

Infratil Limited

Simplified Disclosure Prospectus

for the offer of Infrastructure Bonds



24 November 2010

This is a simplified disclosure prospectus for an offer of convertible bonds that rank equally with convertible bonds issued by Infratil Limited and in priority to the ordinary shares in Infratil Limited, which are listed on the NZDX and NZSX (and ASX) respectively.



Important Information

This prospectus is a simplified disclosure prospectus prepared in accordance with regulation 10 of the Securities Regulations, and is dated and prepared as at 24 November 2010.

This prospectus relates to an offer ("**Offer**") of a series of convertible debt securities known as "Infrastructure Bonds" by Infratil Limited ("**Infratil**"). The Offer consists of two separate parts. Under the first part ("**General Offer**"), Infratil is offering up to \$50 million of Infrastructure Bonds to all investors in New Zealand (with the option to accept up to \$25 million oversubscriptions at Infratil's discretion). Under the second part ("**Exchange Offer**"), Infratil is offering holders of the Infrastructure Bonds maturing on 15 May 2011 ("**2011 Bonds**") the opportunity to exchange all or some of their 2011 Bonds for the Infrastructure Bonds offered under this prospectus.

Infratil is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited ("**NZX**") and ASX Limited ("**ASX**") for the purpose of that information being made available to participants in the NZDX, the NZSX and the ASX.

CAPITALISED TERMS

Capitalised terms used in this prospectus have defined meanings, which appear in the Glossary section or in the relevant section of this prospectus in which the term is used. All references to \$ are to New Zealand dollars unless specified otherwise. All references to time are to time in New Zealand.

REGISTRATION

A copy of this prospectus, signed by or on behalf of the directors of Infratil, and having endorsed on it or attached to it the documents required by section 41 of the Securities Act, has been delivered to the Registrar of Companies for registration under section 31 of the Securities Act. These documents are copies of the NZX announcements referred to on page 31 of this prospectus, a copy of the audited financial statements of the Infratil Group for the year ended 31 March 2010, the Trustee's statement as set out on page 21 of this prospectus and any relevant authorities where an agent has signed the prospectus on behalf of a director of Infratil.

SELLING RESTRICTIONS

This prospectus does not constitute an offer of Infrastructure Bonds in any jurisdiction other than New Zealand. No action has been or will be taken by Infratil which would permit a public offering of the Infrastructure Bonds, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand). Infrastructure Bonds may only be offered for sale or sold in conformity with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. No information memorandum, prospectus, circular, advertisement or other offering material in respect of any Infrastructure Bonds may be published, delivered or distributed in or

from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations.

By subscribing for Infrastructure Bonds, each Bondholder indemnifies Infratil, the Managers, the Organising Participant and the Trustee in respect of any loss incurred as a result of the Bondholder breaching the above selling restrictions.

This prospectus does not constitute a recommendation by the Managers, the Organising Participant, the Trustee, or any of their respective directors, officers, employees or agents to subscribe for, or purchase, any of the Infrastructure Bonds. None of these parties or any of their respective directors, officers, employees or agents accepts any liability whatsoever for any loss arising from this prospectus or its contents or otherwise arising in connection with the Offer.

The Managers, the Organising Participant and the Trustee have not independently verified the information contained in this prospectus. In accepting delivery of this prospectus, the recipient acknowledges that none of the Managers, the Organising Participant, the Trustee nor their respective officers, employees, agents or advisers gives any warranty or representation of accuracy or reliability and they take no responsibility for it. They have no liability for any errors or omissions (including for negligence) in this prospectus, and each recipient waives all claims in that regard.

SECTION 37A(1A) DIRECTORS' CERTIFICATE

The Securities Act requires the Infrastructure Bonds offered under this prospectus to be allotted no later than 31 December 2010 (being 9 months after Infratil's end of financial year) unless, on or before that date, Infratil registers a certificate with the Registrar of Companies that complies with section 37A(1A) of the Securities Act (which, among other things, requires the certificate to be accompanied by Infratil's interim financial statements for the half year ended 30 September 2010). The Closing Date of the Offer is 15 May 2011. Accordingly, Infratil intends to register a section 37A(1A) directors' certificate so that it can issue Infrastructure Bonds after 31 December 2010 pursuant to this prospectus.

OVERSEAS INVESTMENT CONSENT

The Overseas Investment Act 2005 requires that an overseas person (as defined in that Act) must obtain the consent of the Overseas Investment Office before acquiring 25% or more of Infratil's Shares. Any overseas person who, after taking into account any existing holding of Shares following the Conversion of any Infrastructure Bonds, will exceed the 25% threshold will accordingly need to obtain consent prior to the Conversion occurring.

NZX WAIVER

Listing Rule 5.2.3 requires a class of securities quoted on the NZDX to be held by at least 500 members of the public holding at least 25% of the securities issued or NZX to be otherwise satisfied that the issuer will maintain a spread of security holders that is sufficient to ensure that there is a liquid market in the class of securities ("Spread Requirements"). It is possible that the Spread Requirements may not be satisfied on the date the Infrastructure Bonds are quoted on the NZDX. NZX has provided a waiver to Listing Rule 5.2.3 on the basis that the Spread Requirements will be satisfied on or before the final Issue Date (being 20 May 2011).

Chairman's Letter



Dear Investor

This prospectus contains a description of Infratil and the terms of the Infrastructure Bonds being offered.

Since listing on the NZSX in 1994 Infratil has established a reputation as a reliable provider of energy and transport infrastructure. In an average week Infratil's businesses provide approximately 1,000,000 public transport rides, refuel 500,000 vehicles, host 120,000 air travellers, generate and provide electricity to 200,000 New Zealand residences and businesses, and provide electricity and gas to over 400,000 Australian customers.

These activities have earnings and risk characteristics which suit long-term bond funding. For investors the Infrastructure Bonds provide an attractive return. For Infratil they provide certainty of funding for a longer term than is usually available from bank borrowing. Infratil's approach to risk management has been vindicated during the financial and economic events of the last few years. Infratil's core businesses are performing well, the investment in Infratil Energy Australia is beginning to produce results and the purchase of a half share in Shell's New Zealand fuel operations is providing a new source of growth.

All markets face great uncertainty at present and careful observation and management of risk remains the absolute priority. Uncertainty can also provide opportunities, especially with growing demand for energy and transport infrastructure and greater societal demand for sustainability and care of the environment. Infratil's reputation with both infrastructure users and capital providers positions it for future growth opportunities.

Whether you are an existing Shareholder or Bondholder or a first time investor in Infratil, we thank you for your support.

Yours faithfully

A handwritten signature in black ink, appearing to read 'David Newman'. The signature is fluid and cursive, written over a white background.

David Newman

Chairman

Important Dates

IMPORTANT DATES

Opening Date:	25 November 2010
Closing Date:	15 May 2011
Issue Dates:	14 December 2010 and each Friday thereafter up to and including 20 May 2011 (being the Friday following the Closing Date)
Expected date of initial quotation on the NZDX:	14 December 2010
Interest Payment Dates:	15 March, 15 June, 15 September and 15 December of each year until and including the Maturity Date (commencing on 15 March 2011)
Maturity Date:	15 June 2016

These dates are indicative only and are subject to change. Infracore has the right in its absolute discretion and without notice to close the Offer early, to accept late applications, to extend the Closing Date or to choose not to proceed with the Offer. If the Closing Date is extended, subsequent dates may be extended accordingly.

Investors are encouraged to lodge their applications as soon as possible after the Offer opens. Interest on each Infrastructure Bond allotted under:

- (a) the General Offer will accrue at the Interest Rate from (and including) the date on which a Bondholder's subscription moneys have been banked into the trust account operated in respect of the Offer; and
- (b) the Exchange Offer will accrue at the Interest Rate from (and including) the Issue Date of the Infrastructure Bond.





The Rock, Wellington International Terminal

Offer at a Glance

THE INFRASTRUCTURE BONDS

Issuer

Infratil Limited.

Description

The Infrastructure Bonds are unsecured, unsubordinated convertible debt securities of Infratil.

Maturity Date

15 June 2016.

Interest Rate

8.50% per annum.

Interest Payment Dates

15 March, 15 June, 15 September and 15 December of each year until and including the Maturity Date (commencing on 15 March 2011).

Interest Payments

Other than for the first Interest Payment Date in respect of an Infrastructure Bond (which will be either 15 March 2011 or 15 June 2011, depending on the Issue Date of the Infrastructure Bond), interest will be payable in arrears in equal amounts on each Interest Payment Date.

First Interest Payment to Original Subscriber

Interest payable on the first Interest Payment Date in respect of an Infrastructure Bond (which will be either 15 March 2011 or 15 June 2011, depending on the Issue Date of the Infrastructure Bond) will be paid to the original subscriber of the Infrastructure Bond regardless of any transfer of the Infrastructure Bond prior to the first Interest Payment Date.

Interest Suspension Event and Dividend Stopper

Infratil may suspend the payment of interest where an Interest Suspension Event exists (as described on page 23 of this prospectus). If the payment of interest is suspended:

- (a) interest will continue to accrue and will be paid when the Interest Suspension Event ceases to exist; and
- (b) Infratil will not pay or make any distribution to Shareholders or provide any financial assistance for the acquisition of Shares.

Right to Redeem Early

Subject to certain conditions, Infratil has the right to redeem all or some of the Infrastructure Bonds prior to the Maturity Date. Bondholders have no right of early redemption except following a Bondholder Election Event. Further information on early redemption is on page 24 of this prospectus.

Right to Convert

On the Maturity Date, Infratil has the right to redeem the Infrastructure Bonds by payment of their Face Value or to Convert the Infrastructure Bonds into Shares in Infratil at the Conversion Rate. Bondholders have no right to Convert their Infrastructure Bonds except following a Bondholder Election Event. Further information on Conversion is on page 23 of this prospectus.

Liabilities to Assets Covenant

Infratil covenants for the benefit of Bondholders that, on the last day of each financial year and financial half-year of Infratil (and in certain other circumstances), Borrowed Money Indebtedness of the Issuer Group will not exceed 50% of Tangible Assets of the Issuer Group at that date.

Infrastructure Bond Programme

The Infrastructure Bonds offered under this prospectus will constitute a new series of Infrastructure Bonds under Infratil's Infrastructure Bond Programme. As at the date of this prospectus, Infratil has issued 10 series of Infrastructure Bonds under this programme. No series that has matured has been Converted into Shares.

Infratil and the Infratil Group

Infratil is a holding company with investments in the infrastructure companies described in this prospectus. Bondholders have no claims against, or recourse to the assets of, any of those infrastructure companies. Infratil's ability to make timely payments on the Infrastructure Bonds is dependent on the returns it receives from its investments, its capital structure and the quality of its management – these features are all described in more detail in this prospectus.

In a liquidation of the Infratil Group, creditors of Infratil's subsidiaries would have a prior claim to the assets of these subsidiaries ranking ahead of the claim of Infratil's liquidator (claiming as shareholder in the subsidiaries). Only the residual assets of the subsidiaries, after the claims of the subsidiaries' creditors have been satisfied, would be available to Infratil's liquidator and therefore Infratil's creditors (including Bondholders).

THE OFFER

General Offer

Infratil is offering up to \$50 million of Infrastructure Bonds to all investors in New Zealand (with the option to accept up to \$25 million oversubscriptions at Infratil's discretion).

Exchange Offer

Infratil is offering holders of the Infrastructure Bonds maturing on 15 May 2011 ("2011 Bonds") the opportunity to exchange all or some of their 2011 Bonds for the Infrastructure Bonds offered under this prospectus. A Bondholder will receive one new Infrastructure Bond for each 2011 Bond he or she exchanges under the Exchange Offer.

Infratil will also pay a final interest payment on each 2011 Bond exchanged for a new Infrastructure Bond on the Issue Date of the new Infrastructure Bond. The final interest payment will be calculated from (and including) the interest payment date on the 2011 Bonds that immediately precedes the Issue Date of the new Infrastructure Bond issued in exchange for the 2011 Bond to (but excluding) the Issue Date of the new Infrastructure Bond. The final interest payment will be calculated at the interest rate applicable to the 2011 Bonds.

2011 Bonds that are not exchanged under the Exchange Offer will remain on issue subject to their existing terms and conditions.

Issue Price

\$1.00 per Infrastructure Bond (being the Face Value).

The Issue Price for each Infrastructure Bond allotted under the General Offer is payable in accordance with the instructions under the heading "Applications and payment" on page 24 of this prospectus.

No subscription moneys are payable by a Bondholder for each Infrastructure Bond allotted under the Exchange Offer. Rather, the Issue Price for the new Infrastructure Bond is satisfied by the Bondholder agreeing to exchange a 2011 Bond for the new Infrastructure Bond.

Minimum Application Amount

\$5,000 and multiples of \$1,000 thereafter (unless a holder of 2011 Bonds is exchanging all of his or her 2011 Bonds under the Exchange Offer).

Offer Process

Infrastructure Bonds offered under the General Offer, including oversubscriptions, may be reserved for subscription by clients of the Managers, Primary Market Participants (as defined in the NZX Participant Rules) and other approved

financial intermediaries ("Firm Allocations"). The aggregate number of Infrastructure Bonds so reserved will be determined by Infratil, in consultation with the Managers, on or before the Opening Date.

Infratil, in consultation with the Managers, will determine the arrangements in respect of Infrastructure Bonds offered under the General Offer which are not subject to Firm Allocations (if any). Those arrangements will be announced by Infratil on or before the Opening Date.

How to Apply

Instructions on how to make an application for Infrastructure Bonds are contained under the heading "Applications and payment" on page 24 of this prospectus.

Brokerage

NZX has authorised Primary Market Participants to act in the Offer. Applicants are not required to pay brokerage for Infrastructure Bonds under this Offer.

Use of Proceeds

The net proceeds of the General Offer will be used for general business purposes, including repayment of other debt.

NZDX Quotation

Application has been made to NZX for permission to list the Infrastructure Bonds on the NZDX and all the requirements of NZX relating thereto that can be complied with on or before the date of this prospectus have been duly complied with. However, NZX accepts no responsibility for any statement in this prospectus.

NZX is a registered exchange, regulated under the Securities Markets Act 1988.

NZDX Ticker Code

NZDX ticker code IFT150 has been reserved for the Infrastructure Bonds.

No Guarantee

The Infrastructure Bonds are not guaranteed by any member of the Infratil Group or any other person.

No Underwriting

The Offer is not underwritten.

Scaling

The Managers in consultation with Infratil reserve the right to scale oversubscriptions under the General Offer at their discretion. Any scaling may not necessarily be applied on a pro-rata basis.

INFRATIL INTRODUCTION

Infratil was established and listed on the NZSX in 1994. At that time the New Zealand Government was opening the market to the private provision of infrastructure and Infratil was formed to enable investors to participate in what was then a new area of investment.

Over the subsequent 17 years the market for infrastructure and how infrastructure businesses are regulated and managed has changed. Investor appetite for the sector has grown, highly leveraged financing arrangements have come and gone, regulation has increased, and government willingness to allow private ownership has waxed and waned. Users of infrastructure have become more demanding with regards to service quality while societies have come to demand greater sustainability and care of the environment.

These changes have created opportunities and risks for owners of infrastructure businesses. They have meant evolution in Infratil's business but they have not resulted in material changes to Infratil's core goals and strategies.

Infrastructure Investment

Infratil is focussed on infrastructure sectors where it has expertise and experience. Over time the expertise has broadened. For instance, managing an airport involves more than just an aeronautical business. There is also property to be developed and retail space to be leased. Within the aeronautical businesses the focus has grown from providing good efficient facilities to working with airlines and economic agencies to attract new services and travellers.

User & Community Priority

A great deal of Infratil's infrastructure is important to the wellbeing of communities. Following the Canterbury earthquake fuel had to be available for machinery. Air transport links are rated by the Wellington Employer's Chamber of Commerce as crucial for the region's long-term economic growth. Management of businesses in infrastructure sectors requires close awareness of community aspirations and needs. Loyalty and good service is reciprocal.

Growth & Investment

Infratil focuses on businesses with growth potential, especially those which can grow from investing in their own activities. Over the last five years Infratil and its subsidiaries have invested approximately \$2 billion in electricity generation, airport facilities, public transport, energy retailing and fuel processing and distribution. These investments are the foundation of Infratil's past and future delivery of returns.

Management of Business Risks

Like any business, Infratil is exposed to risks (including those described under the heading "Risk factors" on page 19 of this prospectus). Infratil's risks are mitigated by the skills of management and by investing in sound strategic assets. Infratil typically invests in infrastructure businesses that provide crucial facilities to the public (for instance, power and transport). The crucial nature of the facilities provided by Infratil's businesses, and their market positions, means the businesses have relatively robust and predictable cash flows, earnings and capital spending.

Infratil encourages its businesses to identify and manage their risks with the aim of improving returns and minimising losses. Infratil has not invested in businesses with capped returns such as regulated electricity distribution.

Management of Liabilities

The Global Financial Crisis resulted in a great deal of focus on and debate about appropriate debt levels. The crisis and its aftermath illustrated that management of liabilities involves making sure that current arrangements will work into the future no matter what happens in the market. Demonstrating the suitability of Infratil's funding arrangements, in April 2010 Infratil was able to acquire 50% of Shell's New Zealand operations because it had access to funding.

Pursuit of Value

Not overpaying for assets and businesses is a core part of Infratil's strategy. Infratil assets have been acquired without the burden of price-escalating competition. Most obviously this applies when a subsidiary invests in its own activities. TrustPower has opportunities to invest in power stations which are not available to the market at large. By starting an energy company in Australia, Infratil avoided having to bid in a competitive market for "going concern" operations and assets, recognising that building a company carries its own risks relative to acquiring a going concern.

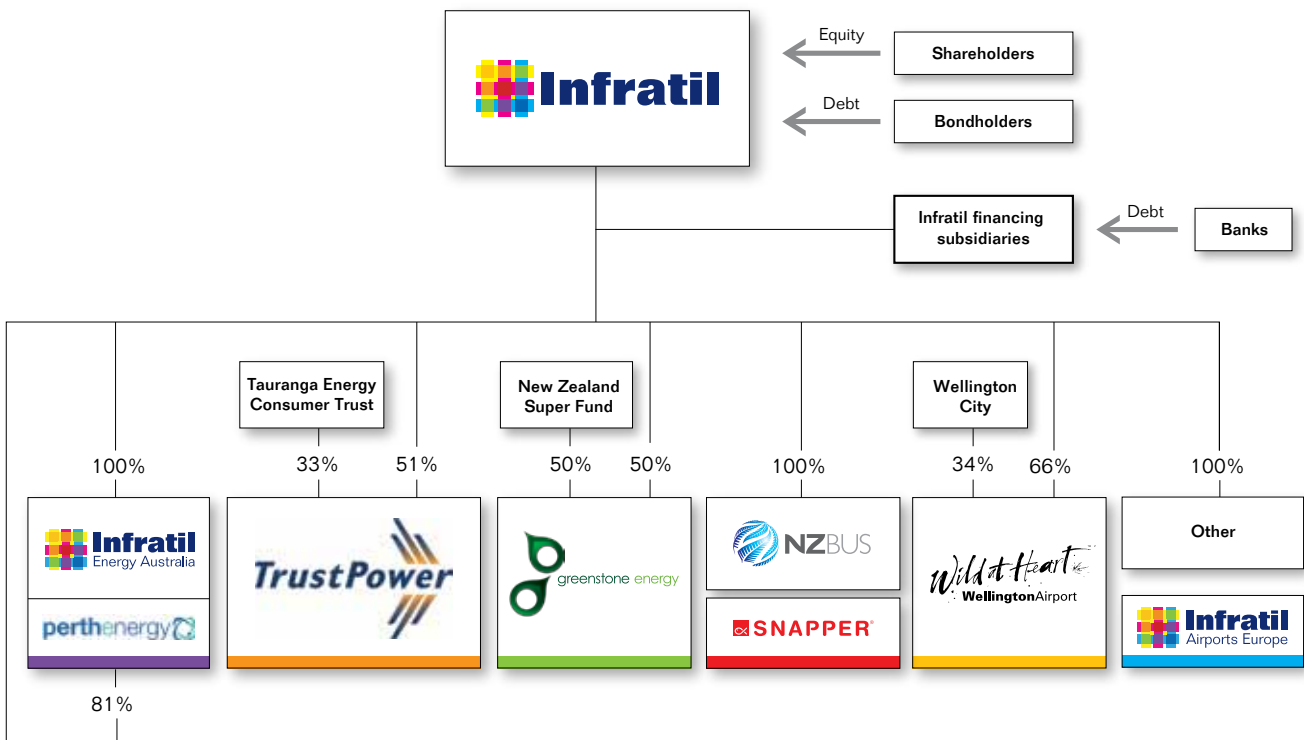
Communication

Infratil is committed to ensuring that information about its activities and goals is clear and widely available. Infratil's results and prospects are presented around New Zealand to

investor meetings which in 2010 were attended by over 2,000 people. Infratil provides semi annual update reports on important aspects of its business (the last two have been on Greenstone Energy (Shell's New Zealand fuels business) and Infratil Energy Australia) and monthly operational reports via its website. Infratil's financial performance is covered by research reports released by brokers including Craig Investment Partners, First NZ Capital, Forsyth Barr, Goldman Sachs JB Were, Macquarie Securities, McDouall Stuart and UBS.

Six times since 2003 Infratil has won, or been runner up for, the annual best corporate communications award presented by the Institute of Financial Professionals New Zealand (INFINZ).

INFRATIL GROUP AND FUNDING STRUCTURE



PEOPLE – DIRECTORS AND MANAGEMENT



David Newman
Chairman, independent

Mr Newman is on the boards of Wellington Airport, Infratil Airports Europe, Loyalty NZ and Guardians of the NZ Superannuation Fund. He is a member of the NZ Institute of Chartered Accountants and a Fellow of the Institute of Directors. He was previously Managing Director of BP in NZ.



Marko Bogoievski
Director, Chief Executive

Mr Bogoievski is on the boards of Greenstone Energy and TrustPower. He is a member of the NZ Institute of Chartered Accountants and was previously the CFO of Telecom.



Lloyd Morrison
Director and founder of Infratil

Mr Morrison is on the boards of Infratil Airports Europe and Auckland International Airport. In 2009 he was made a companion of the New Zealand Order of Merit for services to business.



Humphry Rolleston
Director, independent

Mr Rolleston is on the boards of Property for Industry, Mercer Group and SKY Television Network. He is a Fellow of the New Zealand Institute of Directors and the Institute of Management.



Duncan Saville
Director

Mr Saville has extensive international infrastructure sector experience having been on the boards of a number of water, airport and utility companies. He is a Fellow of the Institute of Chartered Accountants in Australia and of the Australian Institute of Directors.



Mark Tume
Director, independent

Mr Tume is on the boards of the New Zealand Refining Company, Infratil Energy Australia, New Zealand Railways Corporation and the Guardians of the New Zealand Superannuation Fund. He has past experience in banking and funds management.



Lib Petagna



Bruce Harker



Kevin Baker



Tim Brown



Mark Flesher



Paul Newfield



Paul Ridley-Smith



Mike Bennetts
Greenstone Energy



Peter Coman
Infratil Property



Simon Draper
Lumo



Bruce Emson
NZ Bus



Steven Fitzgerald
Wellington Airport / Airports Europe



Darryl Flukes
Infratil Energy Australia



Vince Hawsworth
TrustPower



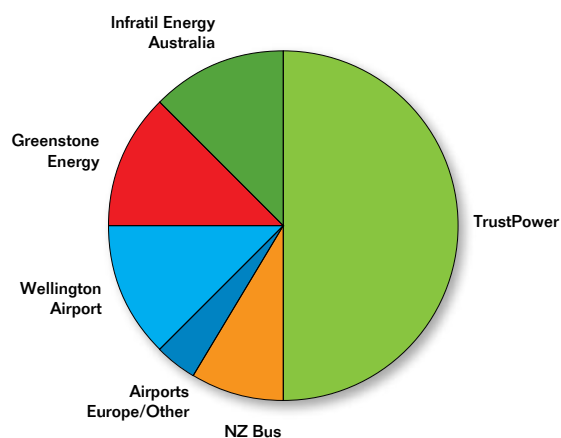
Miki Szikszai
Snapper

Infratil Investments

CORPORATE CHRONOLOGY: YEAR OF INITIAL INVESTMENT

1994	TrustPower
1998	Wellington Airport
2001	Infratil Airports Europe
2004	Infratil Energy Australia
2005	NZ Bus
2006	Perth Energy
2010	Greenstone Energy

INVESTMENT COMPOSITION



The above table represents an approximate composition of Infratil's investments as at the date of this prospectus.

INFRATIL'S INVESTMENTS

Business \$ million	Infratil Share-holding	Value at 30 Sep 2010	Value at 31 Mar 2010
TrustPower	50.5%	\$1,164	\$1,153
Infratil Energy Australia Group	81 - 100%	\$354	\$256
Greenstone Energy	50%	\$223	-
Wellington Airport	66%	\$273	\$289
Infratil Airports Europe	100%	\$138	\$138
NZ Bus	100%	\$204	\$214
Other	-	\$55	\$55
Total		\$2,411	\$2,105

All the company valuations (except for TrustPower) are extracted from the annual or interim accounts of the relevant companies and reflect Infratil's share of the relevant net asset book values excluding deferred tax and, for wholly owned subsidiaries, cash balances which are included in the cash balances used to calculate net bank debt set out in the following table. The value of the interest in TrustPower reflects the NZSX market share price as at 31 March 2010 and 30 September 2010 and the number of shares owned by Infratil. The book values (ie, all of the above except for the TrustPower market valuation) represent the opinion of Infratil's directors. \$37 million of the "Other" described above is Infratil Infrastructure Property.

None of the companies that form part of Infratil's investment portfolio guarantee the Infrastructure Bonds. Bondholders have no claims against, or recourse to the assets of, Infratil's subsidiaries in respect of Infratil's obligations under the Infrastructure Bonds.

INFRATIL'S CAPITAL AND FUNDING (INFRATIL AND ITS WHOLLY-OWNED SUBSIDIARIES)

Source of Funds \$ million	30 Sep 2010	31 Mar 2010
Net bank debt	\$265	\$82
Fixed maturity bonds	\$509	\$509
Perpetual bonds	\$239	\$239
Market value equity	\$1,073	\$1,002
Total	\$2,086	\$1,832

Management of Infratil's capital structure and funding encompasses two key features:

- The maintenance of a proportionate level of equity capital consistent with Infratil's overall targeted level of risk.
- The use of long-dated Infrastructure Bonds to spread debt maturity exposure.

An optimal capital structure will change over time as it will reflect both current and anticipated financial market conditions. For instance in calendar years 2006 to 2008 Infratil took steps which resulted in raising almost \$200 million of equity and \$240 million of perpetual debt. An additional \$140 million of equity funding was raised in calendar years 2009 and 2010 when shareholders exercised warrants (issued in 2004) to buy new-issue Shares.

The Offer under this prospectus reflects Infratil's normal debt strategy of having long term bond debt in preference to shorter term or bank funding. The net proceeds of the General Offer will be used for general business purposes, including repayment of debt.

RECENT CHANGES TO INFRATIL'S CAPITAL AND FUNDING

Material changes to Infratil's investments and capital and funding during the six months to 30 September 2010 included:

- The purchase of 50% of Greenstone Energy for \$210 million. Infratil's book value as at 30 September 2010 of this investment is shown at \$223 million reflecting interest accruals and Infratil's share of retained earnings since the acquisition. Meeting the cost of this investment was the main reason for the increase in net bank debt over the period.
- The book value of Infratil's subsidiary, Infratil Energy Australia, rose \$98 million. This was due to retained net surplus of \$49 million, changes to reserves and in the value of A\$/NZ\$ exchange rate and incremental investment.
- The market value of Infratil's equity rose \$71 million. This reflected \$43 million raised from Shareholders via the final instalment on 2004 warrants which expired or were finally exercised over the period and an increase in the price of Infratil's Shares.

Financial Performance

EARNINGS (EBITDAF)

Period Ended \$ million	30 Sep 2010 6 months	30 Sep 2009 6 months	31 Mar 2010 year
TrustPower	\$148	\$155	\$274
Infratil Energy Australia	\$61	\$10	\$11
Wellington Airport	\$35	\$33	\$68
Infratil Airports Europe	(\$5)	(\$4)	(\$9)
NZ Bus	\$21	\$16	\$29
Other, eliminations, etc	(\$15)	(\$3)	(\$10)
EBITDAF pre- associate interests	\$245	\$207	\$363
Greenstone Energy* share of earnings	\$13	-	-
Total	\$258	\$207	\$363

*While Infratil owns 50% of Greenstone Energy it is not a subsidiary for accounting purposes and its earnings are not consolidated. Greenstone Energy's EBITDAF for the six month period to 30 September 2010 calculated on a current cost basis was \$100 million and on a historic cost basis it was \$81 million. The net income contribution of Greenstone Energy to Infratil over this period of \$13 million was after depreciation, amortisation, external interest costs and tax. For this period, tax of \$27 million included \$13 million from the change in deferred tax liability resulting from the Government's removal of tax deductibility from building depreciation.

Relative to the same period the previous year, the six months to 30 September 2010 contained two notable changes. One was the inclusion of Greenstone Energy for the first time (the investment having been made on 4 April 2010). The second is the marked lift in earnings from Infratil Energy Australia.

INFRATIL GROUP CONSOLIDATED RESULTS

Period Ended \$ million	30 Sep 2010 6 months	30 Sep 2009 6 months	31 Mar 2010 year
Operating revenue	\$1,068	\$964	\$1,836
Earnings EBITDAF	\$258	\$207	\$363
Net interest	(\$80)	(\$81)	(\$159)
Depreciation & amortisation	(\$58)	(\$56)	(\$114)
Operating earnings	\$119	\$70	\$90
Derivative revaluations	(\$13)	(\$38)	(\$68)
Investment gains / losses	(0)	(\$15)	\$84
Tax	(\$63)	(\$2)	(\$11)
Minority interests	(\$27)	(\$46)	(\$66)
Net surplus/(loss) attributable to the owners of Infratil	\$16	(\$31)	\$29
Net operating cashflow	\$94	\$47	\$127

Operating Businesses



Matahina Dam

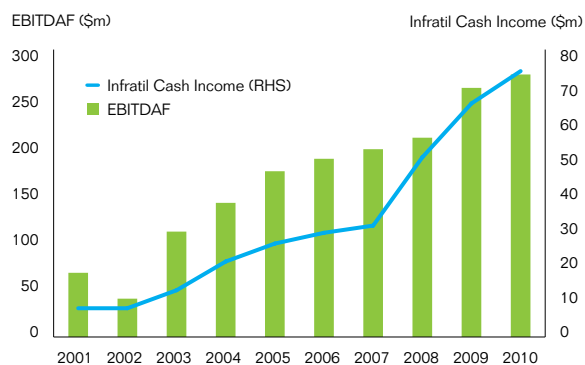
TRUSTPOWER 50.5% SHAREHOLDING (MARKET VALUE AS AT 30 SEPTEMBER 2010 \$1,164 MILLION)

TrustPower is an electricity generator and retailer. It owns 34 hydro power stations in New Zealand, one wind farm in New Zealand, one wind farm in Australia and has a further wind farm under construction south of Dunedin. TrustPower has approximately 220,000 energy customers in New Zealand while most of the output of its Australian wind farm is sold on a long-term contract.

Because it has no fuel costs (relying entirely on rain and wind to “fuel” its power stations) TrustPower is a direct beneficiary of rising electricity prices. This raises the value of the output from its stations and has incentivised investment in increasing capacity.

TrustPower does not guarantee the Infrastructure Bonds. Bondholders have no claims against, or recourse to the assets of, TrustPower in respect of Infratil's obligations under the Infrastructure Bonds.

TRUSTPOWER EARNINGS AND DIVIDENDS TO INFRATIL



Over the decade TrustPower's EBITDAF earnings have risen from \$69 million to \$274 million and Infratil's annual dividend income from \$7 million to \$73 million.

Over the same period TrustPower's investment in increased renewable generation capacity has lifted its generation by approximately 60%.



Kwinana Power Station

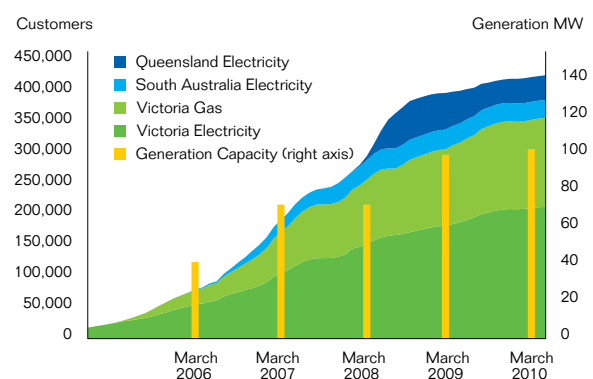
INFRATIL ENERGY AUSTRALIA GROUP (INFRATIL ENERGY AUSTRALIA 100% & PERTH ENERGY 81%) (AGGREGATE BOOK VALUE AS AT 30 SEPTEMBER 2010 \$354 MILLION)

Infratil Energy Australia was established in 2004 with the aim of developing an integrated Australian energy company. Its retailing division, which operates under the Lumo brand, now has over 400,000 electricity and gas customers in Victoria, Queensland, South Australia, Western Australia and New South Wales. The Infratil Energy Australia Group owns 219MW of generation in Western Australia (via Perth Energy), South Australia and New South Wales with a further 65MW under construction near Adelaide.

After six years of investment Infratil is starting to see the earnings benefits. The objective now is to continue to grow both earnings and scale.

Neither Infratil Energy Australia nor Perth Energy guarantees the Infrastructure Bonds. Bondholders have no claims against, or recourse to the assets of, Infratil Energy Australia and Perth Energy in respect of Infratil's obligations under the Infrastructure Bonds.

INFRATIL ENERGY AUSTRALIA CUSTOMERS AND GENERATION



While Australian energy demand is growing, and there is growing use of low emission fuels, each State is uniquely regulated. Victoria led the way in privatisation and in allowing a more market-based model. As the States have opened their energy markets to competition the Infratil Energy Australia Group's focus has moved accordingly.



Wiri Depot

GREENSTONE ENERGY 50% (BOOK VALUE AS AT 30 SEPTEMBER 2010 \$223 MILLION)

In April 2010 Infratil and the New Zealand Superannuation Fund each purchased a 50% holding in Shell's New Zealand fuel distribution and marketing business and 17% shareholding in the New Zealand Refining Company.

New Zealand demand for motor fuels is relatively stable at approximately 8,500 million litres per year¹ with Greenstone Energy (the renamed Shell business) accounting for approximately 30% of the total market. Greenstone Energy purchases crude oil and refined products in the international market, has the crude oil refined at the Marsden Point Refinery, distributes refined fuels around the country and retails to private motorists and commercial users.

Greenstone Energy operates a successful business in an industry which although fundamentally stable is undergoing change, notably the exit of Shell. Local ownership is creating opportunities to deliver efficiencies and growth.

Greenstone Energy does not guarantee the Infrastructure Bonds. Bondholders have no claims against, or recourse to the assets of, Greenstone Energy in respect of Infratil's obligations under the Infrastructure Bonds.

¹ www.med.govt.nz/templates/MultipageDocumentTOC_41893.aspx

HIGHLIGHTS

2,500 million litres of fuel distributed annually (30% of the New Zealand's total)

75% of the fuel is refined at New Zealand's only refinery

12 bulk fuel terminals located around New Zealand

328 fuel distribution points nationally

The New Zealand fuel distribution industry was dominated by Shell, BP, Caltex and Mobil for a significant period so the acquisition of the market leader is a signal of change in the industry.

Greenstone Energy is expected to grow via investment in its national offering of a full range of products.



The Rock Wellington Airport

WELLINGTON AIRPORT 66% (BOOK VALUE AS AT 30 SEPTEMBER 2010 \$273 MILLION)

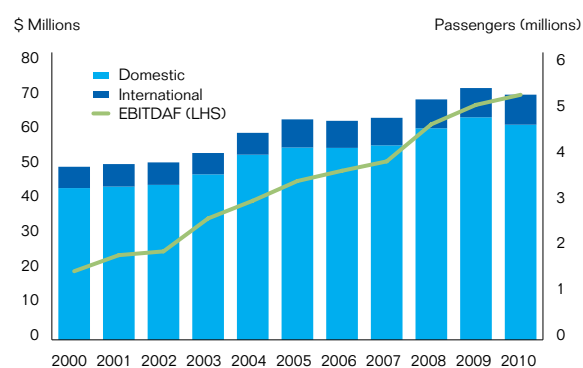
Wellington’s airport is the national aviation hub and New Zealand’s third most busy, hosting approximately 5.1 million passengers each year. Approximately 90% of passengers are on domestic services with most of the remainder travelling to and from Australia. In 1998 when Infratil acquired its holding from the Crown 3.6 million passengers used the airport and earnings EBITDA were \$16 million. For the year to 31 March 2010, EBITDAF earnings were \$68 million.

The New Zealand aviation market continues to evolve. Low-cost airlines such as Tiger and Jetstar are growing links within Australia and Asia. Long-haul Middle Eastern airlines are expanding rapidly. Air New Zealand continues to be a market leader with the quality of its product and its plans to form an alliance with Virgin Blue of Australia.

In 2011 the first of the new generation of smaller-capacity long-haul aircraft, the B787, is expected to commence service. It has the capacity to link Wellington directly with Asia.

Wellington Airport does not guarantee the Infrastructure Bonds. Bondholders have no claims against, or recourse to the assets of, Wellington Airport in respect of Infratil’s obligations under the Infrastructure Bonds.

WELLINGTON PASSENGERS AND EARNINGS



Passenger growth has reflected the ongoing trend of more people flying more often. Earnings growth has been due to both the higher levels of activity and the Airport’s significant investment (over \$250 million since 1998) in better facilities and services.



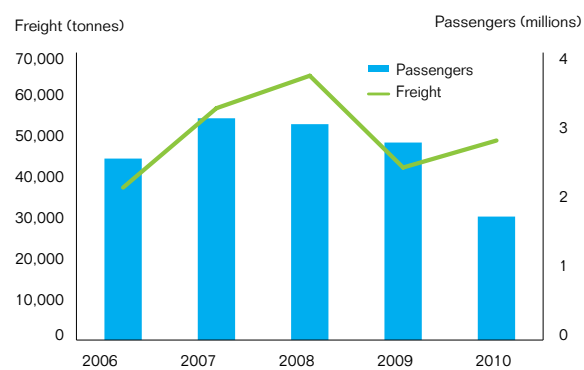
INFRATIL AIRPORTS EUROPE 100% (BOOK VALUE AS AT 30 SEPTEMBER 2010 \$138 MILLION)

Infratil made its initial European airport investment in 2001 with the purchase of a shareholding in Glasgow Prestwick Airport in Scotland. It subsequently became the 100% shareholder of that airport, purchased Manston Airport in Kent and purchased a 90% holding in Lübeck Airport, which was subsequently sold.

The airports have been badly impacted by the recent European economic slowdown with losses over the last two years.

No member of Infratil Airports Europe guarantees the Infrastructure Bonds. Bondholders have no claims against, or recourse to the assets of, any member of Infratil Airports Europe in respect of Infratil's obligations under the Infrastructure Bonds.

INFRATIL AIRPORTS EUROPE PASSENGERS AND FREIGHT



The European air-travel market has been revolutionised with the advent of low cost carriers. However, with some air travel being discretionary the European wide recession has cut travel.



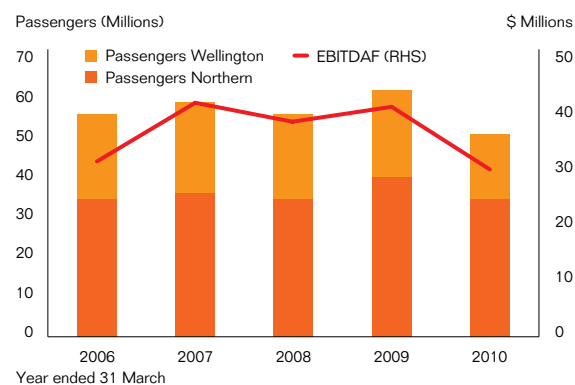
NZ BUS 100% (BOOK VALUE AS AT 30 SEPTEMBER 2010 \$204 MILLION) & SNAPPER SERVICES 100%

Infratil acquired NZ Bus in late 2005 in expectation that enhancements to services and improvements to the regulatory environment would lead to growth. As it transpired, the regulatory regime has been in a state of change over the subsequent period and passenger numbers and earnings, while satisfactory, have not increased.

Snapper Services was established by Infratil to develop a low cost payment tool which can be used to pay for a bus fare, for car parking or other small-sum purchases. There are now over 100,000 cards on issue in the Wellington region.

Neither NZ Bus nor Snapper Services guarantees the Infrastructure Bonds. Bondholders have no claims against, or recourse to the assets of, NZ Bus and Snapper Services in respect of Infratil's obligations under the Infrastructure Bonds.

NZ BUS PASSENGERS AND EARNINGS



Bus public transport can be a materially cheaper and faster way of improving urban mobility than either building more roads or commuter rail.

In today's more frugal fiscal environment, with expected enhancements to local governance in Auckland and a better contracting regime emerging under the guidance of the Ministry of Transport, it is hoped that the right ingredients are in place for public transport passenger growth to resume.

FUTURE INVESTMENT & GROWTH

Infratil is a growth orientated company. It is constantly looking for new investments (a recent successful example was Greenstone Energy) to provide earnings growth. Infratil also encourages its subsidiaries to grow by investing in their core businesses, for example, energy retailing, power stations, terminals, petrol stations, fuel storage, and public transport facilities and vehicles.

Risk Factors

Any investment in Infrastructure Bonds will involve risks, including those described in this section, which may affect the ability of Bondholders to receive the returns outlined under the heading "Returns" on page 26 of this prospectus. These include risks specific to the Infrastructure Bonds, risks relating to Infratil, and risks of a general nature, which may affect the ability of Infratil to make payments on the Infrastructure Bonds and the market value of the Infrastructure Bonds.

Prospective investors should note that the risk factors set out below may not be exhaustive, and should consider these risk factors in conjunction with the other information disclosed in this prospectus. This prospectus does not take account of the personal circumstances, financial position or investment requirements of any one person in particular. It is important that before making any investment decision, investors give consideration to the suitability of an investment in the Infrastructure Bonds in light of their individual risk profile for investments, personal circumstances and investment objectives.

RISKS SPECIFIC TO THE INFRASTRUCTURE BONDS

Transfer and Market Value

If a Bondholder transfers his or her Infrastructure Bonds before they are redeemed, the price at which they are able to sell their Infrastructure Bonds may be more or less than the price paid for them. This is because changes in market interest rates and other factors can affect the market value of the Infrastructure Bonds. For example, if market interest rates go up, the market value of the Infrastructure Bonds may go down.

The price at which Bondholders are able to sell their Infrastructure Bonds may also be affected by a deterioration, whether real or perceived, in the creditworthiness of Infratil or the Infratil Group, a lack of persons wishing to buy Infrastructure Bonds, or the lack of an established market or demand for the Infrastructure Bonds.

Depending on market conditions and other factors, investors seeking to sell relatively small or relatively large amounts of Infrastructure Bonds may not be able to do so at prices comparable to those that may be available to other investors. Any secondary market for the Infrastructure Bonds will also be affected by a number of other factors independent of the creditworthiness of Infratil or the Infratil Group. These factors may include the time remaining to the maturity of the Infrastructure Bonds, the outstanding amount of the Infrastructure Bonds, whether interest payments on the Infrastructure Bonds have been suspended, the amount of Infrastructure Bonds being sold in the secondary market from time to time, any legal restrictions limiting demand for the Infrastructure Bonds, the availability of comparable securities and the level, direction and volatility of market interest rates generally.

No investor should purchase Infrastructure Bonds unless the investor understands and is able to bear the risk that the Infrastructure Bonds may not be readily saleable, that the value of the Infrastructure Bonds will fluctuate over time, and that such fluctuations may be significant and could result in significant losses to the investor if he or she sells their Infrastructure Bonds before the Maturity Date. This is particularly the case for investors whose circumstances may not permit them to hold the Infrastructure Bonds until maturity.

Suspension of Interest Payments

There is a risk that interest payments on the Infrastructure Bonds may be suspended by Infratil if an Interest Suspension Event occurs, as described in more detail on page 23 of this prospectus.

Redemption prior to the Maturity Date

Although the Infrastructure Bonds have a specified Maturity Date, Infratil may choose to redeem the Infrastructure Bonds early subject to certain conditions. Bondholders have no right of early redemption except following a Bondholder Election Event, as described on page 23 of this prospectus.

If Infratil is entitled or required to redeem any of the Infrastructure Bonds, the date on which Infratil elects or is required to do so may not accord with the preference of individual Bondholders. This may be disadvantageous in light of market conditions or a Bondholder's individual circumstances.

Conversion

Infratil has the option to Convert the Infrastructure Bonds on the Maturity Date. It is important that before investing in Infrastructure Bonds, investors give consideration to the suitability of an investment in light of this right of Conversion. Other than in a liquidation of Infratil, the only way to realise an investment in Shares is to sell the Shares on the secondary market.

Bondholders' right of early Redemption or Conversion

Bondholders have no right of early redemption or Conversion except following a Bondholder Election Event, as described on page 23 of this prospectus. A significant deterioration in the financial position of Infratil might not necessarily constitute a Bondholder Election Event.

The Issue of Additional Debt

Subject to compliance with the Constitution, the Listing Rules and the Trust Deed (including the Series Supplement), Infratil may from time to time issue additional securities which rank equally with the Infrastructure Bonds without the consent of Bondholders. Such securities may be issued on such terms as Infratil thinks fit.

Limited Rights of Bondholders to enforce their Rights Directly

Bondholders are not able to enforce their rights under the Trust Deed directly against Infratil unless the Trustee fails to do so having become bound to enforce those rights in accordance with the Trust Deed. A copy of the Trust Deed and the Series Supplement is available on the Companies Office website (www.business.govt.nz/companies).

ECONOMIC AND BUSINESS CONDITIONS

The value and profitability of Infratil's investments in energy, public transport, fuel distribution and airports and any other infrastructure and utility activities is dependent on, and can be affected by, management performance and investment decision making at Infratil and investee company levels, market prices for energy and transport and continued demand for energy and transport, natural disasters (eg, weather, earthquakes and pandemics), adverse world events (eg, terrorist attacks reducing air travel), macro-economic factors affecting general trading circumstances (eg, local or global recessions), regulatory interventions (eg, airport price control), changes to taxation regimes, fluctuations in financial market prices (eg, interest rates, the value of the New Zealand dollar against the Australian, US or United Kingdom currencies, or other prices that affect asset values), the state of capital markets (including access

to capital and the cost of capital), changes to public policy initiatives in fields such as control of greenhouse gas emissions, environmental changes and the procurement plans and policy for public transport services, changes to the business of key customers or loss of key customers (such as Air New Zealand and Ryanair), and deterioration of the creditworthiness of key customers or financial counterparties.

Infratil is also reliant on its subsidiary and investee companies continuing to effectively and safely provide services to many people without accidents or harm to individuals, property, or the environment which could otherwise damage the reputation and financial standing of such subsidiaries and investee companies or Infratil.

Infratil's results, and the results of its subsidiary and investee companies, may also be influenced by New Zealand, Australian and international economic conditions and political events including through changes in exchange and interest rates, inflation, rates of economic growth, taxation laws and the industrial relations climate.

Infratil is a holding company. Accordingly, the financial position of Infratil is linked to the operating performance and profitability of the Infratil Group. A material deterioration in the operating performance or profitability of the Infratil Group could affect Infratil's ability to make payments on the Infrastructure Bonds.

Bondholders have no claims against, or recourse to the assets of, Infratil's subsidiaries or investee companies in respect of Infratil's obligations under the Infrastructure Bonds. Infratil's subsidiaries and investee companies have borrowed money under various funding arrangements (for instance, bank loans and bond issues). In a liquidation of any of these subsidiaries or investee companies, creditors of the subsidiaries or investee companies would rank ahead of the claims of Infratil as a shareholder and as a subordinated creditor (if it is a lender to the subsidiaries or investee companies).



24 November 2010

The Directors
Infratil Limited
PO Box 1395
WELLINGTON

Dear Sirs

Clause 9(3) of Schedule 12 of the Securities Regulations 2009 requires us to confirm that the offer by Infratil Limited ("Infratil") of the bonds (the "Bonds") set out in the simplified disclosure prospectus dated 24 November 2010 (the "Prospectus") complies with any relevant provisions of the master trust deed dated 11 November 1999 (as amended) between Infratil and Trustees Executors Limited (the "Trustee") and the series supplement dated 24 November 2010 between Infratil and the Trustee (together, the "Trust Documents").

The relevant provisions of the Trust Documents are those which:

- (a) entitle Infratil to constitute and issue under the Trust Documents the Bonds offered under the Prospectus; and
- (b) impose any restrictions on the right of Infratil to offer the Bonds,

and are described under the heading "Trust Documents" in the section of the Prospectus entitled "Statutory Information".

We confirm that the offer of the Bonds set out in the Prospectus complies with any relevant provisions of the Trust Documents.

We have given the above confirmation on the basis that the Trustee relies on the information supplied to it by Infratil pursuant to the Trust Documents, and does not carry out an independent check of the statements or the figures supplied to it in that information.

The Trustee draws your attention to the explanation of the Trustee's role described under the heading "The Trustees duties and powers" in the section of the Prospectus entitled "Statutory Information". The Trustee does not guarantee the repayment of the Bonds or the payment of interest on the Bonds.

Yours sincerely
Trustees Executors Limited

Sean Roberts
Business Manager
Corporate Trust

Statutory Information

The information in this section is provided in accordance with schedule 12 of the Securities Regulations. Additionally, because the Infrastructure Bonds may be Converted into Shares, particulars that are material to the Shares are also contained in this section.

NAMES, ADDRESSES, AND OTHER INFORMATION

Infratil Limited is the issuer of the Infrastructure Bonds (and any Shares allotted on Conversion). Infratil's registered office is at 97 The Terrace, Wellington.

The directors of Infratil are:

Marko Bogoievski

Lloyd Morrison

Anthony Muh (alternate director for Duncan Saville)

David Newman

Humphry Rolleston

Duncan Saville

Mark Tume

Trustees Executors Limited is the Trustee for the Infrastructure Bonds. The Trustee's address is Level 5, Maritime Tower, 10 Customhouse Quay, PO Box 3222, Wellington.

EXPERTS AND UNDERWRITER

There are no experts named in this prospectus. The Offer is not underwritten.

MAIN TERMS OF OFFER

THE INFRASTRUCTURE BONDS

Infrastructure Bond Programme

Infratil has established the Infrastructure Bond Programme under which it may offer convertible debt securities known as "Infrastructure Bonds" from time to time. The Infrastructure Bonds offered under this prospectus will constitute a new series of Infrastructure Bonds under the Infrastructure Bond Programme. As at the date of this prospectus, Infratil has issued 10 series of Infrastructure Bonds under the Infrastructure Bond Programme and no series that has matured has been Converted into Shares.

The Offer

The Offer consists of the General Offer and the Exchange Offer, which are each described below.

The Infrastructure Bonds will be initially quoted and traded on the NZDX as two separate tranches. This first tranche will consist of the Infrastructure Bonds issued under the General Offer and the Exchange Offer **before** 15 March 2011 (being the first scheduled Interest Payment Date). The second tranche will consist of the

Infrastructure Bonds issued under the General Offer and the Exchange Offer **after** 15 March 2011. Following 15 June 2011 (being the second scheduled Interest Payment Date (but the first in respect of the second tranche)), the tranches will merge and will be quoted and traded as one tranche on the NZDX.

The General Offer

Under the General Offer, Infratil is offering up to \$50 million of Infrastructure Bonds to all investors in New Zealand (with the option to accept up to \$25 million oversubscriptions at Infratil's discretion).

The Exchange Offer

Under the Exchange Offer, Infratil is offering holders of the 2011 Bonds the opportunity to exchange all or some of their 2011 Bonds for the Infrastructure Bonds offered under this prospectus. A Bondholder will receive one new Infrastructure Bond for each 2011 Bond he or she exchanges under the Exchange Offer.

Infratil will also pay a final interest payment on each 2011 Bond exchanged for a new Infrastructure Bond on the Issue Date of the new Infrastructure Bond. The final interest payment will be calculated from (and including) the interest payment date on the 2011 Bonds that immediately precedes the Issue Date of the new Infrastructure Bond issued in exchange for the 2011 Bond to (but excluding) the Issue Date of the new Infrastructure Bond. The final interest payment will be calculated at the interest rate applicable to the 2011 Bonds.

2011 Bonds that are not exchanged under the Exchange Offer will remain on issue subject to their existing terms and conditions.

Status

The Infrastructure Bonds are unsecured, unsubordinated, convertible debt obligations of Infratil, and will rank equally with all other unsecured and unsubordinated indebtedness of Infratil (other than indebtedness preferred by law).

Trust Documents

The Infrastructure Bonds are constituted and issued under the Trust Deed and the Series Supplement prepared for the Offer. The Series Supplement supplements the Trust Deed. If a term of the Series Supplement is inconsistent with any term of the Trust Deed, the term of the Series Supplement will prevail, but only in respect of the Infrastructure Bonds offered under this prospectus.

Registered Bonds

The Infrastructure Bonds will be issued in registered form. This means that no certificates of title in respect of the Infrastructure Bonds will be issued to Bondholders and transfers must be effected using a registerable transfer form, by means of the NZClear System (formerly the Austraclear System) or the Settlement System (formerly the FASTER System). A transfer will not take effect until the transferee is registered as the holder of the Infrastructure Bonds.

Infratil and the Registrar will rely solely on the Register and, in the case of a beneficial interest in Infrastructure Bonds lodged with NZClear, the records of NZClear for the purpose of determining entitlements to:

- (a) payment of interest on each Interest Payment Date;
- (b) payment of the redemption amount for Infrastructure Bonds redeemed on or prior to the Maturity Date; or
- (c) an allotment of Shares following a Conversion of Infrastructure Bonds.

Interest

Infratil will pay interest on each Infrastructure Bond at the fixed Interest Rate of 8.50% per annum.

Interest payments

The Interest Payment Dates are 15 March, 15 June, 15 September and 15 December of each year until and including the Maturity Date (commencing on 15 March 2011).

Other than for the first Interest Payment Date in respect of an Infrastructure Bond (which will be either 15 March 2011 or 15 June 2011, depending on the Issue Date of the Infrastructure Bond), interest will be payable in arrears in equal amounts on each Interest Payment Date.

First interest payment

Interest payable on the first Interest Payment Date in respect of an Infrastructure Bond (which will be either 15 March 2011 or 15 June 2011, depending on the Issue Date of the Infrastructure Bond) will be paid to the original subscriber of the Infrastructure Bond regardless of any transfer of the Infrastructure Bond prior to the first Interest Payment Date. The interest payable on the first Interest Payment Date in respect of an Infrastructure Bond will be calculated by reference to the number of days from (and including):

- (a) if the Infrastructure Bond was allotted under the General Offer, the date on which the Bondholder's subscription moneys were banked into the trust account operated in respect of the Offer; and
- (b) if the Infrastructure Bond was allotted under the Exchange Offer, the Issue Date of the Infrastructure Bond,

in each case, until (but excluding) the first Interest Payment Date in respect of the Infrastructure Bond.

Interest Suspension Event

Infratil may, by providing written notice to the Trustee, suspend the payment of interest when any of the following circumstances exist (each an "Interest Suspension Event"):

- (a) Infratil's directors believe on reasonable grounds that the payment would be likely to result in a breach of the solvency test contained in section 4 of the Companies Act;
- (b) the payment would be likely to result in any member of the Issuer Group being in breach of any covenant, warranty or undertaking given by it to any of its Senior Creditors under the terms or conditions on which any Borrowed Money Indebtedness was advanced or otherwise provided; or
- (c) the payment would be likely to result in any member of the Issuer Group breaching any other legal obligation.

If the payment of interest is suspended because of an Interest Suspension Event, interest will continue to accrue on the Infrastructure Bonds at the Interest Rate. Interest accrued (whether before or after the suspension) will be paid by Infratil when the Interest Suspension Event ceases to apply.

Dividend stopper

While an Interest Suspension Event applies, Infratil will not pay or make any distribution (as defined in section 2 of the Companies Act) to Shareholders or provide any financial assistance for the acquisition of Shares.

Infrastructure Bonds are Convertible

On the Maturity Date, Infratil has the right to redeem the Infrastructure Bonds by payment of their Face Value or to Convert the Infrastructure Bonds into Shares. Infratil will provide notice of its election to Bondholders not later than 25 Business Days prior to the Maturity Date. However, if Infratil fails to give such notice to Bondholders in accordance with the Trust Deed, it will be deemed to have given notice of an election to Convert the Infrastructure Bonds.

Bondholders have no right to Convert their Infrastructure Bonds except following a Bondholder Election Event.

If any Infrastructure Bonds are Converted (whether at the election of Infratil or a Bondholder), the number of Shares issued for each Infrastructure Bond will be calculated at the Conversion Rate. Each Infrastructure Bond is automatically cancelled on Conversion.

If, following a Bondholder Election Event, a Bondholder elects to Convert his or her Infrastructure Bonds and the date of Conversion is not an Interest Payment Date, Infratil will pay a final interest payment on the date of Conversion. The final interest payment will be calculated from (and including) the most recent Interest Payment Date (or the Issue Date if the date of Conversion is before the first Interest Payment Date of the Infrastructure Bond) to (but excluding) the date of Conversion.

Bondholder Election Event

A Bondholder Election Event occurs:

- (a) where, upon the occurrence of any Event of Default that is continuing, the Trustee declares (at its discretion or upon being directed to do so by an Extraordinary Resolution of Bondholders) that the Infrastructure Bonds are immediately due and payable. The Events of Default are summarised on page 29 of this prospectus; or
- (b) if Infratil receives notice that a person or a group of Associated Persons (as defined in the Listing Rules) has acquired that number of Shares, or any interest therein, which (whether under the Constitution, the Companies Act, the Listing Rules, or otherwise):
 - (i) permits that person, or group of Associated Persons, to require the remaining Shareholders to sell their Shares to that person, or group of Associated Persons, and that person, or group of Associated Persons, has elected to require those Shareholders to sell their Shares; or
 - (ii) requires that person, or group of Associated Persons, to offer to purchase the Shares of the remaining Shareholders.

The Trust Deed prescribes the notice and timing requirements in relation to a Bondholder's election following a Bondholder Election Event.

Conversion Rate

The number of Shares issued per Infrastructure Bond on Conversion will be calculated in accordance with the following formula:

$$\text{Issued Shares} = \frac{\text{Face Value}}{(\text{Market Value} \times \text{the Conversion Percentage})}$$

where:

“Issued Shares” means the number of Shares to be issued on Conversion;

“Face Value” means \$1.00;

“Market Value” means, on the date of Conversion, the volume weighted average of the prices at which Shares were sold through the NZSX during the period of 10 consecutive Business Days immediately preceding the fifth Business Day prior to the date of Conversion (or, if no such sale has occurred or the Shares have ceased to be listed on the NZSX, the market value of the Shares as determined by an independent adviser appointed in accordance with the Trust Deed); and

“Conversion Percentage” means 98%.

Unless the Bondholder pays any withholding tax or other withholding or deduction required to be paid or made on or before Conversion, the Conversion Rate will be adjusted in accordance with the formula set out in the Trust Deed to take account of the amount of withholding tax or other withholding or deduction paid or made by Infratil.

If Conversion would result in a fraction of a Share being issued, the number of Shares issued will be rounded down to the nearest whole number.

Early Redemption

Infratil may elect to redeem all or some of the Infrastructure Bonds for cash before the Maturity Date by giving no less than five Business Days’ notice to Bondholders. This election may only be made if:

- (a) the Trustee has not declared the Infrastructure Bonds due and payable because an Event of Default exists; and
- (b) the notice of early redemption is given at a time prior to the day falling 25 Business Days before the Maturity Date.

If a notice of early redemption is given to Bondholders, then on the early redemption date specified in the notice, Infratil will redeem the Infrastructure Bonds for an amount which is equal to the greater of (in each case less all withholdings or deductions required to be made):

- (a) the Face Value of the Infrastructure Bonds being redeemed plus accrued but unpaid interest; and
- (b) the volume weighted average of the prices at which Infrastructure Bonds were sold through the NZDX during the period of 10 consecutive Business Days immediately preceding the fifth Business Day prior to the early redemption date (or, if no Infrastructure Bonds have been sold through the NZDX on at least 5 of those 10 consecutive Business Days, the average price of the Infrastructure Bonds for that period as determined by an independent adviser appointed in accordance with the Trust Deed).

If Infratil gives a notice of early redemption electing to redeem only some of the Infrastructure Bonds, the notice must be made to all

Bondholders electing to redeem an equal proportion of Infrastructure Bonds held by each Bondholder.

Bondholders have no right of early redemption except following a Bondholder Election Event, as described on page 23 of this prospectus. The redemption amount payable by Infratil for an Infrastructure Bond redeemed at the election of a Bondholder will be equal to the Face Value plus accrued but unpaid interest (less all withholdings or deductions required to be made).

If the Infrastructure Bonds are redeemed on a date that is not an Interest Payment Date, interest will accrue on the Infrastructure Bonds that are redeemed on a daily basis from (and including) the most recent Interest Payment Date (or the Issue Date if the early redemption date is before the first Interest Payment Date of the Infrastructure Bond) to (but excluding) the early redemption date.

MAXIMUM AMOUNT OF SECURITIES BEING OFFERED

The General Offer is for up to \$50,000,000 Infrastructure Bonds (with the option to accept up to \$25,000,000 oversubscriptions at Infratil’s discretion). The Exchange Offer is for up to \$112,087,768 Infrastructure Bonds (being equal to the amount of 2011 Bonds outstanding). Accordingly, the maximum aggregate amount of Infrastructure Bonds being offered is \$187,087,768.

ISSUE PRICE

The Issue Price for each Infrastructure Bond is \$1.00 (being the Face Value).

The Issue Price for Infrastructure Bonds allotted under the General Offer will be payable in accordance with the payment instructions below.

No subscription moneys are payable by a Bondholder for each Infrastructure Bond allotted under the Exchange Offer. Rather, the Issue Price for the new Infrastructure Bond is satisfied by the Bondholder agreeing to exchange a 2011 Bond for the new Infrastructure Bond.

APPLICATIONS AND PAYMENT

Applications to subscribe for Infrastructure Bonds offered under the General Offer must be made on the **General Offer application form** contained at the back of this prospectus.

Applications to subscribe for Infrastructure Bonds offered under the Exchange Offer must be made on the **Exchange Offer application form** contained at the back of this prospectus.

Payment instructions for the General Offer

Applicants of the General Offer must pay for the Infrastructure Bonds by cheque (or, if the application is for an aggregate subscription amount of \$500,000 or more, by a bank cheque) or through the NZClear System. Cheques should be in New Zealand dollars drawn on a New Zealand branch of a registered bank and submitted with the completed General Offer application form. Cheques should be made payable to “Infratil Bond Offer” and crossed “Not Transferable” and must not be post-dated.

If payment for the Infrastructure Bonds is not made through the NZClear System, each General Offer application form must be accompanied by a cheque for payment when the application form is returned or lodged in accordance with the instructions below.

WHERE TO SEND YOUR APPLICATION FORM AND PAYMENT

Applicants of the General Offer accepting a Firm Allocation from a Primary Market Participant or approved financial intermediary must return a completed application form to the office of that Primary Market Participant or approved financial intermediary which has provided the Firm Allocation in time to enable it to be forwarded to the Registrar before 5.00pm on the Closing Date.

If there is a Public Pool, Public Pool applicants of the General Offer (being all applicants other than applicants in respect of Firm Allocations) and applicants of the Exchange Offer must return a completed application form, so that it is received by the Registrar at the address below, no later than 5.00pm on the Closing Date:

Link Market Services Limited
PO Box 384, Ashburton 7740

Alternatively, completed application forms (whether in respect of the General Offer or Exchange Offer) may be lodged with any Primary Market Participant, the Organising Participant or any other channel approved by NZX, but must be delivered in sufficient time to enable the application form to be forwarded to and received by the Registrar no later than 5:00pm on the Closing Date.

APPLICATIONS MAY BE REFUSED

Infratil reserves the right to refuse any application or to accept an application in part only, without providing a reason.

If Infratil refuses an application under the General Offer or accepts an application in part, all or the relevant balance of the application moneys will be returned (without interest) as soon as reasonably practicable and, in any event, within five Business Days after such refusal or acceptance in part.

The Managers in consultation with Infratil reserve the right to scale oversubscriptions under the General Offer at their discretion. Any scaling may not necessarily be applied on a pro-rata basis.

NO COOLING OFF

There is no cooling-off period in respect of the Infrastructure Bonds. This means that once an application has been lodged, it cannot be withdrawn or revoked, unless Infratil determines otherwise in its sole discretion.

THE SHARES

The following is a summary of the material rights, privileges, limitations and conditions attaching to the Shares that would be issued if any Infrastructure Bonds were Converted. The rights, privileges, limitations and conditions attaching to the Shares are set out in full in the Constitution, and, to the extent not modified or negated by the Constitution, the Companies Act.

Status

Shares allotted on Conversion will be fully paid up ordinary voting shares in Infratil, ranking equally (including as to dividends and on a liquidation of Infratil) with all other Shares currently listed on the NZSX (and the ASX).

In a liquidation of Infratil, Shareholders are entitled to a distribution of the surplus assets (if any) of Infratil after the claims of all creditors (including the Bondholders) of Infratil have been met (subject only to rights of holders of other shares that may rank in

preference to the Shares, none of which exists at the date of this prospectus).

Voting rights

Each Share confers the right to vote at Shareholders' meetings, subject to the Constitution and the Listing Rules. On a show of hands or by voice, every Shareholder present at a Shareholders' meeting in person or by proxy or by representative has one vote. On a poll, every Shareholder present in person or by proxy or by representative has one vote for each Share they hold.

Returns on Shares

Shareholders are entitled to dividends as and when declared by Infratil's board of directors subject only to rights of holders of other shares from time to time entitled to special or prior rights to dividends. The directors of Infratil may declare dividends out of moneys available to be distributed as dividends. As at the date of this prospectus, there are no shares entitled to special or prior rights to dividends.

The Shares have no maturity date. Accordingly, the only way a Shareholder may realise his or her investment is to sell the Shares. Shareholders are entitled to sell their Shares at any time, subject to the provisions of the Constitution and any applicable securities laws and regulations (including the Takeovers Code and the Listing Rules).

Amendment to the terms of the Shares

In accordance with the Listing Rules, the Constitution and sections 116 and 117 of the Companies Act, the rights of Shareholders may not be altered without the approval (by a 75% majority of votes of those entitled to vote and voting) of each "interest group". An "interest group" is a group of Shareholders whose rights in relation to the Shares are identical and affected by the proposed alteration in the same way. For these purposes, the issue of further Shares or other securities which rank equally with, or in priority to, the Shares, whether as to voting rights, distributions, dividends or otherwise, is deemed not to be an action affecting the rights of Shareholders.

Compulsory disposal where holding less than Minimum Holding

In accordance with the Constitution, in certain circumstances following prescribed notice periods, the board of directors of Infratil may exercise a power of sale of a Shareholder's Shares if less than the Minimum Holding (as defined in the Listing Rules) of Shares is held by the Shareholder. The Shareholder will be deemed to have authorised Infratil to act on the Shareholder's behalf in relation to the sale and the Shares may be sold through the NZSX or in some other manner approved by NZX. Infratil will account to the Shareholder for the net proceeds of the sale (after deduction of reasonable sale expenses).

RELATIONSHIP WITH LISTED SECURITIES AND RANKING OF SECURITIES

In a liquidation of Infratil, the Infrastructure Bonds offered under this prospectus will rank:

- (a) equally with each series of Infrastructure Bonds issued prior to the date of this prospectus and listed on the NZDX; and
- (b) in priority to the Shares listed on the NZSX (and the ASX).

As at the date of this prospectus there are no securities secured by a mortgage or charge over any assets of the borrowing group² ranking in point of security ahead of, or equally with, the Infrastructure Bonds being offered under this prospectus.

ISSUE EXPENSES

The estimated maximum amount of expenses of the Offer is \$4 million. That amount includes brokerage (as referred to below), issue management fees, Organising Participant fees, legal and accounting fees, registry expenses, advertising expenses and expenses in respect of the printing and distribution of this prospectus.

Infratil will pay NZX Firms and approved financial intermediaries a brokerage fee of 1.2% of the Issue Price and, where applicable, a Firm Allocation fee of 0.5% of the Issue Price, in each case, in respect of each Infrastructure Bond allotted pursuant to each valid retail application submitted by that NZX Firm or financial intermediary bearing their stamp.

RETURNS

INTRODUCTION

The information set out in this section should be read in conjunction with the information set out under the heading "Risk factors" on page 19 of this prospectus. Certain events could reduce or eliminate the returns intended to be derived from holding the Infrastructure Bonds.

The returns to Bondholders comprise interest paid on the Infrastructure Bonds and the Face Value payable by Infratil on the Maturity Date (or, if the Infrastructure Bonds are redeemed early, the early redemption amount payable).

It is not possible to quantify, as at the date of this prospectus, the exact amount of returns Bondholders will receive, and therefore no such amount can be promised by Infratil.

There are no reserves or retentions that will impact on returns to Bondholders.

KEY FACTORS THAT DETERMINE RETURNS

The key factors that determine the returns on an investment in Infrastructure Bonds are:

- (a) the Interest Rate;
- (b) the term of the investment (including whether the Infrastructure Bonds are redeemed early);
- (c) any applicable taxes;
- (d) fluctuations in the price of Infrastructure Bonds if sold on a secondary market;
- (e) whether the Infrastructure Bonds are Converted into Shares; and
- (f) the other risk factors described under the heading "Risk factors" on page 19 of this prospectus.

INTEREST

Interest Rate

Infratil will pay interest on each Infrastructure Bond at the fixed Interest Rate of 8.50% per annum.

Payment of interest

The Interest Payment Dates are 15 March, 15 June, 15 September and 15 December of each year until and including the Maturity Date (commencing on 15 March 2011).

Other than for the first Interest Payment Date in respect of an Infrastructure Bond (which will be either 15 March 2011 or 15 June 2011, depending on the Issue Date of the Infrastructure Bond), interest will be payable in arrears in equal amounts on each Interest Payment Date.

Interest payable on the first Interest Payment Date in respect of an Infrastructure Bond (which will be either 15 March 2011 or 15 June 2011, depending on the Issue Date of the Infrastructure Bond) will be paid to the original subscriber of the Infrastructure Bond regardless of any transfer of the Infrastructure Bond prior to the first Interest Payment Date. The interest payable on the first Interest Payment Date in respect of an Infrastructure Bond will be calculated by reference to the number of days from (and including):

- (a) if the Infrastructure Bond was allotted under the General Offer, the date on which the Bondholder's subscription moneys were banked into the trust account operated in respect of the Offer; and
- (b) if the Infrastructure Bond was allotted under the Exchange Offer, the Issue Date of the Infrastructure Bond,

in each case, until (but excluding) the first Interest Payment Date in respect of the Infrastructure Bond.

If the due date for payment of any amount in respect of an Infrastructure Bond is not a Business Day, payment will be on the immediately preceding Business Day, but the amount paid will not be adjusted.

Other than for the first Interest Payment Date in respect of an Infrastructure Bond, payments of interest on each Interest Payment Date will be made to the person named in the Register as the Bondholder on the Record Date immediately preceding the Interest Payment Date. If more than one person is named in the Register as the holder of an Infrastructure Bond, payment will be made to the first person so named.

Infratil may suspend the payment of interest where an Interest Suspension Event exists, as described on page 23 of this prospectus. If the payment of interest is suspended:

- (a) interest will continue to accrue and will be paid when the Interest Suspension Event ceases to exist; and
- (b) Infratil will not pay or make any distribution to Shareholders or provide any financial assistance for the acquisition of Shares.

² For the purposes of the Securities Regulations, Infratil is the sole member of "borrowing group" as none of Infratil's subsidiaries are "guaranteeing subsidiaries". Consequently, references to the "borrowing group" in this prospectus should be understood as a reference to Infratil alone.

RETURNS ON MATURITY

On the Maturity Date, Infratil will (at its election):

- (a) redeem all the Infrastructure Bonds for cash at their Face Value (less any withholding taxes and other deductions); or
- (b) Convert all the Infrastructure Bonds into Shares. The number of Shares issued per Infrastructure Bond will be calculated at the Conversion Rate, as described on page 24 of this prospectus.

Infratil will provide notice of its election to Bondholders not later than 25 Business Days prior to the Maturity Date. However, if Infratil fails to give such notice to Bondholders in accordance with the Trust Deed, it will be deemed to have given notice of an election to Convert the Infrastructure Bonds.

RETURNS ON EARLY REDEMPTION

If Infratil redeems all or some of the Infrastructure Bonds before the Maturity Date (as described on page 24 of this prospectus), Infratil will pay a redemption amount which is equal to the greater of (in each case less all withholdings or deductions required to be made):

- (a) the Face Value of the Infrastructure Bonds being redeemed plus accrued but unpaid interest; and
- (b) the volume weighted average of the prices at which Infrastructure Bonds were sold through the NZDX during the period of 10 consecutive Business Days immediately preceding the fifth Business Day prior to the early redemption date (or, if no Infrastructure Bonds have been sold through the NZDX on at least 5 of those 10 consecutive Business Days, the average price of the Infrastructure Bonds for that period as determined by an independent adviser appointed in accordance with the Trust Deed).

Bondholders have no right of early redemption except following a Bondholder Election Event, as described on page 23 of this prospectus. The redemption amount payable by Infratil for an Infrastructure Bond redeemed at the election of a Bondholder will be equal to the Face Value plus accrued but unpaid interest (less all withholdings or deductions required to be made).

If the Infrastructure Bonds are redeemed on a date that is not an Interest Payment Date, interest will accrue on the Infrastructure Bonds that are redeemed on a daily basis from (and including) the most recent Interest Payment Date (or the Issue Date if the early redemption date is before the first Interest Payment Date of the Infrastructure Bond) to (but excluding) the early redemption date.

RETURNS ON CONVERSION AT THE ELECTION OF A BONDHOLDER

Bondholders have no right of Conversion except following a Bondholder Election Event, as described on page 23 of this prospectus.

If, following a Bondholder Election Event, a Bondholder elects to Convert his or her Infrastructure Bonds, the number of Shares issued for each Infrastructure Bond held by the Bondholder will be calculated at the Conversion Rate. If the date of Conversion is not an Interest Payment Date, Infratil will pay a final interest payment on the date of Conversion. The final interest payment will be calculated from (and including) the most recent Interest Payment Date (or the Issue Date if the date of Conversion is before the first Interest

Payment Date of the Infrastructure Bond) to (but excluding) the date of Conversion.

The returns on Shares are described under the heading "Returns on Shares" on page 26 of this prospectus.

TAXATION

The information set out below is of a general nature and relates solely to New Zealand taxation. It does not address all possible situations and does not constitute taxation advice to any Bondholder. Taxation laws are subject to change, and such changes may materially affect your tax position with respect to an investment in the Infrastructure Bonds. You should seek qualified, independent financial and taxation advice before deciding to invest.

The return on an investment in Infrastructure Bonds will be affected by taxes. If Infratil is required by law to deduct an amount in respect of resident withholding tax ("RWT") or non-resident withholding tax ("NRWT") from a payment under an Infrastructure Bond, such that the Bondholder would not actually receive on the due date the full amount provided for under the Infrastructure Bond, then Infratil will deduct the amount and pay it to the relevant authority. Infratil is not obliged to pay any additional amounts to the Bondholder in relation to any such deduction.

Under the Trust Deed, each Bondholder indemnifies Infratil in respect of any tax which Infratil becomes liable to pay on behalf of the Bondholder in respect of an Infrastructure Bond. Infratil may deduct any indemnity payment from future amounts payable.

Resident withholding tax on interest

If a Bondholder is either a New Zealand resident for tax purposes or is engaged in business in New Zealand through a fixed establishment (as defined in the Tax Act) in New Zealand ("New Zealand Bondholder"), RWT will be deducted from the interest (including amounts deemed to be interest) payable to the New Zealand Bondholder in accordance with the provisions of the Tax Act.

As at the date of this prospectus, RWT of 33% will be deducted unless the New Zealand Bondholder supplies its IRD number to the Registrar or Infratil and elects for RWT to be deducted at a different rate.

The available rates of RWT for individuals and trustees as at the date of this prospectus are 33%, 30% and 17.5%. In addition, if the New Zealand Bondholder is a trustee of certain testamentary trusts, or an individual (not acting as a trustee) who has a reasonable expectation at the time of the election that their income for the income year applicable to the New Zealand Bondholder (eg, 1 April 2010 to 31 March 2011) will be \$14,000 or less, and the New Zealand Bondholder has supplied its IRD number to the Registrar or Infratil, the New Zealand Bondholder may elect for RWT to be deducted at 10.5%.

The RWT rate for interest paid to most companies is 33% as at the date of this prospectus. However, legislation has been enacted to reduce the 33% rate to 28% from 1 April 2011. In addition, in the 2010/2011 tax year (ie from 1 April 2010 to 31 March 2011) Infratil intends to deduct RWT at 30% from interest paid to a company (that is not a trustee) where the 33% rate would otherwise apply, which it is entitled (but not required) to do under the Tax Act.

RWT will not be deducted where a New Zealand Bondholder provides a copy of an appropriate RWT exemption certificate to the Registrar or Infratil on or before the Record Date for the relevant payment.

Bondholders should notify the Registrar or Infratil of any changes to their elected RWT rate as a result of changes to their particular circumstances.

Non-resident Withholding Tax on Interest

If at any time an Infrastructure Bond is held by a Bondholder who is not a New Zealand tax resident and who is not engaged in business in New Zealand through a fixed establishment (as defined in the Tax Act) in New Zealand ("Non-New Zealand Bondholder") NRWT will be deducted, where appropriate, at the rate required by law from payments of interest (or deemed interest) made to that Bondholder. If Infratil is lawfully able to pay the approved issuer levy (as defined in section 86F of the Stamp and Cheque Duties Act 1971) in respect of any payment of interest (or deemed interest) to a Non-New Zealand Bondholder, and the Non-New Zealand Bondholder requests in writing that the approved issuer levy be paid, Infratil will pay the approved issuer levy to the appropriate authority and will deduct the amount paid from the interest (or deemed interest) payable to that Non-New Zealand Bondholder in lieu of deducting NRWT from that payment.

A Bill currently before Parliament contains draft legislation that would allow interest payments to non-residents on certain listed or widely held securities to be made without deduction of NRWT or payment of an approved issuer levy. If this Bill is passed in its current form, the proposals could apply to interest paid on the Infrastructure Bonds to Non-New Zealand Bondholders.

Financial Arrangements Rules

The Tax Act contains rules, known as the financial arrangements rules, which apply to debt instruments such as the Infrastructure Bonds. One consequence of the financial arrangements rules is that, for a Bondholder who is subject to the rules, any gain on the disposal, redemption or Conversion of Infrastructure Bonds will be subject to tax. Bondholders should consult their own taxation advisors regarding the application of the financial arrangements rules and the tax consequences of holding Infrastructure Bonds and the disposal, redemption or Conversion of Infrastructure Bonds.

Shares received on Conversion – Tax Treatment of Dividends

If the Infrastructure Bonds are converted into Shares, any dividends received on those Shares will be assessable income. RWT will be deducted from the gross amount (including any attached imputation credits) of any dividend paid on the Shares to a holder who is a New Zealand resident for tax purposes at the rate required by law. As at the date of this prospectus, the RWT rate for dividends is 33%. The amount of RWT is reduced to the extent that imputation credits are attached to the dividend. RWT will not be deducted by Infratil where the holder has provided a copy of an appropriate RWT exemption certificate to Infratil or the Registrar.

Any dividend paid on the Shares to a holder who is not a New Zealand tax resident may be subject to NRWT. As at the date of this prospectus, the NRWT rate for fully imputed dividends is 15%. Infratil may (to the extent the dividend is fully imputed) pay a supplementary dividend to negate the effect of NRWT. The rate of NRWT may also be limited by an applicable double tax agreement.

Shares received on Conversion – Tax Treatment of Disposal

If the Infrastructure Bonds are converted into Shares, holders who hold their Shares on capital account should not be subject to tax on any gain on the disposal of their Shares. Holders who do not hold their Shares on capital account will generally be subject to tax on any gain on disposal. Holders will generally not hold their Shares on capital account if:

- (a) they acquire the Shares for the purpose of disposing of them; or
- (b) they carry on a business that comprises dealing in shares or other property of that kind; or
- (c) they derive the disposal proceeds from carrying on or carrying out an undertaking or scheme entered into or devised for the purpose of making a profit.

PERSON LEGALLY LIABLE TO PAY RETURNS

Infratil is the person legally liable to pay the returns on the Infrastructure Bonds described above. No other person promises or guarantees to pay any of the returns.

GUARANTORS

The Infrastructure Bonds are not guaranteed by any member of the Infratil Group or by any other person. Bondholders have no claims against, or recourse to the assets of, Infratil's subsidiaries in respect of Infratil's obligations under the Infrastructure Bonds.

PROVISIONS OF TRUST DEED AND OTHER RESTRICTIONS ON BORROWING GROUP

TRUST DOCUMENTS

The Infrastructure Bonds will be issued and constituted pursuant to the Trust Deed dated 11 November 1999 (as amended and supplemented from time to time) between Infratil and the Trustee and the Series Supplement prepared for this Offer. The Series Supplement contains certain terms relating to this Offer (for instance, the Interest Rate). If a term of the Series Supplement is inconsistent with any term of the Trust Deed, the term of the Series Supplement will prevail, but only in respect of the Infrastructure Bonds offered under this prospectus.

The following is a summary of the principal provisions of the Trust Deed and Series Supplement, which have not been summarised elsewhere in this prospectus. Capitalised words and expressions appearing in this section and not otherwise defined in this prospectus are defined in the Trust Deed or Series Supplement. Reference should be made to the Trust Deed and the Series Supplement for the full terms and conditions of the Infrastructure Bonds. Copies of the Trust Deed, all amendments to it, and the Series Supplement are available on the Companies Office website (www.business.govt.nz/companies).

The Trustee's Duties and Powers

The Trustee acts as the trustee for the Bondholders (including holders of Infrastructure Bonds in other series issued prior to the date of this prospectus) on the terms and conditions, and with the rights, powers and obligations, contained in the Trust Deed or implied by law.

The Trustee has entered into the Trust Deed on the basis that the duties of the Trustee as prescribed in clause 1 of Schedule 15 of the Securities Regulations will be interpreted (and limited to the maximum extent permitted by section 62(1) of the Securities Act) to take into account that:

- (a) the terms of issue of the Infrastructure Bonds allow suspension of interest if an Interest Suspension Event applies and, to this extent, payment by Infratil cannot be compelled;
- (b) the remedy for an Event of Default under the Trust Deed is redemption in cash or Conversion at the option of the Bondholder;
- (c) the Infrastructure Bonds have certain characteristics similar to shareholders' equity rather than debt securities; and
- (d) as some provisions of the Trust Deed derive from the Listing Rules, the Trustee is entitled to assume that Infratil is complying with these provisions and the Listing Rules in the absence of notice, and may act accordingly having regard to the actions of NZX in relation to non compliance.

The Bondholders are deemed to know and accept the interpretation of the Trustee's duties as described above.

As between itself and Bondholders the Trustee may determine all questions and doubts arising in relation to any of the provisions of the Trust Deed and every such determination will be conclusive and binding on the Trustee and the Bondholders.

The powers, rights and remedies conferred on the Trustee by the Trust Deed are exercisable by the Trustee only. Bondholders are not entitled to exercise any of the Trustee's powers except with the written consent of the Trustee or if the Trustee has failed to exercise any such power, right or remedy having been directed by an Extraordinary Resolution of Bondholders to do so.

Infratil's Obligations

For so long as any of the Infrastructure Bonds are outstanding, Infratil has made a number of undertakings to the Trustee on behalf of the Bondholders, including (but not limited to) the following:

- (a) Infratil will use its reasonable endeavours to ensure that the Shares and Infrastructure Bonds remain listed on the NZSX and NZDX respectively while there are any Infrastructure Bonds outstanding or until the Infrastructure Bonds no longer qualify for listing.
- (b) Infratil will comply at all times with the Companies Act and the Securities Act.
- (c) Infratil will pass all resolutions and take all other action necessary to ensure that the required number of Shares is issued to Bondholders on any Conversion in accordance with the terms of issue of the Infrastructure Bonds.
- (d) Infratil will not create or permit to subsist any charge over its assets in favour of or for the benefit of any person or persons unless at the same time the benefit of such charge is extended equally and rateably to the Bondholders in respect of all

Infrastructure Bonds outstanding at the time. This restriction applies only to assets directly owned by Infratil and not to assets owned by any of its subsidiaries.

Liabilities to Assets Covenant

Pursuant to the Series Supplement, Infratil also covenants for the benefit of Bondholders that, on the last day of each financial year and financial half-year of Infratil (and in certain other circumstances), Borrowed Money Indebtedness of the Issuer Group will not exceed 50% of the Tangible Assets of the Issuer Group as at that date.

Events of Default

An Event of Default in respect of the Infrastructure Bonds will occur under the Trust Deed if:

- (a) Infratil has defaulted in payment of interest on the Infrastructure Bonds for a period of 14 days (other than where an Interest Suspension Event applies);
- (b) Infratil has defaulted in payment of any other moneys payable under the Trust Deed for a period of 14 days after a written demand is made;
- (c) an order is made, or an effective resolution is passed, for the liquidation of Infratil (other than for the purpose of a reconstruction or amalgamation approved by the Trustee);
- (d) a receiver is appointed, an encumbrancer takes possession or sells any material part of Infratil's assets, any step is taken to appoint or with a view to appointing a statutory manager of Infratil, or Infratil or any associated person is declared at risk pursuant to the Corporations (Investigation and Management) Act 1989;
- (e) Infratil enters into an arrangement or compromise with creditors without the prior written consent of the Trustee; or
- (f) Infratil defaults in the performance or observation of any other binding provision under the Trust Deed or the Series Supplement (including the liabilities to assets covenant described above) and the default continues for more than 30 days after Infratil has received written notice from the Trustee specifying and requiring the default to be remedied.

Upon the occurrence of any Event of Default that is continuing, the Trustee may declare at its discretion (and must upon being directed to do so by an Extraordinary Resolution of Bondholders) that the Infrastructure Bonds are immediately due and payable, which will result in a Bondholder Election Event. On the occurrence of a Bondholder Election Event, each Bondholder has the right of early redemption or Conversion, as described in more detail on page 27 of this prospectus.

Bondholder Meetings

The Trust Deed contains provisions for meetings of Bondholders. Meetings may be convened by Infratil or the Trustee, and are required to be convened on the request of Bondholder(s) holding not less than 10% of the total Face Value of all the Infrastructure Bonds of all series outstanding under the Infrastructure Bond Programme. At least 14 clear days' notice of each meeting is required to be given.

The meetings are to be held in the city in which the registered office of Infratil is situated (currently Wellington), or at such other place as

the Trustee determines or approves. Each Bondholder is entitled to attend in person or by proxy and vote at the meeting. The quorum required for passing an Extraordinary Resolution is Bondholders of a majority of the Infrastructure Bonds of all series outstanding under the Infrastructure Bond Programme present in person or by representative. The quorum for any other business is Bondholders of at least 10% of the Infrastructure Bonds of all series outstanding under the Infrastructure Bond Programme. An Extraordinary Resolution of Bondholders binds all Bondholders of all series and the Trustee.

If, within fifteen minutes after the time appointed for a meeting of Bondholders, a quorum is not present, the meeting shall stand adjourned to such day and time, not being less than 14 days thereafter, and at such adjourned meeting the Bondholders present in person or by representative will be a quorum for the transaction of business including the passing of Extraordinary Resolutions.

Waivers

Subject to the Listing Rules and to any direction or request given by Bondholders, the Trustee may at any time waive, in whole or in part, for a specified period or indefinitely and on such terms and conditions (if any) as it deems expedient, any breach or anticipated breach by Infratil of any provision expressed or implied in the Trust Deed provided the Trustee is satisfied that the interests of Bondholders will not be materially prejudiced by the waiver. Any waiver will not prejudice the rights of the Trustee or Bondholders in respect of any other breach.

LIMITATIONS ON MORTGAGES OR CHARGES

Infrastructure Bonds are unsecured indebtedness of Infratil. Accordingly, the Trust Deed does not contain any terms that impose limitations relating to the creation of mortgages or charges ranking in point of security ahead of, or equally with, any mortgage or charge securing the Infrastructure Bonds. However, under the Trust Deed, Infratil has covenanted not to create or permit to subsist security over its assets to any person unless at the same time the benefit of such security is extended equally and rateably to Bondholders in respect of the Infrastructure Bonds.

BORROWING RESTRICTIONS

Infratil and its material wholly owned subsidiaries (“**Bank Debt Guaranteeing Subsidiaries**”) and together with Infratil, the “**Bank Debt Guaranteeing Group**”) are guarantors of the indebtedness of Infratil Finance Limited (a wholly owned subsidiary of Infratil) under various bilateral banking facility agreements. The facility agreements contain certain covenants which may restrict Infratil’s ability to borrow money, namely:

- (a) Shareholders’ Funds (being total tangible assets of the Bank Debt Guaranteeing Group less total liabilities of the Bank Debt Guaranteeing Group) must not be less than 40% of the total tangible assets of the Bank Debt Guaranteeing Group.
- (b) The ratio of debt (excluding all Infrastructure Bonds issued under the Infrastructure Bond Programme and indebtedness owing by one member of the Bank Debt Guaranteeing Group to another) to EBITDA of the Bank Debt Guaranteeing Group must not be greater than 5 times (tested half-yearly and yearly). The ratio of EBITDA of the Bank Debt Guaranteeing Group to interest on debt (excluding all Infrastructure Bonds issued under the Infrastructure Bond Programme and indebtedness owing by one member of the Bank Debt

Guaranteeing Group to another) must not be less than 3 times (tested half-yearly and yearly).

These covenants may be amended by agreement between the parties to the bilateral facility agreements.

Bondholders (and the Trustee to the extent it represents the Bondholders) do not have the benefit of the above covenants.

The Infrastructure Bonds are not guaranteed by any of the Bank Debt Guaranteeing Subsidiaries. Bondholders have no claims against, or recourse to the assets of, Bank Debt Guaranteeing Subsidiaries in respect of Infratil’s obligations under the Infrastructure Bonds.

TRUSTEE’S STATEMENT

The statement required to be made by the Trustee under clause 9(3) of schedule 12 of the Securities Regulations is set out on page 21 of this prospectus.

CONSEQUENCES OF INSOLVENCY

Bondholders will not be liable to pay money to any person as a result of the insolvency of Infratil.

RANKING OF THE INFRASTRUCTURE BONDS

The Infrastructure Bonds are unsecured, unsubordinated convertible debt obligations of Infratil. This means that in a liquidation of Infratil the Bondholders’ rights to repayment of the Face Value, and to payment of interest in respect of their Infrastructure Bonds:

- (a) will rank **after** the claims of (i) secured creditors of Infratil (if any), and (ii) creditors of Infratil who are preferred by law (eg, Infratil’s employees in respect of claims for unpaid wages or salaries, and the Inland Revenue Department in respect of unpaid tax);
- (b) will rank **equally** with the claims of all other unsecured, unsubordinated creditors of Infratil; and
- (c) will rank in **priority** to the claims of (i) subordinated creditors of Infratil (if any) (being creditors who have agreed to accept a lower priority in respect of their claims in a liquidation of Infratil), and (ii) Shareholders.

ALTERATION OF SECURITIES

Infratil has no right to vary the amount payable for Infrastructure Bonds once an investor’s application has been accepted by Infratil.

The terms of the Infrastructure Bonds may only be altered by an amendment to the Trust Deed. Infratil and the Trustee may agree to amend the Trust Deed without the consent of Bondholders only if:

- (a) it is necessary or desirable to correct a manifest error, or to comply with the requirements of any statute or statutory regulations, or the Listing Rules;
- (b) it is of a formal or technical nature;
- (c) in the opinion of the Trustee it is not, or is not likely to become, prejudicial to the general interests of the Bondholders; or
- (d) the law in New Zealand relating to securities is modified and, in the opinion of the Trustee, it is in the interests of the Bondholders of all series of Infrastructure Bonds outstanding under the Infrastructure Bond Programme to amend the Trust Deed to take account of the modification.

In all other cases, the Trust Deed may only be amended with the approval of Bondholders by Extraordinary Resolution. Bondholders will usually vote in respect of the Extraordinary Resolution as one class and not in separate classes for each series of Infrastructure Bonds issued under the Infrastructure Bond Programme.

In accordance with the Listing Rules and the Trust Deed, the rights of Bondholders may not be altered without the approval (by a 75% majority of votes of those entitled to vote and voting) of each "interest group". In broad terms, an "interest group" is a group of Bondholders whose rights are affected by the proposed alteration in the same way. For these purposes, the issue of further Shares, Infrastructure Bonds or other securities which rank equally with, or in priority to, the Infrastructure Bonds, whether as to voting rights, distributions, dividends or otherwise, is deemed not to be an action affecting the rights of Bondholders. For most matters Bondholders of different series of Infrastructure Bonds issued under the Infrastructure Bond Programme will be a single "interest group" and will vote as a single class on matters generally affecting all Bondholders the same way. Bondholders of a single series of Infrastructure Bonds issued under the Infrastructure Bond Programme would vote as a single "interest group" to approve alterations specific to that series.

EARLY TERMINATION

Subject to certain conditions, Infratil has the right to redeem all or some of the Infrastructure Bonds prior to the Maturity Date. Bondholders have no right of early redemption except following a Bondholder Election Event. Further information on early redemption is on page 24 of this prospectus.

RIGHT TO SELL SECURITIES

Bondholders are entitled to sell their Infrastructure Bonds at any time, subject to the terms of the Trust Deed and any applicable securities laws and regulations (including the Listing Rules).

Applicants should not attempt to sell Infrastructure Bonds until they know whether, and how many, Infrastructure Bonds have been allotted to them. Neither Infratil, the Managers, the Organising Participant, the Registrar, the Trustee, nor any of their respective directors or employees nor any other person accepts any liability or responsibility should any applicant for Infrastructure Bonds attempt to sell or otherwise deal with any Infrastructure Bonds before receiving a statement recording the number of Infrastructure Bonds (if any) allotted to them.

Application has been made to NZX for permission to list the Infrastructure Bonds on the NZDX and all requirements of NZX relating thereto that can be complied with on or before the date of this prospectus have been duly complied with. However, NZX accepts no responsibility for any statement in this prospectus. NZX is a registered exchange, regulated under the Securities Markets Act 1988.

While Infratil is of the view that a secondary trading market for the Infrastructure Bonds will develop over time, Infratil gives no assurances as to the existence or characteristics of such secondary market. Consequently, investors may not be able to sell their Infrastructure Bonds readily or at all, or at prices that will enable

them to realise a yield comparable to that of similar instruments, if any, with a developed secondary market. No charges are payable to or by Infratil on any sale of Infrastructure Bonds. However, brokerage at applicable rates is likely to be payable by a Bondholder on any transfer of their Infrastructure Bonds effect through a NZX Firm or other financial intermediary.

In accordance with the Listing Rules, Infratil may refuse to register a transfer of Infrastructure Bonds if the transfer would result in the transferee holding less than 5,000 Infrastructure Bonds.

The amount a Bondholder receives from a sale of Infrastructure Bonds may be more or less than the amount paid for them. Infratil will not provide compensation for any losses incurred from selling Infrastructure Bonds.

OTHER TERMS OF OFFER AND SECURITIES

All of the terms of the Offer and the Infrastructure Bonds being offered are set out in this prospectus (except for those implied by law or set out in the Trust Deed and Series Supplement).

INFORMATION AVAILABLE UNDER ISSUER'S DISCLOSURE OBLIGATION

Infratil, as a listed issuer, is subject to continuous disclosure obligations under the Listing Rules. Copies of announcements made by Infratil to NZX are available on www.nzx.com/markets/nzxs/IFT/announcements.

The table below sets out particulars of information notified by Infratil to NZX prior to the date of this prospectus in accordance with its disclosure obligations under the Listing Rules that is material to the Offer.

Announcement Date	Description of Announcement
16 November 2010	Infratil Group results for six months ended 30 September 2010
26 October 2010	Infratil Monthly Operational Report
20 September 2010	Infratil Operational Update
30 August 2010	Infrastructure Bonds Maturing 15 November 2010
26 August 2010	Infratil Monthly Operational Update
26 August 2010	Admission to ASX Official List
30 July 2010	Infratil Monthly Operational Update
28 June 2010	Infratil Annual Report 2010
25 June 2010	Infratil Monthly Operational Update
18 May 2010	Infratil and Infratil Group results for the year ended 31 March 2010
29 April 2010	Infratil Monthly Operational Update

FINANCIAL STATEMENTS

The audited consolidated financial statements for the Infratil Group for the financial year ended 31 March 2010 that comply with the Financial Reporting Act 1993 were registered at the Companies Office on 20 May 2010, and notified to NZX on 18 May 2010.

Copies of these financial statements are also available at www.infratil.com/media/PDF/ift_financials2010.pdf.

ADDITIONAL INTERIM FINANCIAL STATEMENTS

No interim financial statements for Infratil have been notified to NZX for the purposes of clause 17 of schedule 12 of the Securities Regulations. However, the unaudited consolidated interim financial statements for the Infratil Group for the six months ended 30 September 2010 were notified to NZX on 16 November 2010. Copies of these financial statements are available at www.infratil.com/media/PDF/ift_september2010_signedaccounts.pdf. The Infrastructure Bonds are not guaranteed by any member of the Infratil Group. Bondholders have no claims against, or recourse to the assets of, Infratil's subsidiaries in respect of Infratil's obligations under the Infrastructure Bonds.

ACCESS TO INFORMATION AND STATEMENTS

Copies of the information referred to under the heading "Information available under issuer's disclosure obligation" above and the financial statements for the Infratil Group will be made available on request, and free of charge, by writing to Infratil at the address specified in the Directory. Copies of the information referred to under the heading "Information available under issuer's disclosure obligation" and the Infratil Group's financial statements for the year ended 31 March 2010 are also filed on a public register at the Companies Office and are available for public inspection (including at www.business.govt.nz/companies).

OTHER MATERIAL MATTERS

Infratil is a guarantor of the indebtedness of Infratil Finance Limited (a wholly owned subsidiary of Infratil) under various bilateral banking facility agreements (as described on page 39 of this prospectus). As well as the covenants described on page 39 of this prospectus, the facility agreements contain certain covenants that relate to the business of Infratil, namely:

- (a) Infratil will not change its manager from Morrison & Co. Infrastructure Management Limited;
- (b) Infratil will maintain its 100% beneficial shareholding in each of the Bank Debt Guaranteeing Subsidiaries (while it remains a member of the Bank Debt Guaranteeing Group) except any Bank Debt Guaranteeing Subsidiaries which hold, in aggregate, assets with an aggregate value of less than 5% of total tangible assets of the Bank Debt Guaranteeing Group; and

(c) Infratil may only hold:

- (i) shares and other securities in, or loans to, members of the Bank Debt Guaranteeing Group;
- (ii) cash or credit balances of no greater than \$25,000,000; and
- (iii) other assets (excluding cash, credit balances or assets referred to above) of up to an aggregate amount of 2% of total tangible assets of the Bank Debt Guaranteeing Group at the relevant time.

The above covenants may be amended by agreement between the parties to the bilateral facility agreements.

Bondholders (and the Trustee to the extent it represents the Bondholders) do not have the benefit of the above covenants.

DIRECTORS' STATEMENT

The directors of Infratil, after due enquiry by them, are of the opinion that Infratil is in compliance with the requirements of the continuous disclosure provisions that apply to it.

The copy of this prospectus delivered to the Registrar of Companies for registration has been signed by each director of Infratil or by his agent authorised in writing.



Marko Bogoievski
Director



Lloyd Morrison
Director



David Newman
Director



Humphry Rolleston
Director



Duncan Saville
Director



Mark Tume
Director



Anthony Muh
(alternate director for
Duncan Saville)

Glossary

2011 Bonds means the Infrastructure Bonds maturing on 15 May 2011.

ASX means the Australian Securities Exchange operated by ASX Limited.

Bank Debt Guaranteeing Group has the meaning given to it on page 30 of this prospectus.

Bank Debt Guaranteeing Subsidiaries has the meaning given to it on page 30 of this prospectus.

Bondholder means a person who is recorded in the Register as the holder of an Infrastructure Bond allotted pursuant to the Offer and, where the context requires, includes a person who is recorded in the Register as the holder of an Infrastructure Bond forming part of an existing series of Infrastructure Bonds issued under the Infrastructure Bond Programme.

Bondholder Election Event means each of the events described on page 23 of this prospectus.

Borrowed Money indebtedness of the Issuer Group means the aggregate financial indebtedness of each member of the Issuer Group (excluding any guarantee, indemnity or similar obligation of one member in respect of the financial indebtedness of any other member) and includes all Infrastructure Bonds of all series outstanding under the Infrastructure Bond Programme.

Business Day means a day on which the NZSX is open for trading.

Closing Date means 15 May 2011 (or such other date as Infratil may determine).

Companies Act means the Companies Act 1993.

Constitution means the constitution of Infratil (a copy of which is available on www.business.govt.nz/companies).

Conversion means, in relation to an Infrastructure Bond, the redemption of the Infrastructure Bond by the issue of the number of Shares derived by application of the Conversion Rate, and "Convert" and "Converted" have corresponding meanings.

Conversion Percentage means 98%.

Conversion Rate means, in relation to an Infrastructure Bond which is to be Converted, the number of Shares to be issued on conversion of the Infrastructure Bond calculated in accordance with the formula set out in the Trust Deed, as described on page 24 of this prospectus.

Event of Default means each of the events described on page 29 of this prospectus.

Exchange Offer means the offer of the Infrastructure Bonds to holders of 2011 Bonds.

Extraordinary Resolution means a resolution passed at a duly convened meeting of the Bondholders by a majority consisting of not less than 75% of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75% of the votes given on such poll.

Face Value means \$1.00 per Infrastructure Bond.

Firm Allocations means Infrastructure Bonds offered under the General Offer reserved for subscription by the clients of the Managers, Primary Market Participants and other approved financial intermediaries.

General Offer means the offer of Infrastructure Bonds to all investors in New Zealand.

Infrastructure Bond means a convertible debt security offered by Infratil pursuant to this prospectus and, where the context requires, includes a convertible debt security previously issued by Infratil under an existing series of Infrastructure Bonds.

Infrastructure Bond Programme means the programme pursuant to which Infratil may issue different series of Infrastructure Bonds from time to time. Each series of Infrastructure Bonds is constituted and issued pursuant to the Trust Deed.

Infratil Group means Infratil and its subsidiaries (within the meaning of section 2 of the Financial Reporting Act 1993).

Infratil means Infratil Limited.

Interest Payment Date means 15 March, 15 June, 15 September and 15 December of each year up to and including the Maturity Date (commencing on 15 March 2011).

Interest Rate means 8.50% per annum.

Interest Suspension Event means each of the events described on page 23 of this prospectus.

Issue Date means the date on which an Infrastructure Bond is issued. The Issues Dates are 14 December 2010 and each Friday thereafter up to and including 20 May 2011 (being the Friday following the Closing Date).

Issue Price means \$1.00 per Infrastructure Bond.

Issuer Group means Infratil and those of its subsidiaries that, as at the date of the Trust Deed or from time to time, guarantee any financial indebtedness of Infratil or any of its subsidiaries that in turn guarantee any financial indebtedness of Infratil.

Listing Rules means the listing rules of NZX.

Managers means the persons listed as managers in the Directory at the back of this prospectus.

Market Value of an asset on any date means:

- (a) in relation to an investment in securities listed on the NZSX or any Recognised Stock Exchange (as defined in the Listing Rules) the value determined by reference to the closing price of the relevant securities on that date; and
- (b) in relation to any other asset, its cost or, if an assessed value (ie, the value determined by an independent expert appointed in accordance with the Trust Deed) has been obtained, the most recent assessed value.

Maturity Date means 15 June 2016.

NZClear System means the securities clearing and settlement system facility operated by the Reserve Bank of New Zealand.

NZDX means the market for debt securities of that name operated by NZX.

NZSX means the market for equity securities of that name operated by NZX.

NZX means NZX Limited.

NZX Firm has the meaning given to that term in the NZX Participant Rules.

NZX Participant Rules means the participant rules of NZX.

Offer means the offer by Infratil of Infrastructure Bonds pursuant to this prospectus (consisting of the General Offer and the Exchange Offer).

Opening Date means 25 November 2010.

Organising Participant means Forsyth Barr Limited.

Primary Market Participants has the meaning given to that term in the NZX Participant Rules.

Public Pool means applicants for Infrastructure Bonds offered under the General Offer other than applicants in respect of Firm Allocations.

Record Date means, in relation to a payment due on an Infrastructure Bond, the tenth day before the due date for that payment or, if that day is not a Business Day, the Business Day immediately preceding such day.

Register means the register of Infrastructure Bonds maintained by the Registrar.

Registrar means Link Market Services Limited.

Securities Act means the Securities Act 1978.

Securities Regulations means the Securities Regulations 2009.

Senior Creditors means a creditor of any member or members of the Issuer Group in respect of Borrowed Money Indebtedness.

Series Supplement means the series supplement to the Trust Deed dated 24 November 2010 prepared in respect of the Infrastructure Bonds offered pursuant to this prospectus.

Settlement System means the facilities and systems used to effect the clearing and settlement of transactions by NZX.

Share means a fully paid ordinary voting share in the capital of Infratil.

Shareholder means a holder of a Share.

Tangible Assets means, at any date, the aggregate on a consolidated basis of the Market Value of all tangible assets (determined in accordance with generally accepted accounting practice as defined in section 3 of the Financial Reporting Act 1993) of Infratil and its subsidiaries as at that date.

Tax Act means the Income Tax Act 2007.

Trust Deed means the trust deed dated 11 November 1999 as amended by deeds dated 14 August 2003, 10 December 2004, 18 February 2005, 26 August 2005, 6 October 2005, 20 December 2005, 15 November 2006 and 24 November 2010 between Infratil and the Trustee, which sets out the rights and obligations of the Trustee, Bondholders and Infratil and, where the Trust Deed is being read in the context of the series of Infrastructure Bonds offered pursuant to this prospectus, includes the Series Supplement.

Trustee means Trustees Executors Limited.

General Offer Application Instructions

These application instructions relate to an application for Infrastructure Bonds under the General Offer. An application to subscribe for Infrastructure Bonds under the General Offer must be made on the application form following these application instructions.

If you are applying for Infrastructure Bonds under the Exchange Offer, please see the **Exchange Offer Application Form** at the back of this prospectus.

An application will constitute an irrevocable offer by the applicant to subscribe for the aggregate Face Value of Infrastructure Bonds specified in the General Offer application form (or such lesser amount which Infratil may determine) on the terms set out in this prospectus, the Trust Deed and the Series Supplement, and the General Offer application form.

A = INVESTOR DETAILS

Please complete all relevant sections in the General Offer application form in CAPITAL LETTERS.

Full name details: Insert your full name. Applications must be in the name(s) of natural persons, companies or other legal entities, up to a maximum of three names per application.

Use the table below to see how to write your name correctly.

Type of Investor:	Correct way to write name:	Incorrect way to write Name:
Individual person	JOHN SMITH	J SMITH
More than one person	JOHN SMITH MICHELLE SMITH	J & M SMITH
Company	ABC LIMITED	ABC
Trusts	JOHN SMITH (JOHN SMITH FAMILY TRUST A/C)	SMITH FAMILY TRUST
Partnerships	JOHN SMITH MICHAEL SMITH (JOHN SMITH AND SONS A/C)	JOHN SMITH & SONS
Clubs and unincorporated associations	JANE SMITH (SMITH INVESTMENT CLUB A/C)	SMITH INVESTMENT CLUB
Superannuation funds	JOHN SMITH LIMITED (SUPERANNUATION FUND A/C)	JOHN SMITH SUPERANNUATION FUND

Postal address details: Insert your postal address for correspondence. All communications to you from Infratil will be mailed to the person(s) at the address shown (unless an applicant provides an email address in section F of the General Offer application form). For joint applicants, only one address is to be provided.

Telephone numbers: Insert your telephone number(s) in case the Registrar or Infratil needs to contact you in relation to your application.

B = APPLICATION PAYMENT DETAILS

Please enter the aggregate Face Value of Infrastructure Bonds that you wish to apply for. Each Infrastructure Bond has a Face Value of \$1.00. An application to subscribe for Infrastructure Bonds must be for a minimum aggregate Face Value of \$5,000 and thereafter in multiples of \$1,000.

Payment must be made by cheque (or, if the application is for an aggregate subscription amount of \$500,000 or more, by a bank cheque), or through the NZClear System.

Cheques must be in New Zealand dollars and drawn on a New Zealand branch of a registered bank. Cheques must be made payable to "Infratil Bond Offer", crossed "Not Transferable" and must not be post-dated. Staple your cheque to the completed General Offer application form.

Your cheque will be banked upon receipt into a designated bank trust account pending allotment of the Infrastructure Bonds. The banking of application moneys does not constitute confirmation of allotment of any Infrastructure Bonds or acceptance of an offer to subscribe for Infrastructure Bonds.

If an applicant's cheque is dishonoured, Infratil may cancel that applicant's allotment of Infrastructure Bonds and pursue any other remedies available to it at law. Investors who are members of NZClear may, by prior arrangement with the Registrar, settle their applications for the Infrastructure Bonds on the relevant Issue Date of the Infrastructure Bonds through the NZClear System.

C = HOLDER NUMBER DETAILS

If you have other investments registered under a Common Shareholder Number ("CSN") please supply your CSN in the space provided. The name and address details on your General Offer application form must correspond with the registration details under that CSN.

D = INTEREST AND REDEMPTION PAYMENTS

If you currently receive interest or dividend payments from the Registrar by direct credit, and wish your payments in respect of the Infrastructure Bonds to be direct credited to the same account, then you do not need to complete section D of the General Offer application form.

If payment to your cash management account with a broker is selected, tick the box for option 1, insert the name of the Primary Market Participant where your cash management account is held and provide your cash management client account number.

If you wish to be paid by direct credit and the Registrar does not already hold your bank account details or you wish to have payments credited to another bank account, please tick the box for option 2 and enter the details of the bank account.

E = PROVIDE YOUR IRD NUMBER AND TICK THE RELEVANT RWT BOX

Please enter your IRD number and tick the resident withholding tax ("RWT") rate that applies to you (or, if you are exempt from RWT, tick the exempt box and attach a photocopy of your RWT exemption certificate).

F = ELECTRONIC INVESTOR CORRESPONDENCE

By supplying your email address Infratil will be able to deliver your investor correspondence to you electronically where possible. This is a much more environmentally friendly, cost effective and timely option than paper based investor mail outs.

G = SIGNING AND DATING

Read the prospectus and General Offer application form carefully and sign and date the General Offer application form.

The General Offer application form must be signed by the applicant(s) personally, or by two directors of a company (or one director if there is only one director, whose signature must be witnessed), or in either case by a duly authorised attorney or agent.

If the General Offer application form is signed by an attorney, the power of attorney document is not required to be lodged, but the attorney must complete the certificate of non-revocation of power of attorney following the General Offer application form.

If the General Offer application form is signed by an agent, the agent must complete the certificate of non-revocation of agent following the General Offer application form.

Joint applicants must each sign the General Offer application form.

H = CLOSING DATE AND DELIVERY

The General Offer will close at 5.00pm on 15 May 2011 (being the Closing Date). Applicants should remember that the Closing Date may be changed at the sole discretion of Infratil. Changes will be advised by NZX announcement. Infratil reserves the right to refuse to accept applications received by the Registrar after the Closing Date. Your General Offer application form should be returned to, or lodged with, an appropriate person as specified under the heading "Where to send you application form and payment" on page 25 of the prospectus.

Personal Information Rights

Personal information provided by you will be held by Infratil and the Registrar at their respective addresses shown in the Directory on the inside back cover of this prospectus or at such other place as is notified upon request. This information will be used for the purpose of managing your investment. You have a right to access and correct any personal information about you under the Privacy Act 1993. You can also access your information on the Link Market Services website: www.linkmarketservices.com. (You will be required to enter your holder number and FIN).

Infratil Limited

Issue of Infrastructure Bonds

BROKER STAMP	Broker code
	Advisor code

(ATTACH CHEQUE HERE)

General Offer Application Form

This General Offer application form ("Application Form") is issued with the prospectus dated and prepared as at 24 November 2010 ("Prospectus"), issued by Infratil Limited ("Infratil"). Please complete this Application Form and return it to, or lodge it with, an appropriate person as specified under the heading "Where to send your application form and payment" on page 25 of the Prospectus.

Before completing this Application Form, applicants should read the Prospectus to which this application relates

A APPLICATION DETAILS AND INFORMATION - PLEASE PRINT IN BLOCK LETTERS

First Name(s):		Family Name:	
First Name(s):		Family Name:	
First Name(s):		Family Name:	
Corporate Name or <<On Account>> :			
Postal Address:			
Telephone Home		Mobile/ Work:	

B APPLICATION PAYMENT - IMPORTANT

Applications must be accompanied by payment in full. Payment must be in New Zealand currency based on NZ\$1.00 per Infrastructure Bond. Your Application Form must be received by Link Market Services Limited ("Link") by 5.00pm, 15 May 2011.

Applications must be for a minimum of NZ\$5,000 and, thereafter, in multiples of NZ\$1,000. Infratil may accept or reject all or part of this application without giving reason.

Amount of Infrastructure Bonds applied for:

You may choose only ONE of the options below. Please tick the box next to your selected option (✓):

OPTION 1: Please find attached my cheque made payable to "Infratil Bond Offer" and crossed "Not Transferable".

OPTION 2: Payment will be made by NZClear as arranged with Link (authorised institutional investors only). NZClear mnemonic:

C COMMON SHAREHOLDER NUMBER (CSN)

Please note that the application must be in the same name as the CSN below otherwise the application will be deemed to be made without a CSN and a base registry number will be allocated.

If you currently have a Common Shareholder Number (CSN), please enter it here:

D INTEREST AND REDEMPTION PAYMENTS

You may choose only ONE of the options below. Please tick the box next to your selected option (✓):

OPTION 1: Direct credit to the New Zealand bank account nominated: Name of Bank:
 Name of Account: Account No:
Bank Branch Account No. Suffix

OPTION 2: Direct credit to my cash management account.
 Name of NZX Member Firm where Cash Management Account is held:
 Cash Management Client Account number:

E IRD NUMBER & RESIDENT WITHHOLDING TAX

IRD number (Only one IRD number is required in respect of joint applications):

Deduct resident withholding tax from all my/our interest payments at the following rate (tick ✓ one):

10.5% 17.5% 28%* 30% 33% Exempt**

*Available from 1 April 2011. **If you are exempt from resident withholding tax, you must attach a copy of your RWT exemption certificate for noting

F ELECTRONIC CORRESPONDENCE & REPORTING

To enable Infratil to provide you with your investor correspondence in relation to your holding in this security electronically, please complete your email address below. If you do not provide an email address, investor correspondence will be mailed to you at the address provided on this Application Form.

G SIGNATURE(S) OF APPLICANT(S)

I/We hereby acknowledge that I/we have received and read the Prospectus, and apply for the dollar amount of Infrastructure Bonds set out above and agree to accept such Infrastructure Bonds (or such lesser number as may be allotted to me/us) on, and subject to, the terms and conditions set out in the Prospectus, the Trust Deed and the Series Supplement, and the Application Form. **All applicants on the Application Form must sign.**

_____ Date / /

_____ Date / /

_____ Date / /

H SEND APPLICATION FORM AND CHEQUE (IF APPLICABLE) TO BE RECEIVED BY LINK MARKET SERVICES

Infratil Bond Offer, c/- Link Market Services Limited, PO Box 384, Ashburton 7740

Investor phone number: +64 9 375 5998

TERMS AND CONDITIONS:

By signing this Application Form:

- (a) I/We agree to subscribe for Infrastructure Bonds upon and subject to the terms and conditions of the Prospectus, this Application Form, the Trust Deed and the Series Supplement, and I/we agree to be bound by the provisions hereof.
- (b) I/We declare that all details and statements made by me/us in this Application Form are complete and accurate.
- (c) I/We certify that, where information is provided by me/us in this Application Form about another person, I/we are authorised by such person to disclose the information to Infratil and the Registrar and to give authorisation.
- (d) I/We acknowledge that an application cannot be withdrawn or revoked once it has been submitted.
- (e) I/We acknowledge that the Offer is only made in New Zealand, and by applying for Infrastructure Bonds, I/we warrant that I/we received this offer in New Zealand and I/we are eligible to participate in the Offer, and I/we agree to indemnify Infratil and its directors, officers, employees and agents in respect of any loss, cost, liability or expense sustained or incurred by Infratil as a result of my/our breaching that warranty or the selling restrictions described in the Prospectus.

This Application Form, the Offer and any contract arising out of its acceptance are each governed by New Zealand law. Under the Financial Transactions Reporting Act 1996, applicants may be required to produce evidence of their identity.

The information in this Application Form is provided to enable Infratil and the Registrar to process your application, and to administer your investment. By signing this Application Form, you authorise Infratil and the Registrar to disclose information in situations where Infratil or the Registrar are required or permitted to do so by any applicable law or by a governmental, judicial or regulatory entity or authority in any jurisdiction. Personal information will be held by Infratil and the Registrar at their respective addresses shown in the Directory of the Prospectus or at such other place as is notified upon request. If you are an individual under the Privacy Act 1993, you have the right to access and correct any of your personal information. You can also access your information on the Link website (www.linkmarketservices.com). You will be required to enter your holder number and FIN.

I CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY:

(Complete this section if you are acting on behalf of the Applicant on this Application Form for whom you have power of attorney)

I, [] (full name)
of [] (place and country of residence),
[] (occupation),

CERTIFY:

- THAT by deed dated [] (date of instrument creating the power of attorney),
[] (full name of person/body corporate which granted the power of attorney)
of [] (place and country of residence of person/body corporate which granted the power of attorney**),
appointed me [] (his/her/its) attorney;
 - THAT I have executed the application for Infrastructure Bonds printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and
 - THAT I have not received notice of any event revoking the power of attorney.
- Signed at [] this [] day of [] (month/year)
Signature of attorney []

** If donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.

J CERTIFICATE OF NON-REVOCATION OF AGENT:

(Complete this section if you are acting as Agent on behalf of the Applicant on this Application Form)

I, [] (full name)
of [] (place and country of residence),
[] (occupation),

CERTIFY:

- THAT by the agency agreement dated [] (date of instrument creating the agency),
[] (full name of person/body corporate which appointed you as agent)
of [] (place and country of residence of person/body corporate which appointed you as agent **)
appointed me [] (his/her/its) agent;
 - THAT I have executed the application for Infrastructure Bonds printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and
 - THAT I have not received any notice or information of the revocation of my appointment as agent.
- Signed at [] this [] day of [] (month/year)
Signature of agent []

** If donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.

Infratil Limited

Issue of Infrastructure Bonds

BROKER STAMP	Broker code
	Advisor code

(ATTACH CHEQUE HERE)

General Offer Application Form

This General Offer application form ("**Application Form**") is issued with the prospectus dated and prepared as at 24 November 2010 ("**Prospectus**"), issued by Infratil Limited ("**Infratil**"). Please complete this Application Form and return it to, or lodge it with, an appropriate person as specified under the heading "Where to send your application form and payment" on page 25 of the Prospectus.

Before completing this Application Form, applicants should read the Prospectus to which this application relates

A APPLICATION DETAILS AND INFORMATION - PLEASE PRINT IN BLOCK LETTERS

First Name(s):		Family Name:	
First Name(s):		Family Name:	
First Name(s):		Family Name:	
Corporate Name or <<On Account>> :			
Postal Address:			
Telephone Home		Mobile/ Work:	

B APPLICATION PAYMENT - IMPORTANT

Applications must be accompanied by payment in full. Payment must be in New Zealand currency based on NZ\$1.00 per Infrastructure Bond. Your Application Form must be received by Link Market Services Limited ("**Link**") by 5.00pm, 15 May 2011.

Applications must be for a minimum of **NZ\$5,000** and, thereafter, in multiples of **NZ\$1,000**. Infratil may accept or reject all or part of this application without giving reason.

Amount of Infrastructure Bonds applied for:

You may choose only **ONE** of the options below. Please tick the box next to your selected option (✓):

OPTION 1: Please find attached my cheque made payable to "Infratil Bond Offer" and crossed "Not Transferable".

OPTION 2: Payment will be made by NZClear as arranged with Link (authorised institutional investors only). NZClear mnemonic:

C COMMON SHAREHOLDER NUMBER (CSN)

Please note that the application must be in the same name as the CSN below otherwise the application will be deemed to be made without a CSN and a base registry number will be allocated.

If you currently have a Common Shareholder Number (CSN), please enter it here:

D INTEREST AND REDEMPTION PAYMENTS

You may choose only **ONE** of the options below. Please tick the box next to your selected option (✓):

OPTION 1: Direct credit to the New Zealand bank account nominated: Name of Bank:

Name of Account: Account No:
Bank Branch Account No. Suffix

OPTION 2: Direct credit to my cash management account.

Name of NZX Member Firm where Cash Management Account is held:

Cash Management Client Account number:

E IRD NUMBER & RESIDENT WITHHOLDING TAX

IRD number (Only one IRD number is required in respect of joint applications):

Deduct resident withholding tax from all my/our interest payments at the following rate (tick ✓ one):

10.5% 17.5% 28%* 30% 33% Exempt**

*Available from 1 April 2011. **If you are exempt from resident withholding tax, you must attach a copy of your RWT exemption certificate for noting

F ELECTRONIC CORRESPONDENCE & REPORTING

To enable Infratil to provide you with your investor correspondence in relation to your holding in this security electronically, please complete your email address below. If you do not provide an email address, investor correspondence will be mailed to you at the address provided on this Application Form.

G SIGNATURE(S) OF APPLICANT(S)

I/We hereby acknowledge that I/we have received and read the Prospectus, and apply for the dollar amount of Infrastructure Bonds set out above and agree to accept such Infrastructure Bonds (or such lesser number as may be allotted to me/us) on, and subject to, the terms and conditions set out in the Prospectus, the Trust Deed and the Series Supplement, and the Application Form. **All applicants on the Application Form must sign.**

<hr/> Date / /

<hr/> Date / /

<hr/> Date / /

H SEND APPLICATION FORM AND CHEQUE (IF APPLICABLE) TO BE RECEIVED BY LINK MARKET SERVICES

Infratil Bond Offer, c/- Link Market Services Limited, PO Box 384, Ashburton 7740

Investor phone number: +64 9 375 5998

TERMS AND CONDITIONS:

By signing this Application Form:

- (a) I/We agree to subscribe for Infrastructure Bonds upon and subject to the terms and conditions of the Prospectus, this Application Form, the Trust Deed and the Series Supplement, and I/we agree to be bound by the provisions hereof.
- (b) I/We declare that all details and statements made by me/us in this Application Form are complete and accurate.
- (c) I/We certify that, where information is provided by me/us in this Application Form about another person, I/we are authorised by such person to disclose the information to Infratil and the Registrar and to give authorisation.
- (d) I/We acknowledge that an application cannot be withdrawn or revoked once it has been submitted.
- (e) I/We acknowledge that the Offer is only made in New Zealand, and by applying for Infrastructure Bonds, I/we warrant that I/we received this offer in New Zealand and I/we are eligible to participate in the Offer, and I/we agree to indemnify Infratil and its directors, officers, employees and agents in respect of any loss, cost, liability or expense sustained or incurred by Infratil as a result of my/our breaching that warranty or the selling restrictions described in the Prospectus.

This Application Form, the Offer and any contract arising out of its acceptance are each governed by New Zealand law. Under the Financial Transactions Reporting Act 1996, applicants may be required to produce evidence of their identity.

The information in this Application Form is provided to enable Infratil and the Registrar to process your application, and to administer your investment. By signing this Application Form, you authorise Infratil and the Registrar to disclose information in situations where Infratil or the Registrar are required or permitted to do so by any applicable law or by a governmental, judicial or regulatory entity or authority in any jurisdiction. Personal information will be held by Infratil and the Registrar at their respective addresses shown in the Directory of the Prospectus or at such other place as is notified upon request. If you are an individual under the Privacy Act 1993, you have the right to access and correct any of your personal information. You can also access your information on the Link website (www.linkmarketservices.com). You will be required to enter your holder number and FIN.

I CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY:

(Complete this section if you are acting on behalf of the Applicant on this Application Form for whom you have power of attorney)

I, (full name)
of (place and country of residence),
 (occupation),

CERTIFY:

- THAT by deed dated (date of instrument creating the power of attorney),
 (full name of person/body corporate which granted the power of attorney)
of (place and country of residence of person/body corporate which granted the power of attorney**)
appointed me (his/her/its) attorney;
 - THAT I have executed the application for Infrastructure Bonds printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and
 - THAT I have not received notice of any event revoking the power of attorney.
- Signed at this day of (month/year)
Signature of attorney

** If donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.

J CERTIFICATE OF NON-REVOCATION OF AGENT:

(Complete this section if you are acting as Agent on behalf of the Applicant on this Application Form)

I, (full name)
of (place and country of residence),
 (occupation),

CERTIFY:

- THAT by the agency agreement dated (date of instrument creating the agency),
 (full name of person/body corporate which appointed you as agent)
of (place and country of residence of person/body corporate which appointed you as agent **)
appointed me (his/her/its) agent;
 - THAT I have executed the application for Infrastructure Bonds printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and
 - THAT I have not received any notice or information of the revocation of my appointment as agent.
- Signed at this day of (month/year)
Signature of agent

** If donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.

Exchange Offer Application Instructions

These application instructions relate to an application for Infrastructure Bonds under the Exchange Offer. An application to subscribe for Infrastructure Bonds under the Exchange Offer must be made on the application form following these application instructions.

If you also wish to apply for Infrastructure Bonds under the General Offer, please see the **General Offer Application Form** at the back of this prospectus.

An application will constitute an irrevocable offer by the applicant to subscribe for the aggregate Face Value of Infrastructure Bonds specified in the Exchange Offer application form (or such lesser amount which Infratil may determine) on the terms set out in this prospectus, the Trust Deed and the Series Supplement, and the Exchange Offer application form.

A = INVESTOR DETAILS

Please complete all relevant sections in the Exchange Offer application form in CAPITAL LETTERS.

Full name details: Insert your full name. Applications must be in the name(s) of the natural persons, companies or other legal entities which hold the 2011 Bonds to be exchanged under the Exchange Offer. Use the table below to see how to write your name correctly.

Type of Investor:	Correct way to write name:	Incorrect way to write Name:
Individual person	JOHN SMITH	J SMITH
More than one person	JOHN SMITH MICHELLE SMITH	J & M SMITH
Company	ABC LIMITED	ABC
Trusts	JOHN SMITH (JOHN SMITH FAMILY TRUST A/C)	SMITH FAMILY TRUST
Partnerships	JOHN SMITH MICHAEL SMITH (JOHN SMITH AND SONS A/C)	JOHN SMITH & SONS
Clubs and unincorporated associations	JANE SMITH (SMITH INVESTMENT CLUB A/C)	SMITH INVESTMENT CLUB
Superannuation funds	JOHN SMITH LIMITED (SUPERANNUATION FUND A/C)	JOHN SMITH SUPERANNUATION FUND

Postal address details: Insert your postal address for correspondence. All communications to you from Infratil will be mailed to the person(s) at the address shown (unless an applicant provides an email address in section F of the Exchange Offer application form). For joint applicants, only one address is to be provided.

Telephone numbers: Insert your telephone number(s) in case the Registrar or Infratil needs to contact you in relation to your application.

B = APPLICATION DETAILS

Please enter the aggregate Face Value of Infrastructure Bonds that you wish to apply for. Each Infrastructure Bond has a Face Value of \$1.00. Unless you are applying to exchange all of your 2011 Bonds, an application to subscribe for new Infrastructure Bonds must be for a minimum aggregate Face Value of \$5,000 and thereafter in multiples of \$1,000. The maximum amount of Infrastructure Bonds you may apply for under the Exchange Offer is equal to the number of 2011 Bonds you hold.

2011 Bonds that are not exchanged under the Exchange Offer will remain on issue subject to their existing terms and conditions.

C = HOLDER NUMBER DETAILS

If you have other investments registered under a Common Shareholder Number ("CSN") please supply your CSN in the space provided. The name and address details on your Exchange Offer application form must correspond with the registration details under that CSN.

D = INTEREST AND REDEMPTION PAYMENTS

If you wish your payments in respect of the new Infrastructure Bonds to be direct credited to the same account to which payments in respect of your 2011 Bonds are made, then you do not need to complete section D of the Exchange Offer application form.

If payment to your cash management account with a broker is selected, tick the box for option 1, insert the name of the Primary Market Participant where your cash management account is held and provide your cash management client account number.

If you wish to be paid by direct credit but wish to have payments in respect of your new Infrastructure Bonds credited to a different bank account than the account to which payments in respect of your 2011 Bonds are currently made, please tick the box for option 2 and enter the details of the bank account.

E = PROVIDE YOUR IRD NUMBER AND TICK THE RELEVANT RWT BOX

Please enter your IRD number and tick the resident withholding tax ("RWT") rate that applies to you (or, if you are exempt from RWT, tick the exempt box and attach a photocopy of your RWT exemption certificate).

F = ELECTRONIC INVESTOR CORRESPONDENCE

By supplying your email address Infratil will be able to deliver your investor correspondence to you electronically where possible. This is a much more environmentally friendly, cost effective and timely option than paper based investor mail outs.

G = SIGNING AND DATING

Read the prospectus and Exchange Offer application form carefully and sign and date the Exchange Offer application form.

The Exchange Offer application form must be signed by the applicant(s) personally, or by two directors of a company (or one director if there is only one director, whose signature must be witnessed), or in either case by a duly authorised attorney or agent.

If the Exchange Offer application form is signed by an attorney, the power of attorney document is not required to be lodged, but the attorney must complete the certificate of non-revocation of power of attorney following the Exchange Offer application form.

If the Exchange Offer application form is signed by an agent, the agent must complete the certificate of non-revocation of agent following the Exchange Offer application form.

Joint applicants must each sign the Exchange Offer application form.

H = CLOSING DATE AND DELIVERY

The Exchange Offer will close at 5.00pm on 15 May 2011 (being the Closing Date). Applicants should remember that the Closing Date may be changed at the sole discretion of Infratil. Changes will be advised by NZX announcement. Infratil reserves the right to refuse to accept applications received by the Registrar after the Closing Date. Your Exchange Offer application form should be returned to, or lodged with, an appropriate person as specified under the heading "Where to send you application form and payment" on page 29 of the prospectus.

Personal Information Rights

Personal information provided by you will be held by Infratil and the Registrar at their respective addresses shown in the Directory on the inside back cover of this prospectus or at such other place as is notified upon request. This information will be used for the purpose of managing your investment. You have a right to access and correct any personal information about you under the Privacy Act 1993. You can also access your information on the Link Market Services website: www.linkmarketservices.com. (You will be required to enter your holder number and FIN).

Infratil Limited

Issue of Infrastructure Bonds

BROKER STAMP	Broker code
	Advisor code

(ATTACH CHEQUE HERE)

Exchange Offer Application Form

This Exchange Offer application form ("**Application Form**") is issued with the prospectus dated and prepared as at 24 November 2010 ("**Prospectus**"), issued by Infratil Limited ("**Infratil**"). Please complete this Application Form and return it to, or lodge it with, an appropriate person as specified under the heading "Where to send you application form and payment" on page 25 of the Prospectus.

Before completing this Application Form, applicants should read the Prospectus to which this application relates

A APPLICATION DETAILS AND INFORMATION – PLEASE PRINT IN BLOCK LETTERS

First Name(s):		Family Name:	
First Name(s):		Family Name:	
First Name(s):		Family Name:	
Corporate Name or <<On Account>> :			
Postal Address:			
Telephone Home		Mobile/ Work:	

B APPLICATION – IMPORTANT

Your Application Form must be received by Link Market Services Limited ("Link") by 5.00pm, 15 May 2011.

Unless you are applying to exchange all of your 2011 Bonds, applications must be for a minimum of **NZ\$5,000** and, thereafter, in multiples of **NZ\$1,000**. The maximum amount of Infrastructure Bonds you may apply for under the Exchange Offer is equal to the number of 2011 Bonds you hold. Infratil may accept or reject all or part of this application without giving reason.

Amount of Infrastructure Bonds applied for: NZ\$

C COMMON SHAREHOLDER NUMBER (CSN)

Please note that the application must be in the same name as the CSN below otherwise the application will be deemed to be made without a CSN and a base registry number will be allocated.

If you currently have a Common Shareholder Number (CSN), please enter it here:

D INTEREST AND REDEMPTION PAYMENTS

You may choose only ONE of the options below. Please tick the box next to your selected option (✓):

OPTION 1: Direct credit to the New Zealand bank account nominated: Name of Bank:

Name of Account: Account No:

Bank Branch Account No. Suffix

OPTION 2: Direct credit to my cash management account.

Name of NZX Member Firm where Cash Management Account is held:

Cash Management Client Account number:

E IRD NUMBER & RESIDENT WITHHOLDING TAX

IRD number (only one IRD number is required in respect of joint applications):

Deduct resident withholding tax from all my/our interest payments at the following rate (tick ✓ one):

10.5% 17.5% 28%* 30% 33% Exempt**

*Available from 1 April 2011. **If you are exempt from resident withholding tax, you must attach a copy of your RWT exemption certificate for noting

F ELECTRONIC CORRESPONDENCE & REPORTING

To enable Infratil to provide you with your investor correspondence in relation to your holding in this security electronically, please complete your email address below. If you do not provide an email address, investor correspondence will be mailed to you at the address provided on this Application Form.

G SIGNATURE(S) OF APPLICANT(S)

I/We hereby acknowledge that I/we have received and read the Prospectus, and apply for the dollar amount of Infrastructure Bonds set out above and agree to accept such Infrastructure Bonds (or such lesser number as may be allotted to me/us) on, and subject to, the terms and conditions set out in the Prospectus, the Trust Deed and the Series Supplement, and the Application Form. **All applicants on the Application Form must sign.**

Date / /

Date / /

Date / /

H SEND APPLICATION FORM TO BE RECEIVED BY LINK MARKET SERVICES

Infratil Bond Offer, c/- Link Market Services Limited, PO Box 384, Ashburton 7740

Investor phone number: +64 9 375 5998

TERMS AND CONDITIONS:

By signing this Application Form:

- (a) I/We agree to subscribe for Infrastructure Bonds upon and subject to the terms and conditions of the Prospectus, this Application Form, the Trust Deed and the Series Supplement, and I/we agree to be bound by the provisions hereof.
- (b) I/We declare that all details and statements made by me/us in this Application Form are complete and accurate.
- (c) I/We certify that, where information is provided by me/us in this Application Form about another person, I/we are authorised by such person to disclose the information to Infratil and the Registrar and to give authorisation.
- (d) I/We acknowledge that an application cannot be withdrawn or revoked once it has been submitted.
- (e) I/We acknowledge that the Offer is only made in New Zealand, and by applying for Infrastructure Bonds, I/we warrant that I/we received this offer in New Zealand and I/we are eligible to participate in the Offer, and I/we agree to indemnify Infratil and its directors, officers, employees and agents in respect of any loss, cost, liability or expense sustained or incurred by Infratil as a result of my/our breaching that warranty or the selling restrictions described in the Prospectus.

This Application Form, the Offer and any contract arising out of its acceptance are each governed by New Zealand law. Under the Financial Transactions Reporting Act 1996, applicants may be required to produce evidence of their identity.

The information in this Application Form is provided to enable Infratil and the Registrar to process your application, and to administer your investment. By signing this Application Form, you authorise Infratil and the Registrar to disclose information in situations where Infratil or the Registrar are required or permitted to do so by any applicable law or by a governmental, judicial or regulatory entity or authority in any jurisdiction. Personal information will be held by Infratil and the Registrar at their respective addresses shown in the Directory of the Prospectus or at such other place as is notified upon request. If you are an individual under the Privacy Act 1993, you have the right to access and correct any of your personal information. You can also access your information on the Link website (www.linkmarketservices.com). You will be required to enter your holder number and FIN.

I CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY:

Complete this section if you are acting on behalf of the Applicant on this Application Form for whom you have power of attorney)

I, (full name)
of (place and country of residence),
 (occupation),

CERTIFY:

- THAT by deed dated (date of instrument creating the power of attorney),
 (full name of person/body corporate which granted the power of attorney)
of (place and country of residence of person/body corporate which granted the power of attorney**) appointed me (his/her/its) attorney;
- THAT I have executed the application for Infrastructure Bonds printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and
- THAT I have not received notice of any event revoking the power of attorney.

Signed at this day of (month/year)

Signature of attorney

** If donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.

J CERTIFICATE OF NON-REVOCATION OF AGENT:

(Complete this section if you are acting as Agent on behalf of the Applicant on this Application Form)

I, (full name)
of (place and country of residence),
 (occupation),

CERTIFY:

- THAT by the agency agreement dated (date of instrument creating the agency),
 (full name of person/body corporate which appointed you as agent)
of (place and country of residence of person/body corporate which appointed you as agent **) appointed me (his/her/its) agent;
- THAT I have executed the application for Infrastructure Bonds printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and
- THAT I have not received any notice or information of the revocation of my appointment as agent.

Signed at this day of (month/year)

Signature of agent

** If donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.

Directory

ISSUER

Infratil Limited
97 The Terrace
PO Box 320
Wellington 6011

REGISTRAR

Link Market Services Limited
Level 16, Brookfields House
19 Victoria Street West
Auckland 1062
PO Box 91976, Auckland 1142

ORGANISING PARTICIPANT

Forsyth Barr Limited
The Octagon
Private Bag 1999
Dunedin 9054
Telephone 0800 367 227

SOLICITORS TO INFRATIL

Russell McVeagh
Level 24, Vodafone on the Quay
157 Lambton Quay
Wellington 6143

MANAGER OF INFRATIL

Morrison & Co Infrastructure Management Limited
97 The Terrace
PO Box 1395
Wellington 6011

TRUSTEE

Trustees Executors Limited
Level 5, Maritime Tower
10 Customhouse Quay
PO Box 3222
Wellington 6143

MANAGERS OF THE OFFER

ANZ National Bank Limited
Level 7, 1 Victoria Street
PO Box 540
Wellington 6011
Telephone 0800 269 476

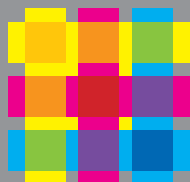
First NZ Capital Limited
Level 14, HP Tower
171 Featherston Street
Wellington 6011
Telephone 0800 005 678

Forsyth Barr Limited
The Octagon
Private Bag 1999
Dunedin 9054
Telephone 0800 367 227

Westpac Institutional Bank
P O Box 691
Wellington 6011
Telephone 0800 489 222

SOLICITORS TO THE TRUSTEE

Buddle Findlay
State Insurance Tower
1 Willis Street
Wellington 6011



Infratil