

INFRATIL FULL YEAR RESULTS PRESENTATION

Year Ended 31 March 2014

The background features three large, overlapping brushstrokes in yellow, magenta, and blue. The yellow stroke is on the left, the magenta stroke is in the center, and the blue stroke is on the right. They overlap to create a grid-like pattern of color.

INFRATIL!

13 May 2014



Full Year Overview

Value realisation and investment in new platforms



- Record year for delivering net earnings and operating cash flows
- \$386m of gains on the Z Energy stake in the fiscal year following the successful IPO (realised and unrealised)
- Satisfactory operating performance achieved despite increasingly competitive landscape and challenging electricity markets
- Strong pipelines of new investments underway
 - Snowtown II construction ahead of target
 - Metlifecare investment of \$148 million
 - Investment in Australian PPP
- Other reinvestment opportunities available and continuing to be developed
- Broad strategic review of IEA, Lumo and Direct Connect investments commencing
- Very strong free cash flow performance enables final dividend of 7 cps, up 17% on prior year



Financial Highlights

Record increase in net surplus and operating cashflow

Year Ended 31 March (\$Millions)	2014	2013	Variance	% Change
EBITDAF (continuing activities) ⁽¹⁾	500.3	527.6	(27.3)	(5.2%)
Operating Earnings (continuing activities) ⁽¹⁾⁽²⁾	167.5	183.5	(16.0)	(8.7%)
Net Surplus after Tax, MI and Disc Ops	198.9	3.4	195.5	5,750%
Net Operating Cash Flow	407.2	288.0	119.2	41.4%
Capital Expenditure/Investment	613.6	413.7 ⁽³⁾	199.9	48.3%

⁽¹⁾ Continuing operations in FY14 and FY13 exclude the European Airports which were sold in November 2013

⁽²⁾ Operating earnings from continuing activities – refer Appendix I

⁽³⁾ Includes 100% of Z Energy Capital Expenditure



Result Summary

Adjusted EBITDAF -7% on PY on softer trading conditions

- \$36.0m decrease in adjusted EBITDAF⁽¹⁾ of \$501.8m (-7%), reflects slightly softer trading conditions vs prior period and a lower ownership stake in Z Energy following the IPO
- Low NZ generation volume and strengthening NZD reduced TPW EBITDAF
- Mild winter, higher wholesale costs and strengthening NZD reduced IEA EBITDAF
- Steady operating performance from Z Energy and WIAL, weaker result from NZ Bus
- Associate earnings from Z Energy reflect historic cost rather than replacement cost result

(\$Millions)	31 March 2014	31 March 2013	% Change
EBITDAF ⁽¹⁾	500.3	527.6	(5.2%)
Z Energy equity earnings adjustment ⁽²⁾	1.5	10.2	(85.3%)
Adjusted EBITDAF	501.8	537.8	(6.7%)
Depreciation & Amortisation	(151.8)	(148.7)	(2.1%)
Adjusted EBIT	350.0	389.1	(10.0%)

(1) EBITDAF from continuing operations

(2) Z Energy adjustments detailed in Appendix II



Result Summary

Active management has delivered strong cash flows

OPERATING CASHFLOW

- \$407.2m for the year (+41% pcp) including distributions from Z Energy of \$107m, derivative realisations of \$37.5m and reduced working capital requirements

Z ENERGY IPO

- IPO of 60% of Z Energy holding at \$3.50 per share
- Realised net proceeds of \$398.0m, achieving a net reported gain on 30% stake IPO of \$182.5m

MARK TO MARKET FAIR VALUES

- Energy, FX and IRS derivative gains of \$53.1m
- Fair value gain on acquisition of Metlifecare of \$33.1m

DISCONTINUED ACTIVITIES

- Impairment of European Airport assets of \$20.2m and reclassification to the profit and loss of prior years' foreign exchange losses of \$80.1m on disposal of the airports

FINAL DIVIDEND ⁽¹⁾

- final dividend of 7.0 cps fully imputed payable on 16 June 2014 to shareholders recorded as owners by the registry as at 29 May (last year 6.0 cps)

⁽¹⁾ The DRP will be suspended for this dividend.



EBITDAF Breakdown

Steady performance despite weaker trading conditions

FY 31 March (\$Millions)	2014	2013
Trustpower	277.4	294.8
Infratil Energy Australia	78.0	97.7
Wellington Airport	86.0	83.0
NZ Bus	40.0	44.1
Other, eliminations, etc.	(18.8)	(23.0)
EBITDAF pre associates	462.6	496.6
Z Energy	32.7	31.0
Metlifecare	5.0	-
EBITDAF – continuing	500.3	527.6
EBITDAF – discontinued	(9.3)	(9.9)
Total EBITDAF	491.0	517.7

- **Trustpower** – EBITDAF decrease of 6% as a result of lower NZ generation volumes (5%) and a significant strengthening of average NZD/AUD exchange rate (17%)
- **IEA** – Customer and margin growth in both electricity and gas, offset by investment in marketing and growth and strengthening of average NZD/AUD exchange rate (17%)
- **Wellington Airport** – PAX growth of 1.2% and commercial revenue growth of 3.1%
- **NZ Bus** – EBITDAF -10% reflects sale of North Bus in April 2013, PAX growth 0.3%, offset by higher operating costs
- **Z Energy** – Growth in replacement cost earnings offset by decrease in IFT ownership percentage post IPO



Capital Market Overview

Strong capital position with capacity for future investment

Comfortable gearing and strong support from senior lenders

- Infratil bank capacity retained with **\$784m** of total facilities and **~\$624m** of head room at 31 March 2014
- Wholly owned group debt has reduced by \$214m
- Maturity profile extended with bonds and bank debt
- Infratil gearing 46% (net debt / total net debt + equity capitalisation) including Piibs (down from 48% at March '13)

Active in equity and bond markets across the group

- Z Energy IPO completed
- Wellington Airport fully subscribed \$50m issue of wholesale bonds and \$75m of retail bonds
- IFT issued \$68.5m maturing November 2018 at 6.85% and \$93.7m bonds maturing June 2022 at 6.85%

Share buyback

- Share buyback of 24.8m shares (\$59.0m) completed on 5 December 2013
- Shares repurchased at \$2.38 per share



Debt Profile

Average duration provides flexibility

- Net drawn bank debt of \$109.5m at 31 March 2014 including utilised guarantees. Total Infratil and wholly owned subsidiaries⁽¹⁾ bank facilities of \$784m
- Senior borrowing facilities include senior debt with terms up to 5 years and 10 year export credit facilities
- Infratil continues to target duration of its borrowings consistent with the profile of its assets and long-term ownership

As at 31 March (\$Millions)	2015	2016	2017	2018	>4 yrs	>10 yrs
Bonds	-	152.8	100.0	147.4	354.1	234.9
Infratil bank facilities ⁽¹⁾	113.0	118.0	163.0	197.0	25.0	-
Vendor finance ⁽²⁾	1.3	-	-	-	-	-
100% subsidiaries bank facilities	12.7 ⁽³⁾ 74.8 ⁽⁴⁾	12.7 ⁽³⁾	12.7 ⁽³⁾	12.7 ⁽³⁾	42.1 ⁽³⁾	-

⁽¹⁾ Infratil and wholly-owned subsidiaries excludes Trustpower, WIAL, Perth Energy, Z Energy and Metlifecare

⁽²⁾ Vendor finance used for Port Stanvac generation development funding

⁽³⁾ NZ Bus export credit guarantee fleet procurement facility

⁽⁴⁾ IEA working capital and guarantee facility



Net Asset Values

Book Values at 31 March

Investment ^(1,2) (\$Millions)	31 March 2014	31 March 2013
Trustpower	1,036.7	1,226.0
Infratil Energy Australia	348.7	434.8
Wellington Airport	351.5	342.2
Z Energy	312.0	324.0
Metlifecare	170.6	-
NZ Bus	303.1	269.6
Infratil Airports Europe	-	21.2
Other	78.6	64.8
Total	2,601.2	2,682.6

(1) Book values represent accounting based measures of value, other than for listed investments (Trustpower, Z Energy and Metlifecare)

(2) Values exclude 100% subsidiaries' cash balances and deferred tax where CGT does not apply

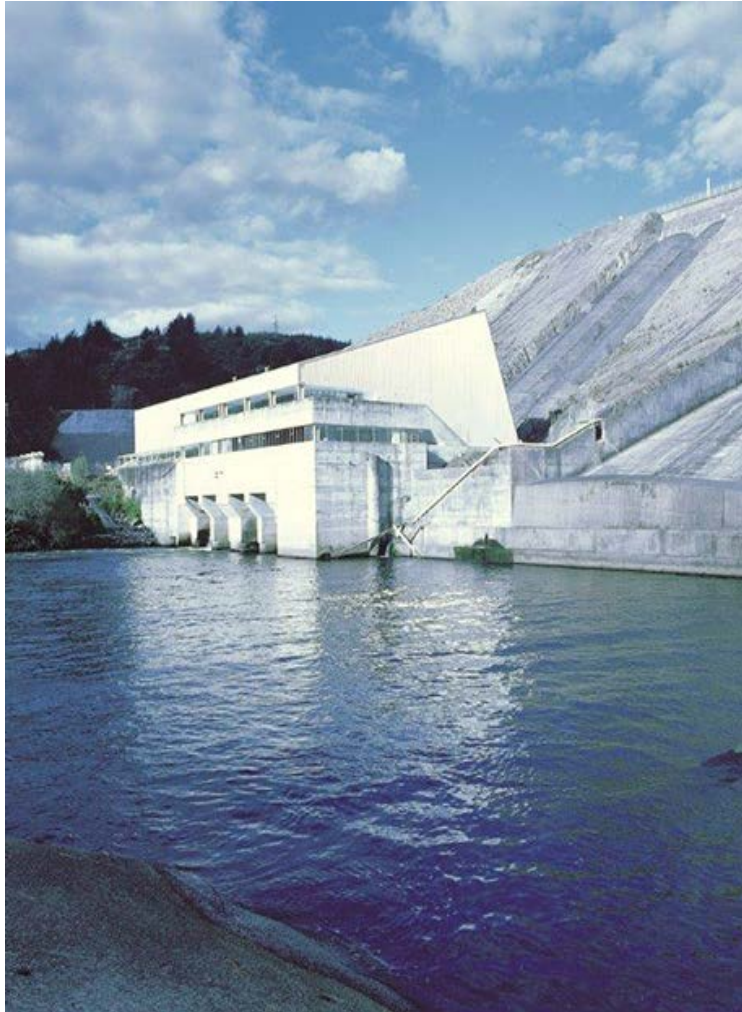
RECONCILIATION OF 12 MONTH MOVEMENTS:

- Trustpower – listed market value weakness reflects regulatory uncertainty
- IEA (Lumo and Perth Energy) – decline reflects weakness in AUD relative to NZD and A\$13m reduction in plant valuations
- WIAL – minor movement in invested capital
- Z Energy – 2014 book value for 20% and 2013 book value for 50% ownership
- NZ Bus – movement in net invested capital
- Other investments include iSite, Snapper and Property
- Comparable trading and acquisition multiples have generally expanded during the latest 12 months



NZ Energy - Trustpower

Challenging environment but growth potential



- EBITDAF decreased 6% over prior period
 - Lower NZ generation and softer wholesale prices
 - Reduced sales volume
 - Increased retail competition reducing margin
 - Significant strengthening of NZD vs AUD
- Increased spending on customer growth, brand refresh, marketing capability and product development;
 - Electricity and gas customer numbers increased to 238k including customers of EDNZ (15k electricity, 10k gas) acquired July 2013
 - Commenced gas retailing
- Construction ongoing on 2nd stage 270MW Snowtown Wind Farm in South Australia
- Acquired further wind development options in Australia and accelerated the pace of future development approvals

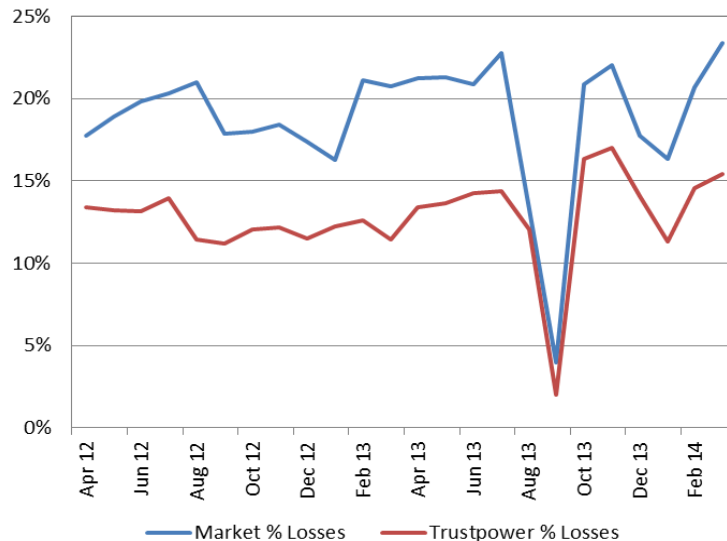


NZ Energy - Trustpower

Competitive retail market place



Trustpower Losses vs Market



- National market customer retail churn rates remain at high levels
 - Although Trustpower churn rates significantly lower than industry
- Lower customer sales
 - Lower usage trends evident per customer
 - Tough C&I market
- Significant increase in expenditure on capability to differentiate future offering
 - Brand refresh undertaken
 - Upgrade of systems and processes
 - Launch of metro campaign supported by multi-media advertising
 - True multi-product offering (Electricity, Gas, LPG, Broadband, and Phone)
- Acquired assets of EDNZ from 1 July 2013 (15,000 electricity and 10,000 gas customers)



NZ Energy - Trustpower

Snowtown II – construction update and economic impact



Project Status:

- Transmission completed
- 80 turbines erected
- 73 turbines energised and connected
- 66 turbines taken over under EPC
- Commissioning total Stage 2 by July 2014 and handover by September 2014

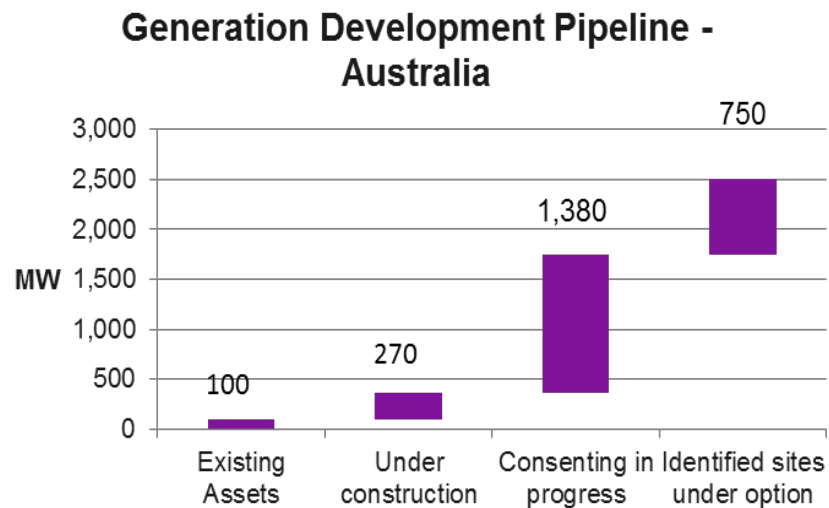
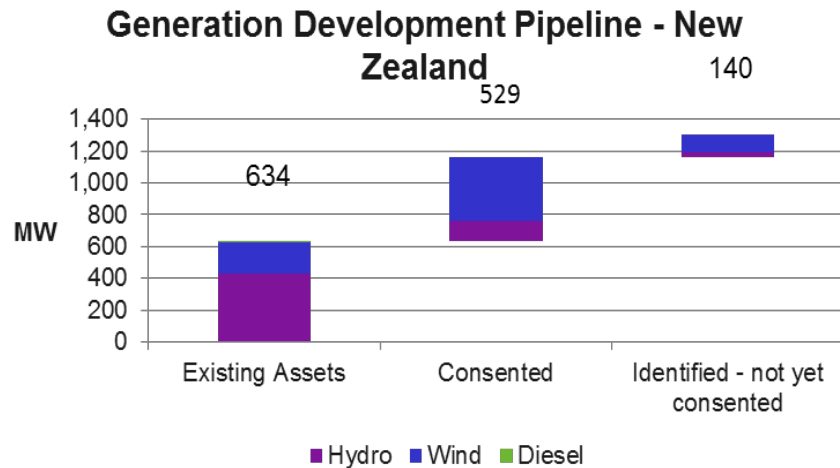
Key Facts:

- 270MW split into two separate wind farms
- A\$449m capital cost
- A\$59.9m and A\$77.9m EBITDAF contribution expected for FY15 and FY16 respectively
- EPC contract with Siemens
- 15 year PPA with Origin Energy



NZ Energy - Trustpower

Significant generation development options



NZ Hydro, Wind and Irrigation

- Near term over-supply headwind to investment
- Continue to optimise existing schemes
- Chart excludes \$270m - \$480m of potential investment for Lake Coleridge irrigation scheme (depending on final configuration)
 - 100,000ha's and 45MW generation

Australian Wind

- 20% by 2020 renewable energy target will be largely met by wind (note - LRET scheme review is currently underway)
- Acquired NewEn Australian wind development options
- Progressing development approvals in SA, VIC and NSW with view that Government review of LRET will continue to support further wind development



NZ Fuel Distribution - Z Energy

12% growth in replacement cost operating EBITDAF

- 12% growth in RC EBITDAF, +6% above the PFI
- Growth in fuel and non-fuel margins delivered in competitive marketing environment
- Retail and commercial customer satisfaction metrics continue to lead the market
- Continued rollout of Retail and Commercial offers targeted at increasing customer satisfaction and loyalty
- Further momentum generated through Strategy 2.0
 - Revised imported product pricing from January 2014 (\$2m savings p.a.)
 - Supply optimisation with BP and Refining NZ from April 2014
 - Two new sites and three rebuilds currently underway
- Final dividend of 14.3cps to be paid 4 June 2014





Australian Energy - Lumo and Perth Energy

Another year of solid customer growth

- 5% customer growth year in LUMO to 515,285, with strong 2nd half momentum (9% annualised in second half)
- Revenue up 6.7% over pcp to \$1bn
- EBITDAF A\$68.7m (-11% on pcp) largely due to weakness in generation earnings
 - Improved unit margins, electricity (+10%), gas (+70%)
 - Higher operating costs from increased investment in brand, marketing and customer service to support customer growth
 - Improved generation plant performance from Perth Energy
- Major changes in the market
 - Significant reduction in door to door sales activity by Tier 1s
 - Price deregulation (NSW)
 - Market consolidation
 - Regulatory environment (carbon tax)
- Generation plant revaluations to A\$233m (IEA A\$114m; PE A\$119m), reduction of A\$13.0m from 2013 valuations due to lower cap prices in the NEM and depreciation

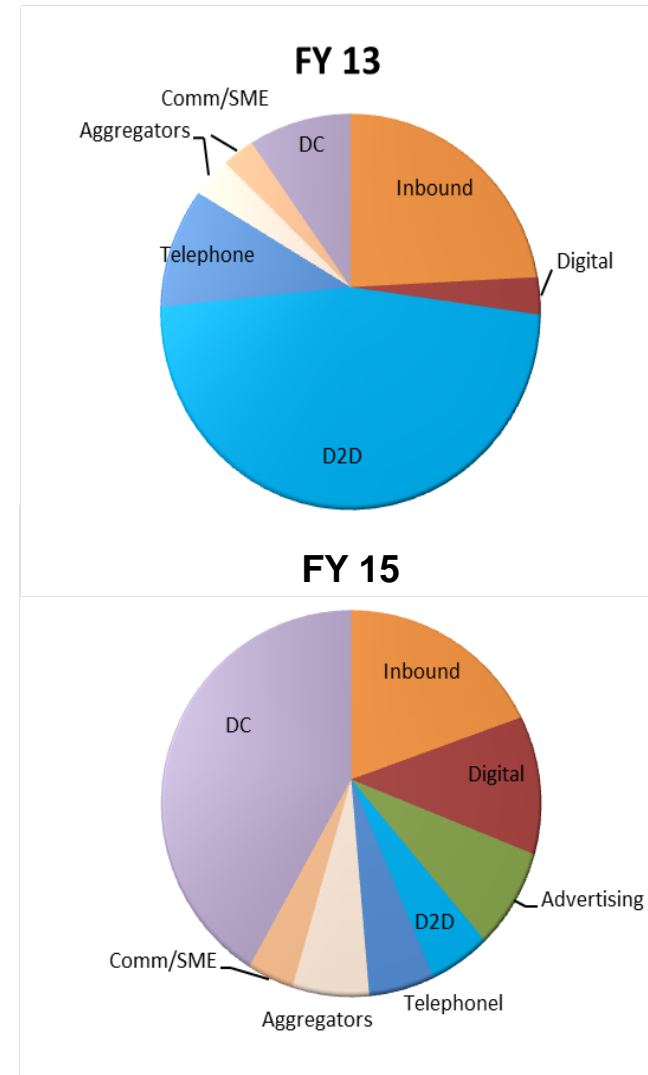




Australian Energy - Lumo and Perth Energy

Channel diversification and further customer growth expected

- Customer Growth 24,515 (+5% YoY) (+9% 2nd half annualised)
 - First half pause in D2D due to regulatory scrutiny
 - 2nd half sales momentum from above the line advertising and multi- channel strategy using D2D, phone, web and Direct Connect
 - Lumo churn has improved to a better than market position
 - Increased Direct Connect connection flows to Lumo
 - Inbound sales in FY14 were 51% of sales compared to 27% in prior year
- Sales and operations process improvement
 - Record low levels of complaints and external recognition for customer service (Lumo Canstar Blue award in Victoria)
 - Direct Connect growth in agent database by over 500 to around 4,000 - largest Utility Connection Service business in Australia
- FY15 EBITDAF outlook A\$63m - A\$70m (including Perth Energy)
 - Lumo growth in customers offset by further investment in customer service, product development and brand/marketing. Reduction in Perth Energy due to lower capacity prices. Customer growth in FY15 forecast at +10%





NZ Airports - Wellington Airport

GDP+ growth from a core asset



- EBITDAF +3.6% to \$86m, Aeronautical revenue +5.3%
 - Passengers increased to 5.44m
 - Strong international PAX +3.6%, due to strong growth on Melbourne and Sydney routes
 - Domestic PAX +0.8% with solid growth on the main trunk as airlines improved load factors after strong capacity increases driven by Jetstar
- Commercial revenue +3.1% due to growth in parking and property revenue
- CAPEX - \$20m invested during the year including car park redevelopment, replacement fire trucks, property construction and airfield expenditure. Future spend is focused on extension of the main terminal, retail and multi-storey car park
- Aeronautical pricing – WIAL is consulting with airlines over future charges effective from mid 2014
- Revenue is expected to increase over the next five years as passenger numbers grow and new investment is undertaken



NZ Public Transport - NZ Bus

Challenging PT market - weak growth and higher operating costs



- Total passengers of 58m +0.3% growth, reflecting very weak first half growth
 - Passenger growth recovery (+4% in last quarter) from joint approach with Auckland Transport to improve service reliability and timetables
- EBITDAF of \$40m, -9% (\$43.0m prior year adjusted for North Bus sale)
 - Revenue growth 2%, offset by significantly higher opex +5%
 - Higher maintenance/engineering costs (particularly in Wellington +\$5m) resulting from increased vehicle regulatory standards
 - Review underway to achieve operational efficiencies
- On-going commitment to HSE and zero harm workplace
 - Awarded tertiary status (highest level) under the ACC Partnership Programme
 - 28% reduction in Lost Time Injuries
 - Introduced vehicle telematics - resulted in 17% reduction in motor vehicle accidents, 60% decrease in driver infringements and improvement in fuel burn



NZ Public Transport - NZ Bus

Investment in operational capability continues

- On-going investment in fleet, people and technology
 - 135 new Alexander Dennis buses delivered in FY14. 285 new buses in Auckland and 58 in Wellington in the last 3 years
 - Continue to up-skill drivers through “Pathway to Safer driving” programmes
 - Vehicle telematics completed, radio upgrade and bus repowering/refurbishments underway
- Contracting market update (Public Transport Operating Model)
 - PTOM provides for a commercial partnership approach between transport authorities and operators to generate passenger growth and efficiency
 - New contracts will include combination of tenders and negotiated routes, proportions based on commerciality ratios
 - Auckland NZ Bus 50/50 tendered/negotiated kms
 - Wellington NZ Bus 45/55 tendered/negotiated kms
 - South Auckland tenders in late 2014 and Wellington in 2016
 - NZ Bus is well advanced in its planning for PTOM





NZ Public Transport - Snapper

Scale platform with on-going innovation



- PT continues to provide good opportunities
 - 46.6m transactions processed in FY14. Wellington ~72% of NZ Bus transactions used Snapper ~110k active users
 - GWRC and other regions are investigating the implementation of region-wide ticketing systems
- Snapper Mobile continues to grow in popularity
 - ca. 17,000 active app downloads, support for 16 devices
 - Telecom and Vodafone to launch this year
 - Opportunities presenting themselves off-shore
- Snapper parking live in Wellington
 - Present on 550 CBD parking meters
- Snapper now enabled on Wellington Cable Car
 - Phase 1 completed with readers on Lambton terminus gates
 - First Snapper integration with Vix Technology devices
- Whangarei now a Snapper city
 - Northland Regional Council approval for Snapper scheme, with Ritchies Transport buses now accepting Snapper
- Withdrawal from Auckland completed
 - Disengagement from NZ Bus services and Auckland Transport finished in March 2014



Property - Infratil Infrastructure Property

Working in partnership with local government



- Owner and manager of 7 bus depots and investment properties
- Acquired new site in 2013 and agreed new lease to NZBus as maintenance facility in Wellington
- Completed construction of the ~\$30m New Lynn Merchant Quarter in partnership with Auckland City Council
 - Anchor lease to a Medical Centre. This property is currently being marketed for sale by Private Treaty
 - Completed sale of carpark to Auckland Council and sale of air rights for development of residential apartments
 - Completing leasing of vacant retail space
- IIP (looking to the future)
 - Sale of surplus assets to maximise value returns
 - Close working relationships with Central and Local Government primarily based around new infrastructure projects
 - IIP continues to work closely with NZ Bus to upgrade of both the Kilbirnie and Auckland Central depots



Z Energy IPO

Significant gain from capital recycling

- On 21 August 2013, Infratil and NZ Super sold 60% of their holding and Z Energy Limited was listed on the NZX and ASX at \$3.50 per share
- Gross proceeds from the IPO were \$840m. Net gain on IPO and revaluations were as follows:

IFT Reported gain on partial sale of Z	\$ millions	Economic value gain	\$ millions
Gross IPO proceeds	420.0	IFT carrying value 31 March 2013	324.0
less: IPO costs	(22.0)		
Net IPO proceeds	398.0		
Carrying value of net assets sold	(215.5)	Net proceeds received during year	398.0
Net book gain on IPO	182.5	Market value of residual 20% holding at 31 March 2014	312.0
			710.0
Remaining IFT shareholding (shares million)	80.0		
31 March 2014 share price	3.90		
Value of remaining shareholding	312.0	Infratil value gain during the year	386.0



Portfolio Activity

Entry into new sectors and investment platforms

METLIFECARE (MET)

- Acquisition of 19.9% of MET completed on 28 November 2013 for \$147.9m (\$3.53 per share)
- Revaluation to market value (\$4.32 per share) on acquisition date recognises gain of \$33.1m
- Infratil has 2 directors on the MET Board
- Good recent progress on new developments with commencement of:
 - Orchards (Auckland) construction, a \$40m village with 96 apartments and 36 care beds
 - expansion of the Poynton (North Shore) with an additional 58 apartments
 - earthworks for the construction of Unsworth Heights (North Shore), a \$160m village with 75 villas, 235 apartments and 61 bed care facility

ASIP

- Commitment enables access to significant pipeline of PPP development opportunities in Australia
 - Initial contribution of A\$12m completed on 4 April 2014
 - Infratil and other institutional investors have the opportunity to participate as equity investors in future Leighton Contractors' PPP projects via the Leighton Contractors Infrastructure Partners vehicle
 - Leighton Contractors currently participating in bids for the Queensland Schools, North-West Rail (NSW) and East-West Link (Vic) availability-based PPP projects

UK Airports

- Sale of UK airports completed in November 2013



IEA/Lumo Strategic Review

Lumo and Direct Connect assets likely to attract attention

- Assets comprise over +520,000 customers in the NEM, 165MW of peaking generation and +110,000 p.a. utility connection business (“Direct Connect”)
- Lumo Energy and Direct Connect Australia are likely to play an important role in the future of their respective industries
- Lumo Energy has now established itself as a significant retail electricity and gas participant in the National Energy Market and has excellent growth prospects
- Direct Connect Australia, a utility connections provider with strong relationships with the real estate industry, has grown into the market leader
- While the businesses operate in different markets they are highly complementary – particularly with ongoing regulatory scrutiny over D2D and outbound telemarketing channels
- Infratil will consider proposals that will maximise return on investment in these unique businesses - these may include outright sale, merger or partial divestment options, or retention of the status quo
- Review is expected to take around 6 months



Capital Expenditure

Completion of Snowtown II and WIAL growth capex dominate

Capex (\$Millions)	31 March 2014	FY15 Outlook
Trustpower	349.7	75 - 95
Australian Energy	22.0	25 - 35
Wellington Airport	20.3	65 - 75
Public Transport	68.1	15 - 25
Metlifecare	147.9	-
Australian PPP	-	25 - 35
Other	5.6	10 - 20
Total	613.6	215 - 285

- **Trustpower** - Completion of Snowtown II (\$55m) and ongoing optimisation of NZ hydro facilities
- **Australian Energy** – acquisition related to customer growth
- **Wellington Airport** - Terminal expansion and apron developments
- **Public Transport** - Completion of bus fleet renewal
- **Australian PPP** - Investment contribution to seed assets (new Royal Adelaide Hospital and South East Queensland Schools)
- **Other** - investment to upgrade property assets



2014/15 Outlook

Growth set to resume

\$Millions	FY 2014 Actual	FY 2015 Outlook ⁽¹⁾
EBITDAF – continuing operations	500.3	530 - 560
Net interest	181.0	180 - 190
Operating cash flow	407.2	330 - 360
Depreciation and amortisation	151.8	170 - 180

⁽¹⁾ Assumes no major changes in the IFT portfolio

2014/15 EBITDAF range \$530m - \$560m:

- TPW increase due to Snowtown II commissioning (assumed September 2014)
 - WIAL EBITDAF expected to fall \$5.4m due to implementation of first year of new pricing schedule
 - IEA EBITDAF flat due to significant investment in customer growth and service
 - Gains across other businesses reflecting expected returns on recent CAPEX investment and continued improvement in operating margins delivered in 2013/14
- Lower 2014/15 operating cash flows reflect higher dividends in 2013/14 from Z Energy



Infratil Group - Summary

Cultivating available options will accelerate future growth

- Recent period of substantial value creation through strong operating performance, capital management and asset recycling
 - Broad strategic review of investment in IEA, Lumo and Direct Connect assets is underway
- Cash flow, well positioned investments with positive outlooks and capital structure support continued dividend growth
- Outlook shows a growing pipeline of internal and external investment options to re-position the portfolio to achieve higher absolute returns
 - Renewable energy options
 - Adjacent investment opportunities in water and irrigation
 - New sectors and markets where compelling investment cases are evident
- Allocation of some capital to early stage and higher growth investments will be a driver of future out-performance





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Appendix I

Consolidated Profit & Loss

Group Financial Performance (\$Millions)	FY March 2014	FY March 2013
Operating revenue (before fair value gain on Metlifecare)	2,384.0	2,400.0
Operating expenditure	(1,883.7)	(1,872.4)
EBITDAF (continuing activities)	500.3	527.6
Net interest	(181.0)	(195.4)
Depreciation & amortisation	(151.8)	(148.7)
Operating Earnings (continuing activities)	167.5	183.5
Net gain on foreign exchange and financial derivatives	53.1	(\$14.4)
Net investment realisations/(impairments)	185.0	(\$5.9)
Fair value gain on acquisition of Metlifecare	33.1	-
Tax	(63.2)	(\$24.1)
Discontinued operation ⁽¹⁾	(100.9)	(\$62.1)
Net Surplus after Tax	274.6	\$77.0
Minority interests	(75.7)	(\$73.6)
Net Parent Surplus	198.9	\$3.4

Discontinued operation in FY14 and FY13 refers to the European Airport investment which was sold in November 2013

Appendix II - Adjusted Earnings Reconciliation



Year Ended 31 March (\$Millions)	March 2014	March 2013	Variance	% Change
Net Profit after Tax – reported	274.6	77.0	197.6	256.6%
• Net (gain)/loss on foreign exchange and derivatives ⁱ	(53.1)	14.4		
• Net investment revals, realisations and impairments	(218.1)	5.9		
• Tax effect of changes including effect of previously unrecognised deferred tax ⁱⁱⁱ	35.2	(10.3)		
• Add back result from discontinued operations	100.9	62.1		
Z Energy Adjustments (after tax)				
• Z Energy equity earnings (HCA to RC adjust) ⁱⁱ	1.5	11.3		
• Z Energy gain on derivatives	-	(1.7)		
• Z Energy net investment revals, realisations and impairments	-	0.6		
Net Profit after Tax – adjusted	141.0	159.3	(18.3)	(11.5%)

i) 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.

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

iii) Z Energy reports its earnings on a historic cost basis, which may be volatile depending on how much the price of oil fluctuates. Further details are provided on the next page.



Appendix III

Z Energy HCA to RC Adjustment

- Historic cost earnings (as required by IFRS) are subject to fluctuations in the value and volume of stock due to changes in oil prices, exchange rates and deliveries
- Management and capital providers therefore focus on replacement cost earnings for Z Energy as these better reflect the underlying trading performance of the business
- Replacement cost earnings adjust the cost of sales as if the inputs were purchased at the time of sale
- The difference between historic and replacement cost earnings is reflected in the cost of sales adjustment (“COSA”)