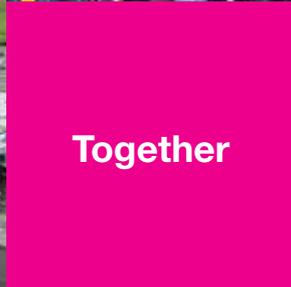
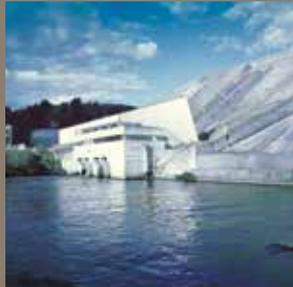


Infratil Simplified Disclosure Prospectus

For the offer of
Infrastructure Bonds
26 April 2013



This is a simplified disclosure prospectus for an offer of bonds that rank equally with other bonds issued by Infratil Limited which are listed on the NZX Debt Market and in priority to the ordinary shares in Infratil Limited listed on the NZX Main Board and ASX.

Important Information

This prospectus is a simplified disclosure prospectus prepared in accordance with regulation 10 of the Securities Regulations, and is dated 26 April 2013. This prospectus replaces in its entirety the simplified disclosure prospectus for the offer of Infrastructure Bonds dated 15 April 2013. No subscription for bonds under the simplified disclosure prospectus dated 15 April 2013 will be accepted by Infratil.

This prospectus relates to an offer ("**Offer**") of a series of debt securities known as "Infrastructure Bonds" by Infratil Limited ("**Infratil**"). Under the Offer, Infratil is offering up to \$25 million of Infrastructure Bonds to all investors in New Zealand (with the option to accept up to \$75 million oversubscriptions at Infratil's discretion). 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 NZX Debt Market, the NZX Main Board and the ASX.

Capitalised terms

Capitalised terms used in this prospectus have defined meanings, which appear in the Glossary section on page 45 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. All legislation referred to in this prospectus may be viewed online at www.legislation.govt.nz.

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 Financial Service Providers for registration under section 42 of the Securities Act. These documents are copies of the NZX announcements referred to on page 43 of this prospectus, a copy of the audited financial statements of the Infratil Group for the year ended 31 March 2012, a copy of the unaudited interim financial statements of Infratil for the half year ended 30 September 2012, the Trustee's statement as set out on page 35 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 only constitutes an offer of Infrastructure Bonds in New Zealand. Infratil has not and will not take any action 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 compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. Any information memorandum, prospectus, circular, advertisement or other offering material in respect of the Infrastructure Bonds may only be published, delivered or distributed in or from any country or jurisdiction under circumstances which will result in compliance with all applicable laws and regulations.

By subscribing for Infrastructure Bonds, you indemnify Infratil, the Managers, the Organising Participant and the Trustee in respect of any loss incurred as a result of you 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, agents or advisers to subscribe for, or purchase, any of the Infrastructure Bonds. None of these parties or any of their respective directors, officers, employees, agents or advisers 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, you acknowledge that none of the Managers, the Organising Participant, the Trustee nor their respective directors, 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 you waive all claims in that regard.

NZX waiver

Listing Rule 5.2.3 requires a class of securities quoted on the NZX Debt Market 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 these minimum spread requirements may not be satisfied on the date the Infrastructure Bonds are quoted on the NZX Debt Market. NZX has provided a waiver to Listing Rule 5.2.3 on the basis that the minimum spread requirements will be satisfied on or before the final Issue Date.

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Chairman's Letter



Dear Investor

This prospectus contains a description of Infratil and the terms of the Infrastructure Bonds being offered. Proceeds of the issue will be used for general corporate purposes. Bonds represent the majority of Infratil's borrowing and, while they may have a higher interest rate than bank borrowing, they provide longer term funding than is available from banks enabling Infratil to better manage and extend the maturity profile. Paying a little more for longer term funding is consistent with Infratil's approach to avoiding and mitigating risks.

Bond funding also suits the character of Infratil's businesses for which there tends to be stable long-term demand. Infratil's businesses' services to customers include the following:

- + In a year of average rain and wind TrustPower generates approximately 2,900 GWh of electricity. In New Zealand TrustPower sells this energy through a number of sources but mainly to its **205,000 domestic and commercial customers**, in Australia the electricity is mainly sold via long term contracts.
- + **490,000 Australian accounts** buy their electricity or gas from Lumo Energy. Infratil Energy Australia Group, has approximately 285MW of generation capacity.
- + Almost **a third of all motor fuel consumed** in New Zealand is distributed by Z Energy which has an average of almost 180,000 customer transactions each day. Z Energy also owns 25% of FlyBuys which has over 2,500,000 loyalty cardholders.
- + NZ Bus provides an average of **216,000 public transport rides per week day**. Many of those passengers use one of the over 454,000 Snapper cards on issue.
- + **On an average day over 14,500 passengers** pass through Wellington Airport on their way to or from their flights.

The demand for public transport, motor fuel, electricity, gas and air travel has remained relatively stable notwithstanding the last few years being affected by economic and financial markets uncertainty and volatility. By ensuring its customers are well looked after, and by being in sectors with steady long term demand, Infratil has been able to build businesses which have delivered good returns.

To ensure that an investment in the Infrastructure Bonds meets your specific objectives, I recommend you read this prospectus carefully and consult a financial adviser before deciding whether or not to apply for Infrastructure Bonds.

Additional information is available in Infratil's 2012 annual and interim reports and the announcements made by Infratil to the NZX/ASX.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Newman'.

David Newman
Chairman

Key Information

This section highlights the key terms of the Offer and the key benefits and risks of an investment in the Infrastructure Bonds.

Detailed information is contained elsewhere in this prospectus and you should read it all before deciding whether or not to invest in the Infrastructure Bonds.

Issuer

Infratil Limited.

Description

Infrastructure Bonds are unsecured, unsubordinated debt securities of Infratil.

Opening Date

29 April 2013.

Offer

Infratil is offering up to \$25 million of Infrastructure Bonds to all investors in New Zealand (with the option to accept up to \$75 million oversubscriptions at Infratil's discretion).

Closing Date

5.00pm, 27 June 2013.

This date is indicative only and Infratil has the right in its absolute discretion and without notice to close the Offer early or to accept late applications.

Interest Rate

6.85% per annum.

Maturity Date

15 June 2022.

Interest Payment Dates

15 March, 15 June, 15 September and 15 December of each year until and including the Maturity Date (commencing on 15 September 2013).

Interest Payments

Other than for the first Interest Payment Date, Infratil will pay interest in arrears in equal amounts on each Interest Payment Date.

Interest payable on each Infrastructure Bond on the first Interest Payment Date will accrue at the Interest Rate from (and including) the date on which your subscription moneys have been banked into the trust account operated in respect of the Offer.

First Interest Payment to Original Subscriber

Interest payable on the first Interest Payment Date will be paid by Infratil to the original subscriber of an 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 36 of this prospectus). If the payment of interest is suspended:

- (a) interest will continue to accrue and will be paid by Infratil 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. You have no right of early redemption except following an Early Redemption Event. Further information on early redemption is on page 37 of this prospectus.

Right to Sell Securities

You are entitled to sell your Infrastructure Bonds at any time, subject to the terms of the Trust Deed and any applicable securities laws and regulations (including the Listing Rules). Further information on your right to sell your Infrastructure Bonds is on page 43 of this prospectus.

Liabilities to Assets Covenant

Infratil has agreed 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 Infratil and its subsidiaries as at that date. Further information on this covenant is on page 41 of this prospectus.

Ranking of Bonds

The Infrastructure Bonds are unsecured and unsubordinated debt obligations of Infratil. This means that in a liquidation of Infratil your rights and claims as a Bondholder:

- (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.

Infratil is a holding company with investments in the companies described in this prospectus. **Bondholders have no claims against, or recourse to the assets of, any of those 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 and associates (including lenders) would have a prior claim to the assets of those companies ranking ahead of the claim of Infratil's liquidator (claiming as shareholder in the companies). Only the residual assets of the companies, after the claims of the companies' creditors have been satisfied, would be available to Infratil's liquidator and therefore Infratil's creditors (including Bondholders).

No Guarantee

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

Risks

The principal risks associated with the Infrastructure Bonds which may affect your ability to receive the returns on the Infrastructure Bonds are set out under "Risk Factors" on page 30 of this prospectus. The principal risks associated with the Infrastructure Bonds include:

- (a) If you transfer any of your Infrastructure Bonds before they are redeemed, the price at which you are able to sell your Infrastructure Bonds may be less than the price you paid for them, due to changes in market interest rates, a deterioration in Infratil's creditworthiness and other factors.
- (b) If a material deterioration in the operating or financial performance of the members of the Infratil Group, or an adverse change in financial markets on which the Infratil Group relies for finance, affects Infratil's ability to make payments on the Infrastructure Bonds.
- (c) If interest payments on the Infrastructure Bonds are suspended by Infratil because an Interest Suspension Event occurs.
- (d) The risk that, in a liquidation of the Infratil Group, the claims of the creditors of Infratil's subsidiaries and associates result in there being insufficient assets available to Infratil (as shareholder) or its liquidator to satisfy in full the claims of Infratil's Bondholders.

Issue Price

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

The Issue Price for each Infrastructure Bond is payable to Infratil in accordance with the instructions under the heading "Applications and payment" on page 37 of this prospectus.

Issue Dates

Infrastructure Bonds will be issued on 15 May 2013, 14 June 2013 and 28 June 2013.

Expected Date of Initial Quotation on the NZX Debt Market

15 May 2013.

Minimum Application Amount

\$5,000 and multiples of \$1,000 thereafter.

Offer Process

Infratil may reserve Infrastructure Bonds, including oversubscriptions, for subscription by clients of the Managers, Primary Market Participants (as defined in the NZX Participant Rules) and other approved financial intermediaries ("**Allocations**"). The aggregate number of Infrastructure Bonds reserved will be determined by Infratil, in consultation with the Managers.

Infratil, in consultation with the Managers, will determine the arrangements in respect of Infrastructure Bonds which are not subject to Allocations (if any).

How to Apply

Instructions on how to make an application for Infrastructure Bonds are contained under the heading “Applications and payment” on page 37 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

Infratil will use the net proceeds of the Offer for general corporate purposes.

NZX Debt Market Quotation

Application has been made to NZX for permission to list the Infrastructure Bonds on the NZX Debt Market 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.

The NZX Debt Market is a registered market operated by NZX Limited which is a registered exchange, regulated under the Securities Markets Act 1988.

NZX Debt Market Ticker Code

NZX Debt Market ticker code IFT190 has been reserved for the Infrastructure Bonds.

No Underwriting

The Offer is not underwritten.

Electricity Sector Regulatory Reform Proposals

On 18 April 2013 the Green Party of Aotearoa New Zealand and the New Zealand Labour Party, announced proposals for electricity sector regulatory reform.

Pages 30 to 34 of this prospectus present principal risks associated with an investment in Infrastructure Bonds. Included in those principal risks is the risk that changes in the regulatory environment may adversely affect TrustPower and accordingly

Infratil. Infratil wishes to draw your attention to this recent development that increases the regulatory risk for TrustPower and Infratil.

The jointly announced proposals differ in a number of respects but a common feature is the establishment of a state agency to act as a single buyer of wholesale electricity from generators. The New Zealand Labour Party estimates that its proposed reforms will reduce total electricity charges by between \$500 million and \$700 million per year. The Green Party of Aotearoa New Zealand proposal estimates \$750 million a year in savings. These estimated reductions are in respect of the electricity industry generally. It is not clear how this would impact individual generators, including TrustPower.

In addition as outlined on page 33 of this prospectus it is impossible to accurately predict the form that any changes to laws, regulations or policies could take; and these proposals are no exception. Factors not known include the outcome of future parliamentary elections, the composition and policies of future governments, and how future policies and laws would be implemented by regulatory agencies. Accordingly, it is not possible to reliably quantify the impact of the proposals if implemented on TrustPower’s value or financial performance.

The 18 April announcements increase regulatory uncertainty for TrustPower by raising the possibility that a future government may materially change the structure of the New Zealand electricity industry. Any future change to the New Zealand electricity industry (whether through a formal structural change, changes to the regulatory regime or through some other mechanism) may have a material adverse effect on TrustPower, which may in turn materially adversely affect Infratil’s ability to make payments on the Infrastructure Bonds.

Infratil

Infratil was established and listed on the NZX in 1994 at a time when the New Zealand Government was opening the market to the private provision of infrastructure. Infratil was formed to enable investors to participate in what was then a new investment sector.

Over the subsequent 19 years Infratil has retained its core focus on infrastructure, but has evolved a more defined approach to the sectors and companies in which it invests.

- + Investment is principally in transport and energy (Infratil still holds its first ever investment; TrustPower) which are sectors where Infratil's management have considerable experience.
- + Within those sectors the priority is companies with the opportunity to grow so that if they are well managed they will be able to invest additional capital to improve earnings and valuations.
- + The businesses have price, volume or cost risk because generally businesses with some risk offer higher long-term returns (as opposed to say a regulated electricity lines company where a regulator may set the rate of return and investors face little up or down side).

Infratil has retained and developed a stable core of businesses over the years, with changes in investments reflecting new opportunities or market developments. Infratil currently considers Australia and New Zealand as its principal areas of geographic focus, although it periodically considers opportunities in other developed and developing markets.

Infratil's portfolio of assets is not the same as it was five years ago, and is very likely to be different when the Infrastructure Bonds being issued under this prospectus mature. Capital allocation is a key consideration for the Board and can be categorised as either organic/ internal (ie. investments or capital expenditure identified within existing businesses) or acquisition/ divestment. Over the last decade the Infratil Group's total investment spending was approximately \$3,000 million with approximately half of this organic/internal and the balance spent on new acquisitions. For instance over the two years to 31 March 2012 \$750 million was invested, 72% on internal investments and 28% on new acquisitions (being to acquire 50% of Z Energy). The internal spend was on new bus fleet,

airport facilities, generation plant, brand rollout and reformatting of retail service stations and customer systems for energy retailing. Making new investments, especially into greenfield investments, carries additional risks even when carefully undertaken. However, Infratil will continue to be conservative in its balance sheet settings and with investment ideas outside of its core sectors and geography.

Funding for capital expenditure comes from operating cashflows, borrowing, equity issuance and asset disposals. Infratil has announced that it may sell a part of its shareholding in Z Energy, as described further on page 24 of this prospectus. The Z Energy shareholding was originally acquired from the proceeds of selling shares in Auckland Airport and other businesses. Capital recycling of this type does not happen every year, but it does happen and contributes to the evolution of Infratil's businesses.

Infratil's participation in several infrastructure sectors means that both its investment opportunities and earnings are subject to diverse influences. For instance, different factors influence electricity prices and markets in New Zealand and Australia and hence the profits of TrustPower and Infratil Energy Australia. Similarly decisions about whether to build a new power station in Australia or New Zealand will be impacted by different factors. At present both markets have ample capacity relative to the levels of demand, but Australian government policy to increase its renewable generation means there are more attractive opportunities to build wind farms in that country than in New Zealand.

Investment decisions are based on the absolute and relative merits of each proposal, the need to maintain a comfortable balance of debt and equity, and shareholder return priorities. The weighting of these factors changes over time; for example the financial market uncertainty of recent years resulted in Infratil taking a more conservative stance towards debt and shifting capital towards businesses and investments with more immediate cash earnings. It is likely that the balance between the prioritisation of earnings and capital growth will continue to change, usually gradually but occasionally (as happened in 2008 with the global financial crisis) abruptly.

Risks and their Management

A prospective investor in Infratil's Infrastructure Bonds asking "what could go wrong?" may find it helpful to consider the risks under three headings.

- + The first is the "big picture" risk factors relating to the resilience of Infratil's income.
- + The second "big picture" factor is the market for infrastructure businesses (especially those owned by Infratil) and how this impacts their value.
- + The third area of risk relates to the Infratil Group's many operational factors; the day to day activities where management, plant and equipment and systems are significant, and things can and do go wrong.

The first area of risk relates to the resilience of Infratil's income which reflects the nature of the businesses it owns and the markets in which they operate. A key attribute of Infratil's businesses is that they are mainly in markets with stable long-term demand and, in some situations, also stable supply.

TrustPower, Z Energy, Wellington Airport and NZ Bus are Infratil businesses which over the long term face relatively stable demand. Infratil Energy Australia is differently placed and faces more challenging market conditions. However none of the businesses are free from risk. Wellington Airport's demand profile is an example. Between 2004 and 2013 its passenger throughput rose from 4,320,000 to 5,250,000, that is 2.4% per year or an average annual increase of 103,700 passengers. In two years during that period passenger numbers did however fall (the worst case being 2.6%). Wellington Airport does not operate in a riskless environment (over a decade its airline mix has changed markedly) but it does seem that there is reliable and stable underlying passenger growth resulting from airlines competing for passengers, albeit with a high level of reliance on one airline, Air New Zealand.

Another example is wholesale electricity prices, which are volatile and can vary by more than 100% from year to year if, for instance, a cold dry calm winter pushes up electricity demand while reducing wind and hydro generation. Also, crucial facilities and services such as airports, energy, public transport

and motor fuel are closely monitored by authorities and can be subject to regulatory intervention.

The second area of material risk reflects financial market conditions for infrastructure businesses, being the risk that there is a significant reduction in the availability of funding to infrastructure businesses or a marked reduction in the market value of such businesses. Over the last two decades infrastructure has emerged as a sector for equity and debt investment and as the characteristics of the businesses have become better understood funding has become more available and values have risen. This could reverse, for instance, because of onerous regulation or changes in government attitude to private provision of infrastructure and property rights.

The third area of risk relating to the operation of Infratil's businesses, is perhaps less dramatic than the possibility of a large drop in demand or another financial market crisis, but takes many forms and are subject to active management. Infratil's risk management framework includes regular reporting of operational and financial performance, preparation of budget and forecasts, investment analysis and capital planning and the identification and management of significant business risk areas and regulatory compliance. Effective management of risks requires capable and experienced people, strong systems and processes, and quality decision making.

Further information on the risks relating to Infratil and the risks specific to an investment in Infrastructure Bonds can be found under the heading "Risk Factors" on page 30 of this prospectus.

Further information on Infratil's liability profile is also provided on page 17.

Directors



David Newman

Chairman, Independent

David Newman has been a director since 1994 and Chairman since 2004. He is Chairman of Wellington Airport and a director of Infratil Airports Europe. He was previously Managing Director of BP New Zealand and Chief Executive of the Institute of Directors, of which he is a Fellow. He was a Director of Austral Pacific Energy, which was placed in receivership on 8 June 2010.

Infratil's directors are current as at the date of this prospectus but are subject to change.

Marko Bogoievski

Director, Chief Executive

Marko Bogoievski is Chief Executive of Infratil and its manager, Morrison & Co. He joined the Infratil board in 2009. He is Chairman of Z Energy, a director of TrustPower and is a director of Morrison & Co. He was previously Chief Financial Officer of Telecom NZ responsible for corporate finance, M&A and group strategy. He is a member of the New Zealand Institute of Chartered Accountants.

Anthony Muh

Alternate Director (for Duncan Saville)

Anthony Muh was an independent director at Infratil from 2007 until 2010 and is now an alternate for Duncan Saville. He joined Morrison & Co in 2010 to head its asset management businesses. Anthony has extensive experience in traditional and alternative investment management and has had senior roles at Alliance Trust Plc, Citigroup Global Asset Management and Solomon Brothers Asset Management Asia Pacific.





Humphry Rolleston

Director, Independent

Humphry Rolleston has been a director of Infratil since 2006. He is also a director of Property for Industry, Mercer Group, SKY Network Television, Murray & Co and Asset Management. He owns a number of private companies involved in tourism, security, manufacturing and finance. He is a Fellow of the New Zealand Institute of Directors and the Institute of Management.



Mark Tume

Director, Independent

Mark Tume has been a director of Infratil since 2007 and is the chair of the board's Audit and Risk Committee. He is also a director of the New Zealand Refining Company, New Zealand Oil and Gas, Infratil Energy Australia and is a member of the board of the Guardians of The New Zealand Superannuation Fund. His professional experience has been in New Zealand banking and funds management.

Duncan Saville

Director

Duncan Saville has been a director of Infratil since its establishment and is also a director of Morrison & Co, Infratil's manager. He is a chartered accountant and an experienced non-executive director in the utility sector having been on the boards of a number of water, airport and utility investment companies. He is a Fellow of the Institute of Chartered Accountants in Australia and of the Australian Institute of Directors.

Paul Gough

Director, Independent

Paul Gough joined the Infratil board as an independent director in 2012. His professional career has been in investment banking and private equity in New Zealand and the United Kingdom, where he is a partner in the private equity fund STAR Capital Partners with responsibility for the acquisition and management of investments especially in the transport and energy sectors. He previously worked for Credit Suisse First Boston in New Zealand and in London. Paul is also a director of European Rail Finance (GB) Limited "Eversholt Rail", Blohm+Voss Oil Tools GmbH, Blohm+Voss Repair GmbH, Blohm+Voss Shipyards GmbH, Gough Capital Limited, OPM Investments Limited and OPM Property Limited.



Management

Jason Boyes - Head of Legal

Jason Boyes is responsible for group legal risk and compliance, and transaction structuring and execution. Before joining Morrison & Co, he was a lawyer at Buddle Findlay for 13 years – seven as a partner, specialising in corporate, securities, and finance transactions.

Mark Flesher - Corporate Development and International Investor Relations

Mark Flesher has been involved in the New Zealand and offshore capital markets for over twenty years. His roles have included senior positions in funds management, broking, investment banking and corporate finance. His most recent role was General Manager Investor Relations at Telecom New Zealand.

Fiona Cameron - Group Treasurer/ Morrison & Co Financial Controller

Fiona Cameron is responsible for Infratil Group Treasury operations including cash management, funding draw-downs, FX and IR management and corporate accounting, company and group financials for Morrison & Co. Fiona joined Morrison & Co in 2006 and has previous experience in the energy and banking sectors.

Peter Coman - Property and Social Infrastructure

Peter Coman is accountable for the development and performance of infrastructure property opportunities within Morrison & Co and Infratil. Prior to joining Morrison & Co in 2008, he was Managing Director of Jones Lang LaSalle, New Zealand. Previous to this he worked in the UK. Peter is a director of Wellington Airport and iSite.

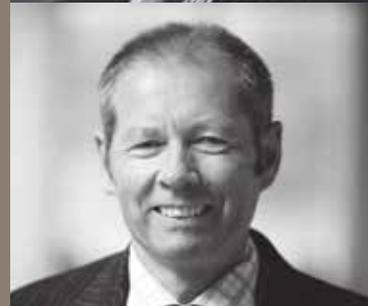
Infratil's senior management team is current as at the date of this prospectus but is subject to change.

Lib Petagna - Executive Director and Chief Investment Officer

Lib Petagna has extensive transactional experience having led acquisitions and divestments in the airport, energy and transport sectors in Australasia and Europe. He has overseen Morrison & Co's entry into wholesale, retail and agricultural sector funds management and is a director of NZ Bus, Z Energy and Infratil Property.

Kevin Baker - Chief Financial Officer

Kevin Baker is responsible for financial and management accounting, and reporting for Infratil and its 100% owned subsidiaries. He is Chairman of NZ Bus and a director of Infratil Energy Australia. Prior to joining Morrison & Co in 2006, Kevin was CFO of NGC Holdings. It has been announced that Kevin is to step down as Infratil's CFO after seven years to take up a new role with Morrison & Co at some time in the future.



Rhoda Phillippo - Technology and People

Rhoda Phillippo worked with Morrison & Co prior to the purchase of Z Energy, developing the transition and operations plan. Prior to her work with Morrison & Co, Rhoda was CEO of Optimization New Zealand and led Telecom/Gen-i's trans-Tasman business for major customers. Rhoda is Chairperson of Snapper and a director of Infratil Energy Australia.



Paul Newfield - Investment Director

Paul Newfield leads the Morrison & Co team responsible for analysing the attractiveness of infrastructure sectors, and assessing and executing private market transactions. Prior to joining Morrison & Co, Paul was a Principal at The Boston Consulting Group.





Bruce Harker - Executive Director Energy Group

Dr Bruce Harker heads Morrison & Co's energy team and has over 30 years of experience in the electricity industry. Dr Harker is Chairman of TrustPower. Prior to joining Morrison & Co in 1994, he held senior management roles within Electricity Corporation of New Zealand.



Tim Brown - Capital Markets and Economic Regulation

Tim Brown is involved in financing, capital markets, and economic regulation. He is a director of Wellington Airport and NZ Bus. Before joining Morrison & Co in 1994 he was head of capital markets at The National Bank of New Zealand.



Zane Fulljames – CEO, NZ Bus

Zane joined NZ Bus in 2008 having previously had roles in logistics, oil and gas, construction, manufacturing and finance. His previous employer was Royal Dutch Shell.



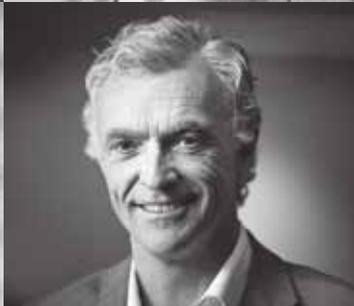
Dean Carroll – CEO, Lumo / Infratil Energy Australia

Dean Carroll joined IEA in 2012 from Genesis Energy where he was GM Retail and oversaw the development of what became the largest energy retailing operation in New Zealand. Genesis led the New Zealand market in back-office development, information systems, smart meters and loyalty programmes.



Vince Hawksworth – CEO, TrustPower

Vince Hawksworth joined TrustPower in 2011 with over 25 years of energy sector experience, including with thermal and hydro generation and energy retailing. His most recent prior role was as CEO of Hydro Tasmania.



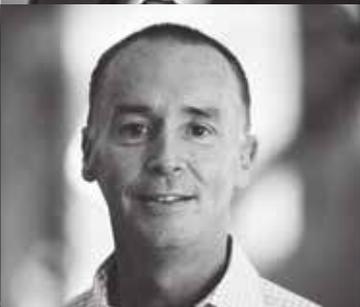
Steve Sanderson – CEO, Wellington Airport

Steve Sanderson joined Wellington Airport in 2011 having previously been CEO of Queenstown Airport and before that having had senior management roles in a number of manufacturing and infrastructure businesses.



Steven Fitzgerald - Executive Director Airports Group

Steven Fitzgerald is responsible for airport investment and joined Morrison & Co in August 2011 having previously been CEO of Wellington Airport and Infratil's European Airports. Steve joined Infratil in 2005 from Sydney Airport. Steve is a Director of Wellington Airport and Chairman of Infratil Airports Europe.



Mike Bennetts – CEO, Z Energy

Mike Bennetts joined Z Energy in 2010 after a 25 year career with BP in New Zealand, China, South Africa, the UK and Singapore. His last role was as Chief Executive of BP's Eastern Hemisphere supply and trading business.

Information about Financial Performance and Position

Infratil invests in companies which own and operate energy and transport infrastructure and associated activities.

For an investor in Infrastructure Bonds with a natural concern about Infratil's ability to meet its interest and principal obligations the key creditworthiness considerations are likely to be the robustness of Infratil's earnings and the value of its assets.

In the main Infratil's businesses operate in stable sectors and have exhibited relatively predictable earnings. However because Infratil is seeking to maximise returns for its shareholders the businesses have also been selected because they offer some potential to outperform which tends to mean accepting risk. Not all of Infratil's investment plans have been successful – things can and have gone wrong. The most notable example of losses in the current portfolio is from Infratil's ownership of two airports in the UK, but their negative returns have not materially harmed Infratil's overall creditworthiness.

While investment and divestment will be important to the shape of Infratil over the longer term, of greater relevance to Infratil's financial health in the short to medium term will be the group's operating cash flows. In fact the implementation of investment plans will be contingent on improving operating cash flows. If a company is not generating satisfactory returns from its existing operations it tends to lose the flexibility to pursue growth.

Over the last few years, and in particular since the 2008 global financial crisis, investors have shown a marked preference for the companies they invest in to generate robust operating cash flows. Assets with long pay-back periods have been avoided in favour of those with more immediate ability to provide positive cash flows. The tables of financial information on the following page only go back as far as the year ended 31 March 2010 but they illustrate Infratil's policy of prioritising investments which deliver positive operating cash flows. The total capital spend over the three and a half years shown in the tables has amounted to over \$1,100 million so growing cash flow and a high level of investment spend have gone hand in hand.

An investor in Infratil Infrastructure Bonds is relying on, and has the benefit of, Infratil's investment in five core businesses (TrustPower, Wellington Airport, NZ Bus, Z Energy and Infratil Energy Australia) which generate positive operating cash flows and face diverse influences and disparate event risks.

Infratil derives its income from dividends and other income paid to it by its investments and capital gains/losses on sale.

Unless otherwise specified, the financial information included on the following pages 13 to 17 has been taken from:

- + In the case of information relating to the financial years ended 31 March 2010, 31 March 2011 and 31 March 2012, Infratil's consolidated audited financial statements for the relevant year.
- + In the case of information relating to the six month periods ended 30 September 2011 and 30 September 2012, Infratil's consolidated unaudited financial statements for the relevant period.

EBITDAF = Earnings before interest, tax, depreciation, amortisations, fair value movements of financial instruments, investment costs, realisations and impairments

The following table shows Infratil's consolidated EBITDAF and the contribution of Infratil's businesses.

EBITDAF is a useful non-GAAP financial measure as it shows earnings prior to non-cash items such as depreciation, amortisation, fair value adjustments and the cost of financing and taxation.

A reconciliation of EBITDAF to Infratil's GAAP net surplus is shown in the second table (and is further explained in note 3 of Infratil's 31 March 2012 Annual Report and Infratil's consolidated unaudited financial statements for the six months to 30 September 2012).

Z Energy is not a subsidiary of Infratil for accounting purposes and the contributions recognised from Z Energy are Infratil's 50% share of that company's net surplus. As TrustPower and Wellington Airport are subsidiaries, they are required to be fully consolidated in Infratil's consolidated financial statements and therefore the tables below show their full (100% contribution) results even though Infratil only owns 51% and 66% of them respectively.

EBITDAF Contributions

\$Millions	6 months to 30 September 2012 Unaudited	6 months to 30 September 2011 Unaudited	Year ended 31 March 2012 Audited	Year ended 31 March 2011 Audited	Year ended 31 March 2010 Audited
TrustPower	\$166	\$162	\$300	\$274	\$274
Wellington Airport	\$40	\$36	\$76	\$72	\$68
NZ Bus	\$22	\$24	\$46	\$40	\$29
Infratil Energy Australia	\$71	\$46	\$64	\$55	\$11
European Airports*	-	-	-	-	(\$9)
Z Energy**	\$8	\$18	\$52	\$55	-
Other***	(\$10)	(\$10)	(\$18)	(\$25)	(\$10)
EBITDAF continuing operations	\$295	\$276	\$520	\$471	\$363
EBITDAF discontinued operations	(\$4)	(\$4)	(\$12)	(\$11)	-

* European Airports were held for sale at 30 September 2012 and have been classified as discontinued operations for the periods ending 2012 and 2011.

** Z Energy 2011 comparative excludes a fair value gain on acquisition.

*** other includes Infratil's management fee paid to Morrison & Co Infrastructure Management, corporate costs and group eliminations.

Reconciliation of EBITDAF to Net Surplus

\$Millions	6 months to 30 September 2012 Unaudited	6 months to 30 September 2011 Unaudited	Year ended 31 March 2012 Audited	Year ended 31 March 2011 Audited	Year ended 31 March 2010 Audited
Net surplus from continuing operations	\$70	\$94	\$164	\$167	\$95
Net financing expense	\$97	\$92	\$187	\$168	\$159
Taxation expense	\$29	\$37	\$58	\$81	\$11
Depreciation	\$58	\$50	\$107	\$87	\$90
Amortisation of intangibles	\$15	\$14	\$27	\$24	\$24
Net loss/(gain) on derivatives	\$23	(\$11)	(\$19)	\$4	\$68
Net realisations, revaluations and impairments	\$3	-	(\$4)	\$1	(\$84)
Reversal of Infratil's share of associate's gain on acquisition*	-	-	-	(\$61)	-
EBITDAF before fair value gain on acquisition recognised by associates	\$295	\$276	\$520	\$471	\$363

* In the year ended 31 March 2011 Z Energy contributed a \$61 million fair value gain on acquisition. The EBITDAF figure excludes the gain on acquisition as it will not reoccur and its inclusion would show an inflated number for comparative purposes.

Reconciliation of EBITDAF to Operating Cash Flows

The table below shows the reconciliation of EBITDAF to Infratil's consolidated operating cash flows.

\$Millions	6 months to 30 September 2012 Unaudited	6 months to 30 September 2011 Unaudited	Year ended 31 March 2012 Audited	Year ended 31 March 2011 Audited	Year ended 31 March 2010 Audited
EBITDAF continuing operations	\$295	\$276	\$520	\$471	\$363
Net interest paid	(\$91)	(\$87)	(\$176)	(\$161)	(\$159)
Tax paid	(\$35)	(\$23)	(\$47)	(\$44)	(\$44)
Working capital adjustments, discontinued operations, undistributed associate earnings	(\$63)	(\$58)	(\$101)	(\$87)	(\$28)
Operating cash flows from all operations	\$106	\$108	\$196	\$179	\$132

Reconciliation of Operating Surplus to Net Surplus/(Loss)

The table below shows the reconciliation of Infratil's consolidated operating surplus to net surplus/(loss).

\$Millions	6 months to 30 September 2012 Unaudited	6 months to 30 September 2011 Unaudited	Year ended 31 March 2012 Audited	Year ended 31 March 2011 Audited	Year ended 31 March 2010 Audited
Operating surplus before financing, investment costs, derivatives and impairments*	\$222	\$212	\$386	\$421	\$249
Net financing costs	(\$97)	(\$92)	(\$187)	(\$168)	(\$159)
Operating earnings (earnings after depreciation, amortisation and interest)	\$125	\$120	\$199	\$253	\$90
Net loss/(gain) on financial derivatives	(\$23)	\$11	\$19	(\$4)	(\$68)
Investment realisations, revaluations and impairment	(\$3)	-	\$4	(\$1)	\$84
Taxation expense	(\$29)	(\$37)	(\$58)	(\$81)	(\$11)
Net (loss) from discontinued activities**	(\$47)	(\$5)	(\$37)	(\$48)	-
Net surplus for the year	\$23	\$89	\$127	\$119	\$95
Net surplus attributable to minority interests	(\$39)	(\$39)	(\$75)	(\$54)	(\$66)
Net (loss)/ surplus after taxation, discontinued operations and minorities	(\$16)	\$50	\$52	\$65	\$29

* In the year to March 2011 this amount included a fair value gain on the acquisition of Z Energy of \$61 million.

** Net (loss) from discontinued operations includes both operating losses and impairment of Infratil's investment in Infratil Airports Europe (Glasgow Prestwick and Kent Airports) which Infratil is actively seeking to sell. In the period to 30 September 2012, \$3 million of this amount relates to operating losses, and \$44 million to impairment.

Total Investment Spending by Infratil, its Subsidiaries & Associates

The table below shows the capital expenditure of Infratil, its subsidiaries and associates over the last three and a half years extracted from management information.

\$Millions (Unaudited)	6 months to 30 September 2012	6 months to 30 September 2011	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010
TrustPower	\$99	\$26	\$49	\$109	\$29
Wellington Airport	\$5	\$15	\$22	\$16	\$23
NZ Bus	\$22	\$28	\$64	\$17	\$20
Infratil Energy Australia	\$11	\$11	\$22	\$116	\$116
European Airports	\$3	\$5	\$7	\$7	\$5
Z Energy*	\$39	\$21	\$74	\$239	-
Other	\$8	\$1	\$8	-	-
Capital spending	\$187	\$107	\$246	\$504	\$193

* In year ended 31 March 2011 Infratil acquired 50% of Z Energy for \$210 million and Z Energy subsequently undertook \$29 million of internal investment.

Infratil's Investment Values

\$Millions (unaudited)	As at 30 September 2012	As at 30 September 2011	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
TrustPower	\$1,274	\$1,127	\$1,154	\$1,146	\$1,153
Wellington Airport	\$315	\$260	\$326	\$297	\$289
NZ Bus	\$254	\$229	\$246	\$208	\$214
Infratil Energy Australia	\$496	\$478	\$477	\$442	\$206
Z Energy	\$322	\$315	\$331	\$312	-
European Airports	\$28	\$101	\$70	\$101	\$138
Other	\$67	\$54	\$65	\$57	\$55
Total investment value	\$2,756	\$2,564	\$2,669	\$2,563	\$2,055

The values shown in the table (except for TrustPower) are derived from the annual reports and interim reports of Infratil and reflect Infratil's share of the relevant investment's net asset book values. These values are relevant to Bondholders as they represent the value of Infratil's investments. For 100% owned subsidiaries cash balances are excluded from the values as they are deducted from bank borrowing in the calculation of net bank debt as set out under the heading "Capital and debt funding" on page 16 of this prospectus.

None of the companies listed in the table guarantees the Infrastructure Bonds.

The basis of the investment values and recent changes is summarised below:

TrustPower's value in the table reflects the number of TrustPower shares Infratil owns (approximately 51% of the total) and the TrustPower share price on the NZX Main Board as at 31 March or 30 September (as applicable) of each year. As TrustPower is listed, its value will change with the market's perception of the value of TrustPower.

Wellington Airport's value represents 66% of Wellington Airport's shareholders' equity excluding deferred tax. Changes in value reflect fluctuations in retained earnings and asset values.

NZ Bus' value represents the book value of assets less liabilities, including goodwill and excluding deferred tax. Fluctuations in value reflect changes in retained earnings (the company has not undertaken asset revaluations over this period) and capital injections and repayments.

Infratil Energy Australia's (IEA) value includes:

- + IEA's power stations and land.
- + Perth Energy (of which Infratil is an 80% shareholder) power station and retailing activities.
- + Lumo's energy retailing assets which are included at cost with energy price hedges at market values.

Z Energy's value represents the cost of Infratil's investment and share of retained net profits and revaluations.

European Airports' value includes airport assets at valuations adopted by the company's directors.

Other mainly comprised Infratil's interest in Infratil Infrastructure Property, Snapper and a number of other smaller investments.

Group Financial Structure and Bondholder Status

A lender such as a Bondholder will be interested in both the total value of a borrower's assets and the level and ranking of claims against those assets. Within the Infratil Group, debt falls within three categories:

- + The borrowings of operating companies not 100% owned by Infratil. These companies are TrustPower, Wellington Airport, Z Energy and Perth Energy. (In the tables on the previous pages Perth Energy's assets and earnings are included with Infratil Energy Australia). A creditor of one of these companies has no claim against, or recourse to the assets

of, Infratil or any member of the Infratil Group other than the relevant operating company. As at 30 September 2012, the aggregate debt of these companies amounted to \$1,742 million.

- + Borrowings of 100% Infratil owned subsidiaries. Lenders to 100% Infratil owned subsidiaries have a claim against the relevant subsidiary as borrower, and in most cases have a claim against the other 100% Infratil owned subsidiaries and Infratil, in those companies capacity as guarantors of the relevant debt. Claims against Infratil under such guarantees rank equally with the Bondholders' claims against Infratil. As at 30 September 2012 the net aggregate debt owed by Infratil's 100% owned subsidiaries was \$397 million. The debt described in this paragraph means net financial debt, and does not include other obligations of the relevant subsidiaries such as trade creditors, financial derivatives positions, and other accrued liabilities.
- + Infrastructure Bonds issued by Infratil. Bondholders have no claims against or recourse to the assets of Infratil's subsidiaries or associates in respect of Infratil's obligations under the Infrastructure Bonds. As at 30 September 2012, the net aggregate face value of Infrastructure Bonds outstanding was \$858 million.

In a liquidation of an Infratil subsidiary or associate (whether wholly or partly owned by Infratil), creditors of the company in liquidation would have a claim to the assets of that company ranking ahead of Infratil's claim (or the claim of a liquidator of Infratil) as shareholder. Only the residual assets (if any) of the company in liquidation, after the claims of its creditors have been satisfied, would be available to Infratil (or its liquidator) as shareholder and therefore to Bondholders and Infratil's other creditors.

Capital and Debt Funding

The following table shows the borrowing of Infratil and its 100% owned subsidiaries and the NZX Main Board market value of Infratil's equity at the relevant dates.

The table excludes the debt of less than 100% owned subsidiaries and associates. While these lenders have claims against the assets of the relevant companies which rank ahead of any claim of Infratil as shareholder (and therefore Infratil's creditors, such as Bondholders), Infratil has no obligation to

these lenders and the value of Infratil's investments shown in the previous section on page 15 takes into account the value of the companies' liabilities.

As at 30 September 2012 Infratil's 100% owned subsidiaries had \$28 million borrowed in vendor financing which provided for the construction of a power station, \$432 million borrowed from banks, and \$63 million on deposit with banks. Together these sums make up the \$397 million net bank and other debt shown in the table below.

\$Millions (unaudited)	As at 30 September 2012	As at 30 September 2011	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
Net bank and other debt of 100% subsidiaries	\$397	\$352	\$363	\$270	\$82
Infratil fixed maturity bonds	\$623	\$563	\$623	\$623	\$509
Infratil perpetual bonds	\$235	\$237	\$236	\$238	\$239
Market value equity	\$1,268	\$1,062	\$1,109	\$1,151	\$1,002
Total capital	\$2,523	\$2,214	\$2,331	\$2,282	\$1,832

Infratil and 100% Subsidiary Debt Maturity Profile as at 30 September 2012

The following table shows the maturity profile of Infratil and its 100% owned subsidiaries' debt facilities as at 30 September 2012.

As at 30 September 2012 ⁽³⁾ (unaudited)	2013	2014	2015	2016	>2017	perpetual
\$Millions						
Infratil fixed maturity bonds	\$57	\$85	-	\$153	\$328	-
Infratil perpetual bonds	-	-	-	-	-	\$236
Infratil 100% subsidiary bank facilities ⁽¹⁾	\$38	\$447	\$123	\$99	\$80	-
Vendor finance ⁽²⁾	\$8	\$18	\$2	-	-	-

(1) Infratil and wholly-owned subsidiaries excludes TrustPower, WIAL, Perth Energy and Z Energy.

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

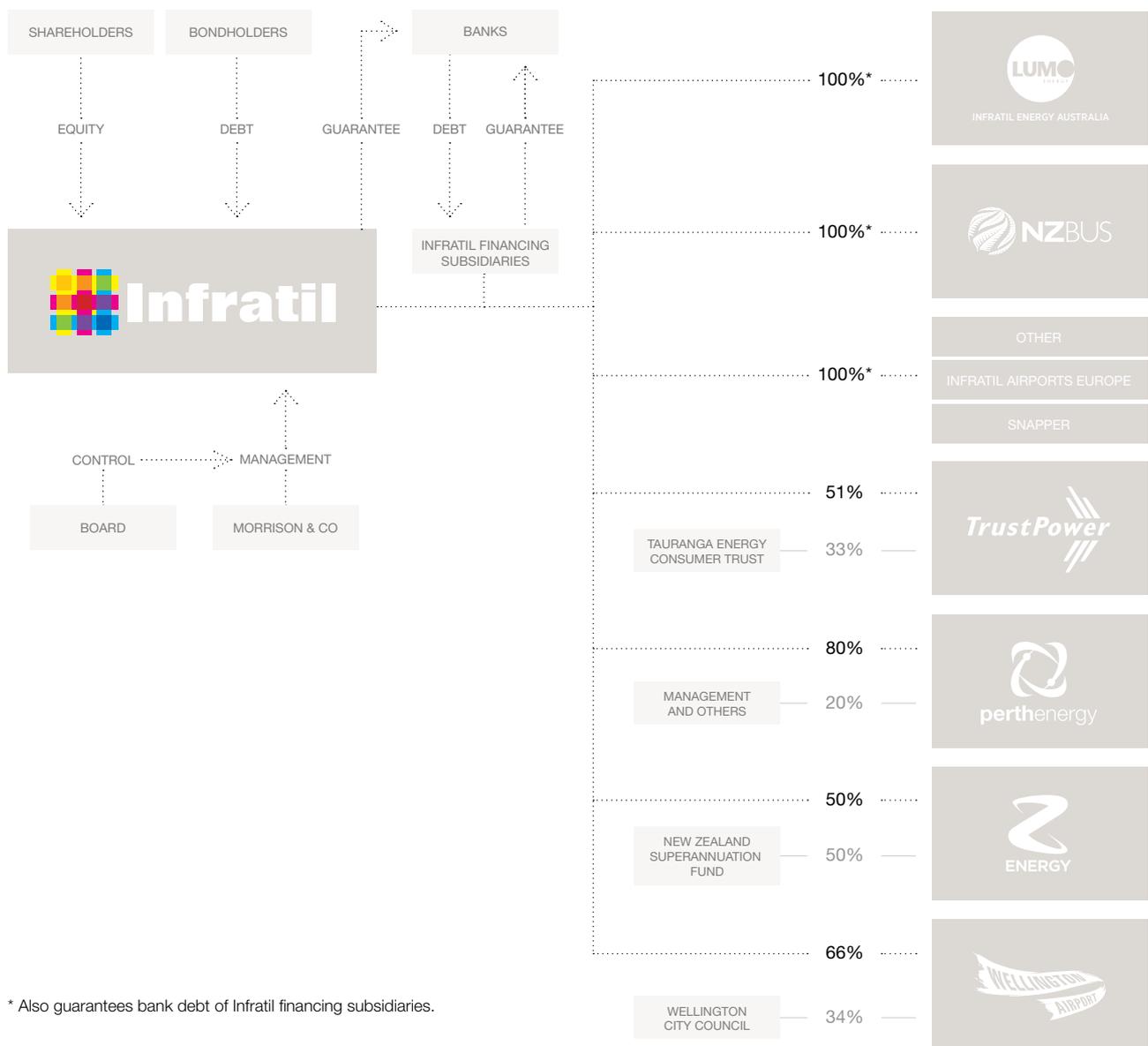
(3) Maturity profile based on 31 March financial year ends.

At 30 September 2012, Infratil and its 100% owned subsidiaries' debt funding comprised \$858 million of bonds and \$815 million of bank and vendor finance facilities drawn to \$459 million (excluding amounts of \$39 million utilised for guarantees). Cash balances held amounted to \$62 million.

Subsequent to 30 September 2012 the \$57 million of bonds maturing in 2013 have been repaid or refinanced with a new bond issue, \$111 million of new bonds were issued with a 2018 maturity, the \$38 million bank facility maturity shown in the 2013 year column has been refinanced for a period of three years, \$8 million of the vendor financing in the 2013 column has been repaid and \$140 million of the \$447 million bank facilities maturity shown in the 2014 year column has been refinanced for a period of five years.

Infratil's Investments, Structure and Bondholder Status

When Infratil issues Infrastructure Bonds, as a Bondholder you are the lender and Infratil is the borrower. The ability of a borrower such as Infratil to meet its interest and repayment obligations depends on the resilience of its operating cash flows. Also relevant for a lender such as a Bondholder will be a borrower's assets, and the Bondholder's or other creditors' rights to those assets. The Infratil Group is depicted in the following diagram. Infratil's assets comprise its shareholdings in the companies shown in the right hand side of the diagram and other less material investments.



* Also guarantees bank debt of Infratil financing subsidiaries.

Infratil's investments comprise shareholdings in five core businesses (which make up over 90% of Infratil's investments by value) and a number of other less material businesses. These five core businesses are described on pages 20 to 29 of this prospectus.



Key
Operating
Businesses



TrustPower

TrustPower is principally an electricity generator and retailer. It owns 19 small to medium hydro power schemes in New Zealand, two wind farms in New Zealand and one in Australia, and a diesel powered back-up generation unit north of Auckland. It also provides water to an irrigation scheme in Canterbury. TrustPower has approximately 205,000 energy customers in New Zealand while most of the output of its Australian wind farm is sold through a long-term contract. TrustPower is constructing a 270MW wind farm called Snowtown Stage 2 in South Australia. The total cost for Snowtown Stage 2 (excluding capitalised interest) is expected to be around A\$439 million.

TrustPower's power stations which use water and wind to generate electricity have no fuel cost and consequently TrustPower is a direct beneficiary of rising wholesale electricity prices.

On 1 July 2010 New Zealand electricity generation became subject to greenhouse gas emission obligations. At present generators with emissions are required to purchase rights which are available to be purchased at a price in dollars per two tonnes of CO₂.

TrustPower's wind and hydro generation does not emit greenhouse gas so, while TrustPower would be expected to benefit from a rise in wholesale electricity prices, it does not incur emission costs.

Currently TrustPower and other hydro generators do not pay for access rights to water that have been granted by resource consents. There is an increasing focus on the value of these access rights, and the issue of allocation was addressed by the New Zealand Land and Water Forum. The New Zealand Government is currently considering the Land and Water Forum report. It is possible that TrustPower and other hydro generators will eventually face some additional tax or resource rental for continued access to water. As with a tax on carbon emissions, these taxes would likely be passed through to consumers by increasing electricity prices.

On 18 April 2013 the Green Party of Aotearoa New Zealand and the New Zealand Labour Party announced proposals for electricity sector regulatory reform.

The proposals envisage the establishment of a state agency to act as a single buyer of wholesale electricity from generators at an aggregate price the parties expect to be between \$500 million and \$750 million less than what the generators would otherwise have received. How this would impact individual generators, including TrustPower, is not clear from the announcement.

The final form of any such initiative is not known, being dependant on future parliamentary elections, the policies of future governments, and the implementation of policies by regulatory agencies. Further information is available on page 5 of this prospectus.

EBITDAF and Generation



In the half-year ended 30 September 2012 TrustPower provided Infratil with \$32 million of dividend income.

Over the last decade TrustPower's annual EBITDAF has increased from \$69 million to \$300 million.

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



Market value of
Infratil's shareholding
30 September 2012

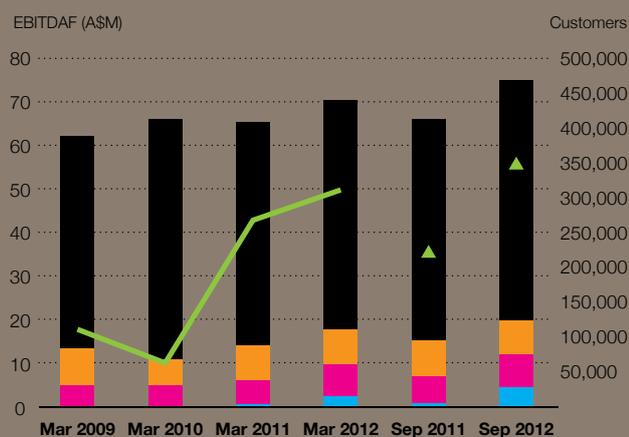
**\$1,274
million**

(31 March 2013, \$1,226 million, as at
22 April 2013 the market value of Infratil's
shareholding was \$1,146 million)



Infratil Energy Australia Group

EBITDAF and Customers



Although Queensland, New South Wales, Victoria, South Australia and Tasmania form the National Electricity Market (NEM) and are linked by transmission, each state has its own retail market and regulation. Victoria led the way in privatisation and allowed a more market-based model where retailers are free to compete with no price regulation. South Australia has followed with a path to removing price regulation. As individual states have opened their energy markets IEA's focus has expanded accordingly.

Earnings have increased markedly as the group has reached a more mature stage of its development.

Victoria
 South Australia
 EBITDAF Half Year
 Queensland
 NSW
 EBITDAF Full Year

Infratil Energy Australia (IEA) was established in 2004 with the aim of developing an independent Australian energy company, supported by an active and prudent approach to wholesale risk management. Its retailing division, which operates as Lumo Energy, now has 490,000 electricity and gas accounts in Victoria, Queensland, South Australia, and New South Wales. The IEA group owns 285MW of generation capacity in Western Australia (via Perth Energy), South Australia and New South Wales.

The Australian electricity market is gradually emerging from state ownership and control, although to date only Victoria and South Australia have completed a full sell down of the state's ownership. Only Victoria has fully deregulated and South Australia has indicated it will over the next two years. As the state markets have gradually deregulated and privatised three

large companies (AGL Energy, Origin Energy and Energy Australia) and a number of medium sized or smaller participants have emerged; IEA is one of the larger second tier companies in the sector.

Infratil is beginning to experience the benefits of its past investment in IEA and the objective now is to continue to grow both earnings and business scale.

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



Book value of
Infratil's shareholding
30 September 2012

**\$496
million**



Z Energy

Z Energy supplies fuel to retail and commercial customers in New Zealand. It undertakes the full range of logistical, distribution, marketing and retailing functions: importing refined fuels and crude oil into New Zealand, which it has refined at the country's single refinery. It distributes refined product around New Zealand either for sale directly to private motorists and commercial users or to independent merchants. Z Energy owns or leases facilities at 12 of the 13 terminal locations throughout New Zealand. Z Energy also owns 25% of Loyalty New Zealand which operates the FlyBuys loyalty scheme and 17% of Refining New Zealand. Z Energy is the largest by volume of the four major companies which operate integrated fuel supply in New Zealand.

Overall industry volumes for transport and industry fuels is relatively stable over the long term, although demand for petrol in New Zealand is declining. Z Energy is a high volume, low margin business. On average, Z Energy purchases and sells 51 million litres of fuel each week. Profitability comes from the buy-sell margin, minus the costs associated with processing, transport, storage, distribution and retailing. Typically, the prices at which product is purchased and on-sold move together,

which reduces the risk associated with fluctuations in international oil prices or the value of the NZ dollar.

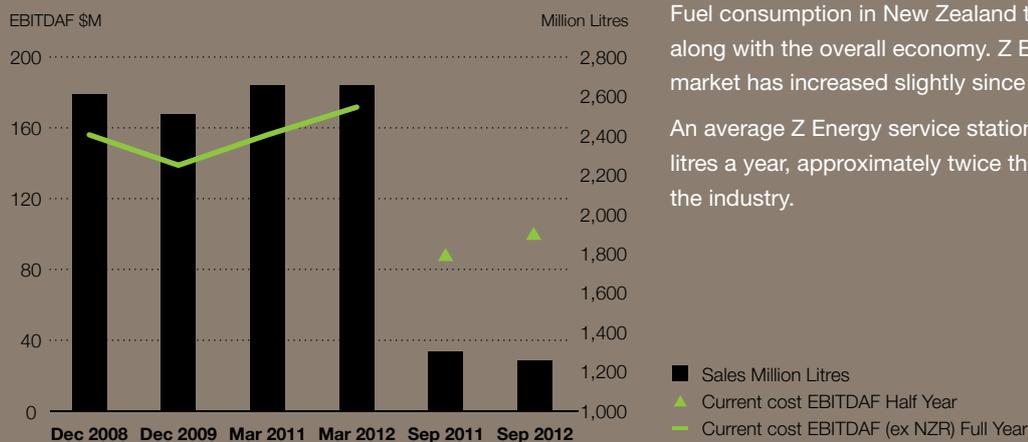
For the year ended 31 March 2012, Z Energy's current cost gross margin was \$422 million and after deducting operating costs the current cost EBITDAF was \$172 million. Those figures equate to 15.9 cents per litre gross margin and 6.5 cents per litre current cost EBITDAF margin. These margin figures include the contribution from convenience retailing at Z Energy's service stations.

On 8 March 2013 Infratil announced to the NZX and ASX that Z Energy is preparing for a potential listing of 40-60% of the company in the third quarter of 2013 on the NZX Main Board.

While no final decisions have been made, Infratil and NZ Superannuation Fund would be likely to retain equal stakes in the company of between 20% and 30% each after any initial public offering.

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

EBITDAF and Volumes Sold



Fuel consumption in New Zealand tends to grow, and shrink, along with the overall economy. Z Energy's share of the market has increased slightly since the early 2000's.

An average Z Energy service station dispenses 5.8 million litres a year, approximately twice the average of the rest of the industry.



Book value of
Infratil's shareholding
30 September 2012

**\$322
million**



Wellington Airport

Wellington Airport serves the Capital and central New Zealand region. In the year to 31 March 2012 it hosted 5.2 million passengers; 4.5 million on domestic flights and around 700,000 flying internationally.

The Airport's income is approximately 60% aeronautical, 32% from providing passenger services, with the remainder coming from other commercial activities, mainly being rent.

Most of the Airport's aeronautical charges are reset every five years with the most recent reset becoming effective from 1 April 2012. The main airline customers are Air New Zealand, Jetstar, Qantas and Virgin Australia.

Aeronautical charges are set in accordance with a process defined in the Airports Authorities Act. These charges and the projected costs, income and assets of the Airport on which they are based must then be disclosed in accordance with rules set out by the Commerce Commission. The same process is also being followed at Auckland and Christchurch airports. This disclosure regime is intended to ensure the airports are operated efficiently, offer an appropriate level of service, are investing effectively and are not earning excessive profits. The Commerce Commission has reviewed Wellington Airport's disclosures and reported to the Ministers of Commerce and Transport, as to whether they indicate that the Airport is acting as it would in a competitive market. The Commission found that Wellington Airport will, according to the Commission's calculations and what they deem to be a fair return, earn excessive returns.

The report now sits with the Ministers and there is the potential for a legal and administrative process before the consequences and future financial outcomes are known.

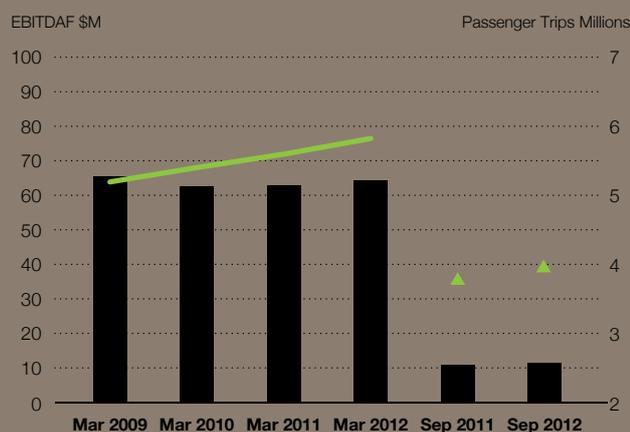
Accommodating increasing passenger numbers requires investment in capacity. Since 1998 this has included new domestic and international terminals, runway extension and major improvements to land transport facilities. Improved passenger services have allowed a substantial rise in income from retail, food and beverage, advertising, car parking and other transport amenities. In the year to 31 March 2012 these commercial services generated \$32 million of income or \$6.16 per passenger; up from \$6 million per annum or \$1.65 per passenger when Infratil made its initial investment in 1998.

By 2017 passenger numbers are forecast¹ to increase to almost 6 million per annum and a substantial upgrade of aeronautical and passenger facilities is underway to accommodate the higher numbers. Capital spending on just the aeronautical facilities over the next five years is forecast to be over \$70 million.

Over the next 20 years Wellington Airport's forecast is for its traffic to approximately double. (The most recent forecasts of Boeing and Airbus are for Australasian air travel (measured by passenger/kilometres) to treble over that period.)

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.

EBITDAF and Passengers



In the half year ended 30 September 2012 Wellington Airport provided Infratil with \$30 million of cash income.

Over the last decade air travel on the Tasman increased 57% while the Australian and New Zealand populations rose approximately 15%. Rising incomes, the falling real cost of air travel, and better airline services are encouraging demand growth.

Passenger growth, the Airport's investment in capacity and better services and higher charges has increased earnings over the period.

■ Passengers
▲ EBITDAF Half Year
— EBITDAF Full Year

¹ <http://www.wellingtonairport.co.nz/corporate/2030-masterplan/>



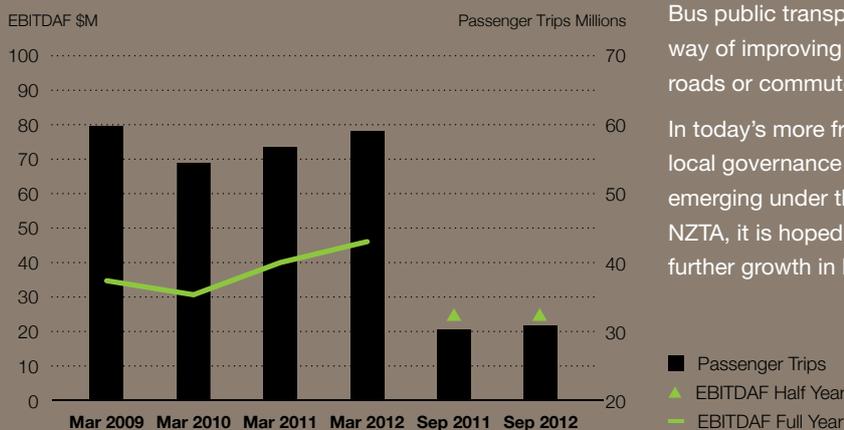
Book value of
Infratil's shareholding
30 September 2012

**\$315
million**



NZ Bus

EBITDAF and Patronage



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

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

Almost half of all public transport rides in New Zealand are taken on NZ Bus. It is the main provider of bus services in the two main public transport markets, Auckland and Wellington; and also operates in Whangarei.

Bus public transport is a partnership between operators, such as NZ Bus, and regional transport authorities which define and regulate the network. Services consistent with the network are undertaken without a rate/tax payer subsidy if commercially feasible, or with a subsidy if fares are insufficient to cover costs. The authorities set routes, timetables, minimum operational standards and fares on most services.

For several years industry participants have been working to change the regulatory, funding and contracting regime, and a new model has now been largely agreed. Following the passing of the new model into legislation the implementation of the new model is expected to commence from the middle of the 2013 calendar year. Under this new model, NZ Bus' current routes will fall into either negotiated or tendered units, with the services

re-contracted over the next three years. It is expected that this new model will provide a base for future growth by incentivising a more commercial approach by operators (they are expected to receive financial benefits from patronage increases) and a focus on value and network enhancement by authorities.

In recent years NZ Bus has enhanced and modernised its bus fleet through substantial investment and achieved significant patronage increases on its Auckland services. Public transport use per head of population in this region remains comparatively low and the regional transport agency has ambitious growth goals.

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



Book value of
Infratil's shareholding
30 September 2012

**\$254
million**



Risk Factors

Any investment in Infrastructure Bonds will involve risks, including those described in this section, which may affect whether or not you receive the returns outlined under the heading “Returns” on page 38 of this prospectus. These include risks specific to the Infrastructure Bonds, risks relating to the structure of the Infracore Group, and general risks relating to Infracore and the Infracore Group.

There may be risks in addition to those set out below and you should consider the risk factors below in conjunction with the other information disclosed in this prospectus. This prospectus does not take account of your personal circumstances, financial position or investment requirements. It is important that before making any investment decision, you consider the suitability of an investment in the Infrastructure Bonds in light of your individual risk profile for investments, personal circumstances and investment objectives.

Risks Specific to the Infrastructure Bonds

Transfer and market value

If you transfer your Infrastructure Bonds before they are redeemed, the price at which you are able to sell your Infrastructure Bonds may be more or less than the price you 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 duration of the Infrastructure Bond will also affect this risk.

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

In addition, if you are seeking to sell relatively small or relatively large amounts of Infrastructure Bonds you 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 not related to the creditworthiness of Infracore or the Infracore Group. These factors may include the time remaining to the maturity of the Infrastructure Bonds, the outstanding amount of the Infrastructure Bonds, the amount of Infrastructure Bonds

being sold in the secondary market from time to time, any factors limiting demand for the Infrastructure Bonds (such as investment mandates that exclude unrated securities), the availability of comparable securities and the level, direction and volatility of market interest rates generally.

While Infracore is of the view that a secondary trading market for the Infrastructure Bonds will develop over time, there can be no assurances as to the existence or characteristics of any such secondary market. Consequently, you may not be able to sell your Infrastructure Bonds readily or at all, or at prices that will enable you to obtain a return comparable to that of similar instruments, if any, with a developed market.

You should only purchase Infrastructure Bonds if you understand and are 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 for you if you sell your Infrastructure Bonds before the Maturity Date. This is particularly the case if your circumstances may not permit you 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 Infracore if an Interest Suspension Event occurs, as described in more detail on page 36 of this prospectus. If interest payments are suspended you will not receive payment of interest on the Infrastructure Bonds when you expected. A suspension of interest payments on the Infrastructure Bonds may also result in a material reduction in the market price of the Infrastructure Bonds.

Infracore's right of early redemption

Although the Infrastructure Bonds have a specified Maturity Date, Infracore may choose to redeem the Infrastructure Bonds early subject to certain conditions as described in more detail on page 37 of this prospectus.

If Infracore is entitled or required to redeem any of the Infrastructure Bonds, the date on which Infracore elects or is required to do so may not suit your individual circumstances. For instance, if you wish to reinvest the amount you receive on an early redemption of the Infrastructure Bonds, you may not be able to obtain a return equal to that you would have received on the Infrastructure Bonds had they not been redeemed.

You have no right of early redemption

You have no right of early redemption except following an Early Redemption Event, as described on page 37 of this prospectus. A significant deterioration in the financial position of Infracore might not necessarily constitute an Early Redemption Event.

Limited rights of Bondholders to enforce their rights directly

Bondholders are not able to enforce their rights under the Trust Deed directly against Infracore unless the Trustee fails to do so having become bound to enforce those rights in accordance with the Trust Deed. Generally, the Trustee will only be bound to enforce such rights if it is directed to do so by an Extraordinary Resolution of Bondholders. A copy of the Trust Deed and the Series Supplement is available on the Companies Office website (www.business.govt.nz/companies).

Risks Relating to the Structure of the Infracore Group

No claim against Infracore's subsidiaries and associates or their assets

Infracore is a holding company. This means the operating assets of the Infracore Group are owned by Infracore's subsidiaries and associates and not directly by Infracore itself. Bondholders have no claims against, or recourse to the assets of, Infracore's subsidiaries or associates in respect of Infracore's obligations under the Infrastructure Bonds. In a liquidation of the Infracore Group, creditors of Infracore's subsidiaries and associates would have a prior claim to the assets of these companies ranking ahead of the claim of Infracore's liquidator (claiming as shareholder in the companies). Only the residual assets of the companies, after the claims of the companies' creditors have been satisfied, would be available to Infracore's liquidator and therefore Infracore's creditors (including Bondholders).

Incurring additional debt and guarantees by Infracore

Subject to compliance with the Constitution, the Listing Rules and the Trust Deed (including the Series Supplement, which contains the 'liabilities to assets covenant' described on page 41 below), Infracore may from time to time issue additional securities and incur further debt which ranks equally with the Infrastructure Bonds without the consent of Bondholders. Infracore may issue additional securities and incur further debt on such terms as it thinks fit. Infracore may also extend its guarantee of the debts of its wholly-owned subsidiaries to other creditors who may provide debt to those subsidiaries from time to time. The issue of additional securities, incurrence of further debt or the

extension of that guarantee may reduce the amount (if any) recoverable by you as a Bondholder in a liquidation of Infracore.

Infracore's subsidiaries and associates may incur additional debt

Infracore's subsidiaries and associates have borrowed money under various funding arrangements (for instance, bank loans and bond issues), and may borrow more in the future. Additional borrowings can be made by Infracore's subsidiaries and associates without the consent of the Bondholders. As noted above, in a liquidation of the Infracore Group or any of these companies, creditors of the companies would rank ahead of the claims of Infracore as a shareholder and as a subordinated creditor (if it is a lender to the companies). An increased level of debt in these subsidiaries and associates may lead to a reduction in the level of distributions of income to Infracore and a reduction in the residual assets that would be available to Infracore (or its liquidator) as shareholder, and therefore available to Bondholders and Infracore's other creditors.

Risks Relating to Infracore and the Infracore Group

As a Bondholder, you are subject to Infracore's credit risk. This is the risk of Infracore becoming insolvent and being placed in receivership, liquidation, statutory management or voluntary administration, or otherwise being unable to meet its debts as they fall due. If this occurs, you may not be able to recover from Infracore the returns outlined under the heading "Returns" on page 38 of this prospectus.

The financial position of Infracore is linked to the financial position, operating performance and profitability of the members of the Infracore Group. A material deterioration in the operating or financial performance of the members of the Infracore Group could affect Infracore's ability to make payments on the Infrastructure Bonds.

Set out below are what Infracore considers to be the key risks relating to the Infracore Group.

Refinancing risks

The Infracore Group relies on debt markets including banks and retail bond markets for its core debt. Adverse changes in the business or financial performance of a member of the Infracore Group or in financial markets may reduce that company's access to, or increase the cost of, this debt. This might result in Infracore or other members of the Infracore Group not maintaining adequate funding facilities or being unable to renew or replace existing facilities when they mature. This could adversely affect

the company's financial performance and in extreme circumstances could affect Infratil's ability to pay its debts.

A potential consequence if Infratil is unable to access funding to refinance maturing debt is that it may need to sell an existing investment to repay that debt. In those circumstances the forced timing of the required sale may mean that Infratil is not able to maximise the value of that investment.

Change in business composition due to investment decisions

The allocation of capital between businesses, new investment opportunities and divesting of existing businesses is a key role for management and the directors of Infratil. Over the term of the Infrastructure Bonds the composition of the Infratil Group may change as a result of decisions about capital allocation. This means that the nature and composition of Infratil's investments (and the industries in which Infratil's businesses operate) over the term of the Infrastructure Bonds may be different to that described in this prospectus. Any such change in capital allocation could result in both a reduction in distributions of income to Infratil and a reduction in the residual assets that would be available to Infratil's liquidator (and so Bondholders and Infratil's other creditors) in the liquidation of the Infratil Group. More information in relation to capital allocation can be found under "Infratil" on page 6 of this prospectus. If Infratil invests in a new business, that new business may take some time to begin generating returns for Infratil and may involve risks which are different to those applicable to Infratil's current investments. For example, Infratil Energy Australia was established in 2004 as a start-up Australian energy company and did not contribute to the Infratil Group's EBITDA until 2006. More information in relation to Infratil Energy Australia can be found on page 22 of this prospectus.

Realisation of existing investments

If Infratil is required to sell or chooses to sell an existing investment, it may not be able to do so in a way which maximises the value of that investment. For example, this could occur if Infratil had to make a forced sale to repay maturing debt (as described above under "Refinancing risks") or if regulatory restrictions prevented Infratil from selling its holding in the relevant subsidiary or associate to its preferred purchaser. This could reduce the value realised by Infratil from that sale and, if that was a substantial reduction in value, potentially affect Infratil's ability to make payments on the Infrastructure Bonds.

General economic conditions

Changes in economic conditions generally in New Zealand or globally may adversely impact the Infratil Group's financial performance and the value of Infratil's investments and income. These include changes in:

- + general trading circumstances (eg, local or global recessions);
- + financial market prices (eg, interest rates, the value of the New Zealand dollar against the Australian, US or UK currencies, or other prices that affect asset values); and
- + the state of capital markets (including continuing access to capital and the cost of capital, including from banks).

Each of these factors is vulnerable to international economic and political events, such as the global financial crisis. For example, the aviation market, like the significant majority of global industries, felt the impact of the global financial crisis, resulting in a reduction in both passenger numbers and freight volumes which materially adversely affected the business of Infratil Airports Europe.

Industry risk

While the main industries in which Infratil's businesses operate are relatively stable they are not risk free. Industry related factors which present risks for members of the Infratil Group include:

- + **Price uncertainty and volatility:** The prices for the products the Infratil Group sells may change over time. For example, wholesale electricity prices are set in a market that reflects the balance of supply and demand in both the short term and in the longer term. While in New Zealand the lowest cost options of hydro and wind are generally utilised first, there is uncertainty for long run prices and a risk that new technologies may evolve to produce electricity at lower costs. Short run wholesale prices may also be volatile reflecting weather impacts on demand and also on hydro and wind generation volumes.
- + **Demand:** Infratil's businesses are dependent on continued demand for the relevant energy and transport products, and this demand may be affected by a range of factors including climate, economic conditions and the availability of alternatives to those products. For example, while electricity demand is generally linked to GDP and grows with economic activity and population it also reflects the nature of that economic activity and changes to, or closure of, major

electricity intensive industry can reduce demand, creating supply surpluses until load growth or generation closures rebalance the market.

- + **Electricity demand and Tiwai Point:** A current factor potentially affecting electricity demand in New Zealand relates to New Zealand Aluminium Smelters (NZAS) (majority owned by Rio Tinto), the operator of the Tiwai Point aluminium smelter and the largest single user of electricity in New Zealand, accounting for approximately 13% of New Zealand electricity demand in 2012. The level of future electricity consumption by the Tiwai Point aluminium smelter is uncertain. NZAS announced in August 2012 that low prices for aluminium produced at its Tiwai Point smelter were causing it to review its operations and to work with its key suppliers and stakeholders. NZAS or its parent may decide to reduce consumption or to close the smelter at any point and for any reason, including following any review of the financial viability of the smelter. If NZAS makes a significant reduction in electricity consumption, whether as a result of the closure of the smelter following any review or for any other reason, the resultant drop in demand could lead to sustained reduction in electricity prices in general which would adversely affect TrustPower's financial performance.
- + **Input costs:** Changes in the prices and availability of key inputs such as fuel and plant costs for generation of electricity, and gas, crude oil and refined oil products. Infracore Group results are also dependent on electricity generation from hydro and wind and thus they are dependent on rainfall and windiness in both the short run and potentially at risk from any changes to expected outputs as a result of climate change.
- + **Competition:** In certain industries members of the Infracore Group face the risk of losing market share through the competitive actions of other participants or a new entrant to that industry. Such competitive pressures could also reduce the margins earned by the relevant member of the Infracore Group. For example, in New Zealand recent multi-media advertising campaigns have promoted customers switching between electricity providers. Switching rates have increased markedly over the past two years, although the growth in switching rates appears to have levelled out. In addition, increasing competition in the New Zealand fuel industry could change Z Energy's position relative to its competitors.

- + **Counterparties:** Changes to the business of key customers or loss of key customers and deterioration of the creditworthiness of key customers or financial counterparties.

Operational risk

As mentioned under "Risks and their Management" on page 6 of this prospectus, the value and profitability of Infracore's investments is dependent on, and can be affected by, management performance and investment decisions at Infracore and investee company levels. Infracore's strategy, operating performance and investments are supervised by its directors, whilst its day to day management has been delegated to Infracore's manager, Morrison & Co. Infracore's risk management framework includes regular reporting of operational and financial performance, preparation of budget and forecasts, investment analysis and capital planning and the identification and management of significant business risk areas and regulatory compliance. A material decline in the standard of management performance and investment decisions at Infracore and its subsidiaries could affect the value of the relevant businesses and Infracore's ability to make payments on the Infrastructure Bonds.

Other examples of key operational risks the Infracore Group are subject to include but are not limited to:

- + disruptive industrial relations; and
- + the performance of key information technology systems, particularly those required for the billing, collection of data and communication with customers.

Changes in the regulatory environment

Participants in all the main industries in which Infracore's businesses operate are exposed to risks from new laws or regulations or from changes in policies with respect to the implementation of existing laws. Infracore's businesses are currently experiencing an unusually high level of regulatory activity of all types.

For example:

- + electricity sector reform proposals announced by the Green Party and Labour Party on 18th April 2013 - further information is available on page 5 of this prospectus and in the TrustPower section on page 20;
- + New Zealand's international treaty obligations to reduce carbon emissions are being reassessed;

- + new laws are being drafted to govern bus public transport and its associated regulation;
- + airport information disclosures are being reviewed;
- + the Electricity Authority is consulting about new transmission pricing; and
- + if a capital gains tax was introduced in New Zealand, that may affect Infratil's returns on the sale or value of one of its investments.

It is impossible to accurately predict the form that any changes to laws, regulations or policies could take, but they may involve actions that could undermine the ongoing profitability of a member of the Infratil Group. If the effects of such regulatory actions on subsidiaries of Infratil caused a material deterioration in the operating or financial performance of that member of the Infratil Group, that could adversely affect Infratil's ability to make payments on the Infrastructure Bonds.

Health and safety

Infratil is also reliant on its subsidiaries and associates 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 companies or Infratil.

Catastrophic events and insurance

Catastrophic events or natural disasters such as earthquakes, tsunamis, fires or acts of terrorism or other disasters, could adversely affect or cause failure of the assets of Infratil's investments and could generate losses significantly greater than the material damage and business interruption insurance limits Infratil has in place. These natural disasters (eg, weather, earthquakes and pandemics) and adverse world events (eg, terrorist attacks reducing air travel) and the state of insurance markets also affect access to insurance and the cost of insurance for the Infratil Group.

TrustPower

Infratil's investment in TrustPower makes up a substantial part of Infratil's value and provides a substantial part of the consolidated financial performance and Infratil's cash earnings. A current factor which could potentially affect TrustPower's financial performance is the electricity demand risk relating to the Tiwai Point aluminium smelter described above under "Industry risks - Electricity demand and Tiwai Point". Other risks specific to

TrustPower include regulatory changes (including the increase in regulatory uncertainty resulting from the electricity sector reform proposals announced by the Green Party and Labour Party on 18 April 2013 - further information is available on page 5 of this prospectus and in the TrustPower section on page 20), a debt default, a significant non-discretionary capital spending requirement, major disruption to the electricity market through for instance drought or transmission failure, a prolonged period of substantially lower electricity prices, a major failure of TrustPower's systems both as regards electricity price hedging and the basic retailing back-office functions or access rights in water in the form of additional tax or resource rental for continued access to water. Any of these matters or a collapse of the price of TrustPower's shares on the NZX Main Board brought about for any reason would affect Infratil's ability to make payments on the Infrastructure Bonds.

Legal actions

Infratil and its subsidiaries and associates may be subject to legal actions with uncertain consequences. The Infratil Group is not aware of any current material legal action.

Infratil has previously disclosed via the NZX:

- + potential litigation arising from the termination of the Auckland Transport participation agreement with Snapper, NZ Bus and Infratil (see NZX announcement dated 27 August 2012); and
- + state aid investigations in relation to Flughafen Lübeck (see NZX announcement dated 13 November 2012 'Results for the half year ended 30 September 2012', Note 16).

European Airports

Currently Infratil is in a marketing process to dispose of its interests in Glasgow Prestwick Airport and Kent Airport (both based in the UK). At this time it is unclear what the outcome of this process may be, including what the proceeds from such a disposal may be, when this process might be completed or whether it can be completed. As shown on page 15 of this prospectus, the net investment values of these investments was \$70 million at 31 March 2012 and was further impaired to a value of \$28 million at 30 September 2012, and the businesses contributed losses for the most recent financial periods. If a disposal is completed net proceeds may be less than the value shown at 30 September 2012 or if a disposal is not completed Infratil may incur further losses from holding the assets.



26 April 2013

The Directors
Infratil Limited
PO Box 320
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 26 April 2013 (the "Prospectus") complies with any relevant provisions of the programme trust deed dated 11 November 1999 (as amended) between Infratil and Trustees Executors Limited (the "Trustee") and the series supplement dated 15 April 2013 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
- (c) 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 Trustee's 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.

Names, Addresses, and Other Information

Infratil Limited is the issuer of the Infrastructure Bonds. Infratil's registered office is at 5 Market Lane, Wellington.

The directors of Infratil are:

Marko Bogoevski

Paul Gough

David Newman

Humphry Rolleston

Duncan Saville

Mark Tume

Anthony Muh (alternate director for Duncan Saville)

Infratil's directors are current as at the date of this prospectus but are subject to change.

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.

The Trustee has been granted a licence under section 16 (1) of the Securities Trustees and Statutory Supervisors Act 2011 ("STSS Act") to act as a trustee in respect of debt securities. The licence expires on 16 January 2018 and is subject to certain conditions imposed by the Financial Markets Authority, including the condition that the Trustee must certify in its six-monthly reports to the Financial Markets Authority under section 25 of the STSS Act that:

- (a) it has sufficient financial resources and independence to support and develop its trustee and statutory supervisor business; and
- (b) it holds adequate professional indemnity insurance for its trustee and statutory supervisor business.

Further information on the Trustee's licence and applicable conditions is publicly available on the Financial Markets Authority website at <http://www.fma.govt.nz/help-me-comply/trustees>.

Experts and Underwriter

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

Main Terms of Offer

The Infrastructure Bonds

A summary of the key terms of the Offer is set out on page 3 of this prospectus.

Infrastructure Bond Programme

Infratil has established the Infrastructure Bond Programme under which it may offer 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. Unlike each series of Infrastructure Bonds issued prior to November 2011, the Infrastructure Bonds offered under this prospectus are not convertible into Shares in Infratil in any circumstance.

The Offer

Under the Offer, Infratil is offering up to \$25 million of Infrastructure Bonds to all investors in New Zealand (with the option to accept up to \$75 million oversubscriptions at Infratil's discretion).

Status

The Infrastructure Bonds are unsecured and unsubordinated 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

Infratil will issue the Infrastructure Bonds 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 registrable transfer form, by means of the NZClear 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; and
- (b) payment of the redemption amount for Infrastructure Bonds redeemed on or prior to the Maturity Date.

Interest

Infratil will pay interest on each Infrastructure Bond at the fixed Interest Rate of 6.85% 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 September 2013).

Other than for the first Interest Payment Date in respect of Infrastructure Bonds, Infratil will pay interest in arrears in equal amounts on each Interest Payment Date.

The interest payable on the first Interest Payment Date in respect of Infrastructure Bonds will be calculated by reference to the number of days from (and including) the date on which the subscription moneys were banked into the trust account operated in respect of the Offer until (but excluding) the first Interest Payment Date.

First Interest Payment

Interest payable on the first Interest Payment Date will be paid by Infratil to the original subscriber of an Infrastructure Bond regardless of any transfer of the Infrastructure Bond prior to the first Interest Payment Date.

Interest Suspension Event

Infratil may, by providing written notice to the Trustee, suspend the payment of interest on the Infrastructure Bonds 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 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. Infratil will pay unpaid interest accrued (whether before or after the suspension) if and when the Interest Suspension Event ceases to apply.

Dividend stopper

While an Interest Suspension Event applies, Infratil will not pay or make any distribution (such as a dividend) to Shareholders or provide any financial assistance for the acquisition of Shares.

Early Redemption

Infratil may elect to redeem all or some of the Infrastructure Bonds for cash before the Maturity Date by giving you no less than five Business Days' notice. Infratil may only make this election 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.

Infratil is subject to other restrictions on early redemption contained in various bilateral bank facility agreements of Infratil Finance Limited, which are described under 'Other Material Matters' on page 44 of this prospectus.

If a notice of early redemption is given to Bondholders by Infratil, 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 NZX Debt Market 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 NZX Debt Market 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 offered pursuant to this prospectus, the notice must be made to all Bondholders electing to redeem an equal proportion of those Infrastructure Bonds held by each Bondholder.

You have no right of early redemption except following an Early Redemption Event, as described below.

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) to (but excluding) the early redemption date.

Early Redemption Event

An Early Redemption Event will occur if, 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. Upon such a declaration, Infratil must immediately pay to Bondholders the Face Value of the Infrastructure Bonds plus accrued but unpaid interest (less all withholdings or deductions required to be made). The Events of Default are summarised on page 41 of this prospectus.

An Early Redemption Event will also occur 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):

- (a) 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
- (b) requires that person, or group of Associated Persons, to offer to purchase the Shares of the remaining Shareholders.

If this occurs, each Bondholder will have the option of electing (within the time period prescribed by the Trust Deed) to redeem his or her Infrastructure Bonds.

Maximum amount of securities being offered

The Offer is for up to \$25 million Infrastructure Bonds (with the option to accept up to \$75 million of oversubscriptions at Infratil's discretion). Accordingly, the maximum aggregate amount of Infrastructure Bonds being offered by Infratil is \$100 million.

Issue price

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

The Issue Price for Infrastructure Bonds is payable to Infratil in accordance with the payment instructions below.

Applications and payment

Applications to subscribe for Infrastructure Bonds must be made on the **application form** contained on page 49 of this prospectus.

Payment instructions for the Offer

If you make an application under the Offer, you 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), direct debit or through the NZClear System (for authorised institutional investors who have made prior arrangements with the Registrar). Cheques should be in New Zealand dollars drawn on a New Zealand branch of a registered bank and submitted with the completed application form. Cheques should be made payable to "Infratil 2022 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 (by prior arrangement with the Registrar) or by direct debit, each 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 accepting an 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 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 (being all applicants other than applicants in respect of Allocations) 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 91976, Victoria Street West, Auckland 1142.

Alternatively, completed application forms 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 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 Offer at their discretion. Any such scaling may not necessarily be applied equally across all applications.

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.

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 other series of Infrastructure Bonds listed on the NZX Debt Market; and
- (b) in priority to the Shares listed on the NZX Main Board and the ASX.

Unlike each series of Infrastructure Bonds issued by Infratil under the Infrastructure Bond Programme prior to November 2011, the Infrastructure Bonds offered under this prospectus are not convertible into Shares in Infratil in any circumstance.

As at the date of this prospectus there are no securities secured by a mortgage or charge over any assets of the borrowing group ranking in point of security ahead of, or equally with, the Infrastructure Bonds being offered under this prospectus.¹

Issue Expenses

The estimated maximum amount of expenses of the Offer is \$2.0 million. That amount includes brokerage (as referred to below), issue management fees, Organising Participant fees, legal 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 1.25% of the Issue Price 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 30 of this prospectus. Certain events could reduce or eliminate the returns intended to be derived from holding the Infrastructure Bonds.

The returns to you comprise interest paid by Infratil on the Infrastructure Bonds and either the Face Value payable by Infratil on the Maturity Date, the price received for any Infrastructure Bonds sold, or, if the Infrastructure Bonds are redeemed early, the early redemption amount payable by Infratil.

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 your returns.

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 or sold);
- (c) any applicable taxes;
- (d) fluctuations in the price of Infrastructure Bonds if sold on a secondary market; and
- (e) the other risk factors described under the heading "Risk factors" on page 30 of this prospectus.

Interest

Interest Rate

Infratil will pay interest on each Infrastructure Bond at the fixed Interest Rate of 6.85% 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 September 2013).

Other than for the first Interest Payment Date, Infratil will pay interest in arrears in equal amounts on each Interest Payment Date.

The interest payable on the first Interest Payment Date will be calculated by reference to the number of days from (and including) the date on which your subscription moneys are banked into the trust account operated in respect of the Offer until (but excluding) the first Interest Payment Date.

¹ 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.

Interest payable on the first Interest Payment Date will be paid by Infratil to the original subscriber of an Infrastructure Bond regardless of any transfer of the Infrastructure Bond prior to the first Interest Payment Date.

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, payments of interest on each Interest Payment Date will be made by Infratil 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 by Infratil to the first person so named.

Infratil may suspend the payment of interest where an Interest Suspension Event exists, as described on page 30 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.

Returns on maturity

On the Maturity Date, Infratil will redeem all the Infrastructure Bonds for cash at their Face Value (less any withholding taxes and other deductions).

Returns on early redemption

If Infratil redeems all or some of the Infrastructure Bonds before the Maturity Date (as described on page 37 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 NZX Debt Market 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 NZX Debt Market 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 an Early Redemption Event, as described on page 37 of this prospectus. The redemption amount payable by Infratil for each Infrastructure Bond redeemed following an Early Redemption Event 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) to (but excluding) the early redemption date.

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 person. 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 you 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 you in relation to any such deduction.

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

Resident withholding tax on interest

If you are either a New Zealand resident for tax purposes or are 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 you in accordance with the provisions of the Tax Act.

As at the date of this prospectus, RWT of 33% will be deducted from interest paid to a New Zealand Bondholder that is an individual or trustee, unless the New Zealand Bondholder supplies his or her IRD number to the Registrar 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 2013 to 31 March 2014) will be \$14,000 or less, and the New Zealand Bondholder has supplied its IRD number to the Registrar, the New Zealand Bondholder may elect for RWT to be deducted at 10.5%.

The RWT rate for interest paid to most companies is 28% as at the date of this prospectus. However, if a New Zealand Bondholder that is a company (not acting as a trustee) has not supplied its IRD number to the Registrar, RWT will be deducted at 33%.

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

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

Non-resident withholding tax on interest

If you are not a New Zealand tax resident and are 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 you. If Infratil is lawfully able to apply, and does apply, the approved issuer levy ("AIL") regime in respect of any payment of interest (or deemed interest) to a Non-New Zealand Bondholder Infratil will pay the AIL at the applicable rate 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. The rate of AIL applicable to interest on listed and widely held bonds that meet certain criteria is 0%. Infratil expects the Infrastructure Bonds to qualify for the 0% rate of AIL, meaning that interest (or deemed interest) may be paid to Non-New Zealand Bondholders without deduction of NRWT or payment of AIL.

The AIL regime is not available to reduce the rate of NRWT to 0% for interest (or deemed interest) paid to a Non-New Zealand Bondholder that is associated with Infratil or that derives the interest jointly with a New Zealand tax resident.

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, if you are subject to the rules, any gain on the disposal or redemption of Infrastructure Bonds will be subject to tax. You should consult your own taxation advisors regarding the application of the financial arrangements rules and the tax consequences of holding Infrastructure Bonds and the disposal or redemption of Infrastructure Bonds.

Person legally liable to pay returns

Infratil is the person legally liable to pay you 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. You have no claims against, or recourse to the assets of, Infratil's subsidiaries or associates 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 constituted by and issued under 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. You should refer 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.

In summary, the principal rights and obligations of the Trustee under the Trust Deed are:

- (a) to hold in trust for the benefit of the Bondholders the right to enforce any obligations that Infratil has under the Trust Deed, including the right to enforce Infratil's obligation to repay the Bondholder the Face Value of the Bonds together with interest.
- (b) after 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, whereupon Infratil must prepay immediately to each Bondholder the Face Value of Infrastructure Bonds held by the Bondholder plus accrued but unpaid interest (less all withholdings or deductions required to be made);
- (c) to receive from Infratil regular financial statements and regular reports, certificates and other information as to Infratil's financial condition and compliance with the Trust Deed;
- (d) to perform a number of functions relating to the ongoing administration of, and monitoring compliance with, the Trust Deed, including in relation to meetings of Bondholders, and the exercise of discretions or the giving or withholding of consents (as appropriate) relating to such administration and other matters out of the ordinary; and
- (e) to engage experts, amend the Trust Deed and hold rights and property on trust in accordance with provisions implied or inserted pursuant to the Securities Regulations.

In addition, the Trustee has a statutory duty pursuant to the Securities Act and the Securities Regulations to exercise reasonable diligence to:

- (a) ascertain whether there has been any breach of the terms of the Trust Deed or of the offer of Infrastructure Bonds and to do all it is empowered to do to cause any such breach to be remedied (except where the Trustee is satisfied that the breach will not materially prejudice the interests of the Bondholders); and
- (b) ascertain whether or not Infratil's assets that are or may be available are sufficient or likely to be sufficient to discharge the amounts payable on the Infrastructure Bonds as they become due.

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; and
- (b) 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.

You 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 Infrastructure Bonds remain listed on the NZX Debt Market 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 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 or associates.
- (d) If at any time Infratil has reasonable grounds to believe that it has breached, or may have breached, any of the terms of the Trust Deed or the terms of an offer of Infrastructure Bonds, it will, as soon as practicable, notify the Trustee in writing of the breach or possible breach and the steps (if any) that it has taken or intends to take in light of the breach or possible breach, and the date by which the steps were taken or are to be taken.

Liabilities to assets covenant

Pursuant to the Series Supplement, Infratil has agreed 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 Infratil and its subsidiaries as at that date. For the purposes of this covenant, the "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. As at the date of this prospectus, the Issuer Group comprises Infratil and all of its material 100% owned subsidiaries, except Infratil Energy New Zealand (which owns 48,470,446 shares in TrustPower).

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 the default and requiring it 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, whereupon Infratil must prepay immediately to each Bondholder the Face Value of Infrastructure Bonds held by the Bondholder plus accrued but unpaid interest (less all withholdings or deductions required to be made).

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 agreed 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 ratably to Bondholders in respect of the Infrastructure Bonds.

Borrowing restrictions

Infratil and the Issuer Group (together, the “**Bank Guarantors**”) are guarantors of the indebtedness of Infratil Finance Limited and certain other wholly owned subsidiaries of Infratil under various bilateral banking facility agreements. The facility agreements contain certain restrictions which may limit Infratil’s ability to borrow money, namely:

- (a) Shareholders’ funds (being total tangible assets of the Bank Guarantors less total liabilities of the Bank Guarantors) must not be less than 35% of the total tangible assets of the Bank Guarantors.
- (b) The ratio of debt (excluding all Infrastructure Bonds issued under the Infrastructure Bond Programme and indebtedness owing by one Bank Guarantor to another) to Bank Covenant EBITDA of the Bank Guarantors must not be greater than 4.25 times (tested half-yearly and yearly). The ratio of Bank Covenant EBITDA of the Bank Guarantors to interest on debt (excluding all Infrastructure Bonds issued under the Infrastructure Bond Programme and indebtedness owing by one Bank Guarantor to another) must not be less than 4 times (tested half-yearly and yearly).

These restrictions 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 restrictions described above.

The Infrastructure Bonds are not guaranteed by any of the Bank Guarantors. Bondholders have no claims against, or recourse to the assets of, Bank Guarantors (other than Infratil) 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 35 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 and unsubordinated debt obligations of Infratil. This means that in a liquidation of Infratil your rights to repayment of the Face Value, and to payment of interest in respect of your 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.

Infratil is a holding company with investments in the companies described in this prospectus. Bondholders have no claims against, or recourse to the assets of, any of those companies. In a liquidation of the Infratil Group, creditors of Infratil’s subsidiaries and associates would have a prior claim to the assets of those companies ranking ahead of the claim of Infratil’s liquidator (claiming as shareholder in the companies). Only the residual assets of the companies, after the claims of the companies’ creditors have been satisfied, would be available to Infratil’s liquidator and therefore Infratil’s creditors (including Bondholders).

Alteration of Securities

Infratil has no right to vary the amount you pay for Infrastructure Bonds once your 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;
- (d) it does not adversely affect the interests of Bondholders; or
- (e) 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.

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. If a proposed alteration affects Bondholders of different series of Infrastructure Bonds in the same way, then it is likely that all Bondholders will be a single “interest group” and will vote as a single class. 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 an Early Redemption Event. Further information on early redemption is on page 37 of this prospectus.

Right to Sell Securities

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

You should not attempt to sell Infrastructure Bonds until you know whether, and how many, Infrastructure Bonds have been allotted to you. 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 you attempt to sell or otherwise deal with any Infrastructure Bonds before receiving a statement recording the number of Infrastructure Bonds (if any) allotted to you.

Application has been made to NZX for permission to list the Infrastructure Bonds on the NZX Debt Market 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. The NZX Debt Market is a registered market operated by NZX Limited which 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 any such secondary market. Consequently, you may not be able to sell your Infrastructure Bonds readily or at all, or at prices that will enable you 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 you on any transfer of your Infrastructure Bonds effected 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 you receive from a sale of Infrastructure Bonds may be more or less than the amount you 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/nzsx/IFT/announcements or at www.infratil.com/our-news/infratil-news/.

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
24 April 2013	Amended Offer Opening Date
15 April 2013	Infratil Infrastructure Bonds 6.85% per annum due June 2022
12 April 2013	Infratil (Parent) Interim Financial Statements 30 September 2012
12 April 2013	Infratil monthly operational report
19 March 2013	Disclosure of director's interest
8 March 2013	Infratil Investor Day
8 March 2013	Z Energy Release
25 February 2013	Infratil monthly operational report
15 February 2013	Speculation about sales of Z Energy and NZ Bus
08 February 2013	Final section 56G report on Wellington Airport
21 December 2012	Infratil monthly operational report
20 December 2012	Infratil Interim Report
20 November 2012	Infratil monthly operational report
13 November 2012	Infratil Results for half year ended 30 September 2012
9 November 2012	Wellington International Airport Interim Result
9 November 2012	Infratil Airports Europe Carrying Values
6 November 2012	Z Energy result for six months to 30 September 2012
2 November 2012	Wellington Airport questions draft Report's view
23 October 2012	Infratil monthly operational report
8 October 2012	Infratil update
28 September 2012	Infratil monthly operational report
25 September 2012	Stansted Airport speculation
27 August 2012	Snapper release
22 August 2012	Disclosure of director's interests
17 August 2012	Infratil monthly operational report
14 August 2012	Annual meeting results
23 July 2012	Infratil Notice of Meeting
11 July 2012	Infratil monthly operational report
27 June 2012	Infratil Annual Report for the year to 31 March 2012
15 May 2012	Infratil results for the year to 31 March 2012
4 May 2012	Infratil monthly operational report
23 April 2012	Infratil update

Financial Statements

Infratil's audited financial statements (including audited consolidated financial statements for the Infratil Group) for the financial year ended 31 March 2012 that comply with the Financial Reporting Act 1993 were registered at the Companies Office on 31 May 2012, and notified to NZX on 15 May 2012. Copies of these financial statements are also available at <http://www.infratil.com/assets/Uploads/PDF/ftarfinancials2.pdf>.

Additional Interim Financial Statements

Infratil's unaudited financial statements prepared in accordance with NZ IAS 34 for the half year ended 30 September 2012 were notified to NZX on 12 April 2013. There have been no material changes in matters contained in the interim financial statements for the half year ended 30 September 2012 from the matters contained in the audited financial statements for the financial year ended 31 March 2012, other than:

- + the impairment of Infratil's investment in Infratil Airports Europe (Glasgow Prestwick and Kent Airports) of \$44 million included in the Interim Financial Statements for 30 September 2012; and
- + Infratil's current interest bearing loans and borrowings, and Infrastructure Bonds increased from \$131 million to \$651 million while non-current interest bearing loans and borrowings, and Infrastructure Bonds have decreased from \$1,324 million to \$959 million. Current TrustPower bonds decreased from \$109 million to \$nil while non-current TrustPower bonds increased from \$366 million to \$505 million.

No transactions that are material related party transactions under generally accepted accounting practice were entered into or were being performed in the period of the interim financial statements for the half year ended 30 September 2012.

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 at the back of this prospectus. This information and the financial statements 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 42 of this prospectus). As well as the restrictions described on page 42 of this prospectus, the facility agreements contain certain other restrictions 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 other Bank Guarantors (while it remains a Bank Guarantor) except any Bank Guarantors which hold, in aggregate, assets with an aggregate value of less than 5% of total tangible assets of the Bank Guarantors;

(c) Infratil may only hold:

- (i) shares and other securities in, or loans to, other Bank Guarantors;
- (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 Guarantors at the relevant time; and

(d) Infratil may not redeem any Infrastructure Bonds before maturity, other than from the issue of further Infrastructure Bonds or, where applicable, by conversion to Shares.

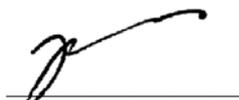
These restrictions may be amended by agreement between the parties to the bilateral facility agreements.

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

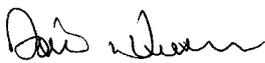
Directors' Statement

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 Financial Service Providers for registration has been signed by each director of Infratil or by his agent authorised in writing.



Marko Bogoievski
Director



David Newman
Director



Humphry Rolleston
Director



Duncan Saville
Director



Mark Tume
Director



Paul Gough
Director

Glossary

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

“ASX” means the Australian Securities Exchange operated by ASX Limited.

“Bank Covenant EBITDA” means net profit (including, for the purposes of the debt to Bank Covenant EBITDA ratio, interest income) before interest, tax, depreciation and amortisation, excluding profits and losses on the sale of fixed assets or investments, non-cash equity accounted profits and losses, realised and unrealised exchange gains and losses, and revaluations of derivative financial instruments.

“Bank Guarantors” has the meaning given to it on page 42 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.

“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 NZX is open for trading.

“Closing Date” means 5.00pm, 27 June 2013 (or such other earlier 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).

“Early Redemption Event” has the meaning given to it on page 37 of this prospectus.

“EBITDAF” means earnings before interest, tax, depreciation, amortisation, fair value movements of financial instruments, investment costs, realisations and impairments.

“Event of Default” means each of the events described on page 41 of this prospectus.

“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 at that meeting 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.

“GAAP” means generally accepted accounting practice. Currently GAAP for all issuers in New Zealand is NZ IFRS which is based on international Financial Reporting Standards (IFRS).

“Infrastructure Bond” means a debt security offered by Infratil pursuant to this prospectus and, where the context requires, includes a 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” means Infratil Limited.

“Infratil Group” means Infratil and its subsidiaries (within the meaning of section 2 of the Financial Reporting Act 1993) and associates (within the meaning of International Accounting Standard 28).

“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 September 2013).

“Interest Rate” means 6.85% per annum.

“Interest Suspension Event” means each of the events described on page 36 of this prospectus.

“Issue Date” means the date on which an Infrastructure Bond is issued. Infrastructure Bonds offered under the Offer will be issued on 15 May 2013, 14 June 2013 and 28 June 2013.

“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. As at the date of this prospectus, this comprises Infratil and all of its material 100% owned subsidiaries, except Infratil Energy New Zealand (which owns 48,470,446 shares in TrustPower).

“Issue Price” means \$1.00 per Infrastructure Bond.

“Listing Rules” means the listing rules of NZX.

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

“Maturity Date” means 15 June 2022.

“Morrison & Co” means H.R.L. Morrison & Co Group Limited, and, as the context may require, its subsidiaries.

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

“NZX Debt Market” means the market for debt securities of that name operated by NZX.

“NZX Main Board” 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.

“Opening Date” means 29 April 2013.

“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 Offer other than applicants in respect of 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.

“Series Supplement” means the series supplement to the Trust Deed dated 15 April 2013 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, 24 November 2010, 21 January 2011, 3 November 2011, 27 September 2012, 9 October 2012 and 15 April 2013 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.

Application Forms

Offer Application Instructions

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

An application will constitute an irrevocable offer by the applicant to subscribe for the aggregate Face Value of Infrastructure Bonds specified in the 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 Offer application form.

A = Investor Details

Please complete all relevant sections in the 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 Offer application form). For joint applicants, only one address is to be provided.

Telephone numbers: Insert a daytime phone number in case the Registrar or Infratil needs to contact you in relation to your application.

If you supply a mobile number the Registrar will be able to TEXT you as soon as any of your details such as bank account, address, FIN or holding balance change on the Register. This is an added security for your holding and you can unsubscribe at any time.

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), direct debit or institutional investors can by prior arrangement with the Registrar settle 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 2022 Bond Offer", crossed "Not Transferable" and must not be post-dated. Staple your cheque to the completed 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.

For direct debit payment, by signing the application form and ticking the direct debit payment box you authorise the Registrar to direct debit the bank account provided on the application form for the amount of Infrastructure Bonds being applied for on the date on which the Registrar receives your completed application form. You cannot specify any other direct debit date. You must also ensure that:

- + The bank account details supplied are correct;
- + The application funds in the bank account for direct debit are available on the day the Registrar receives the application form;
- + The person(s) giving direct debit instruction has/have the authority to operate the account solely/jointly; and
- + The bank account you nominated is a transactional account eligible for direct debit transactions. If you are uncertain you should contact your bank.

If your direct debit fails, your application may be rejected.

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 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 Offer application form.

If the Register 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 1 and enter the details of the bank account.

If payment to your cash management account with a broker is selected, tick the box for option 2, insert the name of the Primary Market Participant where your cash management account is held and provide your cash management client account number.

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 application form carefully and sign and date the application form.

The 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 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 application form.

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

Joint applicants must each sign the application form.

H = Offer Closing Date and Delivery

The Offer will close at 5.00pm on 27 June 2013. 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 of the Offer. Your Offer application form should be returned to, or lodged with, an appropriate person as specified under the heading "Where to send your application form and payment" on page 38 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.co.nz. (You will be required to enter your holder number and FIN for secure access).

H SEND APPLICATION FORM AND CHEQUE (IF APPLICABLE) TO BE RECEIVED BY LINK MARKET SERVICES, NO LATER THAN 5.00 PM ON 27 June 2013

Infratil 2022 Bond Offer, c/- Link Market Services Limited, PO Box 91976, Victoria Street West, Auckland 1142 or
Deliver to: c/- Link Market Services Limited, Level 16, 19 Victoria Street West, Auckland, **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.co.nz). You will be required to enter your holder number and FIN.

I CERTIFICATE OF NON-REVOCAION 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-REVOCAION OF AGENT:

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

(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.

H SEND APPLICATION FORM AND CHEQUE (IF APPLICABLE) TO BE RECEIVED BY LINK MARKET SERVICES, NO LATER THAN 5.00 PM ON 27 June 2013

Infratil 2022 Bond Offer, c/- Link Market Services Limited, PO Box 91976, Victoria Street West, Auckland 1142 or
Deliver to: c/- Link Market Services Limited, Level 16, 19 Victoria Street West, Auckland, **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.co.nz). You will be required to enter your holder number and FIN.

I CERTIFICATE OF NON-REVOCAION 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-REVOCAION OF AGENT:

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

(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.

Issuer

Infratil Limited
5 Market Lane
PO Box 320
Wellington 6140

Registrar

Link Market Services Limited
Level 16, Brookfields House
19 Victoria Street West
Auckland 1010
PO Box 91976
Victoria Street West,
Auckland 1142

Bondholder Enquiries

To supply your email address, change of details, or update your payment instructions relating to Infratil, please contact our registry, Link Market Services Limited, by either:

Email: enquiries@linkmarketservices.co.nz
Mail: Link Market Services,
PO Box 91976,
Auckland 1142,
New Zealand

Fax: + 64 9 375 5990, or

Telephone: +64 9 375 5998

Please provide your CSN/holder number on any correspondence with our registry.

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

Solicitors to the Trustee

Buddle Findlay
Level 17, State Insurance Tower
1 Willis Street
Wellington 6140

Manager of Infratil

Morrison & Co Infrastructure Management Limited
5 Market Lane
PO Box 1395
Wellington 6140

Trustee

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

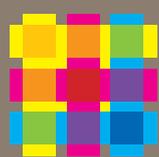
Managers of the Offer

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

Forsyth Barr Limited

The Octagon
Private Bag 1999
Dunedin 9054
Telephone 0800 367 227

Westpac Banking Corporation, New Zealand Branch
PO Box 934
Auckland 1140
Telephone 0800 942 822



Infratil