4 April 2014

Infratil Investor Day

Infratil has released the full package of presentation material for the annual investor day to be held in Wellington today. The presentations cover the global infrastructure market with more detailed discussion on the Infratil portfolio, NZ and Australian electricity markets, and Wellington Airport.

CEO Marko Bogoievski outlined the major factors influencing the current infrastructure market and confirmed Infratil's approach to delivering long-term returns to shareholders.

Infratil continues to target above average returns from active management of growth infrastructure achieved through a 'high-touch' operational approach. Bogoievski noted "Infratil was attracted to well positioned assets with opportunities for further investment. These development options can create strong payoffs but typically require a longer holding period to realise benefits and put in place systems and capability to manage downside risks".

In discussing today's infrastructure investment market, Mr Bogoievski said "the competition for low-risk core infrastructure from offshore capital highlighted the value of existing businesses and the importance of Infratil being able to consider assets with greenfield exposure, demand risk or markets undergoing significant change". "The long term macro trends such as urbanisation, privatisation and developed markets infrastructure renewal all required a significant increase in investment and operating capability".

Mr Bogoievski updated Infratil's guidance for the financial year ended 31 March 2014 and provided an initial outlook for the financial year ending 31 March 2015. The updated EBITDAF guidance for 2014 is at the lower end of the previous guidance range due to slightly weaker trading performance in New Zealand energy and public transport markets and the impact of the weaker AUD$ on earnings. However this was more than offset by higher operating cash flow where improvements in working capital and dividends received as part of the Z Energy IPO process offset the reduction in EBITDAF.

Referring to the outlook for the year ending 31 March 2015, Mr Bogoievski said Infratil's expectation was for strong EBITDAF growth due to completion of the Snowtown II generation plant in South Australia, a full year contribution from Metlifecare, and continued performance improvement and investment across other businesses, offset by a lower contribution from Z Energy due to Infratil's reduced shareholding. Confidence in the financial outlook, the strong market positions of Infratil's investments and its capital structure were very positive for continued dividend growth.

Financial Outlook Year Ending 31 March	**2014**		**2015**
NZ$ millions	**Updated Guidance**	Previous Guidance	**New Guidance**
EBITDAF – (continuing operations) adjusted for Z Replacement Cost	**$490-$500**	$500-$540	**$530 - $560**
Operating cash flow	**$400 - $420**	$360 - $400	**$330 - $360**
Net Interest	**($180-$195)**	($195-$205)	**($180 - $190)**
Depreciation & Amortisation	**($150-$160)**	($150-$170)	**($170 - $180)**

Notes:
The 2014 guidance update is based on year to date trading to February 2014 and does not represent actual results for the full year ended 31 March 2014 and accordingly has not been audited. The 2015 guidance is based on current expectations and assumptions of Infratil investments trading performance and is subject to risks and uncertainties, is dependent on prevailing market conditions continuing throughout the outlook period and assumes no other major changes in the composition of the Infratil investment portfolio. Trading performance and market conditions can and will change, which may materially affect the guidance set out above. EBITDAF is a non-GAAP measure of financial performance before adjustments for interest, tax, depreciation and amortisations and financial derivative movements/revaluations, and includes adjustments to reflect the Z replacement cost of inventory.

Copies of the presentation material from the investor day are available on Infratil's website, Infratil.com

For information contact:
Tim Brown

ENDS

Introduction and Context
Infratil Investor Day 2014

Together

Infratil

Infratil's raison d'être

Absolute returns from active management of growth infrastructure

Absolute returns

- IFT's goal: **deliver long-term excess returns significantly above our cost of equity**

Long term focus

- **Sustained performance** through different phases of the investment cycle and capital markets

Active management

- Excess returns driven by our **high-touch operational approach**
- Origination, investment, performance management and potential for recycling

Growth infrastructure

- **Operationally-complex** assets**, development** projects, **reinvestment** options
- Typically require a longer holding period to realise benefits

Flexibility

- Focus on assets with **operational control** at **attractive entry price**, where we can **manage downside risks**, and deploy our **active management** approach

Total shareholder returns enhanced through a well balanced portfolio

Optimised risk and return across the portfolio

Diversified earnings

- Diversified earnings and cash flow can **offset short-term performance shortfalls** of any individual asset

Balanced portfolio

- Lower risk **core assets** provide the cash flow to support **high return early stage investments** delivering **higher blended absolute returns**

Reinvestment options

- Low maintenance-capex levels and **reinvestment options** create **significant flexibility** over the timing of major cash flows

Capability

- Certain capabilities can be **leveraged across the portfolio**
  - Governance, risk and project management, capital markets and financing, leadership development, regulation, insurance

Active risk management

- Portfolio operates within **targeted return, credit and liquidity parameters,** under realistic potential downside scenarios

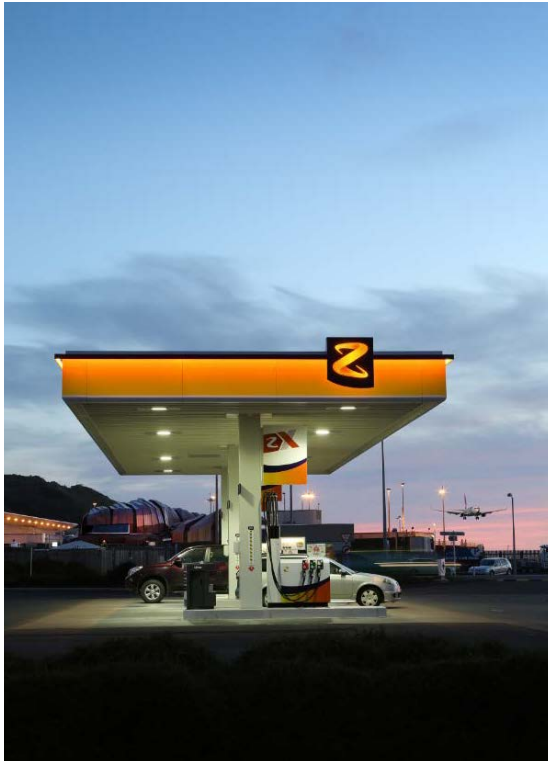
A bias towards businesses with reinvestment opportunities

Re-investment in existing businesses and development of options

- Preference for businesses with **potential to be market leaders**
- The best assets deliver a steady stream of **re-investment opportunities**
  - We **control timing and size** of significant capital programmes
  - New capital investments are **uncontested and exclusive** to IFT
  - Project risks are assessed against a sector that is **well understood**
  - Investments are executed by **management teams we trust**
  - **Strong governance & risk management** in place or readily implemented
- **Real options have traditionally been undervalued**
  - IFT has derived significant value from holding options to invest with long-dated expiry (most were difficult to quantify in acquisition base cases)
  - Value can be created by continued investment in development of new options once assets are in place

Operational approach drives a private market emphasis
Focus on positions of strong influence or control

- Active management of risks and investments is optimised **when IFT wholly owns or controls an underlying asset**
  - **Private markets are better suited** to heavy transition programs, governance/management shake-outs and significant reinvestment
  - **Confidence around expected returns is enhanced** when IFT/Morrison & Co is managing 100% of the equity in an asset
  - IFT provides retail and institutional investors **with access to private market infrastructure** opportunities that are **typically only available to large direct investors**
- **Public markets can be relevant** under certain circumstances
  - While less likely, listed markets can offer investment opportunities for IFT as an **active investor targeting complex or operationally demanding assets**
  - Special situations or minority positions where there is a **clear value gap and an opportunity for active management**



Growth infrastructure demands a focus on risk management

Translating project risk into high total returns

- Growth infrastructure implies management of **greenfield exposure, demand risk or activity in markets undergoing significant change**
  - Requires **active management** to manage downside risk
  - IFT has the **ability to build start-up positions when secondary assets are expensive** but sector outlook is positive (e.g. Lumo/Infratil Energy Australia)
  - IFT prefers assets that can **combine defensive attributes with attached commercial opportunities** (e.g. airports where half the value is non-aeronautical services)
- **Platforms** are a useful way to take on **more controlled risk** and **“manufacture” future low-risk infrastructure**
  - **Individual components** of a platform are often relatively cheap to obtain
    - e.g. Landowner agreements or options over future wind sites
  - **Valuation gains can be significant** as development risk is converted to a long-term, low risk operational profile with contracted revenue streams
    - e.g. Wind farms with long-term power purchase agreements in place

IFT capital structure is important

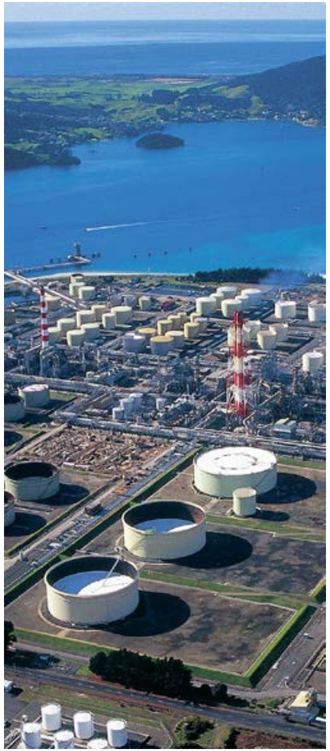
Enhancing returns through the prudent use of parent company debt

- **Equity returns enhanced** through the use of parent company and subsidiary debt
  - Subsidiaries that can sustain their own bank and bond programs will hold an **appropriate level of debt** where possible
  - Balance of **portfolio capital requirements** will be met by parent company bank and bond programs that operate within **clear credit metrics and liquidity parameters**
  - **Scale efficiencies and lower overall cost** is achieved by coordinating debt capital market activity at the group level
- IFT **DPS profile is a reflection of pass-through imputation credits and current earnings** relative to medium term re-investment opportunities
  - First priority is **capital growth and reinvestment**
  - DPS also reflects IFT **confidence around future earnings** outlook

The world we face today

Positive outlook moderated by increasingly competitive infra market

- **Low interest rates and increasing focus of large scale funds** on low-risk infra have been the most significant dynamic in private markets over the last 5-7 years
  - We are at the point of divergence – i.e. the beginning of tapering should impact the rate-sensitive assets
  - Need to differentiate between low-risk core infra and higher-risk development infra re valuation shifts
- Long-term macro infrastructure trends **remain intact and play nicely into IFT's experience and capability**
  - Planned urbanization, privatization and developed markets renewal require a significant increase in investment and operating capability
  - Development infra is relatively better priced and should respond well to our high-touch model



The world we face today (cont'd)

Positive outlook moderated by increasingly competitive infra market

- Competitiveness of the infrastructure investment market and supply of low cost of capital funds are **reinforcing IFT's focus on development platforms**
  - Most large SWF's and pension funds still shy away from greenfield or development infra
  - IFT is focusing significant investment into differentiated early stage infrastructure ideas and building future investment "platforms"

- IFT is **confident of the origination program and internal pipeline** of opportunities, from well positioned and established existing investments

IFT origination approach is being extended

Strategies to target less competed, higher returning opportunities

	Description	Examples
1 **Building platforms** 	• Invest into seed assets with proprietary development and/or investment pipeline that enable meaningful follow-on investment over time • Focus on attractive sectors with long term growth prospects	• PPP • Wind and renewables • Retirement village and aged care

2 **Manufacturing infrastructure** 	• "Manufacture" assets with attractive infrastructure characteristics from components not separately recognised as "infrastructure", e.g;
	  • Sale and contract-back structures from corporate balance sheets
	  • Roll-up/aggregation of assets in a sector
	  • Creation of shared infrastructure platforms across multiple users
		• Early stage initiatives under consideration across multiple sectors:
		  – Telco Infrastructure
		  – CSG Infrastructure
		  – Australian Fuel Import Infra
		  – Solar

Current valuation – market flows and supply dominate structure

Portfolio is being re-set for the next phase of the investment cycle

- IFT’s existing portfolio and development options should translate into above-average total returns over the next 5 years
  - Base case scenarios forecast strong EBITDAF growth over the next 5 years
  - The portfolio is going through a refresh of its core private market positions and is transitioning through listed positions in ZEL and MET
  - Earnings outlook is benefitting from recent investment decisions and strategies
- Discount to NAV is a concern however market conditions appear to dominate structural or long-term questions over the closed-end listed fund format
  - Regulatory concern, perception of overhang and concerns over the returns from future origination outweigh questions over external management, conglomerate discounts, or debt
  - IFT’s “raison d’être” remains strategically relevant to retail and institutional investors (i.e. there are no cheaper access points to the same opportunities, competitive products are limited, and the track-record remains very positive)

IFT guidance and near-term outlook

Resumption of normal transmission in 2014/15

- **2013/14 EBITDAF guidance** lower due to slightly weaker trading performance in TPW and NZ Bus and weaker $AUD earnings
- **Improved operating cashflow** guidance reflects a reduction in EBITDAF offset by improvements in working capital and dividends received on the completion of the Z IPO
- Capital structure and confidence in outlook are positive for continued growth in dividends per share
- **Strong growth outlook for 2014/15** due to the completion of Snowtown II, full year contribution from MET, and performance improvement across other businesses

31 March	2014		2015
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The IFT recipe from here

Consistency and discipline as we move through to the next phase

Deliver on our promises to the market

- Maintain our **disciplined origination approach**
- Invest in the **internal development pipeline**
- Keep a **tight rein on capital management**

Maintain focus on performance management

- Achieve targets and **maintain high-quality management teams and systems**

Make the right portfolio calls

- Maintain **broad sector coverage** in domestic markets
- Develop **medium term options** to fill the pipeline
- Invest in **knowledge and relationships** in high growth markets to develop future optionality
- Continue to **monitor market conditions** and **review portfolio holdings** of more mature assets

For more information go to infratil.com

Morrison & Co Infrastructure Market Perspectives

Infratil Investor Day 2014

Last year we shared some observations and predictions regarding infrastructure investment markets

Demand for Infrastructure

- **Large and growing requirement** for new and expanded infrastructure
  - US$4t pa demand for infrastructure development
  - Driven by **multiple long term megatrends**

Supply of Capital

- **Wave of capital targeting the asset class**, primarily focused on mature assets:
  - Yield-hungry investors seeking "bond proxies" in a low interest rate environment
  - Sovereign wealth and pension funds seeking equity market diversification and stable, inflation-linked returns

A **supply-demand imbalance** that creates opportunities for contrarian investors:
– A **lot of capital** chasing a limited supply of **mature infrastructure** assets
– A **lack of capital** willing to take on **greenfield or expansion** projects

Recap: Multiple megatrends driving demand for new infrastructure

Drivers of demand for new infrastructure

Rise of **emerging markets middle-class**, urbanisation

Changing patterns of **energy demand & supply**

Globalisation and growing trade volumes

New **social infrastructure** for changing demographics

Aging populations

Historic underinvestment in the developed world

Increasing **water scarcity**

Climate change and emissions constraints

Three examples of megatrends influencing the IFT portfolio

Drivers of demand for new infrastructure


Rise of **emerging markets middle-class**, urbanisation


Changing patterns of **energy demand & supply**


Globalisation and growing trade volumes

2

New social infrastructure for changing demographics

1


Aging populations


Historic underinvestment in the developed world

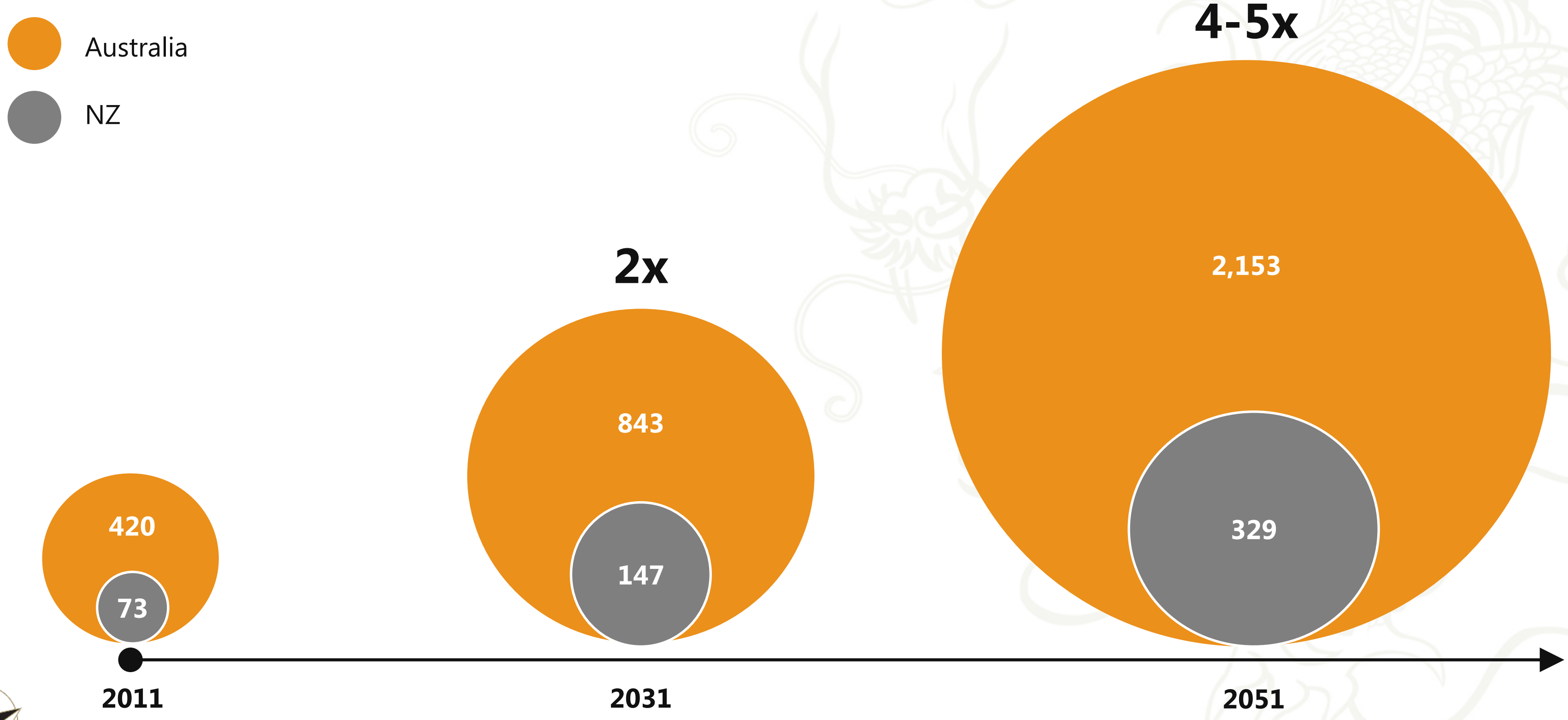

Increasing **water scarcity**

3


Climate change and emissions constraints

Aging Populations: An explosion in slow motion

NZ and Australian population projection 85yrs+ (000s)

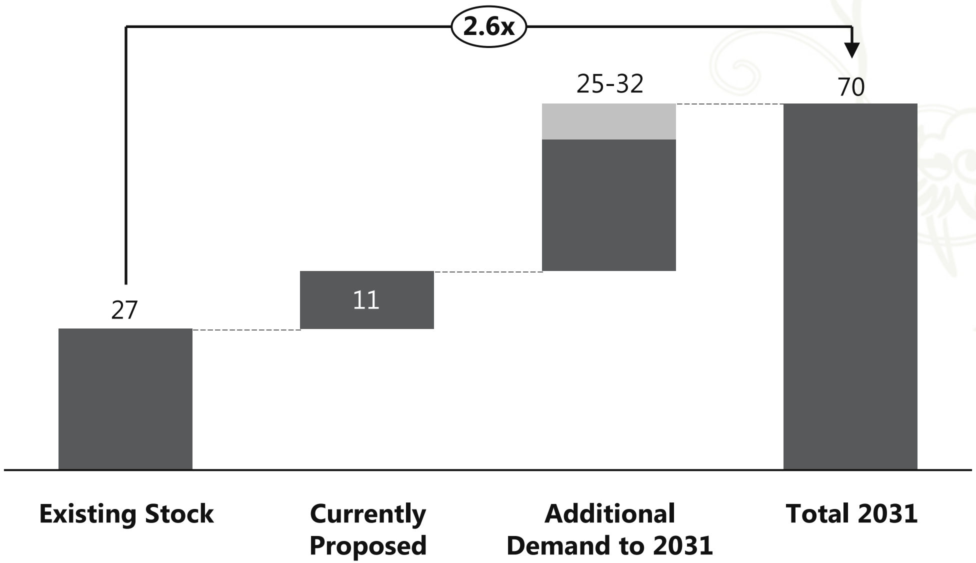


Source: Statistics New Zealand, Australian Bureau of Statistics. Not to scale.

Investing in the Aging Population megatrend

Demand for Retirement Villages will more than double by 2031

NZ Retirement Village Sector
Number of Apartments & Independent Living Units (000s)



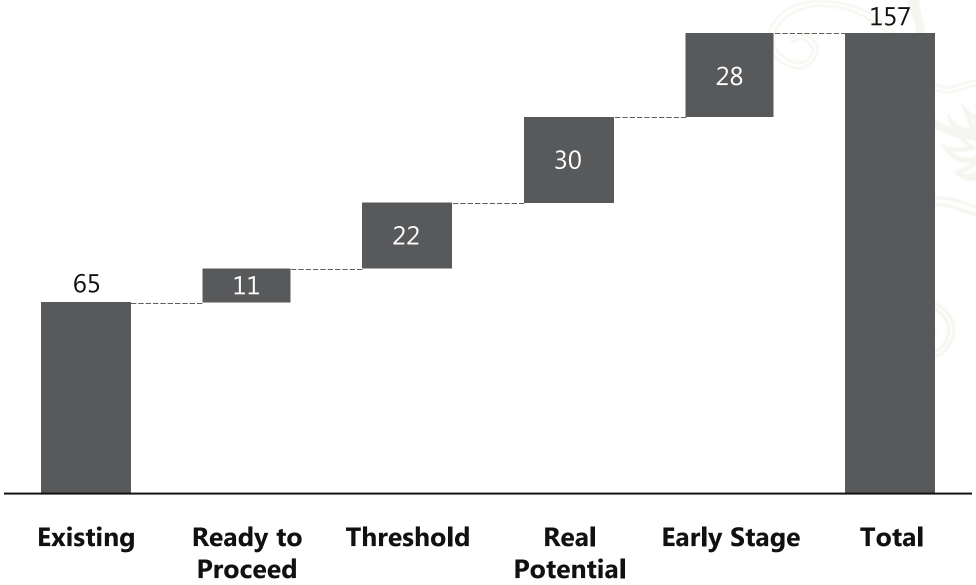
New build rate will need to grow to 2000+ pa (a new MET every 2 years)

Source: CBRE; MCO analysis. Note: 25-32k range for additional demand to 2031 reflects potential additional impact of lower mortality rates.

Social Infrastructure: Catch-up required

Infrastructure Deficit + Changing Demographics = Greater use of Public Private Partnerships

Australian PPP Pipeline (A$bn)



"The size of the infrastructure challenge is unprecedented – the lack of spending on infrastructure over the past 20 years has reared its head when the restrictions are at the highest"

- ***Mike Baird (NSW Treasurer)***

Mar 2014

Source: Infrastructure Australia, Department of Infrastructure (National Infrastructure Construction Schedule, as at 31/03/2014)

Securing advantaged access to the Australian PPP Pipeline

A joint venture with one of Australia's leading contractors

IFT's entry into Australian PPPs

- **Initial acquisition of interests in two Australian PPPs**
  - SEQ Schools: Portfolio of 7 schools (in operation)
  - New Royal Adelaide Hospital: Part way through construction

- **JV with Leighton Contractors**
  - Cornerstone investment right in future Australian PPPs
  - Agreed target list covering A$30b+ of upcoming projects

- **Exclusive focus on availability-based PPPs**
  - Government counterparties
  - Revenue linked to facility availability, rather than utilisation/tolls

SE Queensland Schools

New Royal Adelaide Hospital

Source: Infrastructure Australia, Department of Infrastructure (National Infrastructure Construction Schedule)

Recap: Energy demand vs emissions constraints

When megatrends collide…

Air quality in Beijing has mostly stayed above "very unhealthy" and "hazardous" levels for about two weeks. On Tuesday, it hit 517 on an index maintained by the U.S. Embassy in Beijing, which described the pollution as "Beyond Index"

-Reuters Jan 2013

How is the global political response to climate change playing out?

International policy-makers are starting to respond

China

- Premier declares "war on pollution"
- First carbon market in Shenzhen
- 2 more carbon markets launched
- 8 carbon market pilots by year end
- Cap on coal consumption 6% below BAU growth
- 2013 installed renewables:
  - –11.3 GW of solar PV
  - –16 GW wind (~50% of world total)

USA

- Obama releases US climate plan:
  - Emission limits for generators
  - Renewable energy support
  - Energy efficiency support
- Climate change declared a "key diplomatic priority"
- RGGI* expanded to 9 states
- California ETS in operation
- New York funds $1bn Green Bank

European Union

- Backloading to raise carbon prices
- New EU 2030 targets
  - 40%+ emission reduction
  - 27% renewable energy
  - 40%+ renewable electricity
- UK introduces CfD scheme
- France introduces carbon levy to cut fossil fuel use 30% by 2030

* The Regional Greenhouse Gas Initiative is a cap & trade scheme designed to cap and reduce CO_2 emissions from the power sector in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island and Vermont

Meanwhile in Australia…

Climate change policy remains heavily politicised, RET review is underway

Coalition Government Policy Framework

1. **Repeal of the carbon tax**
   - Currently being blocked by the Australian Senate

2. **Implementation of the "Direct Action" policy**
   - Centred around the flagship $3bn Emissions Reduction Fund

3. **Review of the Renewable Energy Target**
   - Terms of reference include consideration of "sovereign risk"
   - Recommendations due mid 2014

Recap: Two distinct macro drivers of infra capital flows

QE and the search for yield

- Ultra low interest rates led some investors to treat infra as a higher yield **"bond proxy"**
- Prices of **core low risk assets** such as US regulated utilities were **bid up during QE**
- **"Growth infra" assets** such as airports were **less impacted,** with performance remaining linked to economic outlook and business fundamentals

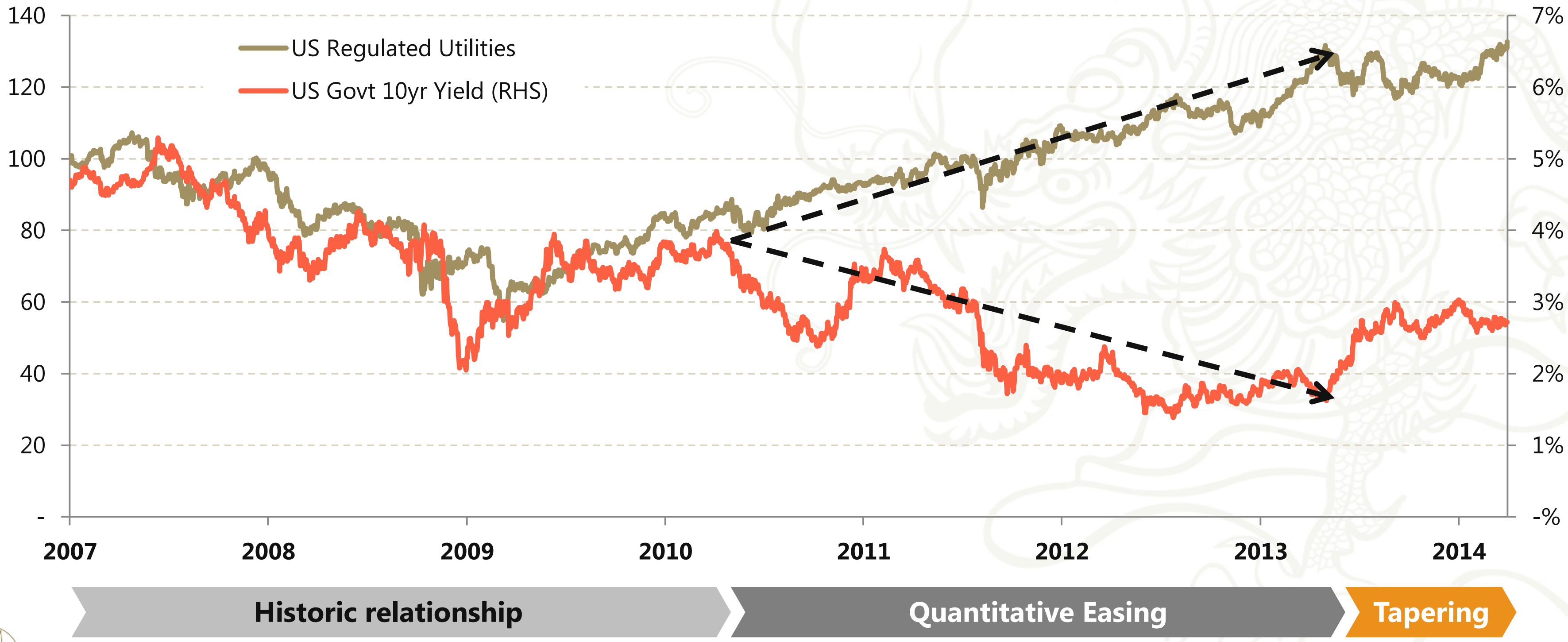
Weight of infrastructure capital

- **SWF's and pension funds continue to grow in size**, and are **increasing allocations to infra**
- This has created a **'weight of capital' targeting unlisted infrastructure**
- Greatest impact on **large scale, core infrastructure assets**

How have these capital flows developed over the last 12 months?

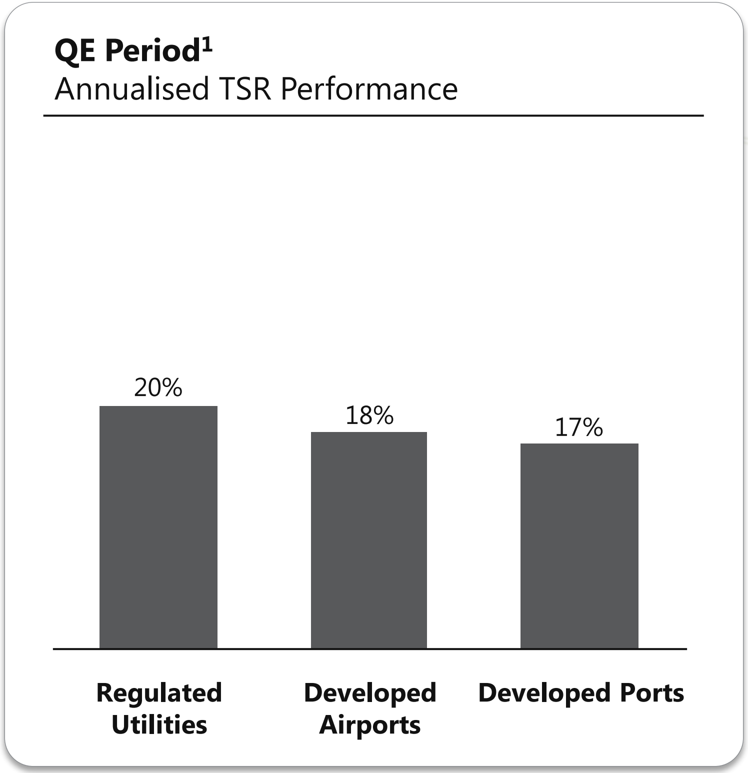
The "bond proxy" play in regulated utilities came off as tapering expectations took hold

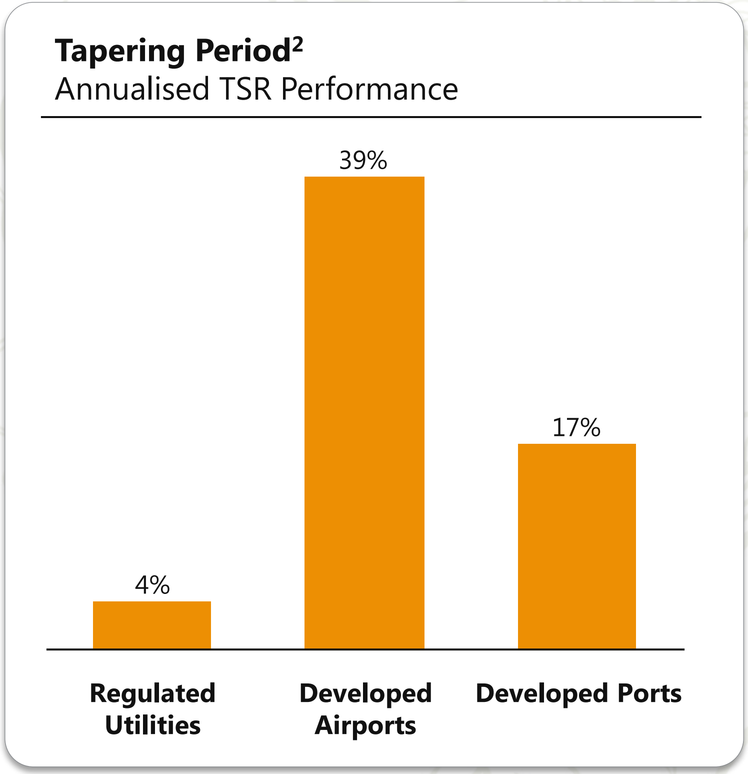
US Regulated Utilities vs US Govt 10 Yr yield: 2007 – 2014



Source: Bloomberg; Morrison & Co analysis

However "growth infrastructure" assets have continued to perform well





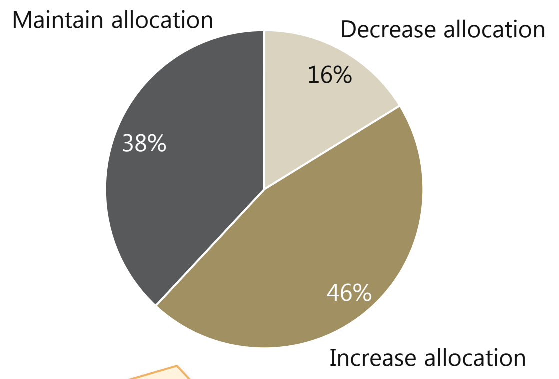
Source: Bloomberg; Morrison & Co analysis

Notes: 1. Annualised returns in QE Period (from October 2008 to April 2013), 2. Annualised returns in Tapering Period (from April 2013 to March 2014)

As QE recedes, the wave of capital targeting unlisted infrastructure will continue

Pension & SWF investors are increasing infra allocations

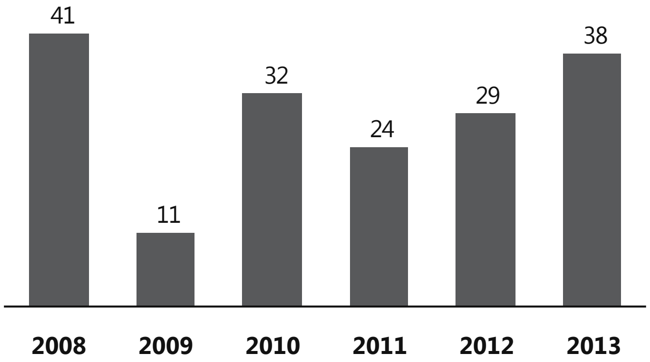
Investor intentions for infrastructure allocations in 2014
% Preqin survey respondents[1]



- 72% of active investors in infrastructure still have **less than 5% of total assets** allocated to infrastructure
- Amongst established infra investors in Australia & Canada, **typical allocations are 10-15%**

Pools of discretionary infra capital continue to be raised

Unlisted infrastructure capital raised
$bn

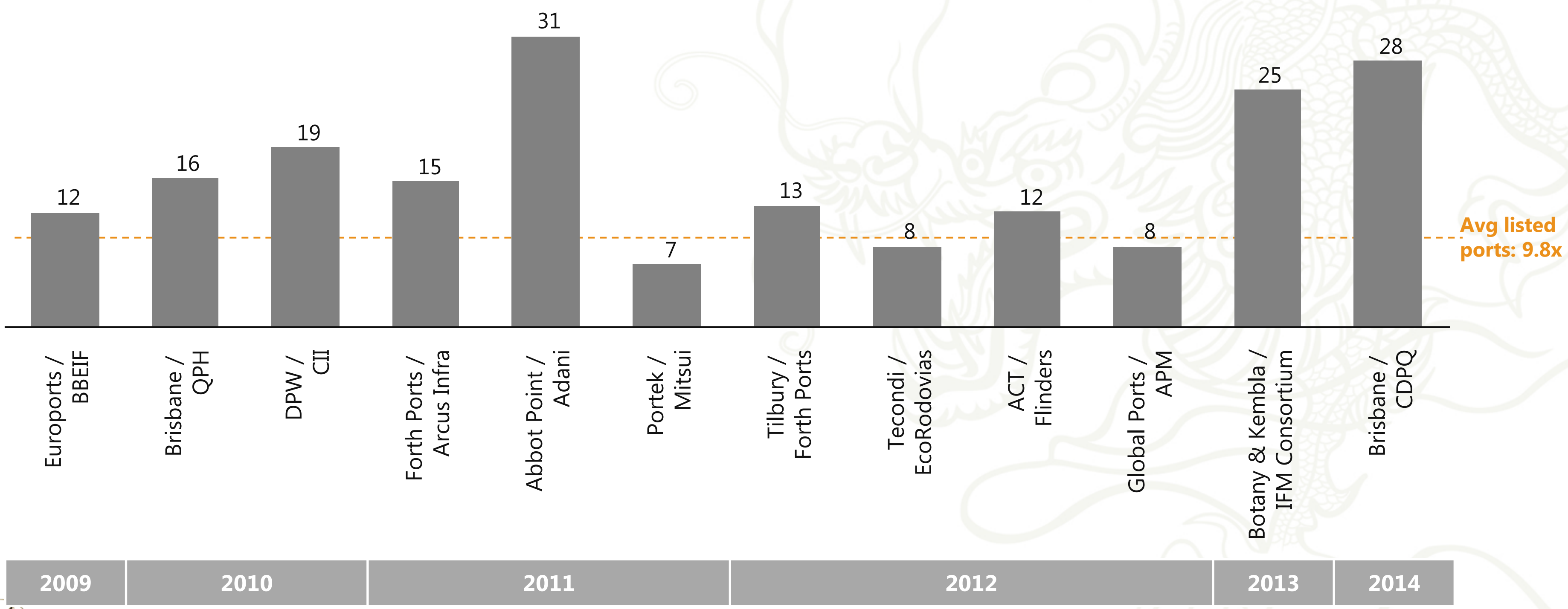


- **~$175bn raised** over the past 6 years
- Considerable **dry powder still waiting to be deployed** with limited investment periods

Source: [1]Preqin; *140 global institutional investors*

This wave of capital is supporting strong valuations in large private market infrastructure transactions

Selected Port Transaction Multiples (EV/EBITDA)

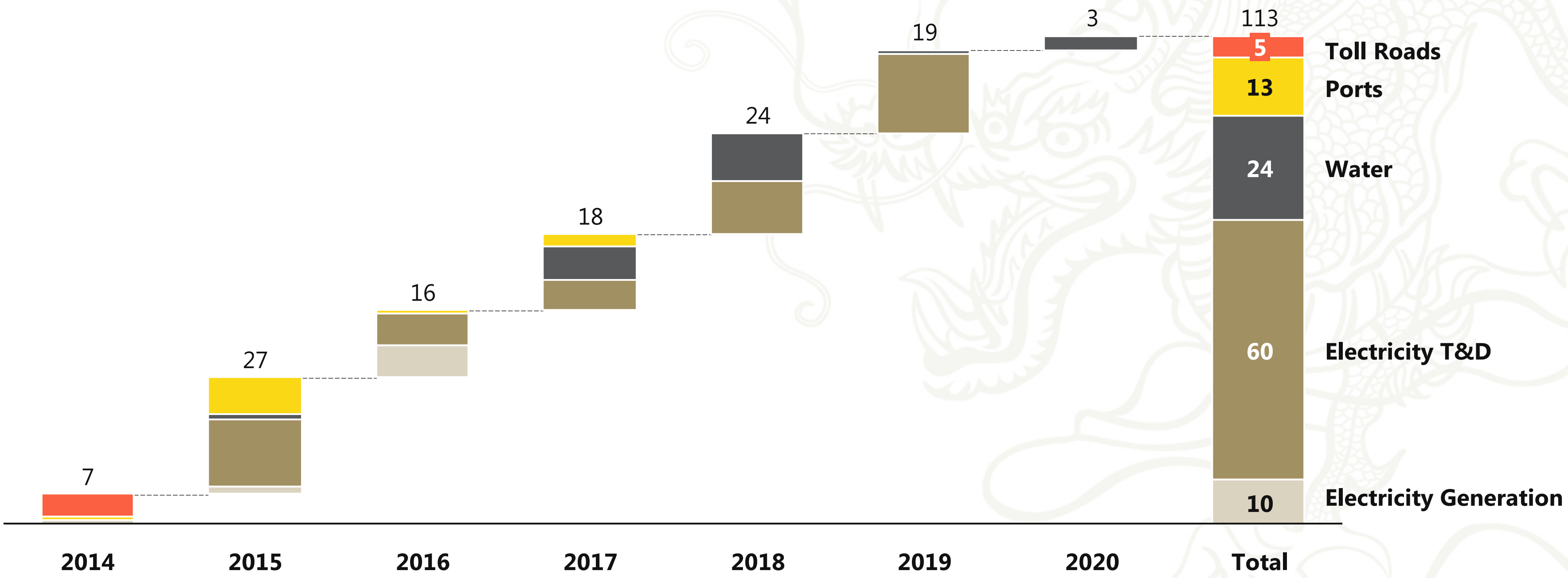


Source: Morrison & Co analysis

Governments are responding to this demand by recycling mature infrastructure assets

A$100b+ infrastructure privatisation pipeline in Australia

Pipeline of Potential Infrastructure Privatisations (A$bn, By Subsector)



Source: ANZ, MCO Analysis

In Summary:
What does it all mean for infrastructure investors?

Supply-demand balance for infra capital

- Massive **requirement for new infrastructure** spend
- Strong and growing **institutional demand for unlisted, mature infrastructure assets**
- Governments looking to **bridge this gap** by **recycling capital** through privatisation

Implications for infrastructure investors

- **Incumbent owners of 'growth infrastructure'** will benefit from:
  - **Earnings growth** from exposure to **macro demand drivers**
  - **Valuation growth** from increased **investor demand**
- In the current market:
  - **Listed infra** can offer better value than private auctions
  - **Greenfield investments** offer attractive returns
  - **Valuation gains available** for investors that can manage assets through periods of development and transition risk
- Will privatisations reset the infra supply-demand balance?

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Infratil Investor Day

4 April 2014

Infratil Investor Day Trustpower Agenda

- Performance developing points of difference
- Focus on retail
- Update on Australia

Highlights 2014 financial year

- Acquisition of EDNZ accelerates retail multi-product strategy

    - 224,000 electricity customers

    - 54,300 telco services

    - 13,500 gas

- Re-brand and launch into new geographies

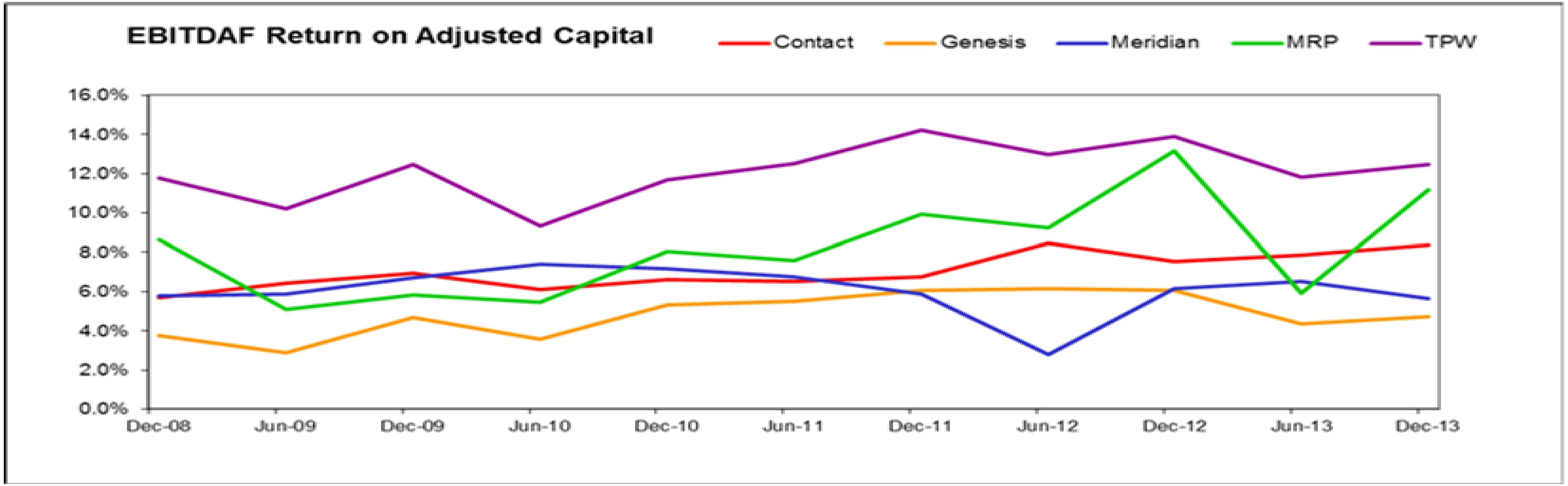
    - Ready for metro launch

- Significant progress on Snowtown Stage 2 wind farm

- Completion of Esk Hydro

Consistent performance focus

EBITDAF Return on adjusted capital



… and there are challenges

- Demand remains flat
- Government's MoM programme – provides greater sector choice for investors
- Labour / Green policy risk

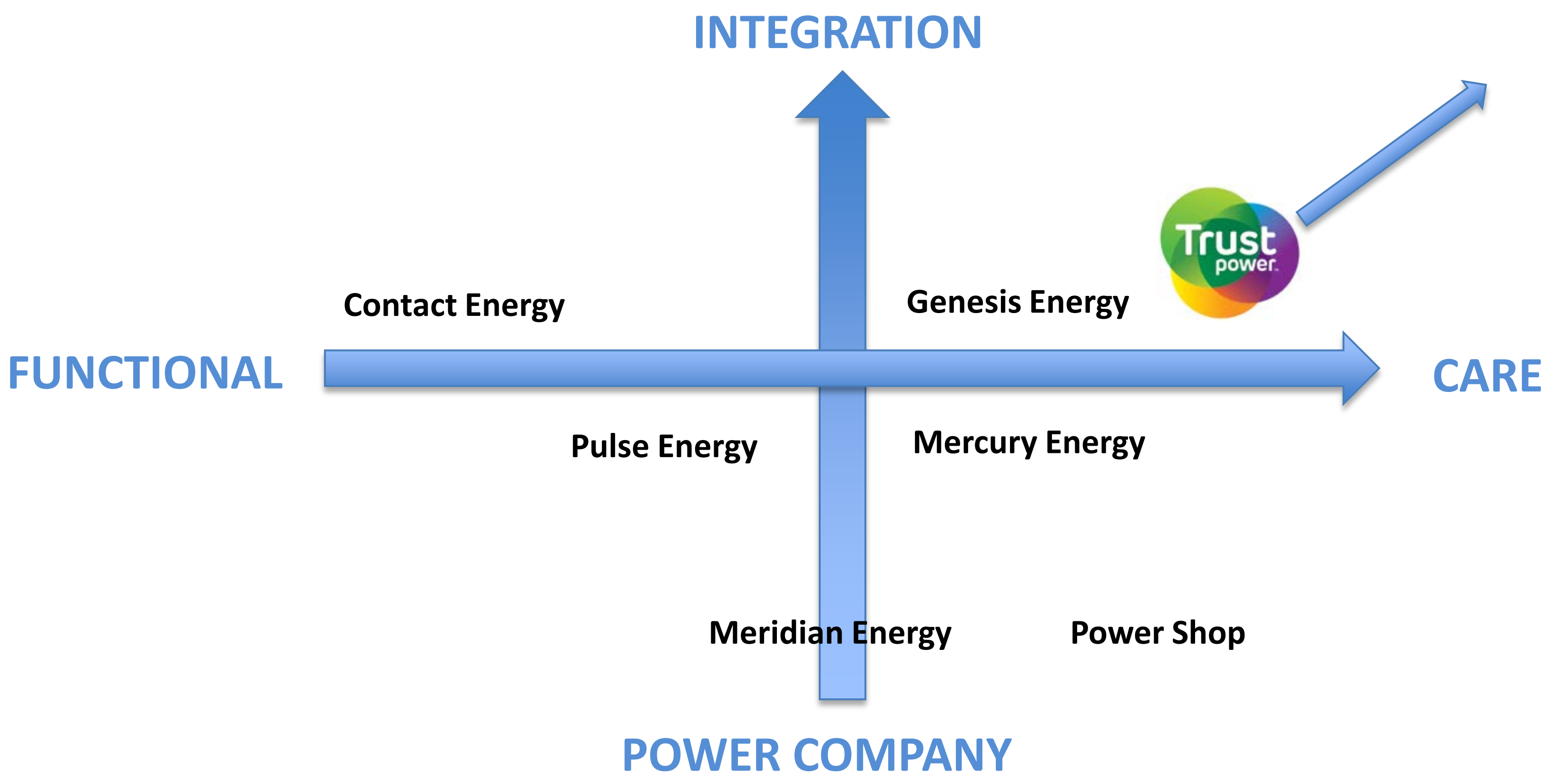
… TRUSTPOWER response

Re-launching the Brand – a point of difference

- Stable, trustworthy and reliable
- NZ owned and operated company
- NZ based call centre
- Excellent customer service
- Rewards loyalty via Friends Gold (55% of customers)
- Community involvement

"So it comes down to customer service and what they do with their profit, which is where Trustpower gets two big ticks."

Building brand value



Retail success – also means doing the basics well

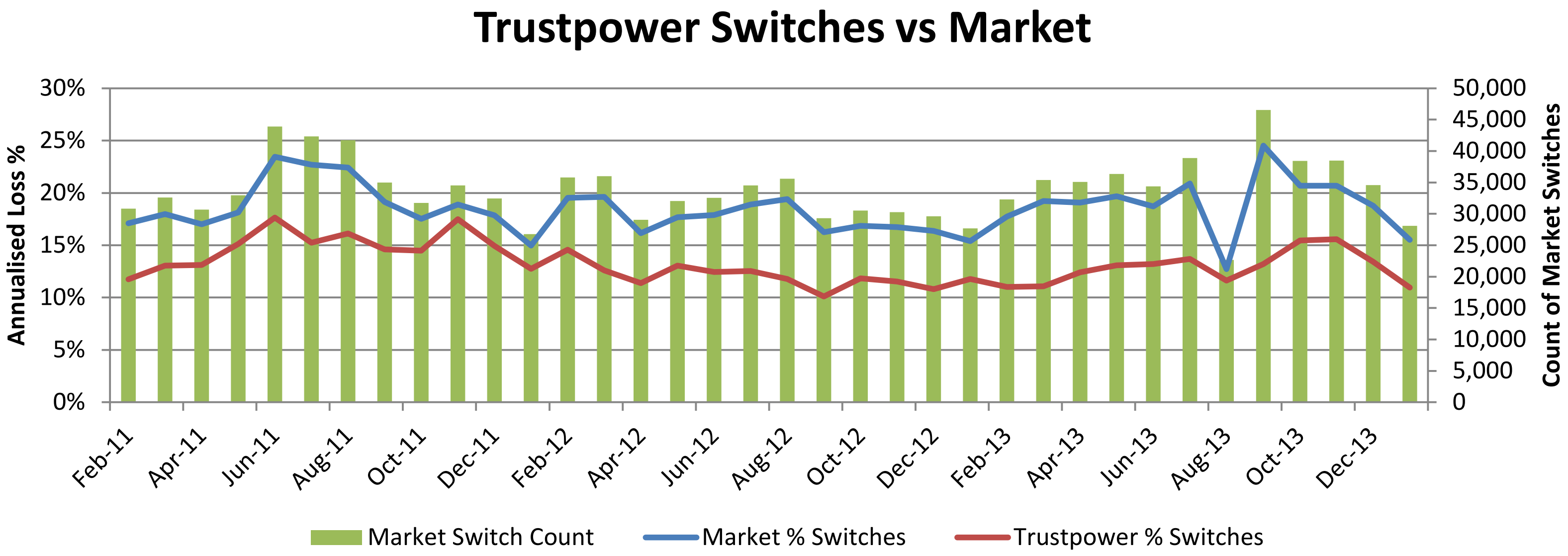
- Profitable customers that stay with you for a long time

- Upsell must add value and / or increase loyalty

- Cash is king and therefore processes must be excellent
  - meter to cash
  - credit and debt

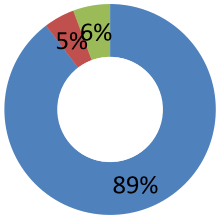
- Churn increases cost to serve

… loyalty is key to growth

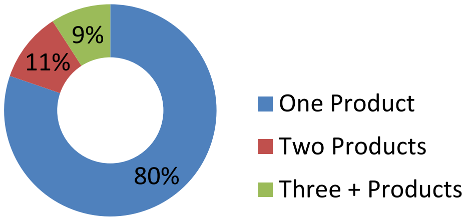


Multi product – builds loyalty, supports growth

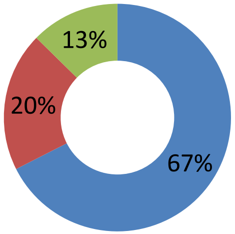
2010*



2014*

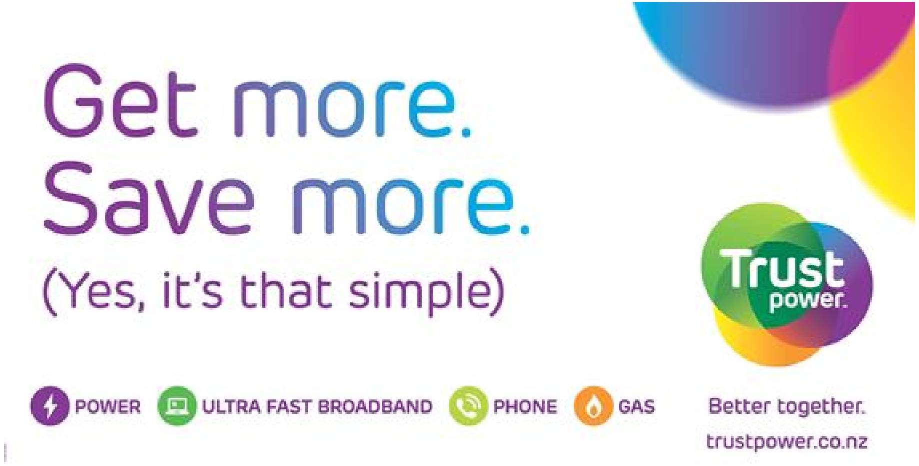


2019*



*Indicative split

Multi-product success factors



Success based on 3 key factors:

1. Trustpower brand equity: trusted, reliable, NZ owned/operated
2. Providing a great deal
3. Excellent customer service

"Why pay it in four places if you can pay it in one place. One phone call."
"One stop shop customer service."

Entering new metro-markets

Auckland campaign starts Monday

High speed.
Naked.
No cap.

(Not bad for someone who's almost 100)

ULTRA FAST BROADBAND

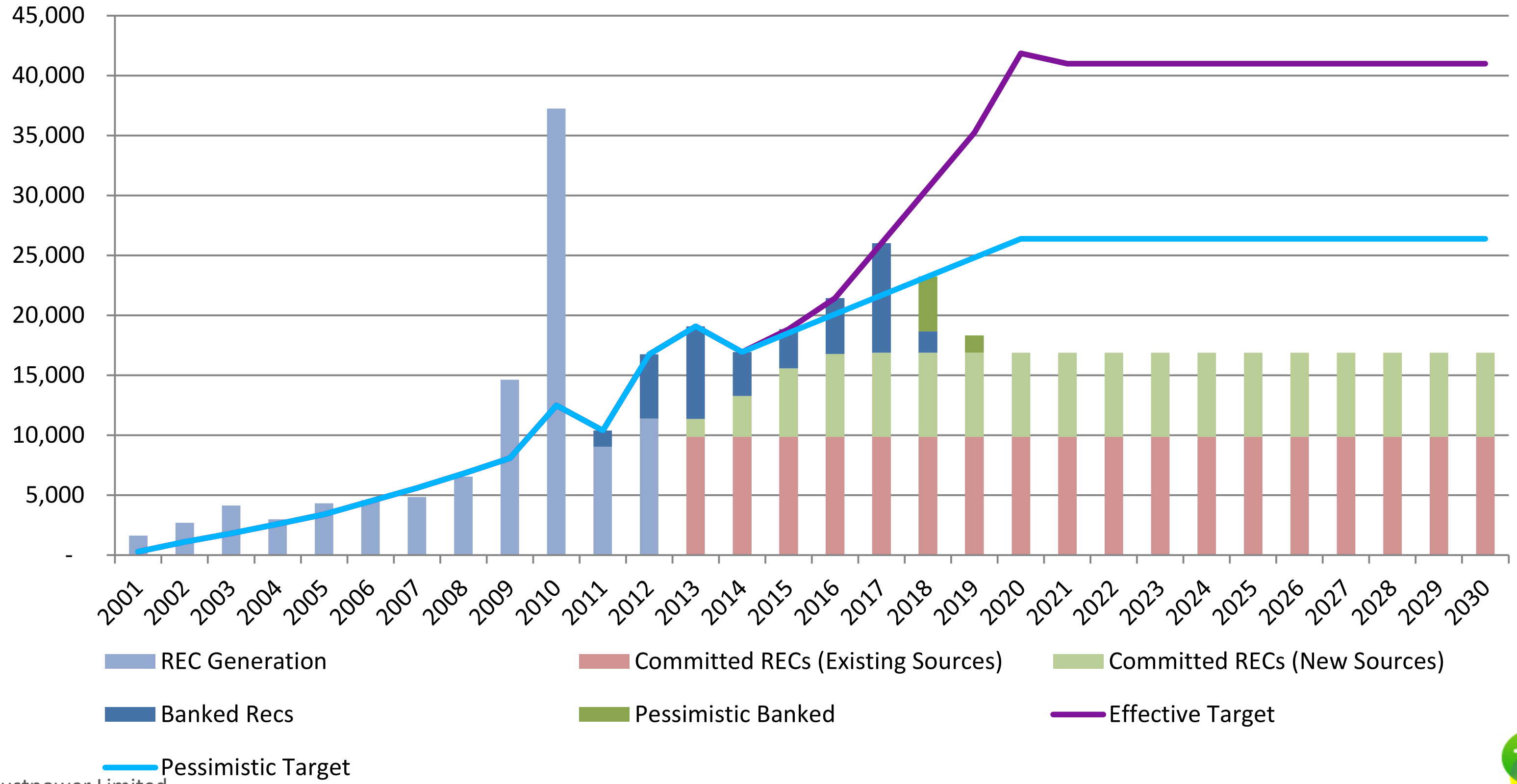
Better together.

trustpower.co.nz

Trustpower's Australian strategy

Snowtown Stage 2 is a critical step

Renewable target review



Trustpower's Australian pipeline options

Wind Farm	Status	MW
Snowtown 1 - SA	Operational	100
Snowtown 2 - SA	Under construction	270
Dundonnell - VIC	In DA process	250 - 320
Salt Creek - VIC	DA in place – 2015 Expiry	10 - 30
Rye Park - NSW*	In DA process	Circa 300
New South Wales Project*	In DA process	Circa 500
Palmer - SA**	In DA process	Circa 260
Wingeel - VIC	Land options / Wind testing	Circa 400
Church Lane - VIC	Land options / Wind testing	Circa 350
	Total Potential	Circa 2,500

* In collaboration with Epuron
** High quality wind resource

Snowtown Stage 2 project attributes

	SWF2 South	SWF2 North	SWF2 Total
Capacity (MW)	126	144	270
No. Machines	42	48	90
Net long term annual yield (GWh)	481	504	985
Capacity factor (%)	44	40	42
Cost/MW (A$m)	1.44	1.78	1.63

Snowtown Stage 2 project status

	Number	%	Status
275kV Transmission (28km)			Complete
Blyth West Substation			Complete
WTG Erection	67	74%	On target
WTG Operating	55	61%	On target

Lifting hub and blades

Fitting hub to nacelle

Fitting hub to nacelle

Turbine complete

Snowtown Stage 2 impact on Trustpower

	SWF2 South	SWF2 North**	Total SWF2
CAPEX (A$m)	182	257	439
Project IRR (%) (ungeared)	12.1	14.5	13.0
EBITDA (A$m)	36.7	41.2	77.9
NPAT (A$m)	11.3	8.6	19.9
Operating Free Cash Flow (after tax and debt service) (A$m)	20.4	21.5	41.9
Earnings per share (NZ cps)*	4.2	3.2	7.4

* Exchange rate of NZD/AUD 0.8500 assumed

** Includes impact of wind shading on Snowtown Stage 1

Completion of Snowtown 2 creates options

- Sell and recycle
- Partial sell down
- Hold and harvest

Disclaimer

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An Australian insight

4 April 2014

Agenda

Out-takes

Business Performance

Wholesale – Sustainably supporting retail growth

Retail growth opportunity

Direct Connect

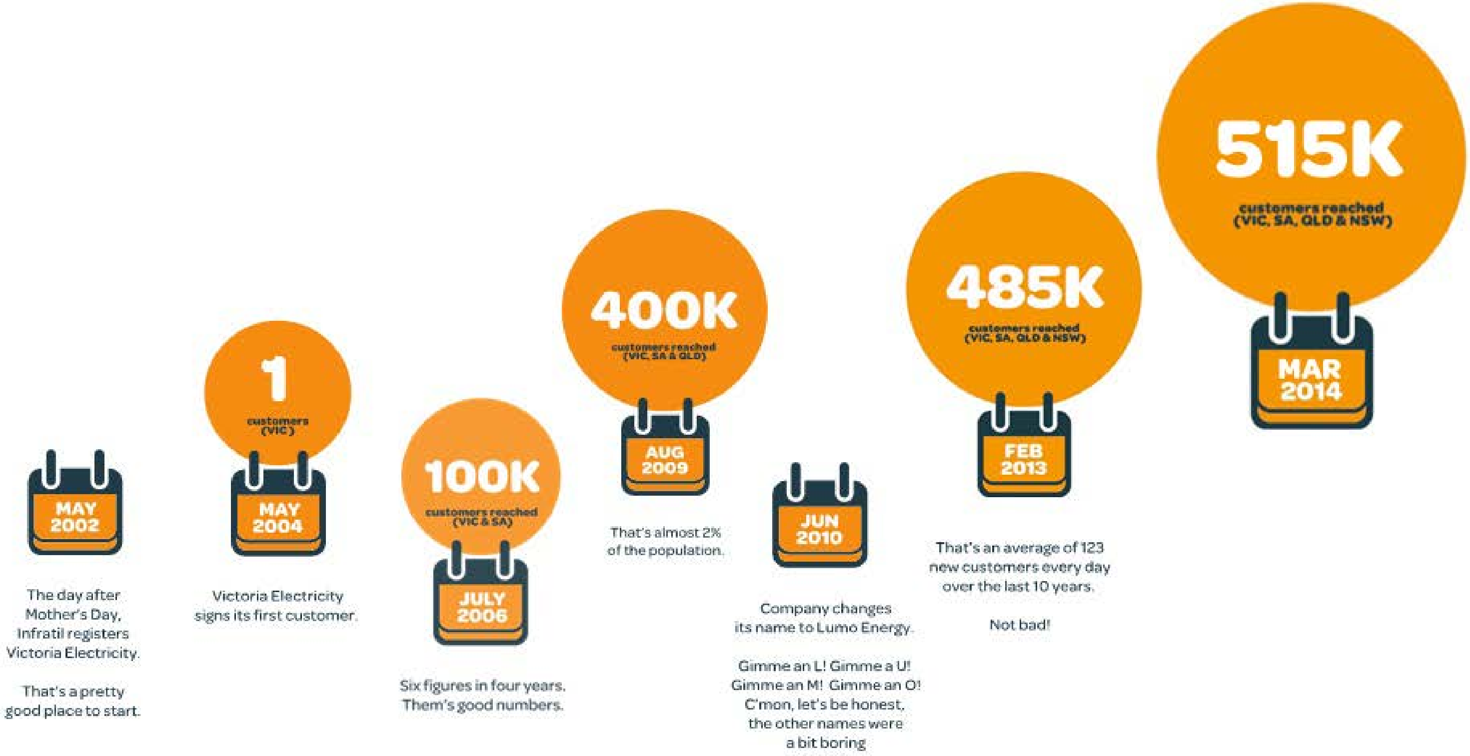
LUMO ENERGY TIME FOR CHANGE

Out-takes

- This is a sustainable business with solid EBITDAF and cash flow
- The retail landscape continues to provide challenges…..Lumo has climbed to > 515k customers - still only 5% of the National Electricity Market (“NEM”)
- Lumo benefits from a lack of vertical integration
- Customer behaviour is changing with access to new technology and more information
- Ongoing investment will ensure core systems are fit for purpose for the next growth phase
- Cessation of door to door selling by the major players has reduced churn - the value of other channels is increasing - Direct Connect
- Strategy seeks to optimise Lumo’s advantages as a challenger brand with a reputation for great customer value

DIRECT CONNECT
MAKES MOVING EASY

The Lumo Energy journey – Now over 515,000 customers



DIRECT CONNECT
MAKES MOVING EASY

Our Energy business in Australia

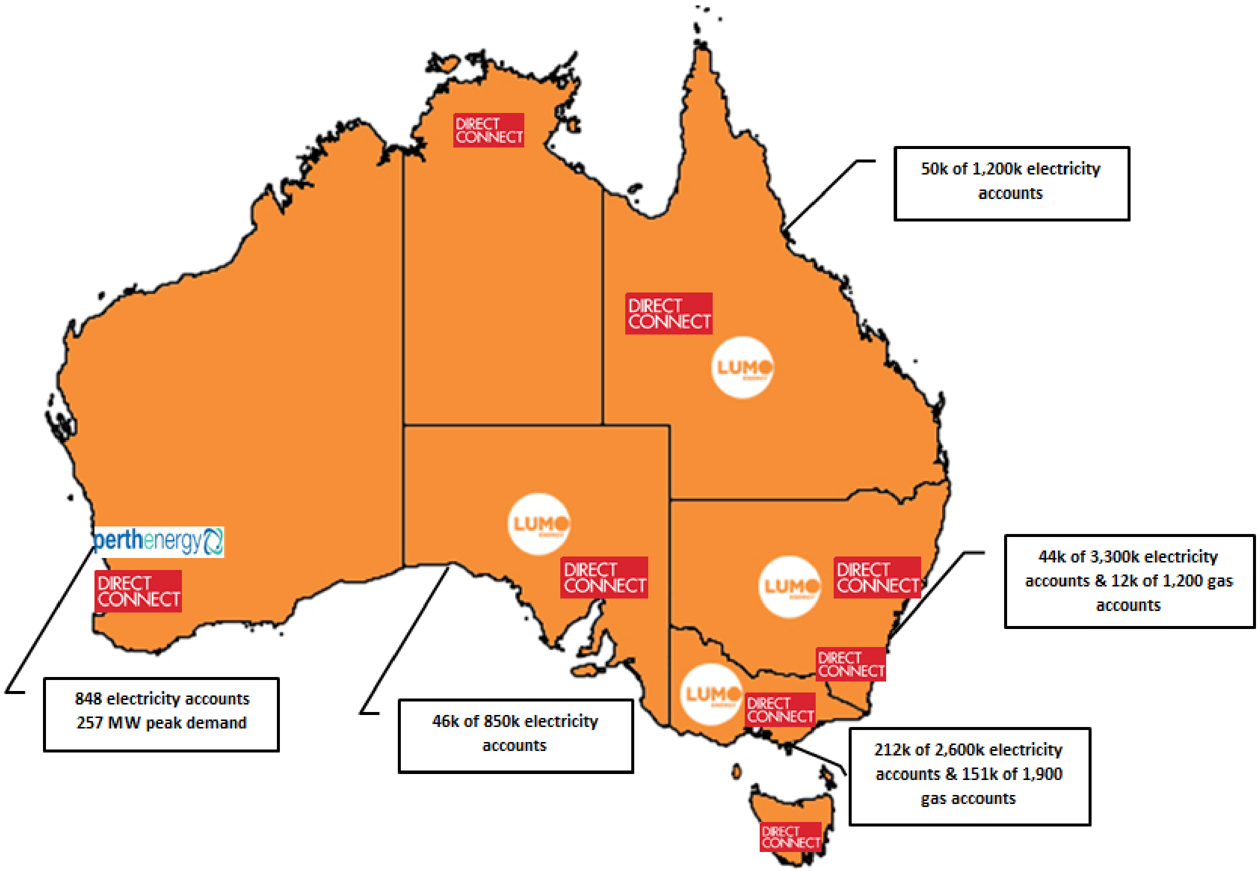
- Lumo Energy is now over 515,000 customers - 4th largest energy retailer by customer base in the NEM with demonstrated loyalty emerging
- Non vertically integrated - manage wholesale risk via contracting
  - ✓ 160 MW of diesel peaking generators
  - ✓ Physical options - Bamarang
- Wholesale risk management expertise has delivered a sustainable business with competitive wholesale costs
- Direct Connect - largest utility connection service business in Australia
- Operational stability is now in evidence
  - ✓ Complaints at lowest level – 27% reduction in the last year
  - ✓ Recognised as best electricity company for customer service
- Strong outsourced sales capability - Door to Door, Outbound Telemarketing and energy comparison site aggregators
- Perth Energy continues to grow – 848 SME and C&I customers with 257 MW peak demand
  - ✓ 120 MW dual fuel generation

DEVELOPED ORGANICALLY BY INFRATIL

DIRECT CONNECT MAKES MOVING EASY

LUMO ENERGY

Established in all significant markets in Australia



National Electricity Market retail landscape

- South Australia retail price deregulation Feb’13
  - ✓ NSW and QLD yet to follow, but confident this will happen in 2014
- Cessation of door to door selling by majority of industry during May’13 to Sep’13 lead to a steady decline in market churn
  - ✓ Market churn reduced from ~30% to 24%
  - ✓ Sales methods and channels need to change
- Changing customer behaviour driven by enhanced access to information and technology
- Industry participants are changing
  - ✓ APG acquired by AGL
  - ✓ AGL bid for Macquarie Generation (subject to ACCC approval)
  - ✓ CEO changes at tier 1 and tier 2 organisations and offshore parent strategy shifts
- Unclear Regulatory regime
  - ✓ Renewable Energy Target, the debate continues
  - ✓ Consumer power

2013 A YEAR OF SIGNIFICANT CHANGE

DIRECT CONNECT MAKES MOVING EASY

LUMO ENERGY

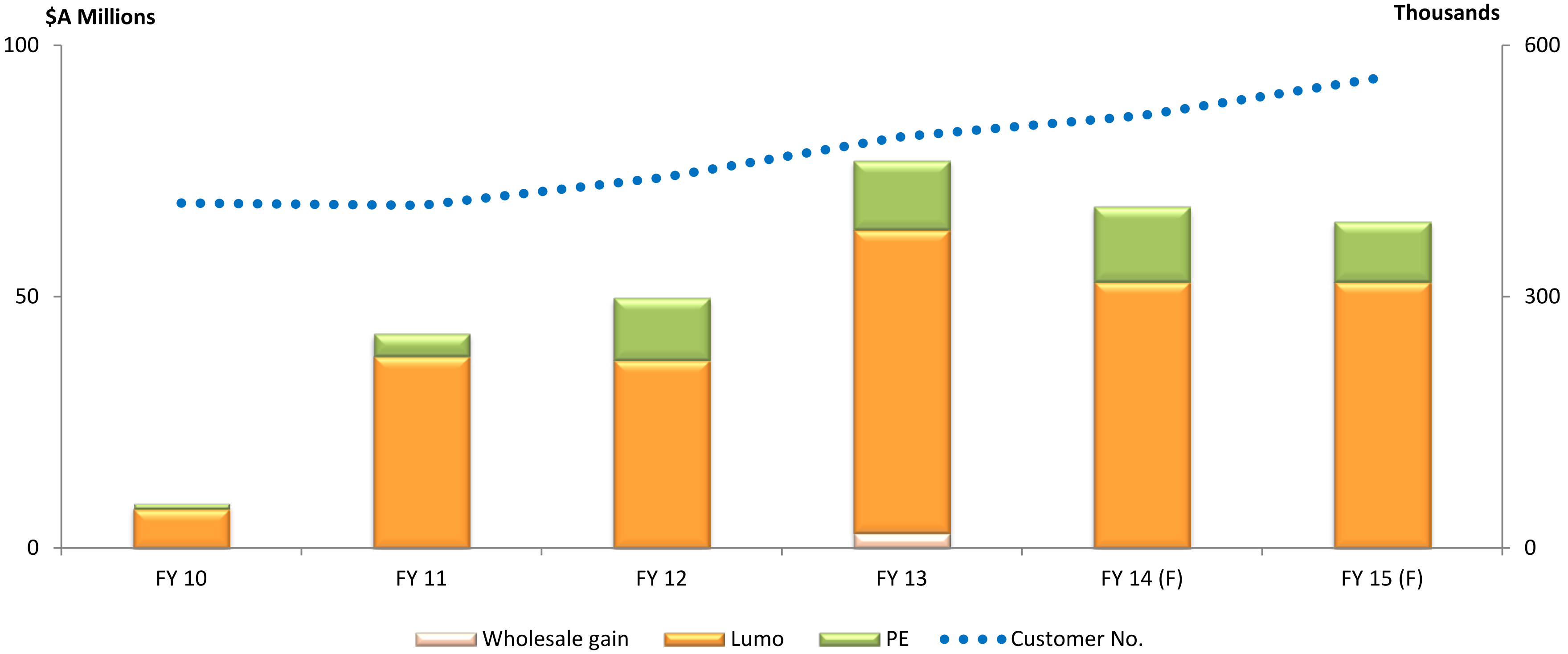
NEM Retail Landscape – implications?

- Risk reduces with price deregulation
- Door to door selling pause for 8 months in 2013 – re-entered with caution in late 2013
- Churn falling below market is aiding growth and signals a "coming of age"
- Value of other channels has increased significantly
  - ✓ Direct Connect and other strategic marketing initiatives bring diversity to Lumo sales sources
  - ✓ Direct Connect strategic review will significantly increase and strengthen market share
- Disappearance of APG as a second tier challenger, provides the opportunity to strengthen Lumo's position as the alternative provider of choice

LUMO CONTINUES TO MEET THESE CHALLENGES AND GROW

DIRECT CONNECT
MAKES MOVING EASY
LUMO ENERGY

Sustainable EBITDAF

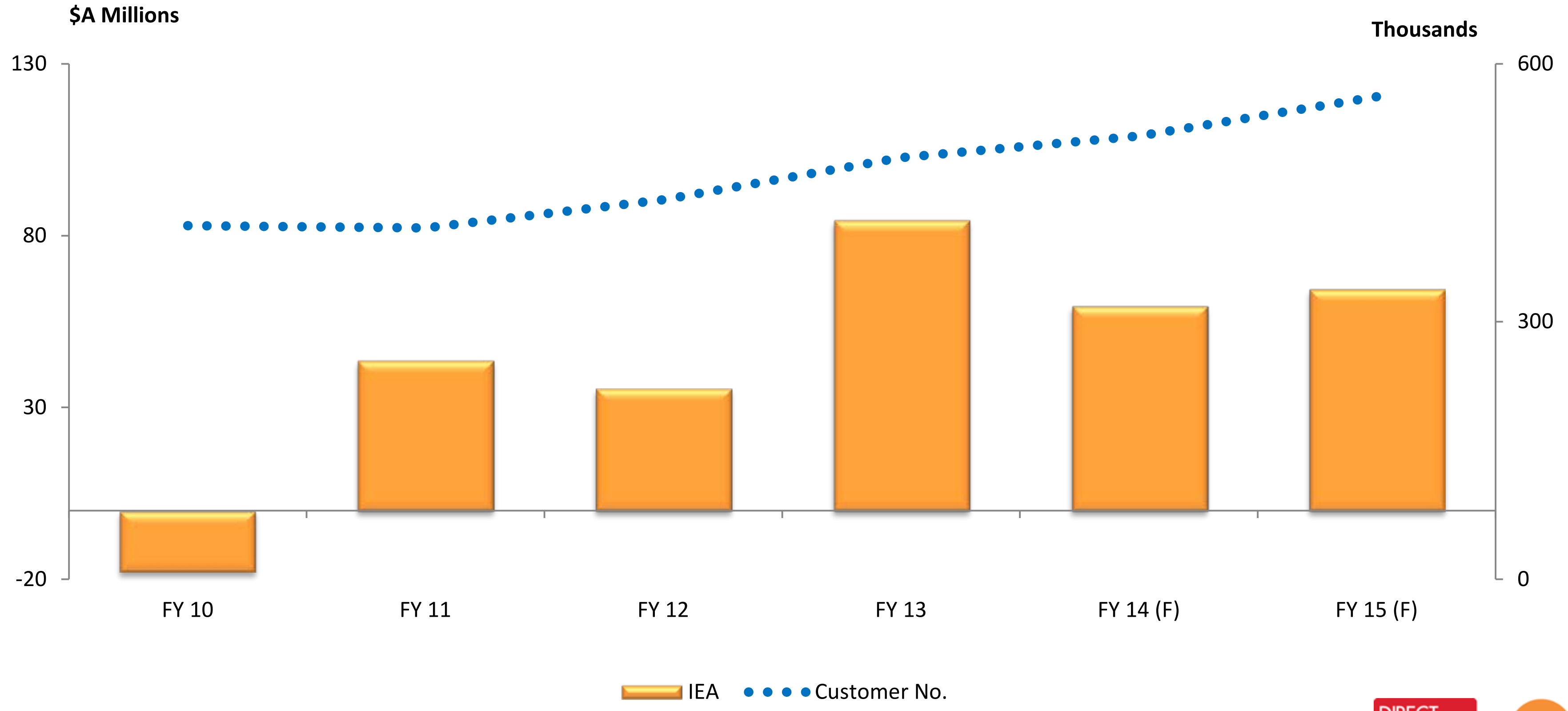


LUMO NOW A SUSTAINABLE BUSINESS WITH SOLID EBITDAF…. 2015 FORECAST EBITDAF REFLECTS POSITIVE INVESTMENTS IN OFFERINGS, CUSTOMER GROWTH AND BRAND, AND A SHIFT TO CLOUD BASED "AS A SERVICE" TECHNOLOGT

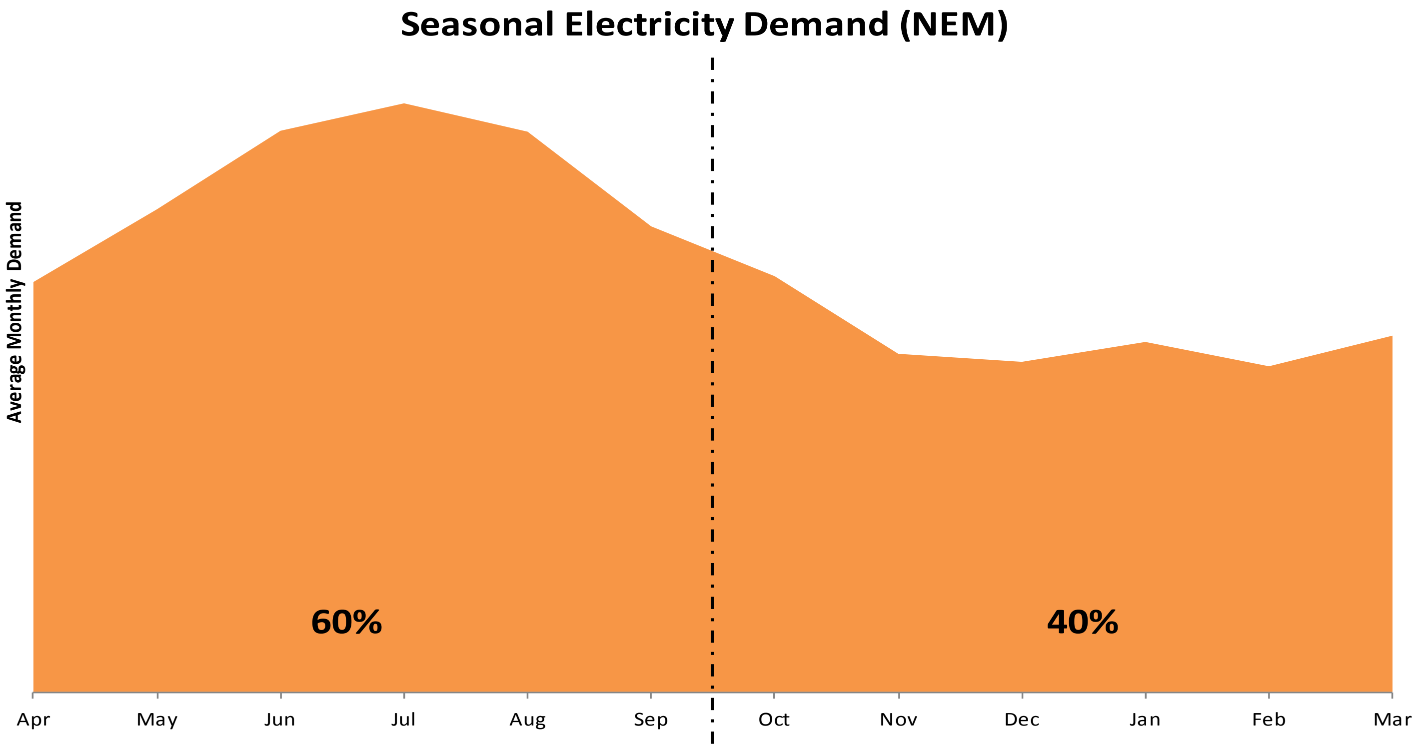
DIRECT CONNECT MAKES MOVING EASY

LUMO ENERGY

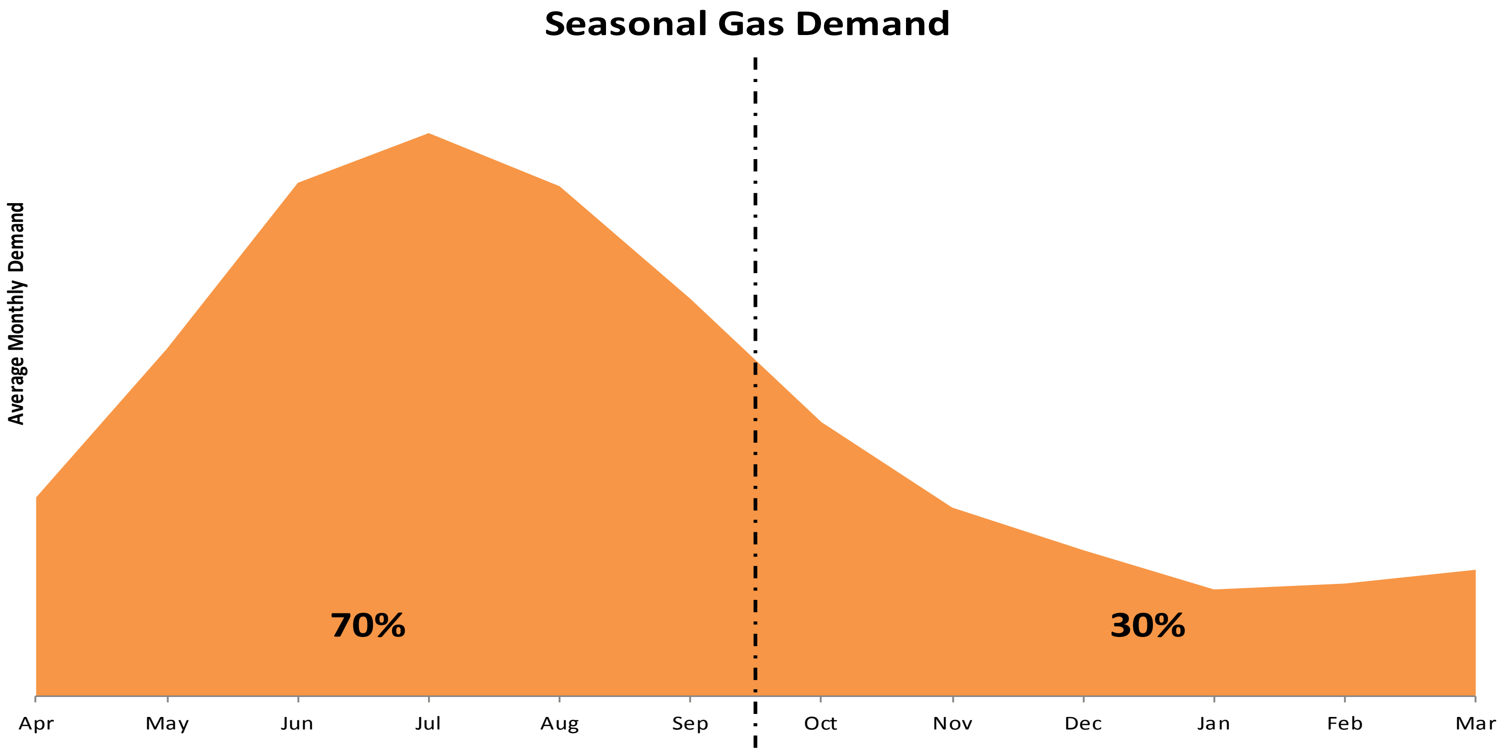
And operating cash flows…



NEM consumption profile



Gas consumption profile



Wholesale landscape - Electricity

- Wholesale electricity markets are significantly oversupplied and forecast to remain so across the next decade – **uncertainty exists**
- Wholesale markets are **fundamentally changing**
  - ✓ Supply being driven to market through **regulatory** incentives, **technology** and **socket parity**
  - ✓ Demand no longer unresponsive – driven primarily through **price** and **technology**
  - ✓ Thermal Plant to respond – supporting a price range
- Contract market **liquidity remains**, options required to cover longer term uncertainty
  - ✓ Liquidity also exists in renewable market
- An **evolving political environment**
  - ✓ Renewable and carbon policy
- Pending sale of NSW & QLD Generation assets

WHOLESALE ELECTRICITY PRICES WILL REMAIN SUBDUED IN THE MEDIUM TERM

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MAKES MOVING EASY

LUMO ENERGY

Wholesale landscape - Gas

- **Uncertain short to medium term** supply/demand balance - demand increasing **four fold** from 2015
  - ✓ International drivers, no longer just domestic
  - ✓ Impacts on end users – already seeing increase in forward commodity prices
  - ✓ Producers managing ramp gas – so far…
- Development uncertainty leading to **increased risk** – both price and supply
  - ✓ Political uncertainty delaying development of NSW coal seam gas fields
  - ✓ Scale of QLD LNG developments
- **Developing a sustainable gas portfolio is challenging**
  - ✓ Ability to achieve a flexible and cost effective portfolio
  - ✓ Contract liquidity remains a high risk

WHOLESALE GAS PRICES INCREASING IN THE SHORT TO MEDIUM TERM

DIRECT CONNECT MAKES MOVING EASY

Wholesale portfolio outlook

Electricity

- Wholesale risk management very important
  - ✓ Enables a sustainable and cost competitive business
- Flexibility in managing wholesale is essential, remaining **non-vertically integrated** where sustained contract liquidity exists
- Lumo wholesale strategy continues to pay off
  - ✓ Lumo can adapt to the changing market and take advantage of it

Gas

- Have been able to contract at required volumes and flexibility
- Lumo contracted out to 2020

LUMO HAS A PROVEN FLEXIBLE, SUSTAINABLE & COMPETITIVELY PRICED PORTFOLIO IN AN UNCERTAIN MARKET

Technology – The emerging landscape

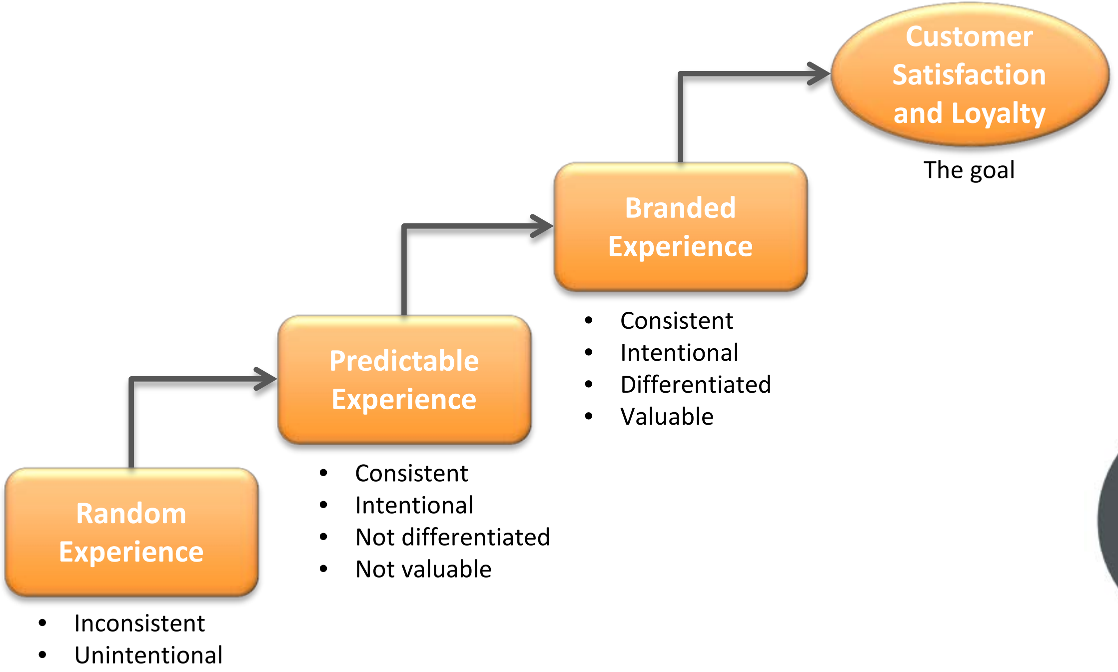
- **Technology is fundamentally changing the energy market**
  - ✓ Monitor and manage consumption – **Smart Meters**
  - ✓ On site generation – **Solar**
  - ✓ Manage load variability – **Storage**
  - ✓ Electrification of the transport sector **– EVs**
  - ✓ The integration of appliances and energy management **– The Digital Home**
  - ✓ Focus on energy efficiency **– Appliances & Building Standards**
- Technology fast moving and potentially disruptive – Lumo positioning for the opportunity
  - ✓ Drives uncertainty and reinforces benefits of being non-vertically integrated

LUMO DEVELOPING PRODUCTS THROUGH TECHNOLOGY PARTNERSHIPS TO CAPITALISE ON NEW REVENUE OPPORTUNITIES

DIRECT CONNECT MAKES MOVING EASY

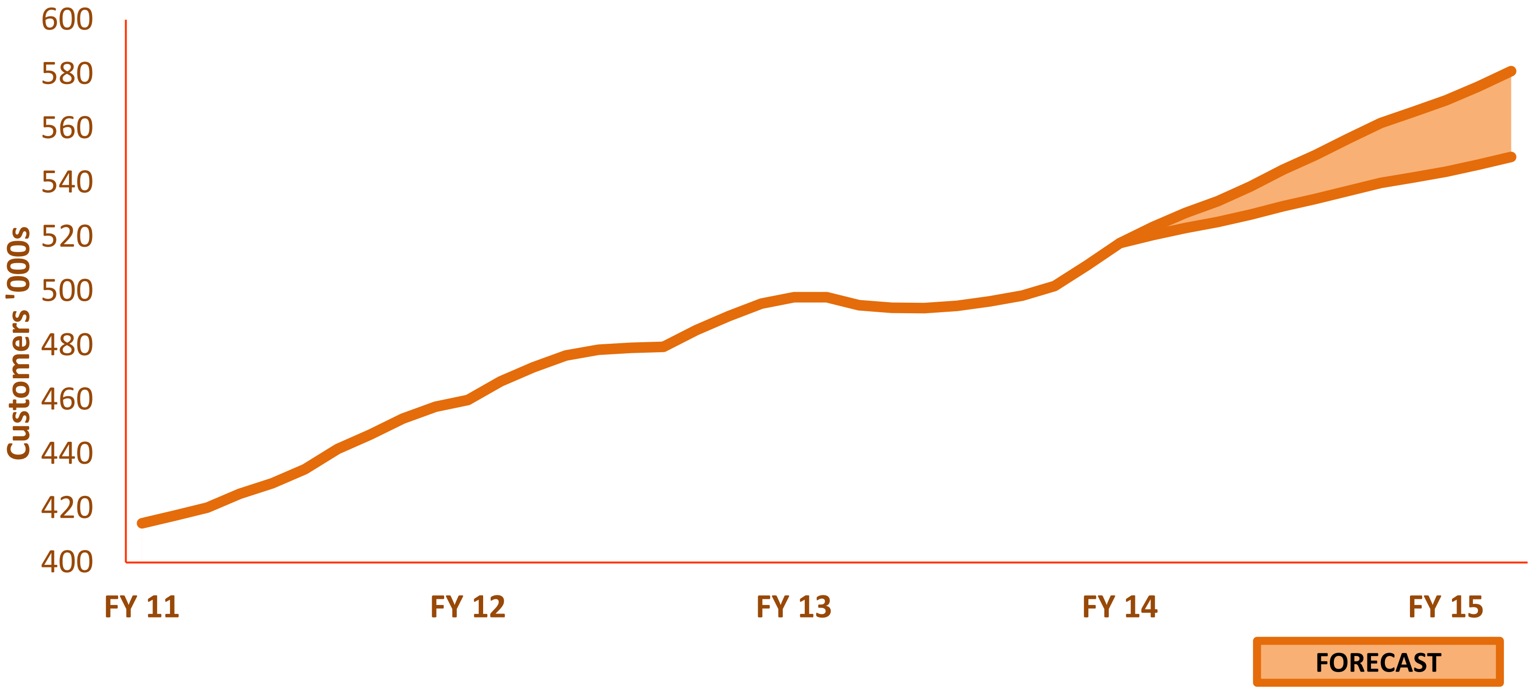
LUMO ENERGY

Increasing sophistication in approach to our market



Source: "managing the customer experience – turning customers into advocates" Shaun Smith and Joe Wheeler 2001

Well positioned for continuing customer growth



Balanced customer experience and sales approach

Customer Experience Focus

- Building the Lumo Energy **Brand**
- **Segmentation** of the market
- Greater **reliability and repeatable service** experience
  - ✓ Complaints down 27% over 12 mths
  - ✓ Canstar Blue most satisfied electricity customers in Victoria 2013
- Investment in our **people**
  - ✓ Employee engagement up 19% (3 years)
  - ✓ Voluntary turnover down 54% (2 years)
- **Technology refresh**
  - ✓ CRM, Digital, Telephony, Infrastructure

Strengthened Sales Management

- Less reliance on direct selling
- **Diversified and sustainable new channels**
  - ✓ New marketing & online capability
  - ✓ Offshore for some sales & service activity
- Operationally able to take more Direct Connect customers
  - ✓ **Greater percentage of same day 'move-ins'**
- Using **data to drive sales** productivity
  - ✓ Aligning commission to value drivers
  - ✓ More sophisticated channel management practices

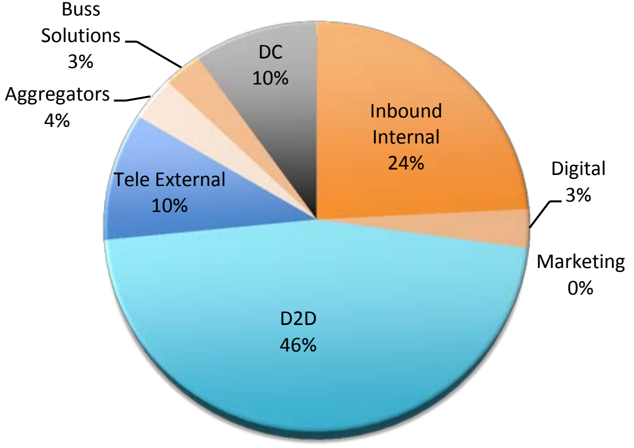
DIRECT CONNECT
MAKES MOVING EASY

LUMO ENERGY

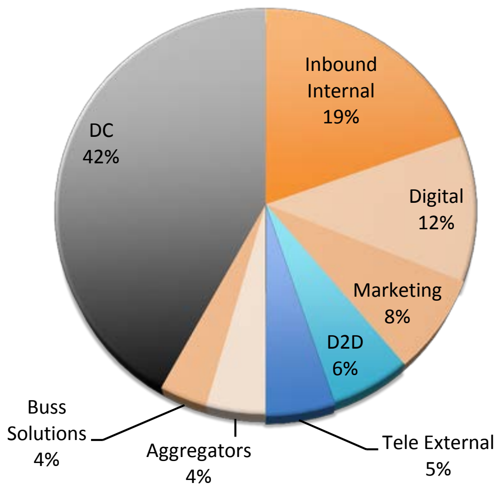
Diversified and sustainable sources of new customers

- Door to door becomes a smaller part of our overall new customer sources
- Inbound sales from **marketing activity and new customers from Direct Connect provide a higher quality sale** and are more sustainable
- Most proactive focus is on Victoria and SA – as price de-regulation occurs we are ready to capture new opportunities in Qld and NSW

FY14 Actual Gross Sales



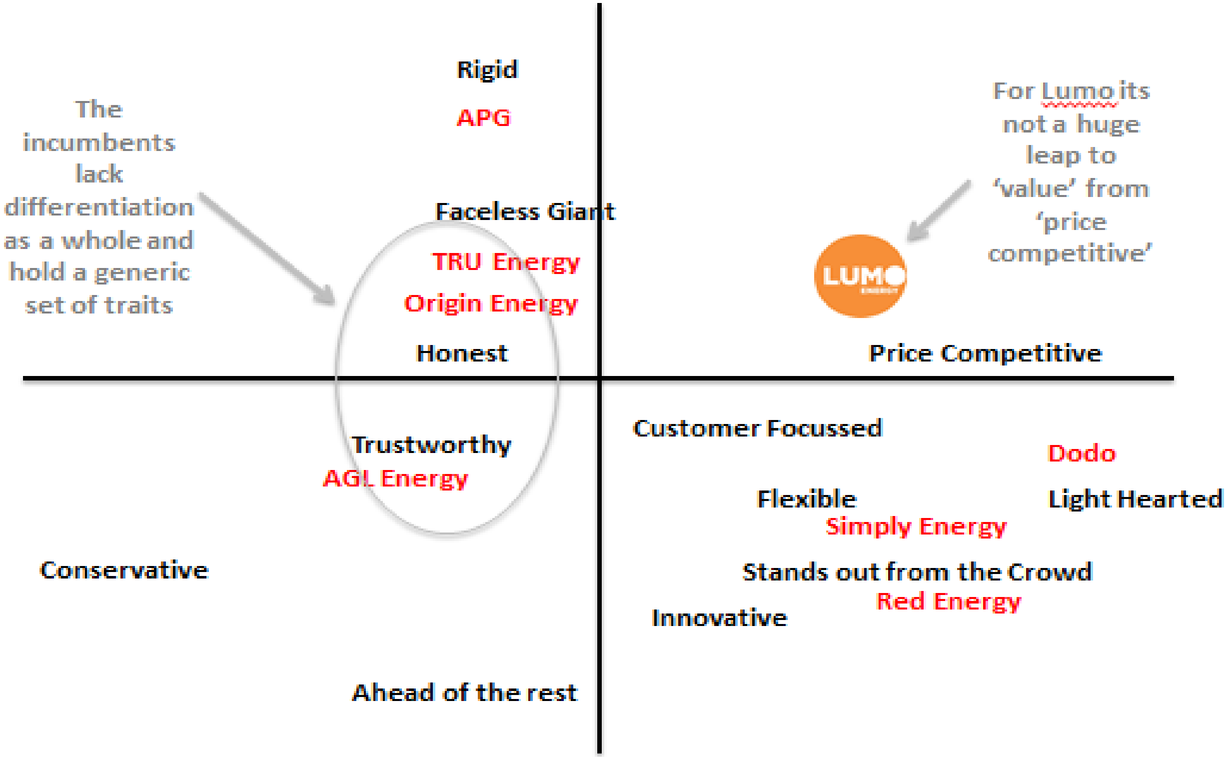
FY15 Forecast Gross Sales



DIRECT CONNECT MAKES MOVING EASY

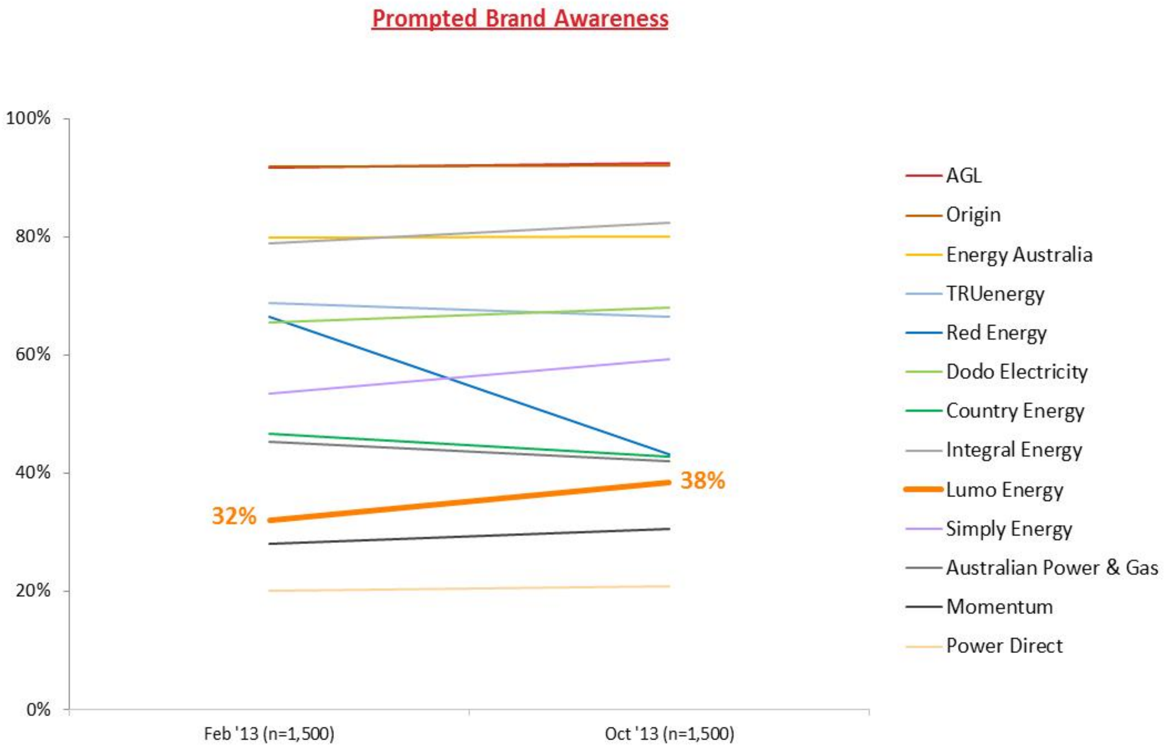
LUMO ENERGY

Lumo stands out from the crowd



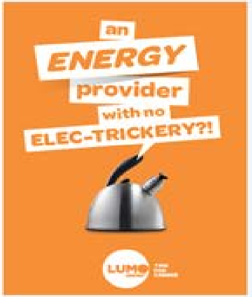
Source: Lumo Energy Segmentation Study 2013

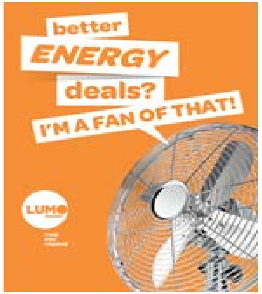
Increasing brand awareness is the next challenge



Source: Lumo Energy Brand & Communications Tracker 2013

New advertising platform delivering strong results





Direct Connect – A quick history recap

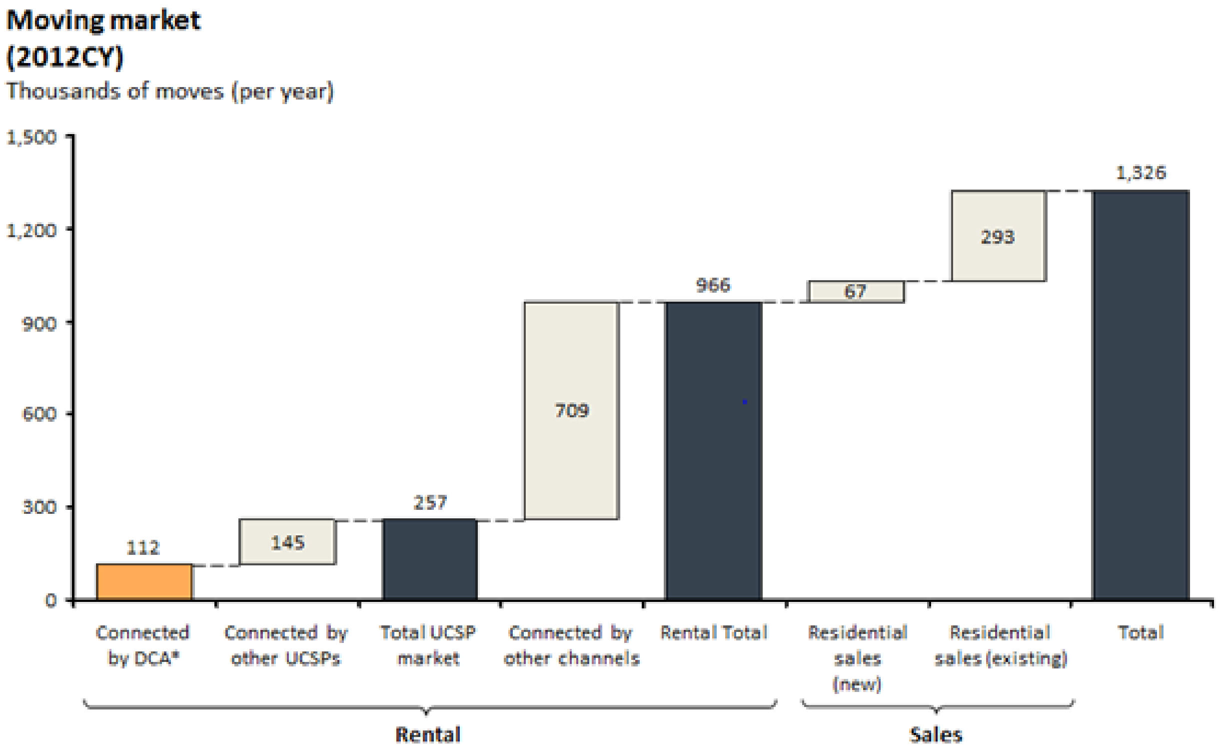
- Started 2004 – now provides its moving home service to over 3,500 Real Estate offices across Australia - 50% of the market
- Channel for Lumo, AGL and Origin
  - ✓ Low Cost to Acquire
- A typical DCA energy customer….
  - ✓ Smaller dwelling and an active mover; BUT
  - ✓ Less price sensitive and have a good credit history
- Multi connection/product strategy
  - ✓ DCA customers do want more products

Moving market

- Large, fragmented with changes occurring in the value chain
- Characterised by multiple data hand-offs
- There are three core categories of agent operations
  - ✓ DCA’s extensive agent network is a key advantage
- Property management has become an increasingly important source of agent revenue
- Energy retailers are already an active part of the market through their own channels
  - ✓ They also utilise a number of UCSPs

DIRECT CONNECT
MAKES MOVING EASY

Small market share – currently rental focused



Note: *Less than 5% of DCA's connections relate to residential sales
Source: DCAM data (Oct 2013); ABS; HIA, Commonwealth Bank, Sate Bond Authorities, Macquarie, 2012; L.E.K. analysis

Impressive product set

Electricity and Gas	
Water	
Phone and Internet	
Pay TV	
Insurance	
Removalists/Truck Hire	
Cleaning and Other	

Five pillar strategy for growth

Own and strengthen the agent relationship	Increase application revenue	Enter adjacent markets	Enhance the DCA brand	Develop internal capabilities

Ongoing investment supports growth of Lumo and Direct Connect

CRM
- Campaign management consistency
- Trigger based marketing
- Data capture validation

Data & Analytics
- Interval data
- Data driven decision making
- Propensity modelling
- Hypothesis testing

Digital Channels
- Website refresh
- Online sales
- Service extensions
- Enhanced reporting
- Social Media

Billing Enhancements
- Faster response time to market
- Flexible offers
- Behavioural inducements

Telephony as a Service

Infrastructure as a Service

Summary

- Lumo is a significant business with solid EBITDAF and steady cash flow
  - ✓ EBITDAF will be impacted in the short term with the change in sales strategy
- At ~5% of the NEM, Lumo's strategy is to take advantage of the growth opportunity
  - ✓ Scale benefits continue to come with growth
- Ongoing investment to improve technology platforms and ensure core systems are optimised for growth
- Churn reducing – Lumo better than market
  - ✓ Retail margins may increase
- Value of other channels and particularly Direct Connect has increased
- Lumo's non vertically integrated strategy has delivered a competitively priced wholesale portfolio – Lumo can compete on wholesale cost.
  - ✓ Gas contracted out to 2020

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The engine room of the region

April 4 2014

Wellington Airport today

Key deliverables FY14

Forecast EBITDA 4% increase on last year

Country Road
Witchery

$75m retail bonds and $50m wholesale bonds

Noise mitigation programme to be rolled out

Strategic decision to re-price

Spruce Goose café

Runway extension momentum

Gold award winners in Safety and finalists in Green

Carpark precinct complete with yield management

Audits passed and recertified for five years

New fire trucks

New growth platforms

2014 - Today's Platform

5.4m passengers

2-4% passenger growth

Capacity constraints in terminal and carpark

Undeveloped land - Tirangi

Relationship with main customer

New pricing

2015 - New Growth Platforms

Extend trans-Tasman network

Terminal extensions

Retail opportunities

Multi-level carpark

Hotel

Property Development

Runway extension consent

Manage regulation

2020 - Next Level

6.3m passengers

Faster pax growth

Runway extension

Long haul flights

New retail & transport revenue

Scaled up property returns; hotel, retail park.

Aeronautical pricing

Reset for next five years

Information disclosure regulation

The Commission's high level findings:

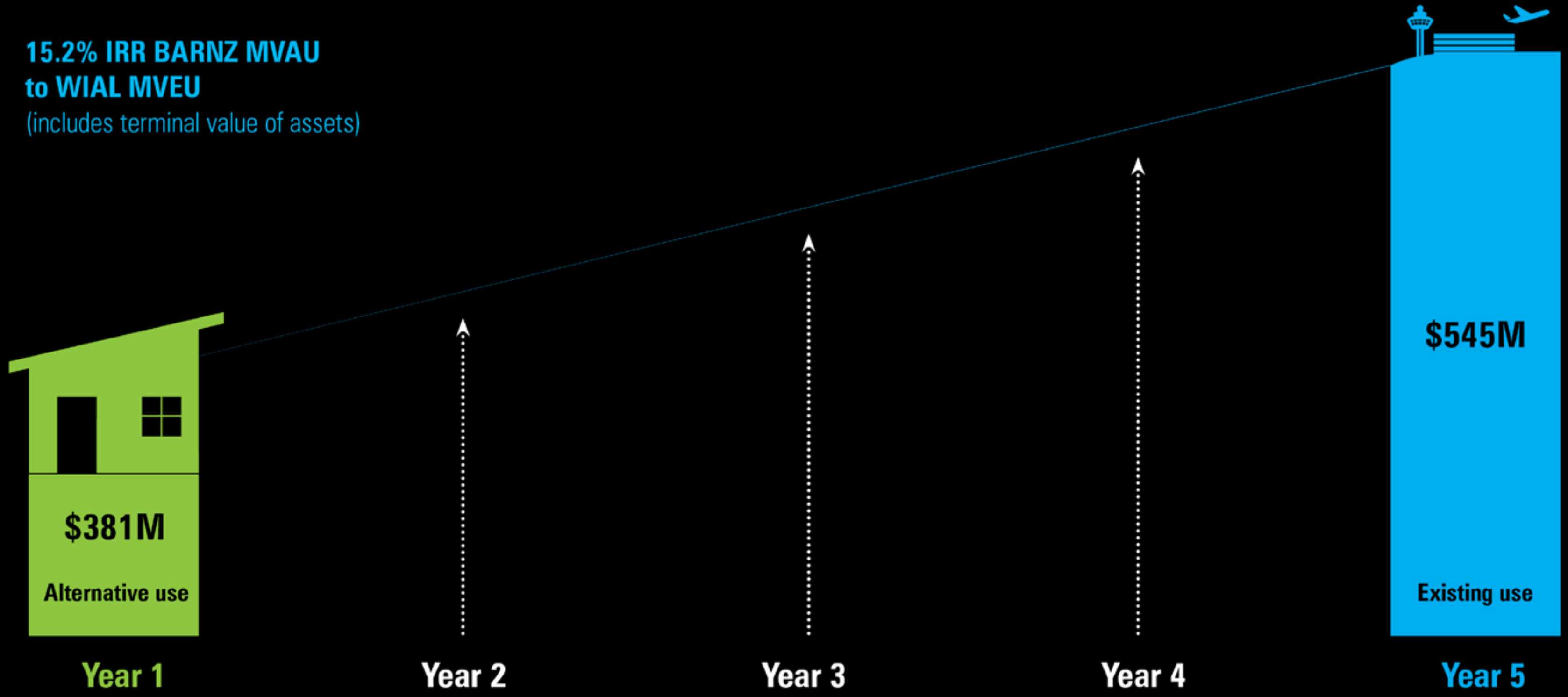
- ✓ Transparent
- ✓ Innovating appropriately
- ✓ Providing quality services
- ✓ Improved and efficient price structure
- \- Too early to tell if investment is appropriate
- \- Too early to tell if efficiencies are being shared with customers

However:

- ✗ Not been effective in limiting WIAL's ability to extract excessive profits

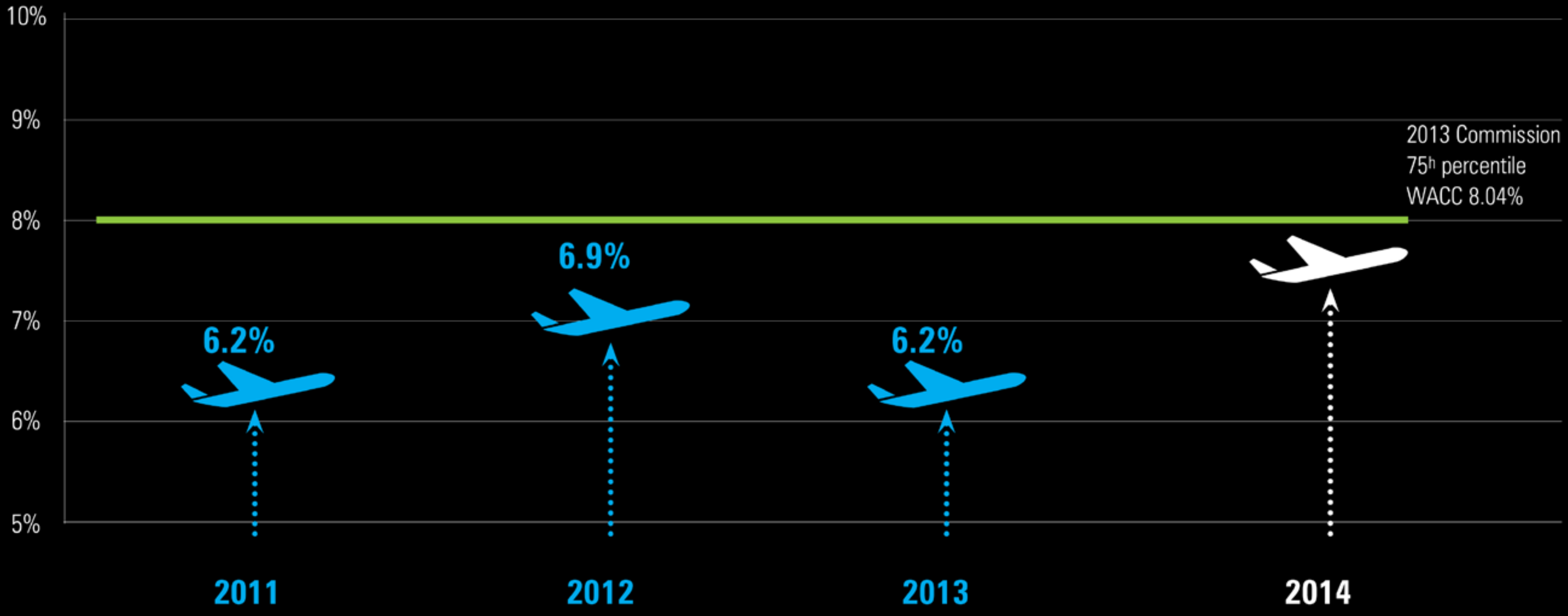
Our actual earnings are under the regulatory benchmark

Land value - alternative to existing



* Targeted 8.9% using Commission's methodology

Actual returns on aeronautical assets



Returns include CPI revaluations

Why reprice?

Proposed pricing inputs - all IM consistent

Inputs	Approach	Value
Land Valuation	MVAU	$99 million
Specialised Assets Valuation	ODRC 2009 roll forward	$260 million
New Investment	Cost	$110 million
WACC	75th IM	8.41%
Revaluation Forecast	Forecast CPI	CPI
Operating Costs	Forecast	$ 18 million pa
Passengers & Traffic	Forecast	2.7% pax growth pa
Depreciation	Accounting Depreciation	$ 15 million pa
Taxation	Tax Payable	$ 12 million pa

Pricing inputs - all IM consistent

Inputs	Approach	Value
Land Valuation	**MVAU**	**$99 million**
Specialised Assets Valuation	ODRC 2009 roll forward	$260 million
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Revaluation Forecast	**Forecast CPI**	**CPI**
Operating Costs	Forecast	$ 18 million pa
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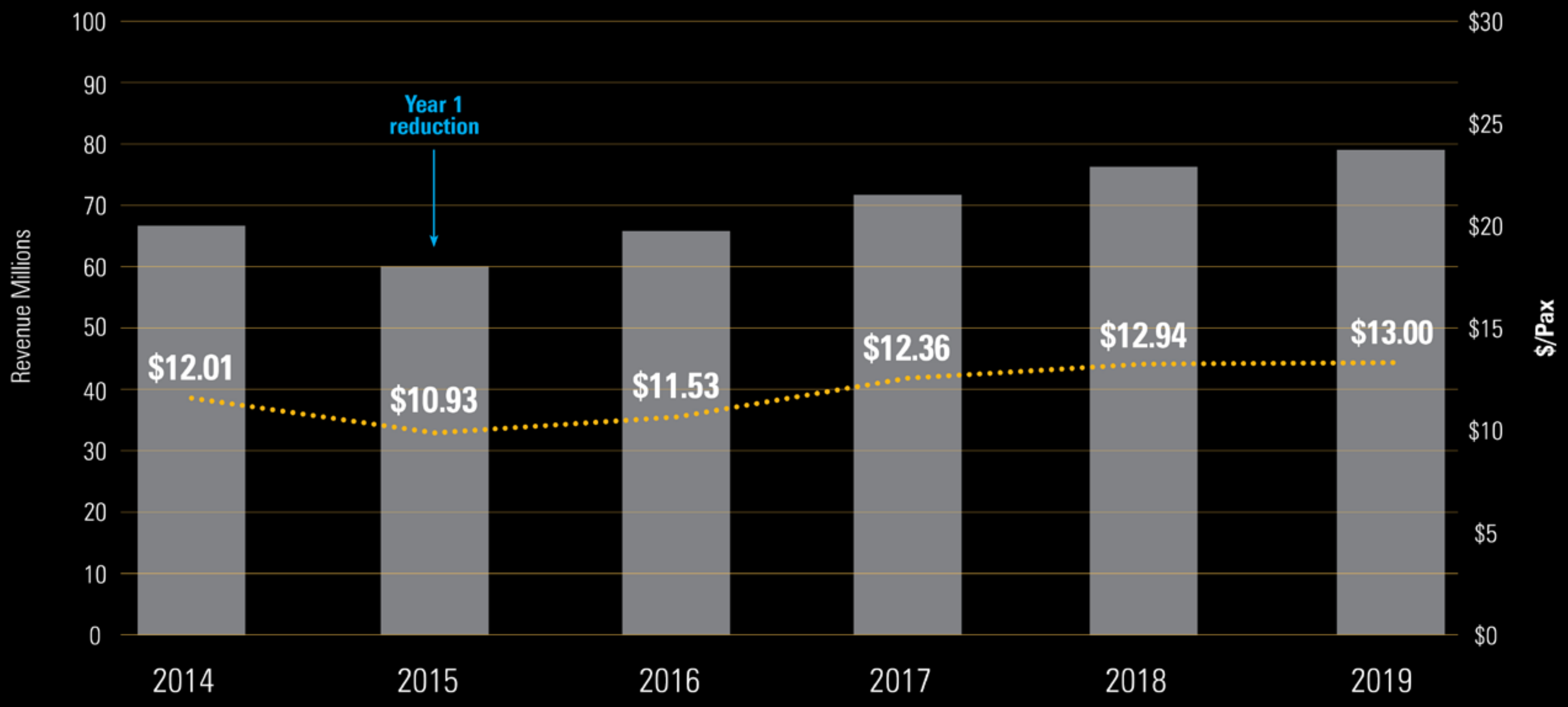
Depreciation	Accounting Depreciation	$ 15 million pa
Taxation	Tax Payable	$ 12 million pa

Pricing outcomes - revenue and average price per pax



NPV = $0 for each pricing period
including forecast revaluations

Next steps - new prices from 1 June 2014

March

12

IPP sent to airline customers

April

11

Feedback on Initial Pricing Proposal

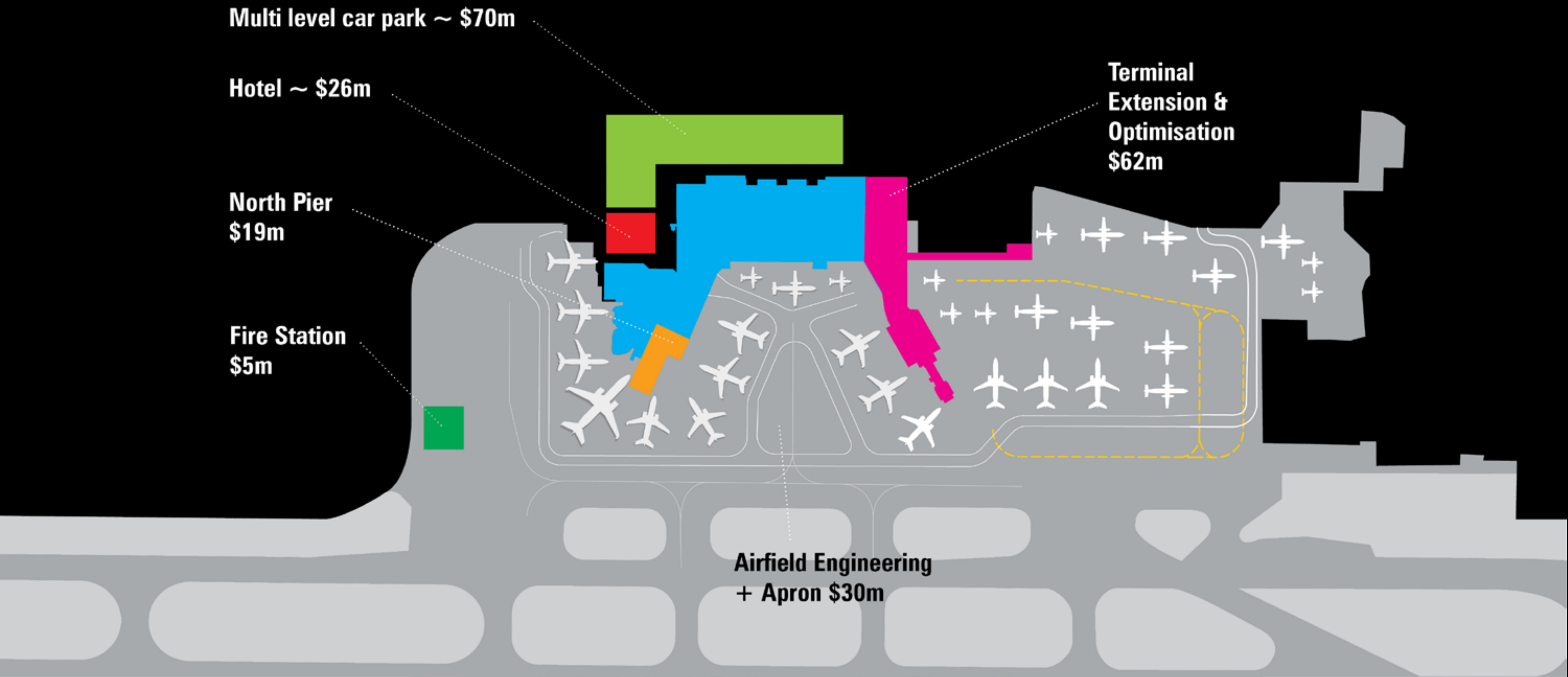
June

1

New pricing subject to ongoing consultation

$250m Capital investment

$250m Capital investment



Multi level car parking

At ground

Limited ground space available

Open air parking

Distance from terminal

Lower investment than multi-level

Multi-level

Best utilisation of limited land resource

High build cost ~$40,000 per car park

Got to go down to go up, extensive disruption

Gives a covered product close to the terminal

Hotel

Terminal expansion - 35m to south

Retail growth

Income per passenger

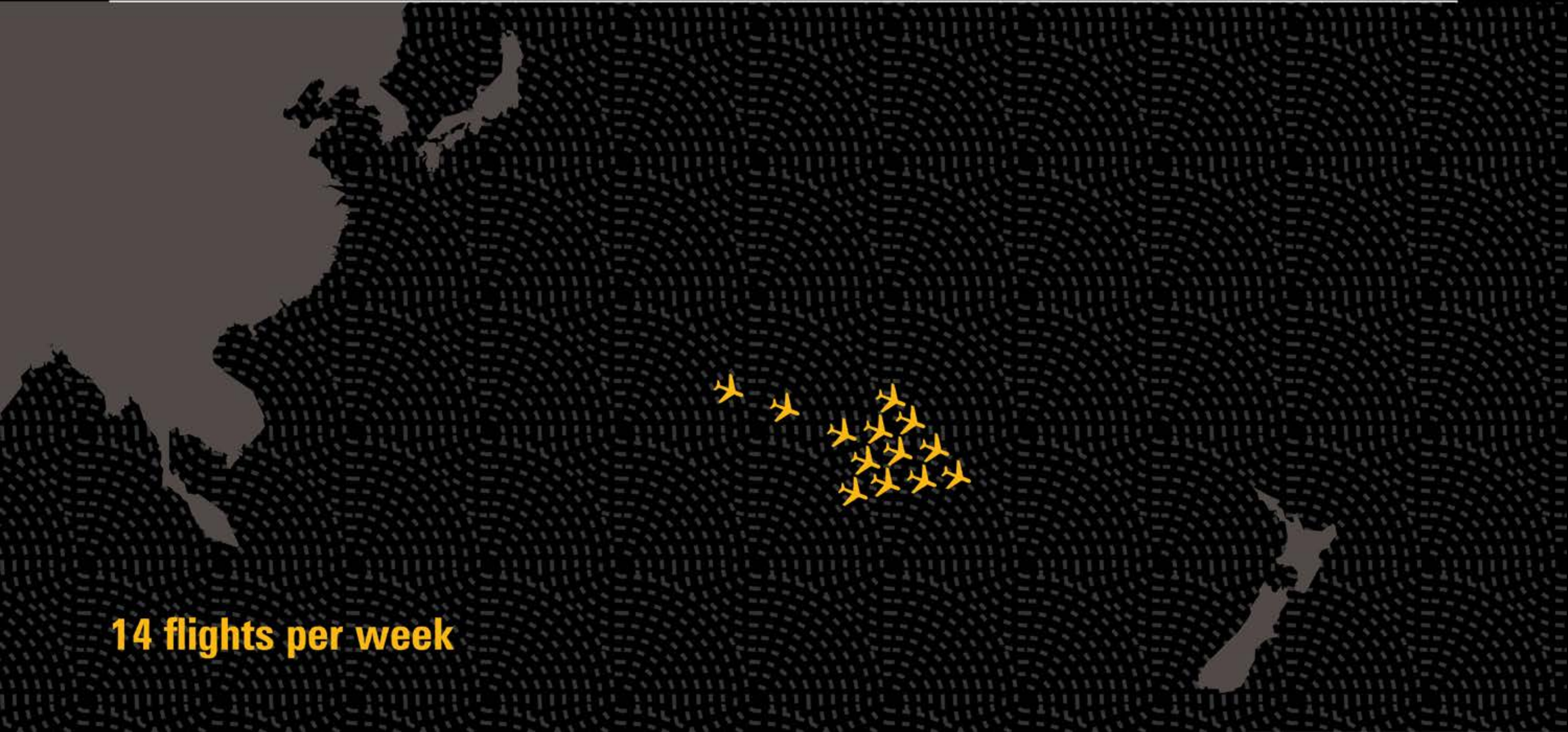
43%

increase in income per passenger by 2021

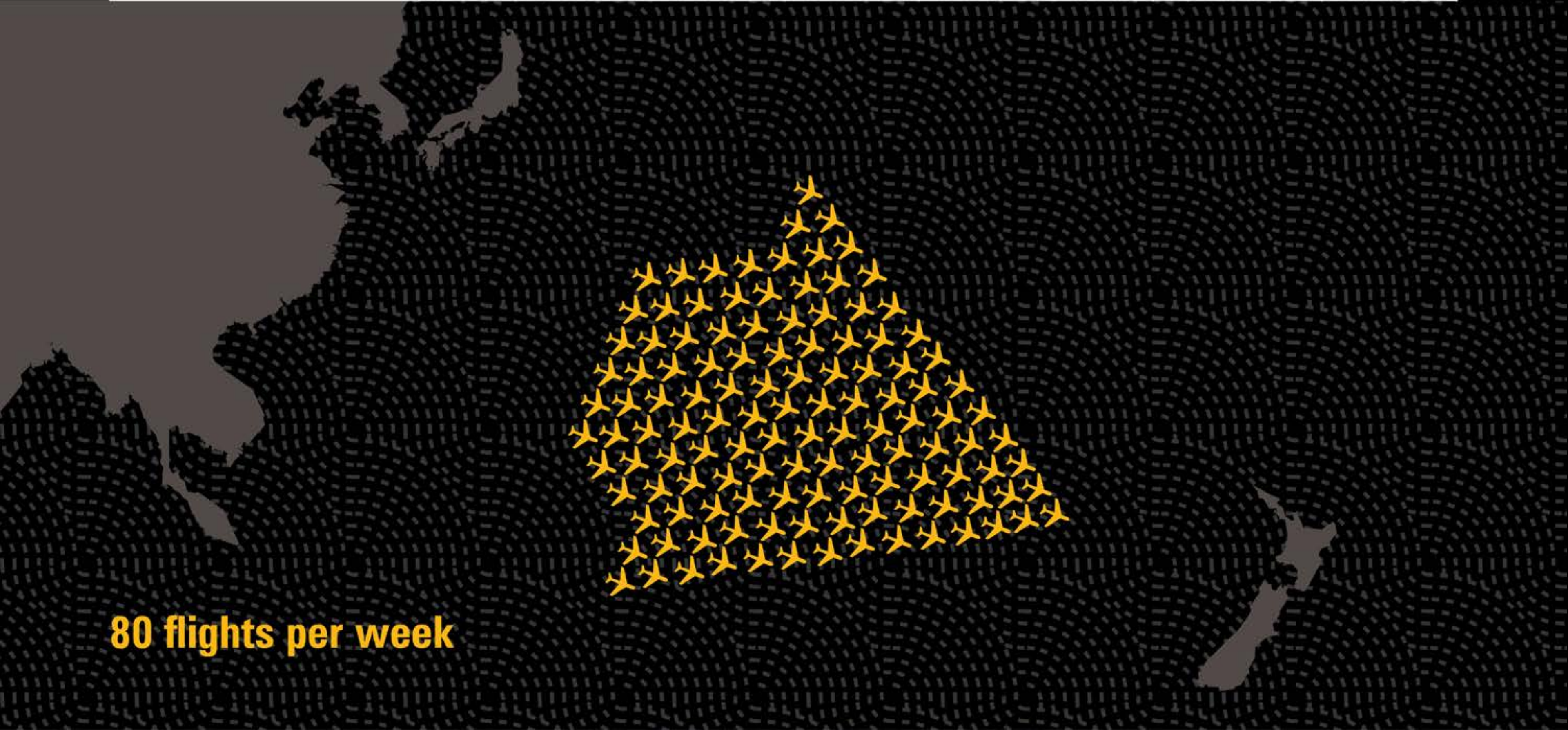
Aeronautical growth opportunities

Asia growth story

Asia growth story

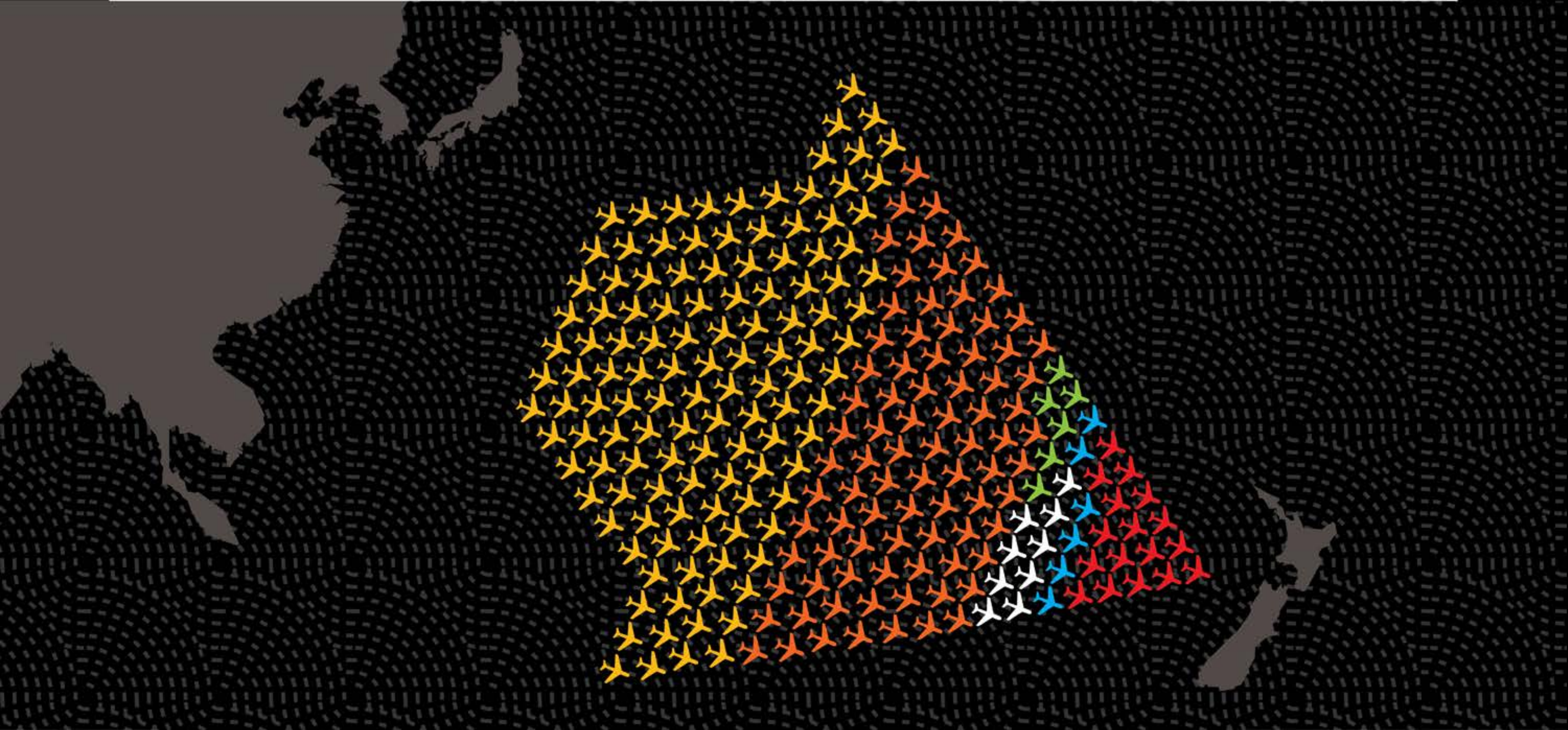


Asia growth story

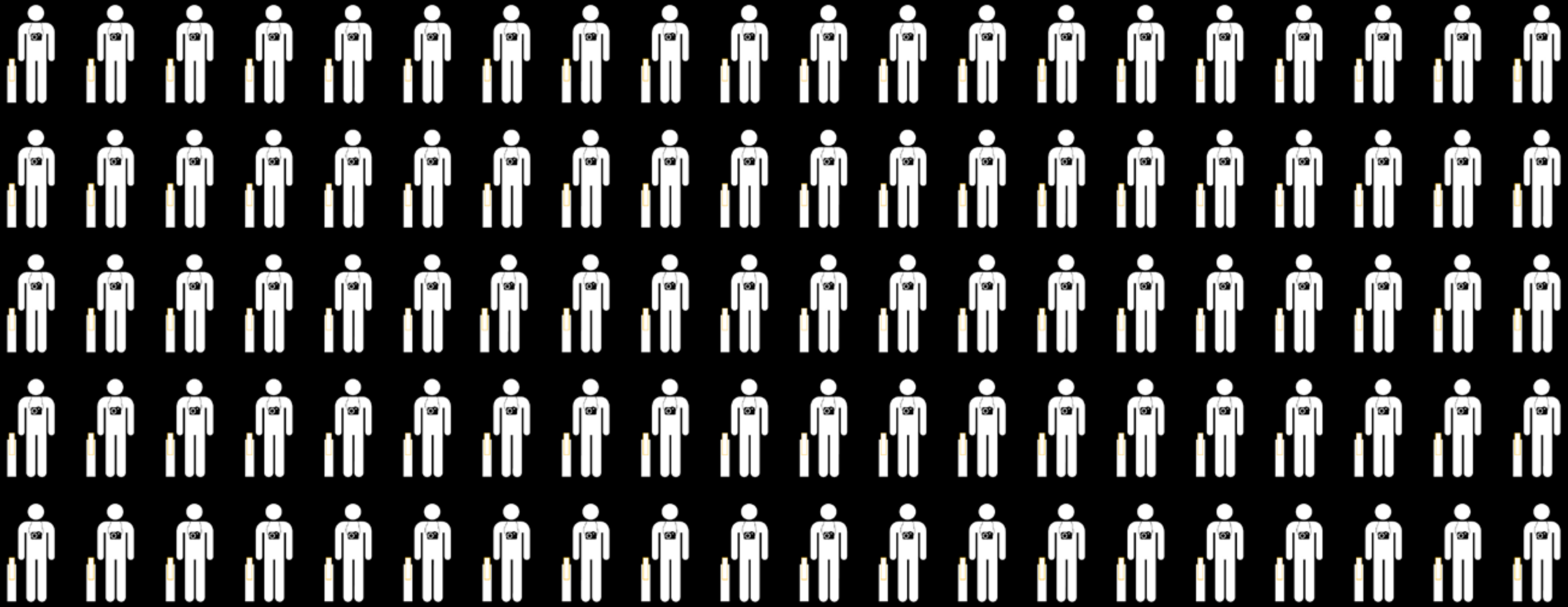


80 flights per week

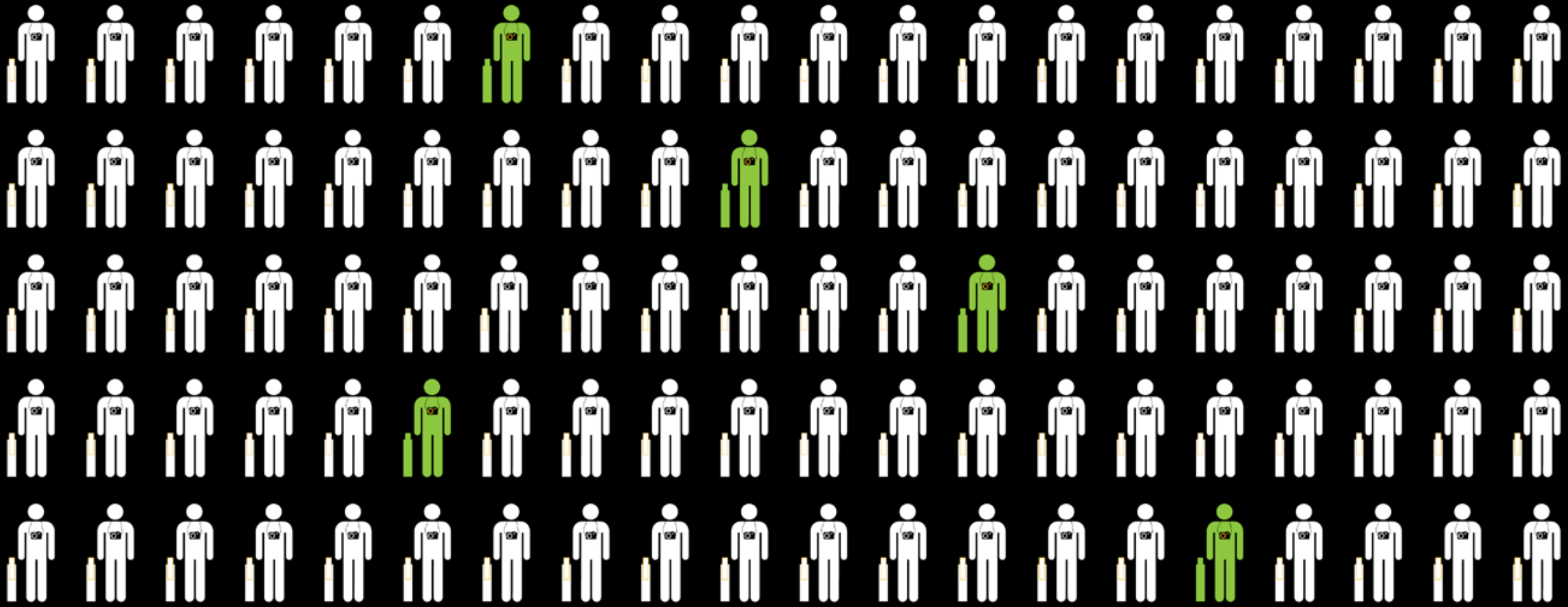
Asia growth story



NZ's Asia visitor spend 2012



NZ’s Asia visitor spend 2012



Increase capture rate – new investment

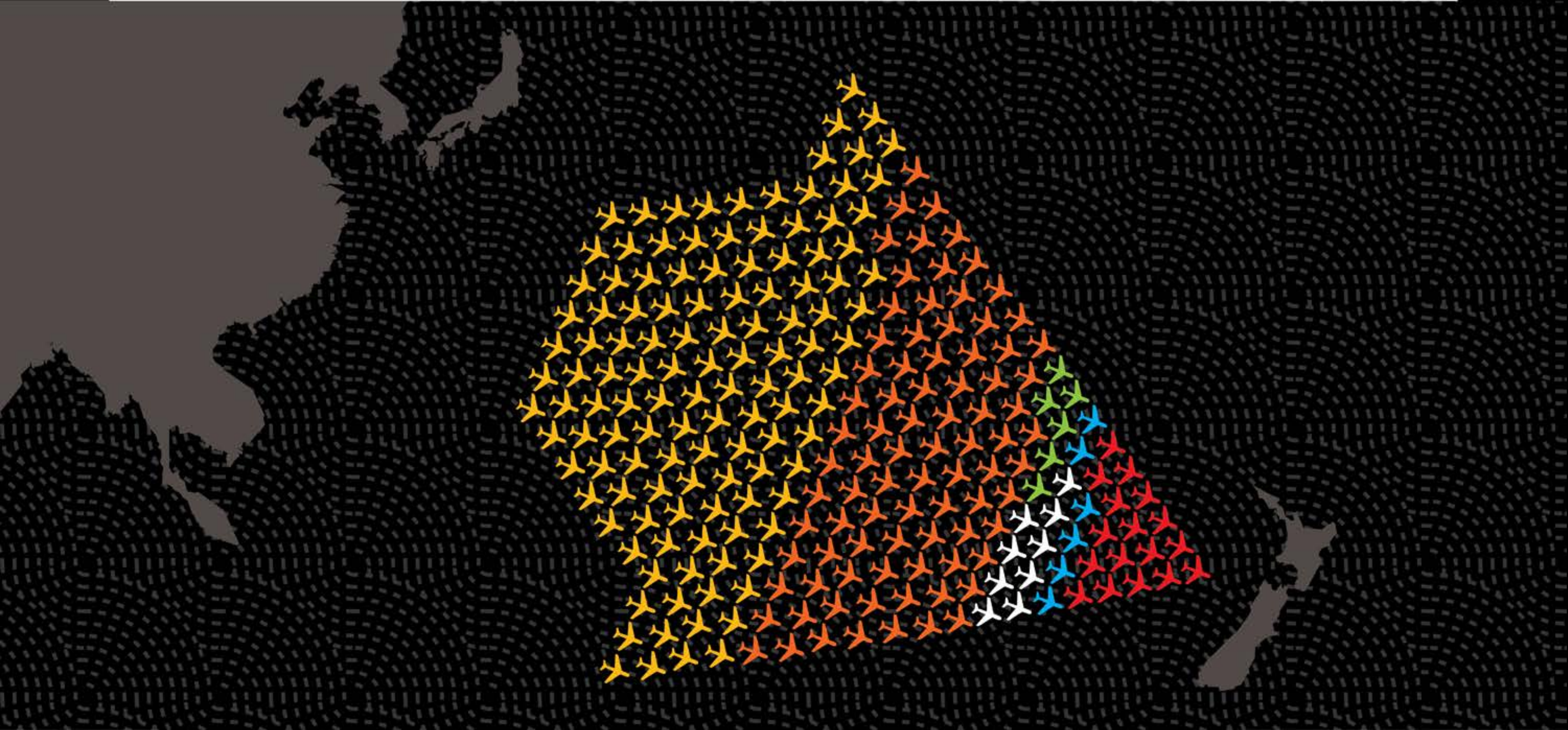
Film Museum

Marine centre

Conference centre

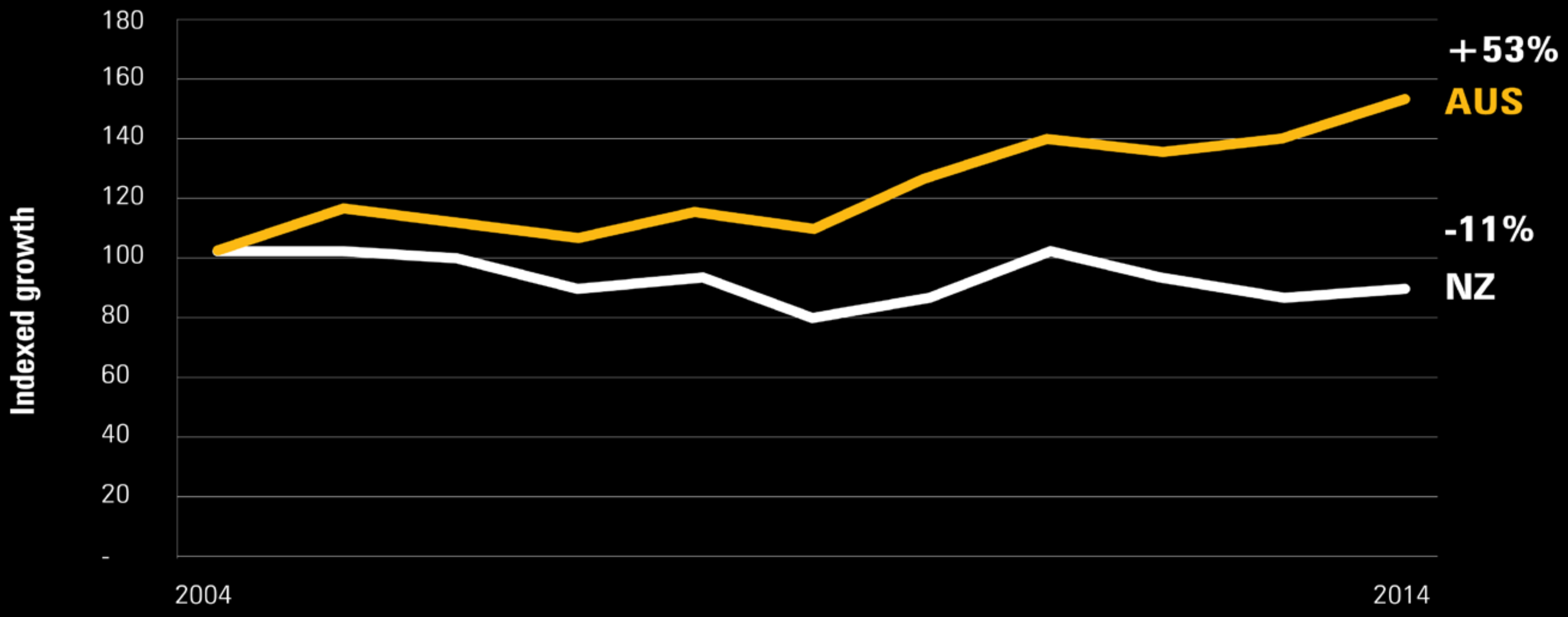
Concert venue

Huge opportunity – how do we access it?

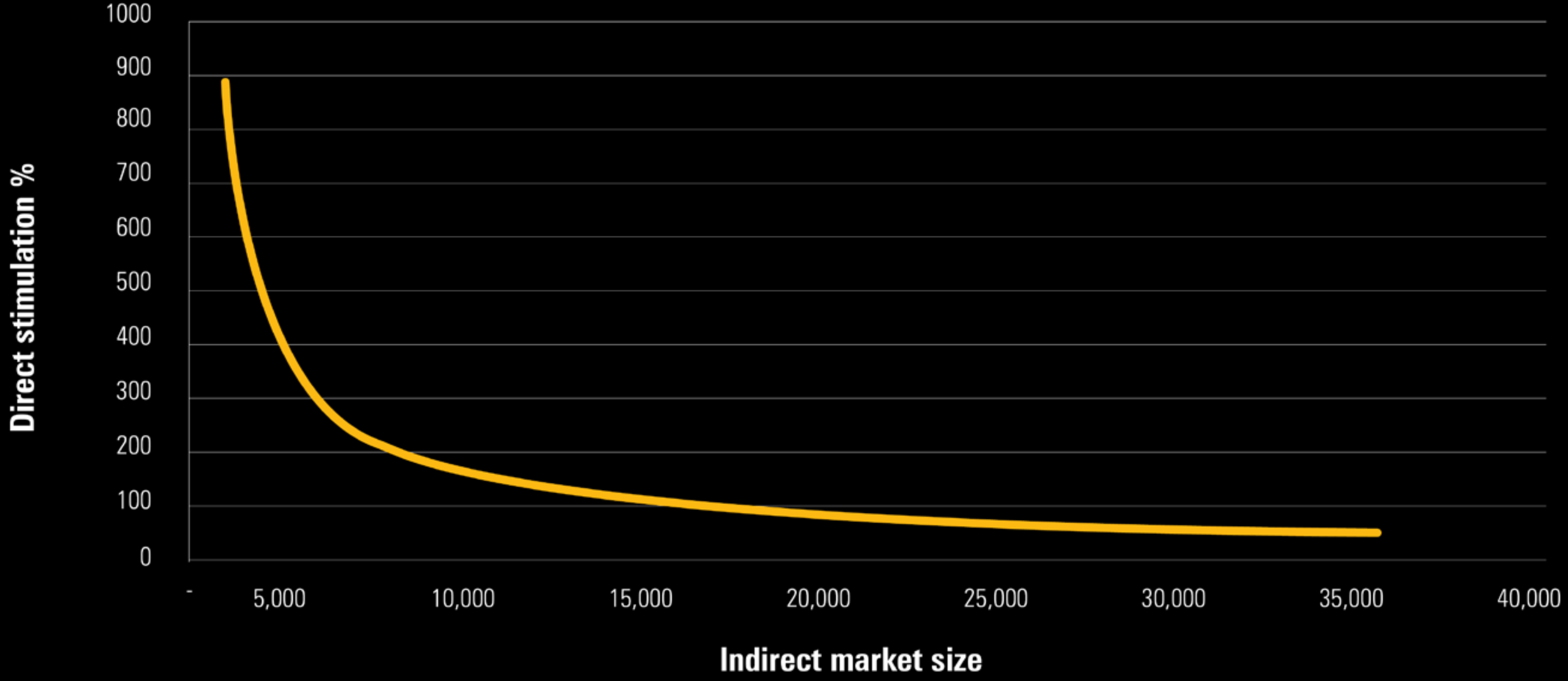


Short term opportunities

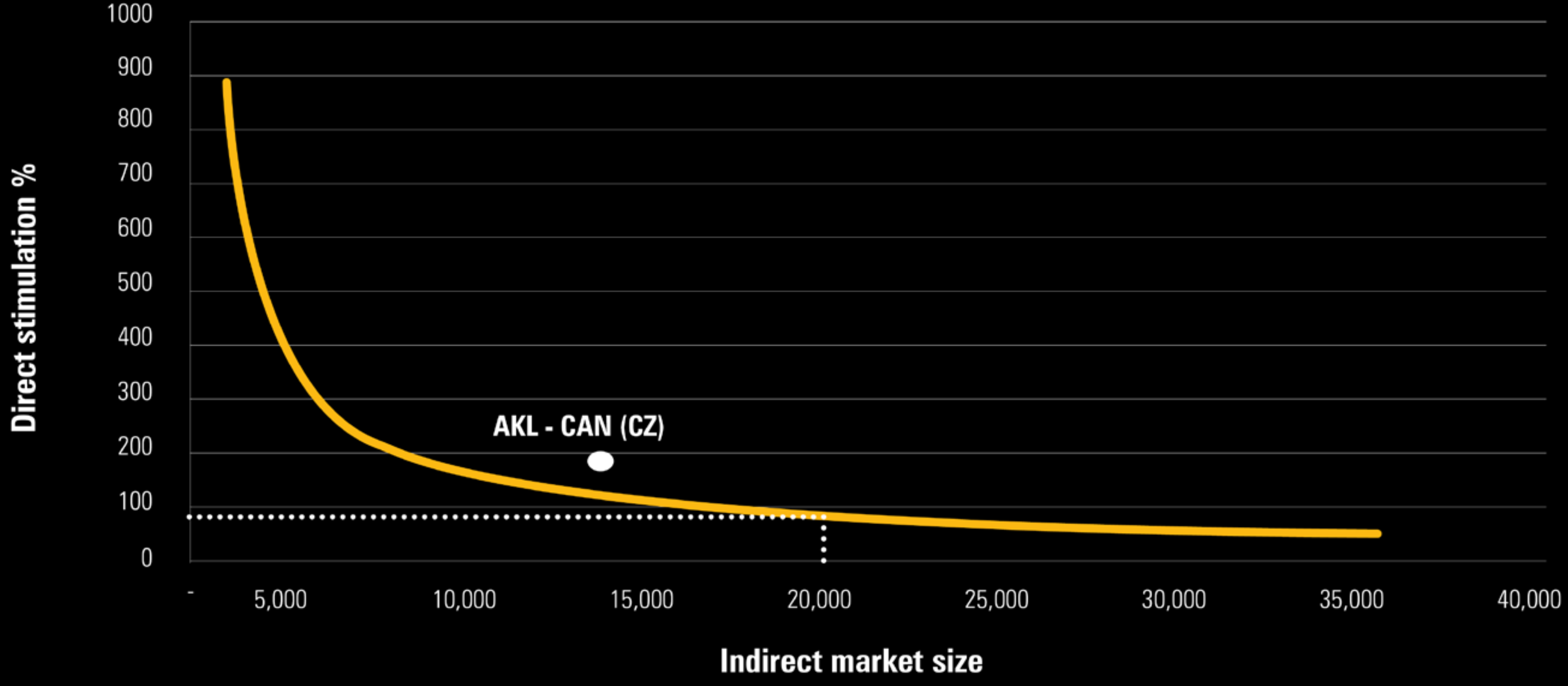
Asia capacity growth



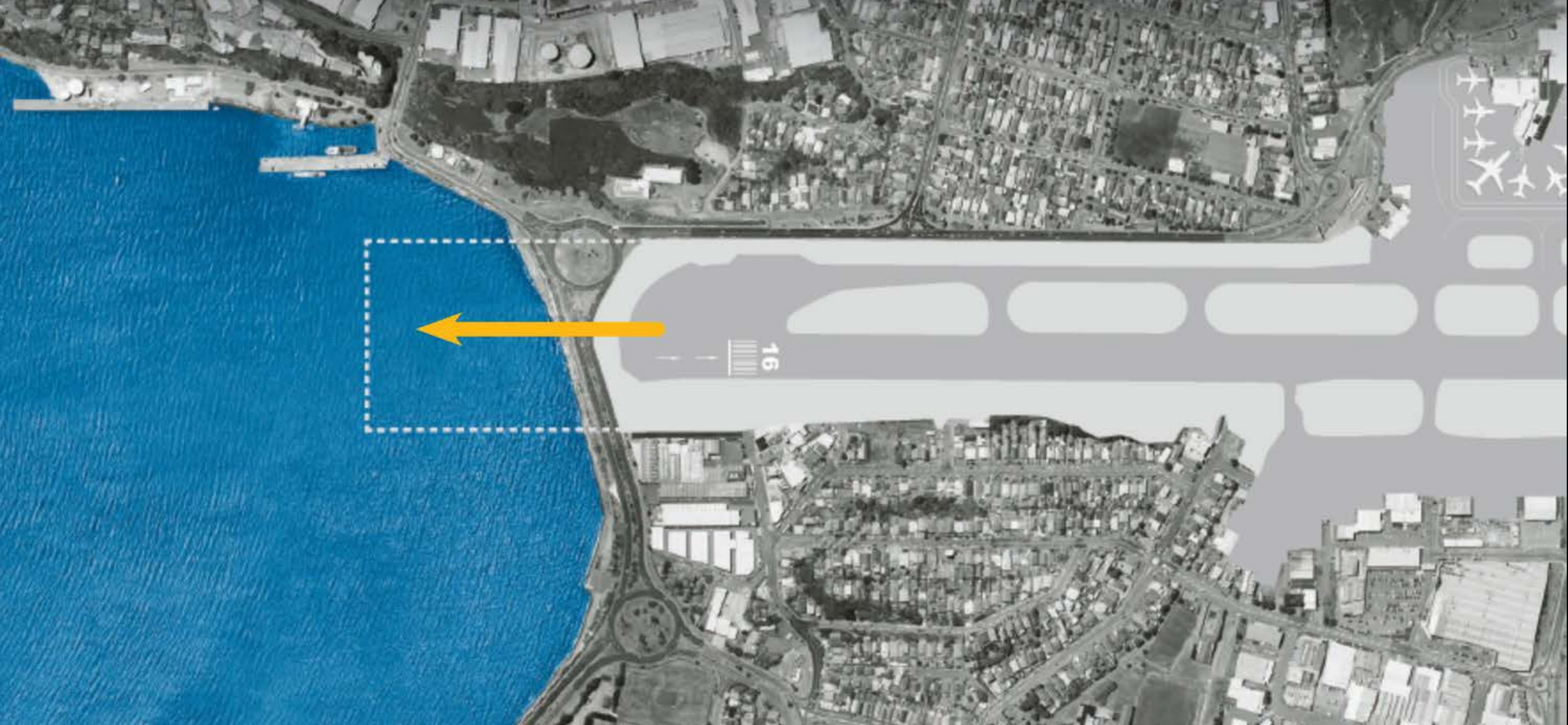
Direct service stimulation



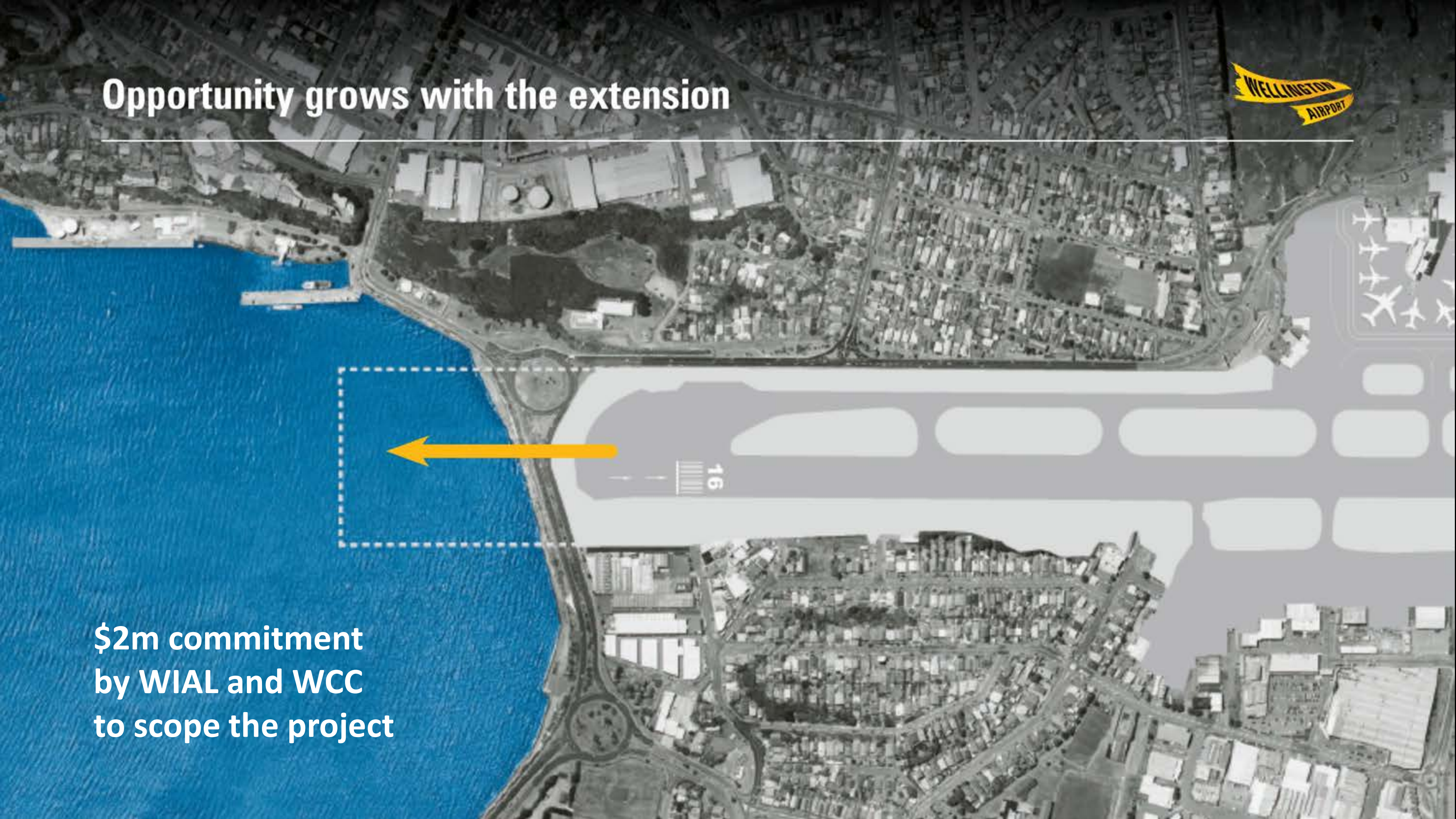
Direct service market stimulation for NZ routes



Opportunity grows with the extension



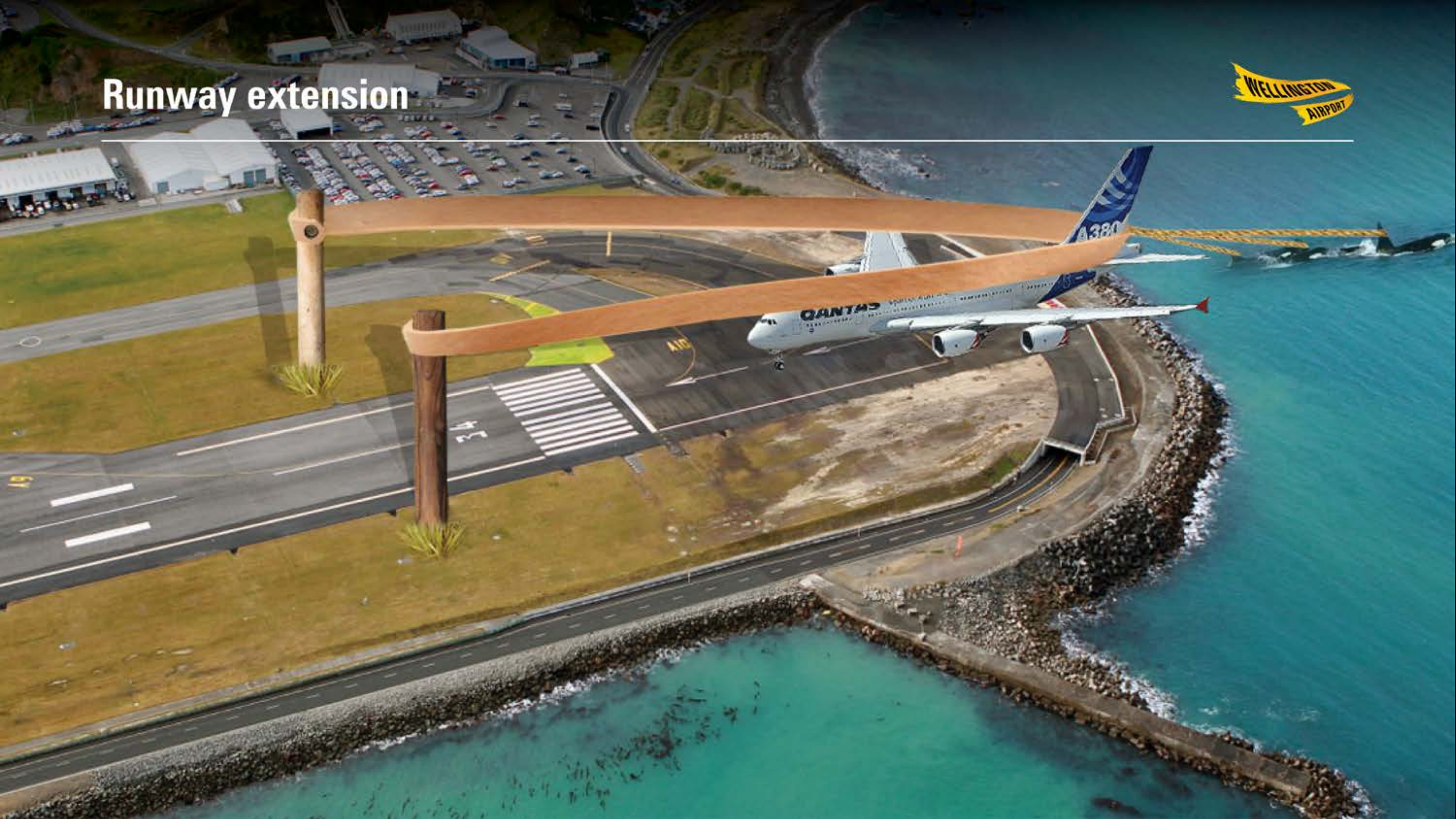
Opportunity grows with the extension



$2m commitment
by WIAL and WCC
to scope the project

Runway extension

Runway extension



Wellington's long haul market

- $57b in GDP
- Strong demand - 1,300 people fly long haul out of WLG per day
- Lower costs of living
- More disposable income for travel - house prices 25% cheaper than AKL
- High propensity to travel with highest incomes $1,700 per week
- Large population with 1.1m regional residents
- Capital city with Government employment
- Home to NZ Stock Exchange and HQ for Int'l Organisations
- Highest Yields – Long haul fares 50% higher than AKL/CHC
- Highest proportion of business travel 15% (compared with 12% AKL and 7% CHC)

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Wellington’s long haul market

Passengers Required

150,000

Current Demand

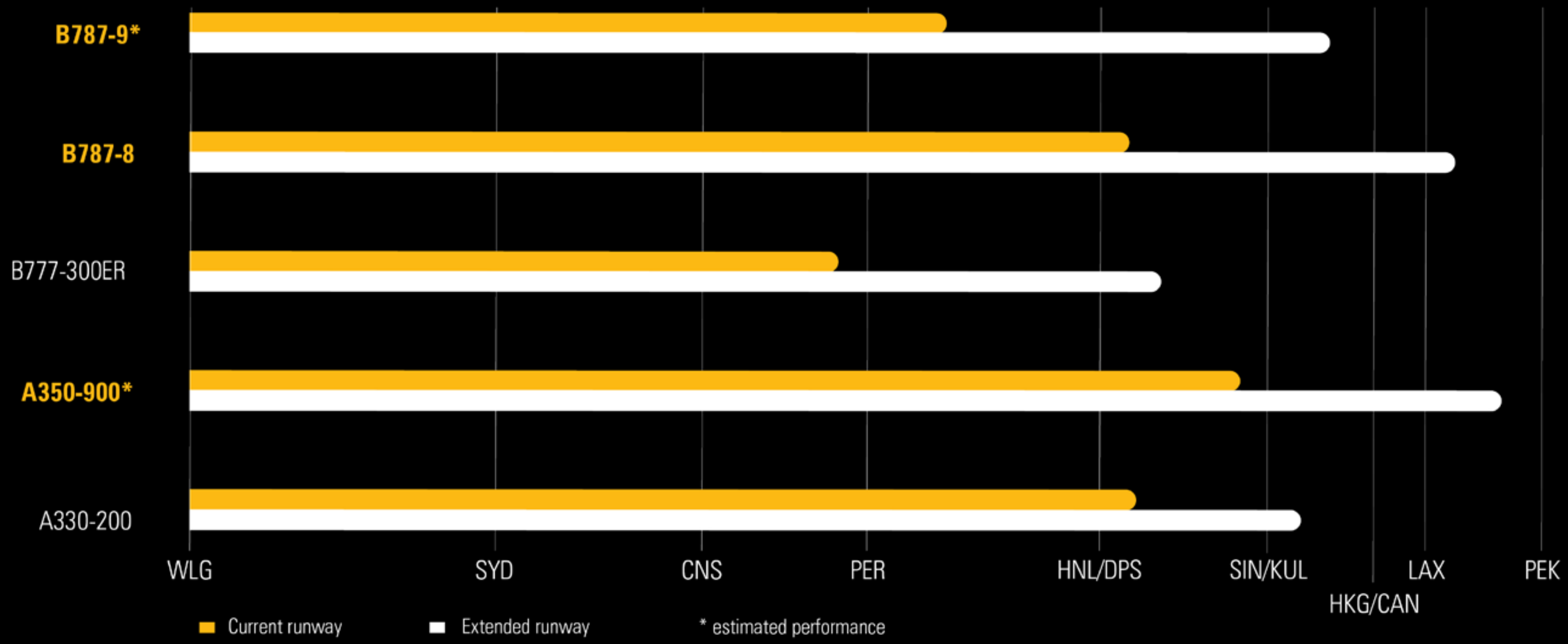
470,000

3 plane loads worth of demand

Wellington's long haul market

Around 300m connects Wellington to world

Full Passenger Load Range from Wellington



Economic benefit

International tourism
- number of tourist nights and expenditure

Business passengers
- productivity savings from reduced travel times

International students
- increased numbers of students and associated expenditure

Aviation & airports
- economic gains to the airport and aviation industry, including retail operations

Freight
- productivity improvements from reduced journey times

Direct economic benefit

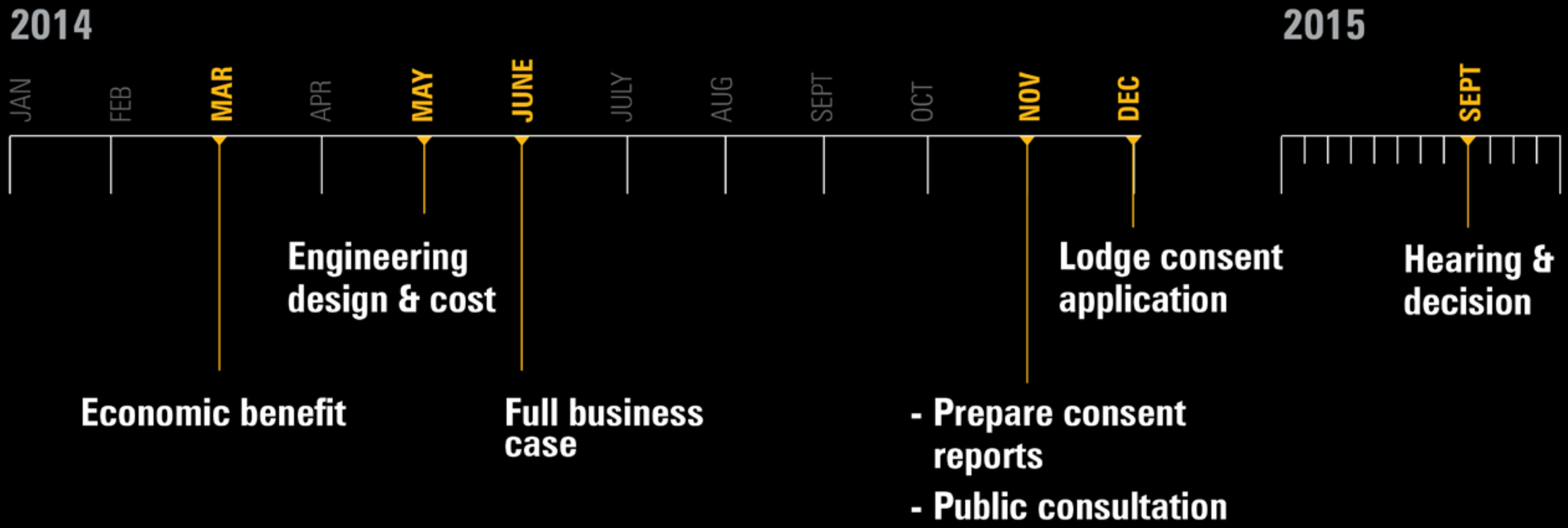
Wellington region
NPV $534m

New Zealand
NPV $1,327m

Direct gross value added medium scenario

Cost and engineering

Next steps


2014
JAN
FEB
MAR
APR
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
2015
SEPT
Engineering design & cost
Lodge consent application
Hearing & decision
Economic benefit
Full business case
- Prepare consent reports
- Public consultation

The engine room of the region

1

Regulation question has been answered.

2

$250m invested in travel and tourism infrastructure over the next 5 years.

3

Runway Extension is the game changer.

Disclaimer

The information set out above relates to future matters, that are subject to a number of risks and uncertainties (many of which are beyond the control of WIAL, which may cause the actual results, performance or achievements of WIAL to be materially different from the future results set out above. The inclusion of the forward-looking information should not be regarded as a representation or warranty by WIAL, the directors of WIAL or any other person that those forward-looking statements will be achieved or that the assumptions underlying any forward-looking statements will in fact be correct.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