is well underway (expected completion late 2018)
  - Main terminal optimisation works commenced – a multi-phased project to improve layout and customer offerings and experience
- Runway extension – NZ Airports Association and Wellington Airport appealed to Supreme Court in September. Decision is pending and Environment Court application remains on hold
- Revenue and EBITDAF are expected to increase as a result of capital expenditure and investment in route development

Perth Energy

Retail portfolio undergoing renewal and recontracting

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EBITDAF loss for 1H FY18 was A$5.8 million, A$3.3 million improvement from 1H FY17

Retail

- Perth Energy's retail business has made significant progress to stem losses as customer contracts are renewed, and new business is secured, based on prevailing wholesale prices
- With customer contracts typically having a two year term, previous loss making contracts continued to impact performance for FY18
- New sales are focused on higher margin segments of the market

Generation

- Generation continues to provide valuable peaking capacity to the market and will benefit from the announced removal of excess capacity
- One of the few fast-start turbines in Western Australia expected to play an increasingly important role in supporting deployment of intermittent renewables

NZ Bus

Transitioning to the new operating model and new contract structures

EBITDAF for 1H FY18 was $17.8 million, $7.1 million behind 1H FY17

Operating Performance

- Variance to prior year due to cessation of South Auckland services from October 2016 and costs incurred as the business transitions to the new operating model (PTOM)

Contracting market update (PTOM)

- All contracts with Auckland Transport have now been confirmed, either through negotiation or tender, with NZ Bus securing 20 "unit" contracts with revenue of ~$1 billion over the average contract term of nine years
- Negotiations continue with Greater Wellington Regional Council for 5 directly appointed units
- Capital expenditure commitments for new fleet to meet contracts will be progressively delivered over the next 12 months.
- Continuing to monitor and assess electric vehicle technologies with key partners
- Smaller regions, including Bay of Plenty and Canterbury are likely to go to tender in the near future

RetireAustralia
Momentum growing as growth platform rolls out

Underlying profit for 1H FY18 was A$27 million, A$14 million above 1H FY17

Operating Performance

- Underlying profit increase driven by unit price rises
- Soft H1 resales substantially offset by higher average collect
- Lower than average enquiry rates indicate that current lower resales rate is likely to continue into H2
- Embedded value up 10% on FY17 to A$146,000 per unit due to strong price growth
- 39 new sales realised development margin of A$7 million (28% margin)
- 31 newly completed units on hand as at 30 September

Development pipeline

- Development pipeline has expanded to ~1,000 units including ~335 Care Apartments (CA)
- Premium Central Coast sites - construction underway on 69 Independent Living Units (ILU) development at Wood Glen, with 195 CAs in various planning stages
- Greenfield projects - final development agreement received for Lutwyche (183 ILU / 35 CA); Development Approval processes well advanced for further 351 ILUs and 66 CAs
- New site acquired in Lane Cove, Sydney expected to yield at least 85 apartments

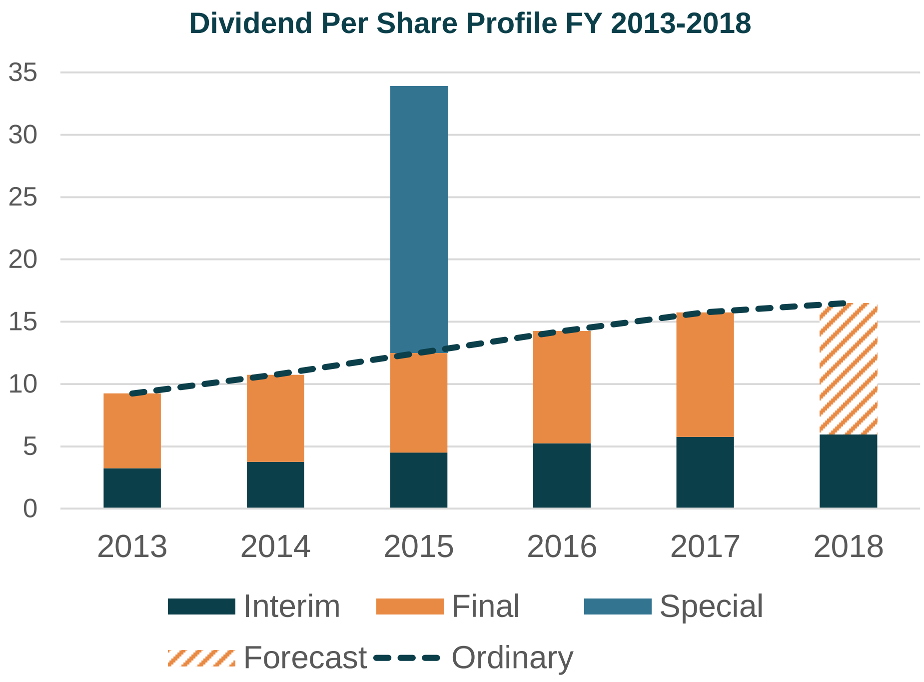
Care strategy progressing well

- Surveys support strong demand from residents for additional services
- Opportunity to provide those services in a way that is value enhancing for RetireAustralia

Distributions

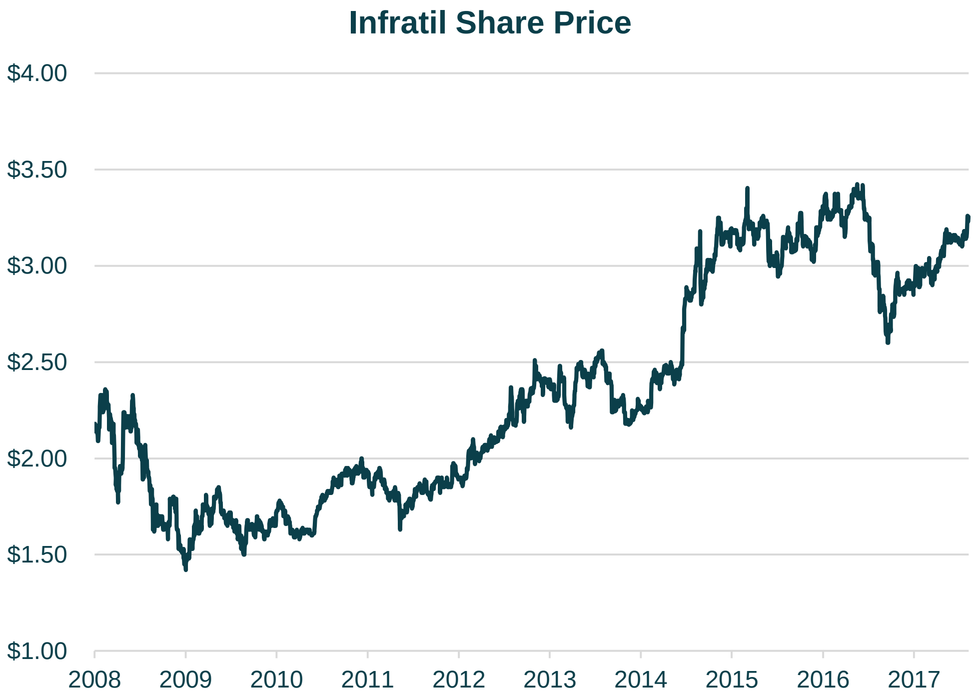
Growth in dividend per share maintained

- Fully imputed interim ordinary dividend of 6.00 cps up 4.4% on the comparative of 5.75 cps
- Payable on 15 December 2017 to shareholders recorded as owners by the registry as at 28 November 2017
- Forecast dividend range for the FY18 final dividend is 10.5-11.0 cps
- Earnings growth in the forecast period is largely from foreign group activities and will not generate imputation credits. Absent any change in portfolio composition it is forecast that dividends will move towards partial imputation from FY19



Infratil Share Price

Near term catalysts should force re-rating of development pipelines in key sectors



- The total shareholder return for the year to date (6 November) is 15.3%
- A range of near to mid-term catalysts are evident within the portfolio which, if executed, will drive earnings and capital growth. These include:
  - Completion of Salt Creek
  - Final Investment Decision on Dundonnell
  - RetireAustralia's targeted development of 300+ new units per annum by FY21
  - Near term development opportunities and adjacent business at Longroad
  - CDC customer and facilities growth
  - Significant financial capacity for further investment

2017/18 Outlook

Underlying EBITDAF guidance range reaffirmed at $485-$525 million

- Initial guidance issued in May 2017 indicated Underlying EBITDAF of $460-$500 million
- Underlying EBITDAF guidance was revised upwards in October to $485-$525 million and performance is currently tracking towards the middle of that range
- Guidance reflects current trajectory and changes in the portfolio including:
  - first half performance of TPW and Tilt Renewables and a return to long run average wind and hydrology for the balance of the year
  - a full period of contribution from CDC and ANU
  - continued growth from Wellington Airport
  - return to long run house price inflation for RetireAustralia for the balance of the year
  - stabilised retail operating conditions for Perth Energy
- Capital structure and confidence in outlook are positive for continued growth in dividends per share

Outlook ($Millions)	FY2017 Actual	FY2018 Outlook
Underlying EBITDAF	519.5	485-525
Operating Cashflow	245.0	210-250
Net Interest	165.7	155-165
Depreciation & Amortisation	186.5	180-190
Capital Expenditure & Investment	168.1	350-400

2018 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.

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 interest, tax, depreciation, amortisation, financial derivative movements, revaluations, gains or losses on the sales of investments, and includes Infratil's share of RetireAustralia's underlying profits. Underlying profit for RetireAustralia removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, excludes one-off gains and deferred taxation, and includes realised resale gains and realised development margins.

Summary

Preconditions in place for sustained NAV growth

Core assets and new proprietary platforms combining to enable sustained NAV growth

- Multiple near-term catalysts across new and established platforms
- Repositioning of the portfolio during the last five years starting to reap real benefits

Equity exposed to favourable long-term trends and supportive policy positions

- Focus on growth infrastructure addressing "ideas that matter"
- Favourable operating leverage in newer renewables, retirement and data platforms
- Strong policy support for lowering healthcare and energy costs, and positioning early around supporting data as a future essential service

Diversification benefits operating across multiple jurisdictions and sectors

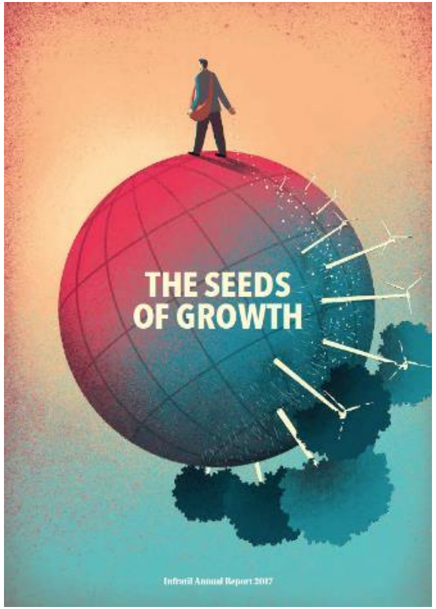
- Effective risk management feature given the uncertain macro backdrop
- Regulatory and macroeconomic diversification with inflation protection

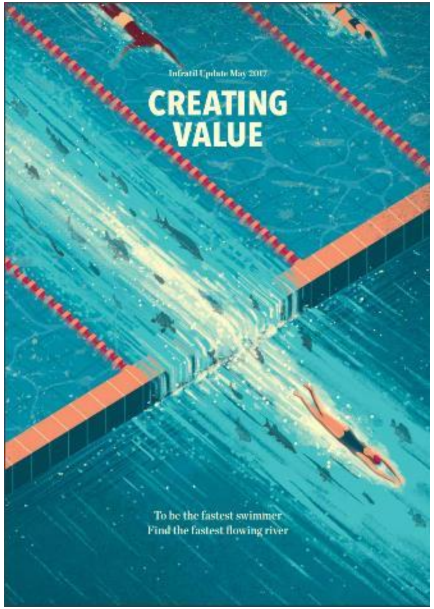
Partnerships with sophisticated regional investors with equivalent patience and commitment

- Co-investment position is difficult to replicate in Australasian markets
- Effective expansion of scale and scope of Infratil's business through association with key sovereign wealth funds and other long-term capital

For more information

www.infratil.com





Results Summary

Appendix I – Reconciliation of NPAT to Underlying EBITDAF

30 September ($Millions)	2017	2016
Net profit after tax	85.3	62.9
less: share of MET & RA investment property revaluations	(6.9)	(35.1)
plus: share of MET & RA realised resale gains	2.9	7.9
plus: share of MET & RA development margin	3.7	3.5
plus: share of MET & RA deferred tax expense and non-recurring items	4.5	2.1
Trustpower demerger costs	-	8.7
CDC transaction costs	-	5.6
Net loss/(gain) on foreign exchange and derivatives	(1.4)	0.4
Net realisations, revaluations and (impairments)	(8.8)	(0.5)
Underlying Earnings	79.3	55.5
Depreciation & amortisation	96.7	88.5
Net interest	79.9	79.6
Tax	35.4	22.4
Underlying EBITDAF	291.3	246.0

- 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 interest, tax, depreciation, amortisation, financial derivative movements, revaluations, gains or losses on the sales of investments, and includes Infratil's share of RetireAustralia and Metlifecare underlying profits
- Underlying profit for RetireAustralia and Metlifecare removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, excludes one-off gains and deferred taxation, and includes realised resale gains and realised development margins
- Underlying profit provides a better benchmark to measure business performance
- The Group's investment in Metlifecare was sold on 7 April 2017 but has no impact on the current period result