

INFRATIL

SIMPLIFIED DISCLOSURE PROSPECTUS
FOR THE OFFER OF INFRASTRUCTURE BONDS
9 OCTOBER 2012

RENEWABLE ENERGY



WELLINGTON AIRPORT



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.

FUEL DISTRIBUTION



PUBLIC TRANSPORT



IMPORTANT INFORMATION

This prospectus is a simplified disclosure prospectus prepared in accordance with regulation 10 of the Securities Regulations, and is dated 9 October 2012.

This prospectus relates to an offer (“**Offer**”) of a series of debt securities known as “Infrastructure Bonds” by Infratil Limited (“**Infratil**”). The Offer consists of two separate parts. Under the first part (“**General Offer**”), Infratil is offering up to \$25 million of Infrastructure Bonds to all investors in New Zealand (with the option to accept up to \$50 million oversubscriptions at Infratil’s discretion). Under the second part (“**Exchange Offer**”), Infratil is offering holders of the Infrastructure Bonds maturing on 15 November 2012 (“**2012 Bonds**”) the opportunity to exchange all or some of their 2012 Bonds for the Infrastructure Bonds offered under this prospectus.

Infratil is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (“**NZX**”) and ASX Limited (“**ASX**”) for the purpose of that information being made available to participants in the 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, the Trustee’s statement as set out on page 34 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.

SECTION 37A(1A) DIRECTORS' CERTIFICATE

The Securities Act requires the Infrastructure Bonds offered under this prospectus to be allotted no later than 31 December 2012

(being 9 months after Infratil's end of financial year) unless, on or before that date, Infratil registers a certificate with the Registrar of Financial Service Providers that complies with section 37A(1A) of the Securities Act (which requires, among other things, the certificate to be accompanied by Infratil's interim financial statements for the half year ended 30 September 2012). The indicative Closing Date of the General Offer is 14 January 2013. Accordingly, Infratil intends to register a section 37A(1A) directors' certificate if it issues Infrastructure Bonds under the General Offer after 31 December 2012 pursuant to this prospectus.

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.

Bonds are used to provide longer term funding than is available from banks and have formed an important part of Infratil's debt since its first issue in 1999.

Proceeds of the Infrastructure Bonds described in this prospectus will predominantly be used for general corporate purposes and to refinance bonds which are maturing on 15 November 2012, these bonds having been issued in 2002.

Holders of the maturing bonds are also being offered the opportunity to reinvest.

While bonds tend to be more expensive than bank borrowing, they allow repayment to be spread over a longer term, reducing the obligation in any one year. 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 which provide facilities and services important to their communities for which there is stable long-term growing demand. Infratil's services to customers include:

- Electricity - 209,000 customers in New Zealand buy their electricity from TrustPower
- 460,000 Australian accounts buy their electricity or gas from Lumo Energy
- Fuel - 7.3 million litres of retail and commercial fuel sold and 157,000 retail convenience customers through 208 Z Energy stores every day
- Public transport - 210,000 rides per week day on NZ Bus
- Air travel - 14,000 passengers through Wellington Airport per day
- Loyalty programmes - over 2.5 million individual FlyBuys cardholders
- Payment services - 384,000 Snapper cards (including 169,000 co-issued "Hop" cards)

By ensuring these people are well looked after, and by being in sectors with growing demand, Infratil has been able to build businesses which have delivered good returns.

The current financial climate continues to be uncertain and difficult, but New Zealand and Australia appear to have so far avoided the worst of the global financial crisis. While no-one can confidently predict when "normal" will again prevail, Infratil's businesses and affairs have come through the last few years in good shape. People have not stopped needing and using public transport, motor fuel, electricity, gas and air travel and Infratil's operating earnings have remained resilient.

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

Yours sincerely



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 about each of these matters is contained elsewhere in this prospectus and it is important that you read this prospectus in its entirety 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:

17 October 2012.

GENERAL OFFER:

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

CLOSING DATE OF THE GENERAL OFFER:

14 January 2013.

This date is indicative only and Infratil has the right in its absolute discretion and without notice to close the General Offer early, to accept late applications, or to extend the Closing Date of the General Offer. If the Closing Date of the General Offer is extended, subsequent dates may be extended accordingly.

EXCHANGE OFFER:

Infratil is offering holders of the Infrastructure Bonds maturing on 15 November 2012 ("**2012 Bonds**") the opportunity to exchange all or some of their 2012 Bonds for the Infrastructure Bonds offered under this prospectus. You will receive one new Infrastructure Bond for each 2012 Bond exchanged under the Exchange Offer.

CLOSING DATE OF THE EXCHANGE OFFER:

14 November 2012.

INTEREST RATE:

6.85% per annum.

MATURITY DATE:

15 November 2018.

INTEREST PAYMENT DATES:

15 February, 15 May, 15 August and 15 November of each year until and including the Maturity Date (commencing on 15 February 2013).

INTEREST PAYMENTS:

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

Interest on each Infrastructure Bond allotted under the General Offer 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.

Interest on each Infrastructure Bond allotted under the Exchange Offer will accrue at the Interest Rate from (and including) the Issue Date of the Infrastructure Bond.

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 36 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.

INFRASTRUCTURE BONDS OFFERED UNDER THIS PROSPECTUS ARE NOT CONVERTIBLE:

Unlike most other series of Infrastructure Bonds, the Infrastructure Bonds offered under this prospectus are not convertible into Shares in Infratil in any circumstance.

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 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) the risk that 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) the risk that 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 to continue to finance its core debt, affect Infratil's ability to make payments on the Infrastructure Bonds;
- (c) the risk that interest payments on the Infrastructure Bonds may be suspended by Infratil if an Interest Suspension Event occurs; and

(d) the risk that, in a liquidation of the Infratil Group, the prior claims of the creditors of Infratil's subsidiaries and associates would result in there being insufficient assets available to Infratil (as shareholder) or its liquidator to satisfy in full the claims of Infratil's creditors (including Bondholders).

ISSUE PRICE:

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

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

No subscription moneys are payable by a Bondholder to Infratil for each Infrastructure Bond allotted under the Exchange Offer. Rather, the Issue Price for the new Infrastructure Bond is satisfied by the Bondholder agreeing to exchange a 2012 Bond for the new Infrastructure Bond.

ISSUE DATES:

Infrastructure Bonds offered under the Exchange Offer will be issued on 15 November 2012.

Infrastructure Bonds offered under the General Offer will be issued on 15 November 2012, 14 December 2012 and 15 January 2013 or, if Infratil decides to extend the period of the General Offer beyond 14 January 2013, allotments of further Infrastructure Bonds will be made on the Friday following the extended Closing Date.

EXPECTED DATE OF INITIAL QUOTATION ON THE NZX DEBT MARKET:

15 November 2012.

MINIMUM APPLICATION AMOUNT:

\$5,000 and multiples of \$1,000 thereafter (unless a holder of 2012 Bonds is exchanging all of his or her 2012 Bonds under the Exchange Offer).

OFFER PROCESS:

Infratil may reserve Infrastructure Bonds offered under the General Offer, 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 offered under the General Offer 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 General Offer for general corporate purposes, including repayment of maturing bonds.

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 IFT180 has been reserved for the Infrastructure Bonds.

NO UNDERWRITING:

The Offer is not underwritten.

INFRATIL

Infratil was established and listed on the NZX Main Board 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 area of investment.

Over the subsequent 18 years Infratil's focus has been retained and refined. Investment continues to be in transport and energy infrastructure (Infratil still holds its first ever investment; TrustPower) with a focus on infrastructure businesses which can grow their earnings through investing in their own activities.

Infratil's primary investment focus is:

- sectors where it has strong operating credentials, particularly energy and transport;
- sectors and businesses which offer growth potential so that if the companies are well managed they will be able to invest additional capital to grow earnings and valuations; and
- businesses with some level of risk, because higher risk assets generally offer the ability to earn higher long-term returns.

Infratil has retained and developed a stable core of businesses over the years, with changes in investments reflecting new opportunities or market developments. Infratil has also expanded geographically from New Zealand, and now looks at both Australia and New Zealand as "home turf".

The allocation of capital between businesses and to new opportunities is a key role for management. As the companies Infratil owns seek growth, the merits of investment proposals are assessed against other investment options and return targets. Growth investment is funded from earnings, borrowings or the sale of a business or asset to release capital for redeployment. In the year to March 2012 capital investment of \$246 million was entirely "in-house" or organic growth: NZ Bus spent \$64 million on its new bus fleet, Wellington Airport spent \$22 million on car park, hangar and apron improvements, Infratil Energy Australia spent \$22 million on customer growth and systems to upgrade its service offering, Z Energy spent \$74 million on rebranding, service station upgrades and storage capacity and TrustPower spent \$49 million on generation enhancements and continued investment in customer care and billing systems.

In the year ahead total capital expenditure is expected to be in line with 2011/12, excluding TrustPower's investment in the Snowtown II Australian wind project which is proposed to be fully operational by May 2014. The total expected cost of Snowtown II (excluding capitalised interest) is expected to be no greater than A\$439 million.

Infratil's participation in several infrastructure sectors means that both its investment opportunities and earnings are subject to diverse influences. For example, New Zealand's wholesale electricity prices are largely determined by weather and the cost of new wind and geothermal power stations, while in Australia the price of gas and gas fired generation tends to set electricity prices. Wellington Airport and Z Energy are providing strong earnings from their past investment programmes.

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 priorities. The weighting of these factors will change over time; for example the financial market uncertainty of recent years has resulted in a more conservative stance towards debt.

The conscious shift in capital towards businesses and projects with more immediate cash earnings has contributed to the rise in Infratil's earnings, as has the maturing earnings profile of its infrastructure businesses. Companies such as Wellington Airport and TrustPower have invested substantially in new or increased capacity and their relatively fixed costs mean that a high proportion of revenue growth is reflected in their earnings.

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 two headings. The first is the "big picture" risk factors relating to the resilience of Infratil's income. The second relates to the more complex area of operational risk including the many day to day factors where management and systems are significant.

The resilience of Infratil's income 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 provide real examples of Infratil businesses which have benefited from relatively stable or growing long-term demand. Their business profiles are set out on pages 20 to 29 of this prospectus.

Motor fuel consumption in New Zealand also provides an illustrative example. From 1990 to 2008, economic growth and the New Zealand population have steadily increased. Diesel consumption has increased in line with this growth, whereas petrol consumption has been comparatively flat, despite the number of cars on New Zealand roads increasing. In 2012, petrol consumption declined by three percent, whilst diesel consumption increased by two percent¹. This demand profile occurred despite very substantial price fluctuations and a wide range of economic conditions. On the supply side, over the last decade New Zealand's fuel market has evolved from having four approximately equal distribution companies to now having Z Energy and BP with appreciably higher market shares than Mobil and Chevron. Independent operators have also increased sales. Clearly, the market is very competitive, customers have a wide range of choices and it is up to each company to develop a value proposition which attracts and rewards customer loyalty.

While the main industries in which Infratil's businesses operate are relatively stable they are not risk free. Wholesale electricity prices 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 main area of risk, related to operations, processes and events, takes numerous forms. Infratil's strategy, operating performance and investments are overseen by its directors, whilst its day to day management has been delegated to Infratil's manager, Morrison & Co Infrastructure Management Limited ("**Morrison & Co**"). 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 management and people, strong systems and processes and good decision making. For example, Infratil's treasury function oversees the funding needs and risks of Infratil and its 100% owned businesses and it also monitors the funding activities of the non-wholly owned subsidiaries and associates. Infratil's receipt in 2011 of a second Institute of Finance Professionals New Zealand (INFINZ) award as New Zealand's best corporate treasury is third party recognition of Infratil's risk management.

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 pages 18 and 19.

¹ www.med.govt.nz/sectors-industries/energy/pdf-docs-library/energy-data-and-modelling/publications/energy-data-file/energydatafile-2012.pdf.

DIRECTOR, INDEPENDENT

HUMPHRY ROLLESTON

has been a director of Infratil since 2006. He is also a director of the NZX listed companies Property for Industry, Mercer Group, and SKY Network Television. 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.

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 and New Zealand Railways Corporation 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.

CHAIRMAN, INDEPENDENT

DAVID NEWMAN

has been a director since 1994 and Chairman since 2004. He is Chairman of Wellington Airport and Loyalty New Zealand and a director of Infratil Airports Europe. He is a chartered accountant and was previously Managing Director of BP New Zealand and Chief Executive of the Institute of Directors, of which he is a Fellow.



DIRECTOR

DUNCAN SAVILLE

has been a director of Infracore since its establishment and is also a director of Morrison & Co, Infracore'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.

ALTERNATE DIRECTOR
(for Duncan Saville)

ANTHONY MUH

had been an independent director at Infracore from 2007 until 2010; he is now an alternate director for Duncan Saville. He joined Morrison & Co in 2010 to head its group asset management businesses. Anthony has extensive experience in both traditional and alternative investment management. His previous roles included Asia Pacific CEO of Alliance Trust Plc; Regional Head of Investment & CIO for Citigroup Global Asset Management and Solomon Brothers Asset Management Asia Pacific.

DIRECTOR, CHIEF EXECUTIVE

MARKO BOGOIEVSKI

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



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

SENIOR MANAGEMENT TEAM

Infratil's manager, Morrison & Co, has a very experienced senior management team. A brief summary of their relevant skills, experience and expertise is set out in the table below.



LIB PETAGNA

EXECUTIVE DIRECTOR AND
CHIEF INVESTMENT OFFICER

Lib Petagna is an Executive Director and CIO of Morrison & Co. Lib has extensive transactional experience across multiple sectors and has led a number of acquisitions and divestments in the airport, energy and transport sectors in Australasia and Europe. He has led Morrison & Co's entry into wholesale funds management and the agriculture sector. He is a director of NZ Bus, Aotea Energy Holdings (parent of the Z Energy group) and Infratil Property.



BRUCE HARKER

EXECUTIVE DIRECTOR
ENERGY GROUP

Dr Bruce Harker heads Morrison & Co's Energy Sector team and has an extensive background in the electricity industry including direct utility management roles, advisory and investment experience. Dr Harker is Chairman of TrustPower. Prior to joining Morrison & Co in 1994, he held senior management roles within the Electricity Corporation of New Zealand.



KEVIN BAKER

CHIEF FINANCIAL OFFICER

Kevin Baker is CFO of Infratil and Morrison & Co. Kevin 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 Limited. Infratil announced in June 2012 that Kevin will step down as CFO after seven years and will be moving to a full-time senior executive role with Morrison & Co.



TIM BROWN

CAPITAL MARKETS AND
ECONOMIC REGULATION

Tim Brown joined Morrison & Co in 1994 after 12 years at the National Bank of NZ including as head of capital markets. At Morrison & Co he has been involved in financing, capital markets transactions and economic regulation. He is a director of Wellington Airport and NZ Bus.



JASON BOYES

HEAD OF LEGAL

Jason Boyes is the Head of Legal for Morrison & Co and Infratil. For Infratil, he is responsible for group legal risk and compliance, and assisting with transaction structuring and execution. Before joining Morrison & Co, he was a lawyer at Biddle 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 financial capital markets for over twenty years, both in New Zealand and overseas. His roles have included senior positions in the fund management industry, 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 following roles in the energy and banking sectors.



PETER COMAN

EXECUTIVE PROPERTY AND
SOCIAL INFRASTRUCTURE

Peter Coman is accountable for the development and performance of infrastructure property opportunities within Morrison & Co/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 International Airport.



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 Optimisation New Zealand and led Telecom/Gen-i's trans-Tasman business for major customers. Rhoda is also the Chairperson of Snapper and a director of Infratil Energy Australia.



STEVEN FITZGERALD

EXECUTIVE DIRECTOR AIRPORTS GROUP

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



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.



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. Mike is responsible for combining the talents of the Shell industry-experienced personnel and the new management team to create a dynamic business with a unique style and culture.



ZANE FULLJAMES

CEO NZ BUS

Zane Fulljames has responsibility for management of all NZ Bus' activities. Zane has held senior operational leadership roles in a number of sectors including; finance, manufacturing/FMCG, petroleum and civil construction prior to joining NZ Bus from Shell Australia in 2008.



DEAN CARROLL

CEO INFRATIL ENERGY AUSTRALIA

Dean Carroll was previously General Manager Retail at Genesis Energy in New Zealand where he covered all aspects of sales & marketing, brand development, contact centre and customer billing for over 600,000 electricity and gas customers. Dean successfully improved customer experience and profitability through information system upgrades, smart meter deployment, loyalty programmes and new product offerings.



VINCE HAWKESWORTH

CEO TRUSTPOWER

Vince Hawkesworth joined TrustPower in 2011 and has 25 years' experience in the energy sector initially in the mining sector in the United Kingdom but mostly in the energy sectors in New Zealand and Australia. Vince has had leading roles in both thermal and hydro generation as well as in energy retailing. Most recently as CEO of Hydro Tasmania, Vince has been deeply involved in hydro power including trading of hydro into the Australian electricity market and as well as overseeing considerable wind energy development.



STEVE SANDERSON

CEO WELLINGTON INTERNATIONAL AIRPORT

Steve Sanderson joined Wellington Airport in 2011. Previously his career has predominately been in infrastructure businesses including CEO of Queenstown Airport, General Manager NZ/Australia at Powerco Limited, and General Manager at Lyttelton Port Company. He is also currently a Director of Pioneer Generation. Prior to Queenstown Airport, Mr Sanderson was the CEO for Dynamic Controls, the world's largest designer and manufacturer of wheelchair controllers.

PERFORMANCE AND OPERATING INFORMATION

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

The key determinants of Infratil's risk characteristics are the resilience of the operating cash flows, the diversity of the businesses, the allocation of capital, and its investment programme. Infratil's goal is to own businesses which provide both solid core earnings and the prospect of reinvestment to grow future earnings.

At times earnings and growth investment will occur together, for instance in the year to 31 March 2012 Infratil received total cash income of \$120 million from TrustPower and Wellington Airport which in the same year undertook a combined \$71 million of investment. In the same period, the EBITDAF (a non-GAAP financial measure indicative of operating cash flow before interest and tax) of NZ Bus amounted to \$46 million and it undertook \$64 million of investment. These businesses have the benefit of relatively mature operations, which provide sound cash flow and growth opportunities.

In contrast Infratil Energy Australia is an example of a start-up business which has taken six years from establishment to reach the point of contributing stable returns.

Z Energy, a relatively new investment, has provided both immediate cash income and the prospect of capital growth.

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; and
- Infratil's objective to invest in sectors where it has strong operating credentials and in businesses with positive growth opportunities.

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

The first table on the following page shows the sources of Infratil's consolidated earnings before interest, tax, non-cash adjustments (ie. depreciation, amortisations, fair value movements of financial instruments, and impairments), investment costs, and realisations. A reconciliation of total EBITDAF to Infratil's GAAP financial information is shown in the table below and in note 3 of Infratil's 2012 Annual Report. EBITDAF is a useful non-GAAP financial measure as it shows the contribution to earnings prior to non-cash items such as depreciation and amortisation, fair value adjustments and the cost of financing and taxation. The table is helpful also in showing the key sources of Infratil's performance and the relative contribution of Infratil's various businesses.

Z Energy is not a subsidiary of Infratil for accounting purposes and the contributions recognised for the years to 31 March 2011 and 31 March 2012 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 table below shows their 100% contributions.

EBITDAF contributions Year ended 31 March \$Millions	2012	2011	2010	2009	2008
TrustPower	\$300	\$274	\$274	\$260	\$208
Wellington Airport	\$76	\$72	\$68	\$65	\$60
NZ Bus	\$46	\$40	\$29	\$40	\$42
Infratil Energy Australia	\$64	\$55	\$11	\$20	\$12
European Airports*	-	-	(\$9)	(\$19)	\$1
Z Energy**	\$52	\$55	-	-	-
Other, group eliminations, etc	(\$18)	(\$25)	(\$10)	(\$9)	(\$7)
Total EBITDAF (continuing activities)	\$520	\$471	\$363	\$357	\$316
EBITDAF – discontinued	(\$12)	(\$11)	-	-	-

* European Airports were held for sale at 31 March 2012 and have been classified as discontinued operations for the years ending 2012 and 2011.

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

The “Other” line in the table above includes costs, for instance for Infratil’s management, income from other sources and group eliminations.

Reconciliation of EBITDAF to net surplus Year ended 31 March \$Millions	2012	2011	2010	2009	2008
Net surplus for the year from continuing operations	164	167	95	(128)	53
Net financing expense	187	168	159	177	149
Taxation expense	58	81	11	35	23
Depreciation	107	87	90	82	67
Amortisation of intangibles	27	24	24	20	12
Net loss/(gain) on derivatives	(19)	4	68	(8)	(3)
Net realisations, revaluations and impairments	(4)	1	(84)	179	15
EBITDAF	520	532	363	357	316
Share of associate’s gain on acquisition	-	(61)	-	-	-
EBITDAF before fair value gain on acquisition recognised by associates	520	471	363	357	316

EBITDAF & OPERATING CASH FLOWS

Consolidated operating cash flows after interest and tax have also risen over the last four years. The table below shows a reconciliation of EBITDAF to the operating cash flows, reported in Infratil's consolidated audited financial statements.

Year ended 31 March \$Millions	2012	2011	2010	2009	2008
Total EBITDAF (continuing operations)	\$520	\$471	\$363	\$357	\$316
Net interest paid	(\$176)	(\$161)	(\$159)	(\$176)	(\$141)
Tax paid	(\$47)	(\$44)	(\$44)	(\$36)	(\$41)
Working capital/adjustments/discontinued operations	(\$101)	(\$87)	(\$28)	(\$27)	\$30
Operating cash flows from all operations	\$196	\$179	\$132	\$118	\$164

OPERATING EARNINGS AND NET SURPLUS

The following table shows Infratil's consolidated operating earnings and net surplus.

Year ended 31 March \$Millions	2012	2011	2010	2009	2008
Operating surplus before financing, investment costs, derivatives and impairments*	\$386	\$421	\$249	\$255	\$237
Net financing costs	(\$187)	(\$168)	(\$159)	(\$177)	(\$149)
Operating earnings (earnings after depreciation, amortisation and interest)	\$199	\$253	\$90	\$78	\$88
Net gain/(loss) on financial derivatives	\$19	(\$4)	(\$68)	\$8	\$3
Investment realisations, revaluations and impairment	\$4	(\$1)	\$84	(\$179)	(\$15)
Taxation expense	(\$58)	(\$81)	(\$11)	(\$35)	(\$23)
Net loss from discontinued activities	(\$37)	(\$48)	-	-	-
Net surplus for the year	\$127	\$119	\$95	(\$128)	\$53
Net surplus attributable to minority interests	(\$75)	(\$54)	(\$66)	(\$63)	(\$55)
Net surplus after taxation, discontinued operations and minorities	\$52	\$65	\$29	(\$191)	(\$2)

* In 2011 this amount included a fair value gain on the acquisition of Z Energy of \$60.7 million.

TOTAL INVESTMENT SPENDING BY INFRATIL, ITS SUBSIDIARIES AND ASSOCIATES

Investment and rising demand or margins for the Infratil Group's services and facilities underpins future earnings growth.

The table below shows the total investment spending and capital expenditure of Infratil, its subsidiaries and associates over the last five years.

Year ended 31 March \$Millions	2012	2011	2010	2009	2008
TrustPower	\$49	\$109	\$29	\$93	\$177
Wellington Airport	\$22	\$16	\$23	\$23	\$32
NZ Bus	\$64	\$17	\$20	\$45	\$44
Infratil Energy Australia	\$22	\$116	\$116	\$53	\$31
European Airports	\$7	\$7	\$5	\$21	\$24
Z Energy*	\$74	\$239	-	-	-
Other	\$8	-	-	\$40	\$66
Total Investment Spending	\$246	\$504	\$193	\$275	\$374

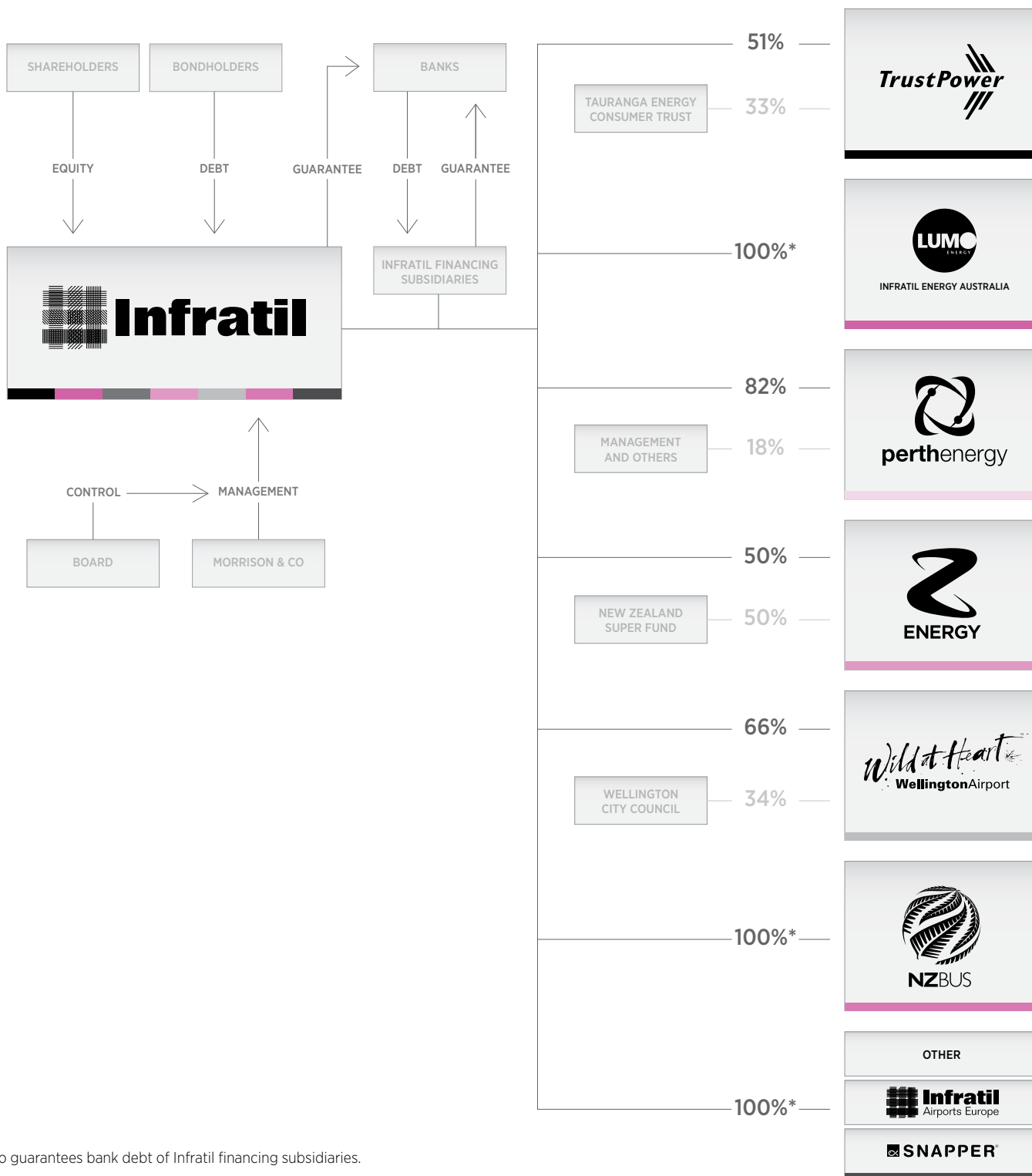
* In year ended 31 March 2011 Infratil acquired 50% of Z Energy for \$210 million and Z Energy subsequently undertook \$29 million of internal investment.



INFRATIL'S INVESTMENTS, STRUCTURE AND BONDHOLDER STATUS

INVESTMENTS

The ease with which a borrower meets interest and repayment obligations depends on the resilience of the borrower's operating cash flows. Also relevant for a lender will be a borrower's assets, and the lender's 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 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.

INFRATIL'S INVESTMENTS

As at 31 March \$Millions	2012	2011	2010	2009	2008
TrustPower	\$1,154	\$1,146	\$1,153	\$1,122	\$1,194
Wellington Airport	\$326	\$297	\$289	\$286	\$247
NZ Bus	\$246	\$208	\$214	\$211	\$203
Infratil Energy Australia	\$477	\$442	\$206	\$221	\$180
Z Energy	\$331	\$312	-	-	-
European Airports	\$70	\$101	\$138	\$222	\$256
Other*	\$65	\$57	\$55	\$309	\$346
Total Investments	\$2,669	\$2,563	\$2,055	\$2,371	\$2,426

* "Other" fell in 2010 with the sale of a number of assets.

The values shown in the table (except for TrustPower) are derived from the annual reports of Infratil and reflect Infratil's share of the relevant investment's net asset book values as noted below. These values are relevant to Bondholders as they represent the value of Infratil's net investment in the businesses that it has interests in. 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 18 of this prospectus.

None of the companies listed in the table guarantees the Infrastructure Bonds. The basis of the investment values 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 market as at 31 March 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 over the five years 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 81% shareholder) power station and retailing activities; and
- Lumo's energy retailing assets are included at cost with energy price hedges at market values.

The fluctuation in IEA's value shown in the table reflects changes in the NZ\$/A\$ exchange rate, the market value of hedges, valuation of generation assets and the provision of additional capital.

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

European Airports' value includes airport assets at valuations adopted by the company's directors while changes in value over the period reflect the sale of Lübeck Airport and changes in retained earnings and the value of the airport assets and investment properties.

"**Other**" has, over the last two years, comprised Infratil's interest in Infratil Infrastructure Property, Snapper and a number of other smaller investments. Previously it included a number of assets which have now been sold.

Valuation Transparency & Consistency

The value of TrustPower is based on an identifiable NZX Main Board market price; the other values in the table on the previous page are derived from the annual reports of Infratil. Infratil's financial statements are prepared in accordance with New Zealand Generally Accepted Accounting Practice (GAAP) and comply with International Financial Reporting Standards. However, valuations rely on judgements and facts which change over time.

STRUCTURE AND BONDHOLDER STATUS

As with earnings, a lender is interested in both the total value of the borrower's assets and the ranking of claims against those assets.

Within the Infratil Group, debt can be categorised as:

- The borrowings of operating companies not 100% owned by Infratil. 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 companies. As at 31 March 2012, the aggregate debt of these companies amounted to \$1,587 million.
- Borrowings of 100% Infratil owned subsidiaries. These creditors have a claim against the 100% Infratil owned subsidiaries as guarantors, or recourse to certain of their assets through specific asset security, which would rank ahead of the claim of Infratil (or its liquidator) as a shareholder, and therefore Bondholders and Infratil's other creditors. They also in most cases have a claim against Infratil as guarantor, which ranks equally with the Bondholders' claims against Infratil. As at 31 March 2012 the net aggregate debt owed by Infratil's 100% owned subsidiaries was \$363 million. This is net financial debt and does not include other obligations, 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.

In a liquidation of an Infratil subsidiary or associate,

creditors of the company in liquidation would have a prior 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. The total financial indebtedness and obligations of the Infratil Group (including its subsidiaries) is shown in the most recent annual report of Infratil as at 31 March 2012, together with any security in respect of the indebtedness and maturity dates for the indebtedness.

CAPITAL AND DEBT FUNDING

The debt funding of the Issuer Group (other than Infratil) comprises bank debt and other debt of Infratil's wholly-owned subsidiaries. A wholly-owned subsidiary, which is not part of the Issuer Group, also has issued a redeemable preference share in an amount of \$140 million.

The first table on the following page shows the borrowing of Infratil and its 100% owned subsidiaries and the NZX Main Board market value of Infratil's equity (shares and warrants) at the relevant balance date.

The table excludes the debt of less than 100% owned subsidiaries and associates, as while the 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 17 takes into account the value of these liabilities. Infratil does not guarantee or otherwise provide support to any creditor of these companies.

Infratil and 100% subsidiary borrowing and capital structure

As at 31 March 2012 Infratil's 100% owned subsidiaries had \$36 million borrowed in vendor financing which provided for the construction of a power station, \$391 million borrowed from banks, and \$64 million on deposit with banks. Together these sums make up the \$363 million net bank and other debt amount shown in the table over.

As at 31 March \$Millions	2012	2011	2010	2009	2008
Net bank and other debt of 100% subsidiaries	\$363	\$270	\$82	\$463	\$397
Infratil fixed maturity bonds	\$623	\$623	\$509	\$509	\$509
Infratil perpetual bonds	\$236	\$238	\$239	\$240	\$240
Market value equity	\$1,109	\$1,151	\$1,002	\$764	\$1,104
Total capital	\$2,331	\$2,282	\$1,832	\$1,976	\$2,250

Infratil and 100% subsidiary debt maturity profile as at 31 March 2012

The following table shows the maturity profile of Infratil and its 100% owned subsidiaries' debt as at 31 March 2012.

Debt maturity as at 31 March 2012 \$Millions	2013	2014	2015	2016	>2017	Perpetual
Drawn bank and other debt of 100% subsidiaries	\$49	\$163	\$96	\$78	\$38	-
Infratil fixed maturity bonds	\$57	\$85	-	\$153	\$328	-
Infratil perpetual bonds	-	-	-	-	-	\$236
Cash at bank of Infratil and 100% subsidiaries	\$64	-	-	-	-	-

In the table the "drawn bank and other debt" maturity profile comprised:

- \$36 million of vendor finance which is to be repaid in tranches before 31 March 2015.
- \$140 million of redeemable preference shares to be repaid in the 31 March 2014 financial year.
- The residual amount is borrowings under Infratil's general bank facilities. As at 31 March 2012 the facilities totalled \$610 million with maturities of between one and five years.

On 30 September 2012 bank facilities amounted to \$650 million with \$291 million drawn and \$62 million on deposit.

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, a diesel powered back-up generation unit north of Auckland and provides water to an irrigation scheme in Canterbury. TrustPower has approximately 209,000 energy customers in New Zealand while most of the output of its Australian wind farm is sold through a long-term contract. TrustPower is progressing further development of its wind farm called Snowtown Stage 2 in South Australia. TrustPower believes this project should be a successful step forward in achieving its strategic goals. The total expected cost for the Snowtown Stage 2 project (excluding capitalised interest) is expected to be no greater than A\$439 million.

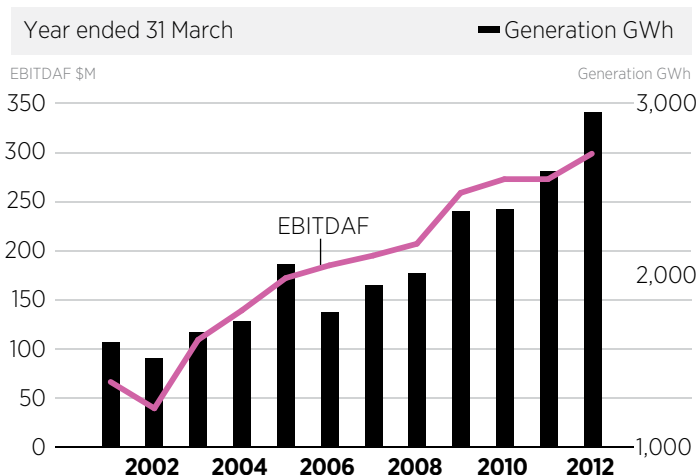
TrustPower's power stations which use water and wind to generate electricity have no fuel cost and consequently TrustPower is a direct beneficiary of rising wholesale electricity prices which increases the value of generation assets and incentivises investment in increasing capacity.

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. It is anticipated that over the next four years this obligation will increase. The current emission cost adds approximately 0.1c/kwh to the wholesale price of electricity generated using gas as a fuel. TrustPower's wind and hydro generation does not emit greenhouse gas so, while TrustPower would be expected to benefit from a sustained 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 is currently being addressed by the New Zealand Land and Water Forum. 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.

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

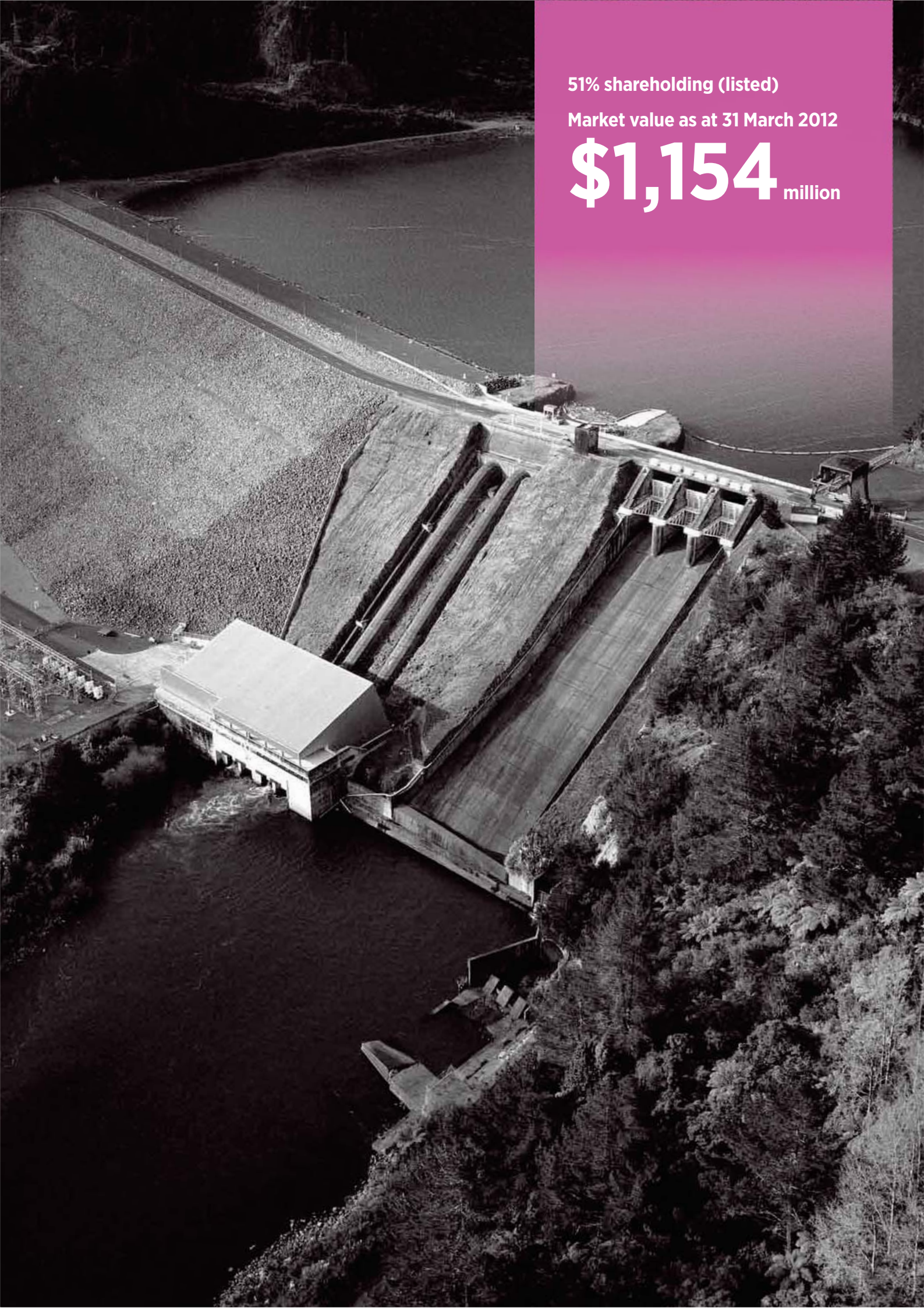
EARNINGS AND GENERATION



In the year ended 31 March 2012 TrustPower provided Infratil with \$64 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%.



51% shareholding (listed)

Market value as at 31 March 2012

\$1,154 million

INFRATIL ENERGY AUSTRALIA GROUP

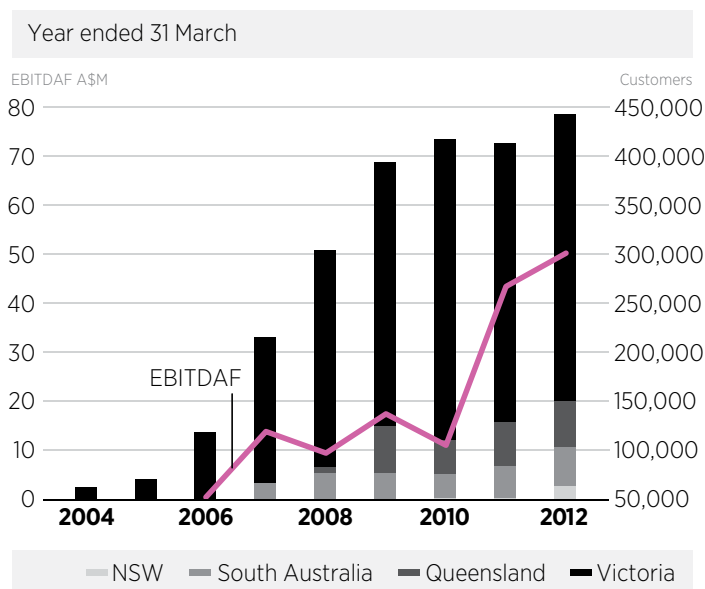
Infratil Energy Australia (IEA) was established in 2004 with the aim of developing an independent Australian energy company, supported by an active and prudent approach to wholesale risk management. Its retailing division, which operates as Lumo, now has over 460,000 electricity and gas accounts in Victoria, Queensland, South Australia, and New South Wales. The IEA group owns 285MW of installed 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 removed retail price controls. As the state markets have gradually deregulated and privatised three large companies (AGL Energy, Origin Energy and TRUenergy) 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 now beginning to experience the benefits of its past investment into IEA and the objective now is to continue to grow both earnings and business scale.


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

EARNINGS 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. 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.



Infratil Energy Australia 100%
and Perth Energy 81%

Book value as at 31 March 2012

\$477 million

Z ENERGY

Demand for motor fuel in New Zealand, and the associated supply industry, has been relatively stable.

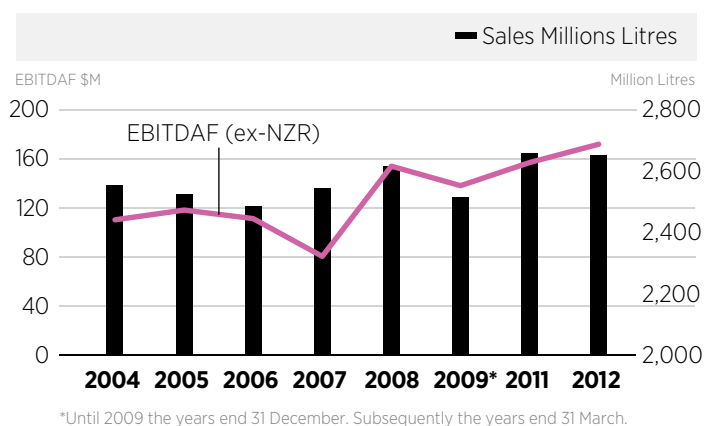
On the supply side, four companies, of which Z Energy is the largest by volume, undertake the full range of logistical, distribution, marketing and retailing functions: importing crude oil into New Zealand, having it refined at the country's single refinery, and distributing refined product around New 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 Fly Buys loyalty scheme.

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.

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.

EARNINGS AND FUEL VOLUMES



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 2000s.

An average Z Energy service station dispenses 5.8 million litres a year, approximately twice the average of the rest of the industry of less than 3 million litres a year.

50% co-shareholder with
NZ Superannuation Fund

Book value as at 31 March 2012

\$331 million



WELLINGTON AIRPORT

Wellington Airport serves the Capital and central New Zealand region. In the year to 31 March 2012 it hosted 4.5 million domestic and over 700,000 international passengers.

The Airport's main airline customers are Air New Zealand, Jetstar, Qantas and Virgin Australia. Airport charges for the major airline customers are reset every five years, with the latest reset completed early in 2012 and the new pricing structure effective from 1 April 2012. The Commerce Commission is to report on the effectiveness of the current regulatory regime, which requires airports to disclose certain information about its operations and pricing, by the end of 2012.

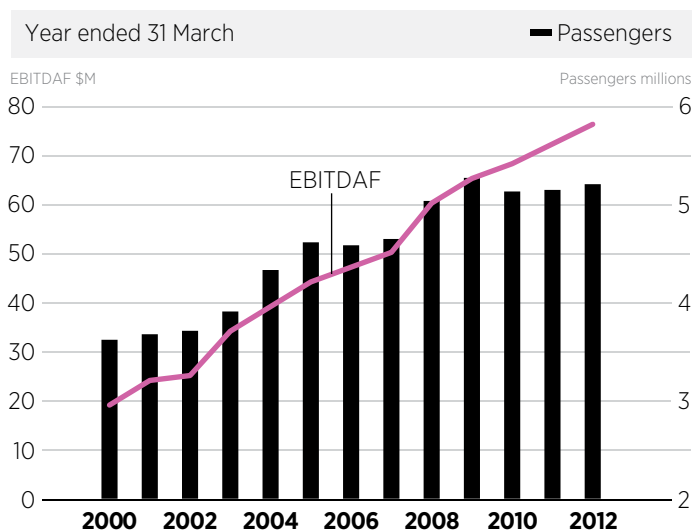
Accommodating increasing passenger numbers requires investment in capacity, which since 1998 has included new domestic and international terminals, runway extension and major improvements to land transport facilities. Improved passenger services have allowed a substantial rise in income from retail,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

By 2017 Wellington's domestic passenger numbers are forecast to have increased to 5.1 million annually and international passengers to over 830,000 annually, a 14% uplift on current levels. Capital spending on aeronautical facilities is forecast to be \$65 million over the five year period.

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

While the majority of the growth is expected to be on existing routes, the Airport also hopes to gain new direct links with Asia. Boeing's new mid-sized long-haul aircraft, the B787, has the capability to fly directly to Singapore from Wellington with a commercial payload. The first delivery of this aircraft to an airline occurred in September 2011 and several hundred more are expected to be delivered over the next decade.

EARNINGS AND PASSENGERS



In the year ended 31 March 2012 Wellington Airport provided Infratil with \$56 million of cash income which comprised subvention income and a special dividend.

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.

The Airport's investment in capacity and better services has markedly increased earnings over the 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.



66% (Wellington City Council 34%)

Book value as at 31 March 2012

\$326 million

NZ BUS

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.

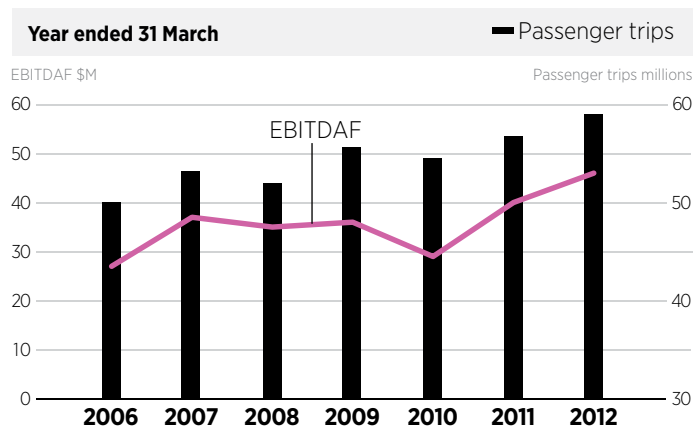
Bus public transport is a partnership between operators, such as NZ Bus, and regional transport authorities which define and regulate the network. Services consistent with the network are undertaken without a rate/tax payer subsidy if commercially feasible, or with a subsidy if fares are insufficient to cover costs. The authorities set routes, timetables, operational standards and maximum 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 with implementation expected to commence in calendar year 2013. Under this new model, NZ Bus' current routes will fall into either commercial, negotiated or tendered units, and the bulk of the services will be recontracted systematically 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. NZ Bus is well placed to benefit from the new contracting model.

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

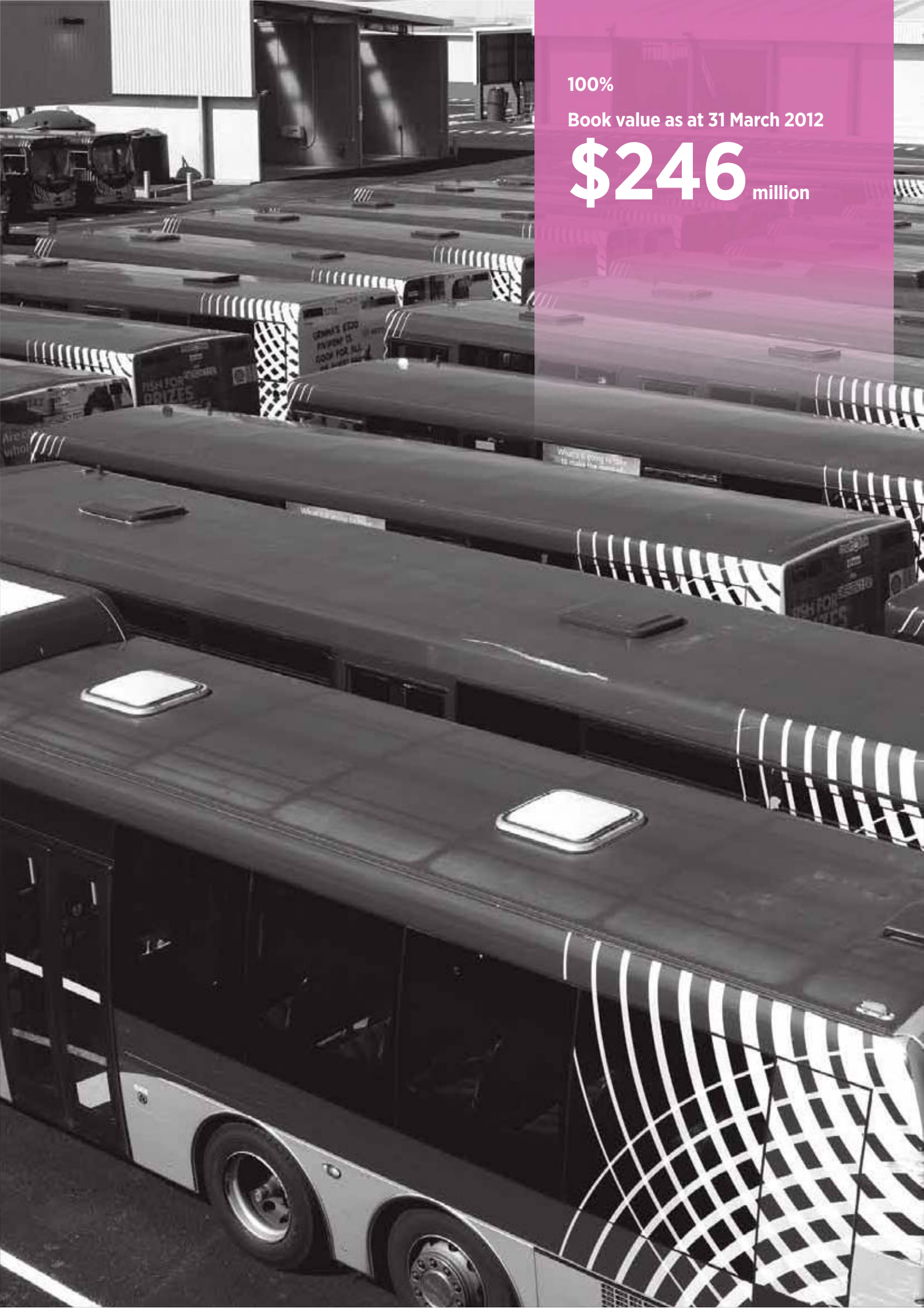
NZ Bus does not guarantee the Infrastructure Bonds. Bondholders have no claims against, or recourse to the assets of, NZ Bus in respect of Infratil's obligations under the Infrastructure Bonds.

EARNINGS 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, it is hoped that the right ingredients are in place for growth in bus public transport use.



100%

Book value as at 31 March 2012

\$246 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 Infratil, and risks of a general nature.

The risk factors set out below may not be exhaustive and you should consider these risk factors in conjunction with the other information disclosed in this prospectus. This prospectus does not take account of the personal circumstances, financial position or investment requirements of any one person in particular. It is important that before making any investment decision, you give consideration to 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 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 Infratil or the Infratil 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 independent of the creditworthiness of Infratil or the Infratil Group. These factors may include the time remaining to the maturity of the Infrastructure Bonds,

the outstanding amount of the Infrastructure Bonds, whether interest payments on the Infrastructure Bonds have been suspended, the amount of Infrastructure Bonds being sold in the secondary market from time to time, any legal restrictions limiting demand for the Infrastructure Bonds, the availability of comparable securities and the level, direction and volatility of market interest rates generally.

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 Infratil if an Interest Suspension Event occurs, as described in more detail on page 36 of this prospectus.

Infratil's right of early redemption

Although the Infrastructure Bonds have a specified Maturity Date, Infratil may choose to redeem the Infrastructure Bonds early subject to certain conditions as described in more detail on page 36 of this prospectus.

If Infratil is entitled or required to redeem any of the Infrastructure Bonds, the date on which Infratil elects or is required to do so may not 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 yield to maturity 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 36 of this prospectus. A significant deterioration in the financial position of Infratil might not necessarily constitute an Early Redemption Event.

Incurring additional debt by Infratil

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), Infratil may from time to time issue additional securities which rank equally with the Infrastructure Bonds without the consent of Bondholders. Infratil may issue such securities on such terms as it thinks fit. Infratil may also extend its guarantee of the indebtedness of its wholly-owned subsidiaries to other creditors who may provide financial accommodation to those subsidiaries from time to time.

Infratil's subsidiaries and associates may incur additional debt

Infratil's subsidiaries and associates have borrowed money under various funding arrangements (for instance, bank loans and bond issues), and may borrow further amounts. Such further borrowings can be made by Infratil's subsidiaries and associates without the consent of the Bondholders. In a liquidation of the Infratil Group or any of these companies, creditors of the companies would rank ahead of the claims of Infratil 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 Infratil and a reduction in the residual assets that would be available to Infratil (or its liquidator) as shareholder, and therefore available to Bondholders and Infratil's other creditors.

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

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. In a liquidation of the Infratil Group, creditors of Infratil's subsidiaries and associates would have a prior claim to the assets of these 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).

Limited rights of Bondholders to enforce their rights directly

Bondholders are not able to enforce their rights under the Trust Deed directly against Infratil unless the Trustee fails to do so having become bound to enforce those rights in accordance with the Trust Deed. 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).

Refinancing risks

The Infratil Group relies on debt markets including banks and retail bond markets for core debt. Adverse changes in the business or financial performance of a member of the Infratil Group or in financial markets may reduce that company's access to, or increase the cost of, such funding. This could adversely affect the company's financial performance, and so reduce the level of distributions of income to Infratil and the market value of its assets.

Change in business composition due to investment decisions

The allocation of capital between businesses and new opportunities 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 capital allocation choices, which may have an effect on the level of 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.

ECONOMIC CONDITIONS AND FACTORS AFFECTING MEMBERS OF THE INFRATIL GROUP

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

The value and profitability of Infratil's investments in energy, public transport, fuel distribution and airports and any other infrastructure and utility activities is dependent on, and can be affected by:

- management performance and investment decisions at Infratil and investee company levels;
- market prices for the products the Infratil Group sells, continued demand for energy and transport products (including the risk of substitution), and the prices and availability of key inputs such as water and wind for generation of electricity, and gas, crude oil and refined oil products;
- the performance of key information technology systems, particularly those required for the billing, collection of data and communication with customers;
- behaviour amongst competitors;
- natural disasters (eg, weather, earthquakes and pandemics) and adverse world events (eg, terrorist attacks reducing air travel);
- disruptive industrial relations;
- macro-economic factors affecting general trading circumstances (eg, local or global recessions);
- regulatory interventions (eg, airport price control) and changes to taxation regimes;
- fluctuations in 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);
- the state of capital markets (including continuing access to capital and the cost of capital, including from banks);
- the state of insurance markets (including access to insurance and the cost of insurance);
- changes to public policy initiatives in fields such as control of greenhouse gas emissions, environmental law changes and the procurement plans and policy for public transport services; and
- changes to the business of key customers or loss of key customers and deterioration of the creditworthiness of key customers or financial counterparties.

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.

TRUSTPOWER

In particular, 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. Risks specific to TrustPower include a debt default, a significant non-discretionary capital spending requirement, major disruption to the electricity market through for instance drought or transmission failure, regulatory change, a prolonged period of substantially lower electricity prices, or a major failure of TrustPower's systems both as regards electricity price hedging and the basic retailing back-office functions. 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 OR REGULATORY ACTIONS

Infratil subsidiaries and associates may also be subject to legal or regulatory actions with uncertain consequences (as noted in Infratil's 2012 annual report under the heading Contingent Liabilities). For example, in November 2010, Snapper, NZ Bus, and Infratil entered into a participation agreement with Auckland Transport which set out the basis on which the parties would work together to enable the Snapper ticketing equipment on NZ Bus' Auckland fleet to integrate with the integrated ticketing system being built by Auckland Transport.

On 24 August 2012, Snapper received notice from Auckland Transport purporting to terminate the participation agreement, alleging that Snapper could not comply with obligations under that agreement to complete the integration work. Snapper considers that it complied and could comply with its obligations under the participation agreement, and that Auckland Transport was not entitled to terminate. Snapper intends to pursue Auckland Transport to recover its losses from this wrongful termination, principally the amounts it has invested on integration. The directors do not consider these amounts are material to the Infratil Group or Bondholders.

STATE AID INVESTIGATIONS IN RELATION TO FLUGHAFEN LÜBECK

During 2007 the European Commission opened formal investigations into alleged state aid in relation to Lübeck airport (owned and operated by Flughafen Lübeck GmbH, one of the Group's subsidiaries at that time). In 2009 Infratil exercised a put option and sold its interest in Lübeck airport back to the City of Lübeck. Lübeck is one of eight airports in Germany in relation to which the European Commission has opened formal state aid investigations. Infratil understands a significant number of airports elsewhere in the European Union are also under investigation. Three of the four matters being investigated since 2007 do not relate to Infratil Airports Europe Limited ("**IAEL**"), but to the financing of the airport by the City of Lübeck and to arrangements with Ryanair which were entered into prior to the sale of the airport to IAEL. The fourth relates to the price IAEL paid when it purchased Flughafen Lübeck GmbH. The European Commission appears to have prioritised the long running German airport investigations. In February, the investigation was formally extended to include the put option arrangements as well. It is possible that the Commission's findings will be made by the end of 2012 or early in 2013. IAEL, Flughafen Lübeck GmbH, Ryanair, the Hanseatic City of Lübeck, and the government of the Federal Republic of Germany continue to work to refute the allegations of state aid. IAEL maintains its position that the purchase of 90% in Flughafen Lübeck GmbH which was the result of an open, unconditional and transparent tender process in 2005, and the put option arrangements, cannot, by their very nature and the circumstances they were agreed on, involve state aid. IAEL continues to be confident that it will be able to demonstrate this to the Commission and, if necessary, the European Court of Justice. If IAEL was found to have received state aid, it would be required to refund the state aid received, together with interest. As the directors cannot predict with any degree of certainty the outcome of the above matter, it is not possible to assess accurately the quantum of any financial cost to the Infratil Group.

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 the proceeds from such a disposal or when this process might be completed. As shown on page 17 of this prospectus, the net investment values of these investments was \$70 million at 31 March 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 31 March 2012 or Infratil may incur further losses from holding the assets.



9 October 2012

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 9 October 2012 (the "Prospectus") complies with any relevant provisions of the master trust deed dated 11 November 1999 (as amended) between Infratil and Trustees Executors Limited (the "Trustee") and the series supplement dated 9 October 2012 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
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.

As at the date of this prospectus, the Trustee holds a licence to act as a trustee for a range of financial products, including the Infrastructure Bonds, under the Securities Trustees and Statutory Supervisors Act 2011.

EXPERTS AND UNDERWRITER

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

MAIN TERMS OF OFFER

The Infrastructure Bonds

Infrastructure Bond Programme

Infratil has established the Infrastructure Bond Programme under which it may offer 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 most other series of Infrastructure Bonds, the Infrastructure Bonds offered under this prospectus are not convertible into Shares in Infratil in any circumstance.

The Offer

The Offer consists of the General Offer and the Exchange Offer.

The General Offer

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

The Exchange Offer

Under the Exchange Offer, Infratil is offering holders of the 2012 Bonds the opportunity to exchange all or some of their 2012 Bonds for the Infrastructure Bonds offered under this prospectus. A Bondholder will receive one new Infrastructure Bond for each 2012 Bond exchanged under the Exchange Offer. The Issue Date of the new Infrastructure Bonds issued under the Exchange Offer is 15 November 2012 (being the maturity date of the 2012 Bonds).

Infratil will also pay the final scheduled interest payment on each 2012 Bond exchanged for a new Infrastructure Bond on the Issue Date of the new Infrastructure Bond. The final interest payment will be calculated at the interest rate applicable to the 2012 Bonds. When a 2012 Bond is exchanged for a new Infrastructure Bond, the holder will not be repaid the Face Value of the 2012 Bond.

2012 Bonds that are not exchanged under the Exchange Offer will be redeemed on their maturity date in accordance with their existing terms and conditions.

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 February, 15 May, 15 August and 15 November of each year until and including the Maturity Date (commencing on 15 February 2013).

Other than for the first Interest Payment Date in respect of Infrastructure Bonds allotted under the General Offer, 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 allotted under the General Offer 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 Infracore 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

Infracore 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) Infracore'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. Infracore 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, Infracore 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

Infracore 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. Infracore 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.

Infracore is subject to other restrictions on early redemption contained in various bilateral bank facility agreements of Infracore 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 Infracore, then on the early redemption date specified in the notice, Infracore 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 Infracore 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, Infracore 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 Infracore 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 General Offer is for up to \$25 million Infrastructure Bonds (with the option to accept up to \$50 million of oversubscriptions at Infratil's discretion). The Exchange Offer is for up to \$57.4 million Infrastructure Bonds (being equal to the amount of 2012 Bonds outstanding at the date of this prospectus). Accordingly, the maximum aggregate amount of Infrastructure Bonds being offered by Infratil is \$132.4 million.

Issue Price

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

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

No subscription moneys are payable by a Bondholder for each Infrastructure Bond allotted under the Exchange Offer. Rather, the Issue Price for the new Infrastructure Bond is satisfied by the Bondholder agreeing to exchange a 2012 Bond for the new Infrastructure Bond. A holder of 2012 Bonds will receive one new Infrastructure Bond for each 2012 Bond exchanged under the Exchange Offer.

Applications and payment

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

Applications to subscribe for Infrastructure Bonds offered under the Exchange Offer must be made on the **Exchange Offer application form** contained on page 55 of this prospectus.

Payment instructions for the General Offer

If you make an application under the General 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) or through the NZClear System. Cheques should be in New Zealand dollars drawn on a New Zealand branch of a registered bank and submitted with the completed General Offer application form. Cheques should be made payable to "Infratil 2018 Bond Offer" and crossed "Not Transferable" and must not be post-dated.

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

Where to send your application form and payment

Exchange Offer

If you make an application under the Exchange Offer, you 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 of the Exchange Offer:

Link Market Services Limited
PO Box 384, Ashburton 7740

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 of the Exchange Offer.

General Offer

Applicants of the General Offer 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 of the General Offer.

If there is a Public Pool, Public Pool applicants of the General Offer (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 of the General Offer:

Link Market Services Limited
PO Box 384, Ashburton 7740

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 of the General Offer.

Applications may be refused

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

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

The Managers in consultation with Infratil reserve the right to scale oversubscriptions under the General Offer at their discretion. Any 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 most other series of Infrastructure Bonds issued by Infratil under the Infrastructure Bond Programme, 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.

ISSUE EXPENSES

The estimated maximum amount of expenses of the Offer is \$2.6 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 prospectus².

Infratil will pay NZX Firms and approved financial intermediaries a brokerage fee of 1.25% (General Offer) and 1.0% (Exchange Offer) 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 February, 15 May, 15 August and 15 November of each year until and including the Maturity Date (commencing on 15 February 2013).

Other than for the first Interest Payment Date in respect of Infrastructure Bonds allotted under the General Offer, 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 allotted under the General Offer 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.

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 36 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 36 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

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

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 36 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 2012 to 31 March 2013) 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. From 7 May 2012, 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) 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);
- (b) 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;
- (c) 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
- (d) 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.

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 rateably to Bondholders in respect of the Infrastructure Bonds.

Borrowing restrictions

Infratil and certain of its material wholly-owned subsidiaries (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 40% 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 5 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 3 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 34 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 36 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/nzxsx/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
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 directors' 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/iftarfinancials2.pdf>.

ADDITIONAL INTERIM FINANCIAL STATEMENTS

As at the date of signing of this prospectus, no interim financial statements for Infratil have been notified to NZX.

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.



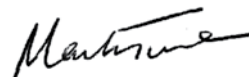
Marko Bogoevski
Director



Duncan Saville
Director



David Newman
Director



Mark Tume
Director



Humphry Rolleston
Director

GLOSSARY

“2012 Bonds” means the Infrastructure Bonds maturing on 15 November 2012.

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

“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:

- (a) in relation to the Exchange Offer, 14 November 2012; and
- (b) in relation to the General Offer, 14 January 2013 (or such other date as Infratil may determine).

“Companies Act” means the Companies Act 1993.

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

“Early Redemption Event” has the meaning given to it on page 36 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.

“Exchange Offer” means the offer of Infrastructure Bonds to holders of 2012 Bonds.

“Extraordinary Resolution” means a resolution passed at a duly convened meeting of the Bondholders by a majority consisting of not less than 75% of the persons voting 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).

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

“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 February, 15 May, 15 August and 15 November of each year up to and including the Maturity Date (commencing on 15 February 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 Exchange Offer will be issued on 15 November 2012 (being the maturity date of the 2012 Bonds). Infrastructure Bonds offered under the General Offer will be issued on 15 November 2012, 14 December 2012 and 15 January 2013 or, if Infratil decides to extend the period of the General Offer beyond 14 January 2013, allotments of further Infrastructure Bonds will be made on the Friday following the extended Closing Date.

“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.

“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 November 2018.

“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 (consisting of the General Offer and the Exchange Offer).

“Opening Date” means 17 October 2012.

“Organising Participant” means Forsyth Barr Limited.

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

“Public Pool” means applicants for Infrastructure Bonds offered under the General Offer other than applicants in respect of 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 9 October 2012 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 and 9 October 2012 between Infratil and the Trustee, which sets out the rights and obligations of the Trustee, Bondholders and Infratil and, where the Trust Deed is being read in the context of the series of Infrastructure Bonds offered pursuant to this prospectus, includes the Series Supplement.

“Trustee” means Trustees Executors Limited.

GENERAL OFFER APPLICATION INSTRUCTIONS

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

If you are applying for Infrastructure Bonds under the Exchange Offer, please see page 53 of this prospectus for 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 General Offer application form (or such lesser amount which Infratil may determine) on the terms set out in this prospectus, the Trust Deed and the Series Supplement, and the General Offer application form.

A = Investor Details

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

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

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

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

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

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

B = Application Payment Details

Please enter the aggregate Face Value of Infrastructure Bonds that

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

Payment must be made by cheque (or, if the application is for an aggregate subscription amount of \$500,000 or more, by a bank cheque) or (by prior arrangement with the Registrar) 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 2018 Bond Offer", crossed "Not Transferable" and must not be post-dated. Staple your cheque to the completed General Offer application form.

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

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

C = Holder Number Details

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

D = Interest and Redemption Payments

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

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

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

E = Provide your IRD number and tick the relevant RWT box

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

F = Electronic Investor Correspondence

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

G = Signing and Dating

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

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

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

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

Joint applicants must each sign the General Offer application form.

H = General Offer Closing Date and Delivery

The General Offer will close at 5.00pm on 14 January 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 General Offer. Your General 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 37 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).

H SEND APPLICATION FORM AND CHEQUE (IF APPLICABLE) TO BE RECEIVED BY LINK MARKET SERVICES, NO LATER THAN 5.00 PM ON 14 JANUARY 2013

Infratil 2018 Bond Offer, c/- Link Market Services Limited, PO Box 384, Ashburton 7740, **Investor phone number:** +64 9 375 5998

TERMS AND CONDITIONS:

By signing this Application Form:

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

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

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

I CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY:

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

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

CERTIFY:

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

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

J CERTIFICATE OF NON-REVOCATION OF AGENT: (COMPLETE THIS SECTION IF YOU ARE ACTING AS AGENT ON BEHALF OF THE APPLICANT ON THIS APPLICATION FORM)

(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 14 JANUARY 2013

Infratil 2018 Bond Offer, c/- Link Market Services Limited, PO Box 384, Ashburton 7740, **Investor phone number:** +64 9 375 5998

TERMS AND CONDITIONS:

By signing this Application Form:

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

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

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

I CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY:

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

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

CERTIFY:

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

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

J CERTIFICATE OF NON-REVOCATION OF AGENT: (COMPLETE THIS SECTION IF YOU ARE ACTING AS AGENT ON BEHALF OF THE APPLICANT ON THIS APPLICATION FORM)

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

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

CERTIFY:

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

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

EXCHANGE OFFER APPLICATION INSTRUCTIONS

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

If you also wish to apply for Infrastructure Bonds under the General Offer, please see page 47 of this prospectus for 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 Exchange Offer application form (or such lesser amount which Infratil may determine) on the terms set out in this prospectus, the Trust Deed and the Series Supplement, and the Exchange Offer application form.

A = Investor details

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

Full name details: Insert your full name. Applications must be in the name(s) of the natural persons, companies or other legal entities which hold the 2012 Bonds to be exchanged under the Exchange Offer. Use the table below to see how to write your name correctly.

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

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

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

B = Application details

Please enter the aggregate Face Value of Infrastructure Bonds that you wish to apply for. Each Infrastructure Bond has a Face Value of \$1.00. Unless you are applying to exchange all of your 2012 Bonds, an application to subscribe for new Infrastructure Bonds must be for a minimum aggregate Face Value of \$5,000 and thereafter in multiples of \$1,000. The maximum amount of Infrastructure Bonds you may apply for under the Exchange Offer is equal to the number of 2012 Bonds you hold.

2012 Bonds that are not exchanged under the Exchange Offer will remain on issue subject to their existing terms and conditions.

C = Holder number details

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

D = Interest and redemption payments

If you wish your payments in respect of the new Infrastructure Bonds to be direct credited to the same account to which payments in respect of your 2012 Bonds are made, then you do not need to complete section D of the Exchange Offer application form.

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

If you wish to be paid by direct credit but wish to have payments in respect of your new Infrastructure Bonds credited to a different bank account than the account to which payments in respect of your 2012 Bonds are currently made, please tick the box for option 2 and enter the details of the bank account.

E = Provide your IRD number and tick the relevant RWT box

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

F = Electronic investor correspondence

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

G = Signing and dating

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

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

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

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

Joint applicants must each sign the Exchange Offer application form.

H = Exchange Offer Closing Date and Delivery

The Exchange Offer will close at 5.00pm on 14 November 2012.

Applicants should remember that the Closing Date of the Exchange Offer 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 Exchange Offer. Your Exchange 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 37 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.)

ANZ NEW ZEALAND SECURITIES LIMITED
 PO BOX 1790 WELLINGTON
 Authorised Trading Participant and
 Delivery and Settlement Participant
NZX FIRM
ANZW

Bay Financial Partners
PO Box 843
Tauranga 3140

(ATTACH CHEQUE HERE)

EXCHANGE OFFER APPLICATION FORM

This Exchange Offer application form (“**Application Form**”) is issued with the simplified disclosure prospectus dated and prepared as at 9 October 2012 (“**Prospectus**”), issued by Infratil Limited (“**Infratil**”). Please complete this Application Form and return it to, or lodge it with, an appropriate person as specified under the heading “Where to send your application form and payment” on page 37 of the Prospectus.

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

A APPLICATION DETAILS AND INFORMATION – PLEASE PRINT IN BLOCK LETTERS

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

B APPLICATION – IMPORTANT

Your Application Form must be received by Link Market Services Limited (“**Link**”) by 5.00pm, 14 November 2012.

Unless you are applying to exchange all of your 2012 Bonds, applications must be for a minimum of **NZ\$5,000** and, thereafter, in multiples of **NZ\$1,000**. **The maximum amount of Infrastructure Bonds you may apply for under the Exchange Offer is equal to the number of 2012 Bonds you hold.** Infratil may accept or reject all or part of this application without giving reason.

Amount of Infrastructure Bonds applied for: NZ\$

C COMMON SHAREHOLDER NUMBER (CSN)

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

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

D INTEREST AND REDEMPTION PAYMENTS

Continue to pay interest and principal in the same way as was occurring on the maturing bonds

If you wish to change the way in which interest and principal is paid please choose only **ONE** of the options below. Please tick the box next to your selected option (✓):

OPTION 1: Direct credit to my cash management account.

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

Cash Management Client Account number

OPTION 2: Direct credit to the New Zealand bank account nominated below.

Name of Bank:

Name of Account:

Account No:

Bank Branch Account No. Suffix

E IRD NUMBER & RESIDENT WITHHOLDING TAX

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

Deduct resident withholding tax from all my/our interest payments at the following rate (tick✓ one): 10.5%* 17.5% 28%** 30% 33% Exempt***

*Only available for an individual that reasonably expects their income for the income year to be \$14,000 or less and trustees of certain testamentary trusts. ** Available for companies only.

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

F ELECTRONIC CORRESPONDENCE & REPORTING

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

G SIGNATURE(S) OF APPLICANT(S)

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

All applicants on the Application Form must sign.

<hr/>
Date / /

<hr/>
Date / /

<hr/>
Date / /

H SEND APPLICATION FORM TO BE RECEIVED BY LINK MARKET SERVICES, NO LATER THAN 5.00 PM ON 14 NOVEMBER 2012

Infratil 2018 Bond Offer, c/- Link Market Services Limited, PO Box 384, Ashburton 7740, Investor phone number: +64 9 375 5998

TERMS AND CONDITIONS:

By signing this Application Form:

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

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

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

I CERTIFICATE OF NON-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)

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.

ANZ NEW ZEALAND SECURITIES LIMITED
 PO BOX 1790 WELLINGTON
 Authorised Trading Participant and
 Delivery and Settlement Participant
**NZX FIRM
 ANZW**

Bay Financial Partners
PO Box 843
Tauranga 3140

(ATTACH CHEQUE HERE)

EXCHANGE OFFER APPLICATION FORM

This Exchange Offer application form (“**Application Form**”) is issued with the simplified disclosure prospectus dated and prepared as at 9 October 2012 (“**Prospectus**”), issued by Infratil Limited (“**Infratil**”). Please complete this Application Form and return it to, or lodge it with, an appropriate person as specified under the heading “Where to send your application form and payment” on page 37 of the Prospectus.

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

A APPLICATION DETAILS AND INFORMATION – PLEASE PRINT IN BLOCK LETTERS

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

B APPLICATION – IMPORTANT

Your Application Form must be received by Link Market Services Limited (“**Link**”) by 5.00pm, 14 November 2012.

Unless you are applying to exchange all of your 2012 Bonds, applications must be for a minimum of **NZ\$5,000** and, thereafter, in multiples of **NZ\$1,000**. **The maximum amount of Infrastructure Bonds you may apply for under the Exchange Offer is equal to the number of 2012 Bonds you hold.** Infratil may accept or reject all or part of this application without giving reason.

Amount of Infrastructure Bonds applied for: NZ\$

C COMMON SHAREHOLDER NUMBER (CSN)

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

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

D INTEREST AND REDEMPTION PAYMENTS

Continue to pay interest and principal in the same way as was occurring on the maturing bonds

If you wish to change the way in which interest and principal is paid please choose only **ONE** of the options below. Please tick the box next to your selected option (✓):

OPTION 1: Direct credit to my cash management account.

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

Cash Management Client Account number

OPTION 2: Direct credit to the New Zealand bank account nominated below.

Name of Bank:

Name of Account:

Account No:

Bank Branch Account No. Suffix

E IRD NUMBER & RESIDENT WITHHOLDING TAX

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

Deduct resident withholding tax from all my/our interest payments at the following rate (tick✓ one): 10.5%* 17.5% 28%** 30% 33% Exempt***

*Only available for an individual that reasonably expects their income for the income year to be \$14,000 or less and trustees of certain testamentary trusts. ** Available for companies only.

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

F ELECTRONIC CORRESPONDENCE & REPORTING

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

G SIGNATURE(S) OF APPLICANT(S)

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

All applicants on the Application Form must sign.

<hr/>
Date / /

<hr/>
Date / /

<hr/>
Date / /

H SEND APPLICATION FORM TO BE RECEIVED BY LINK MARKET SERVICES, NO LATER THAN 5.00 PM ON 14 NOVEMBER 2012

Infratil 2018 Bond Offer, c/- Link Market Services Limited, PO Box 384, Ashburton 7740, Investor phone number: +64 9 375 5998

TERMS AND CONDITIONS:

By signing this Application Form:

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

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

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

I CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY:

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

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

CERTIFY:

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

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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.
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Signature of agent

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DIRECTORY

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 1062
PO Box 91976, Auckland 1142

ORGANISING PARTICIPANT

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

SOLICITORS TO INFRATIL

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

SOLICITORS TO THE TRUSTEE

Buddle Findlay
Level 17, State Insurance Tower
1 Willis Street
Wellington 6011

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

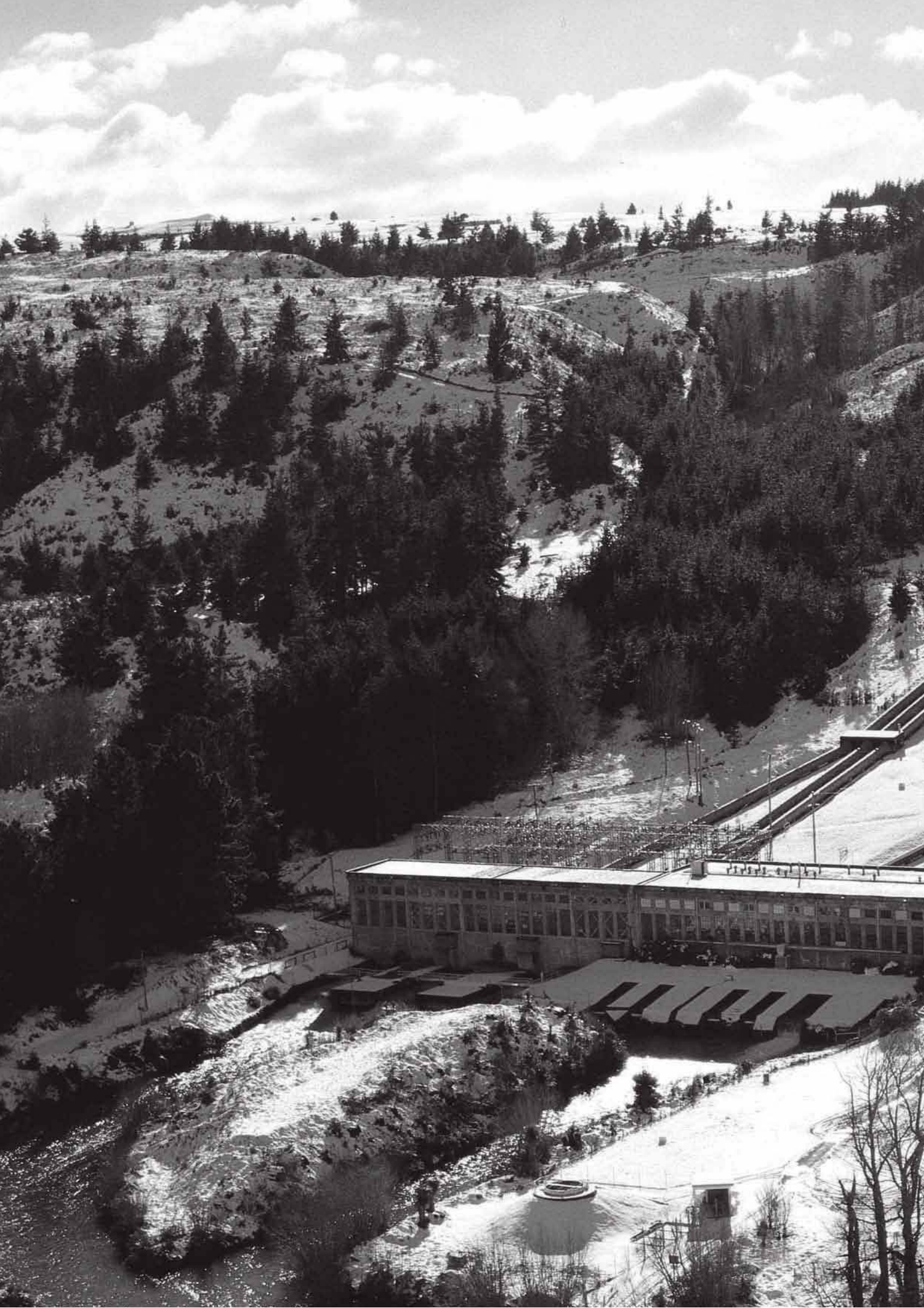
ANZ National Bank Limited
Level 7, 1 Victoria Street
PO Box 540
Wellington 6011
Telephone 0800 269 476

Craigs Investment Partners Limited
Craigs Investment Partners House
158 Cameron Road
PO Box 13155
Tauranga 3141
Telephone 0800 226 263

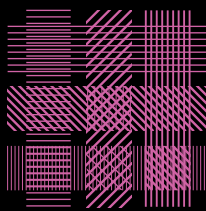
First NZ Capital Securities Limited
Level 14, 171 Featherston Street
Wellington 6011
Telephone 0800 005678

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