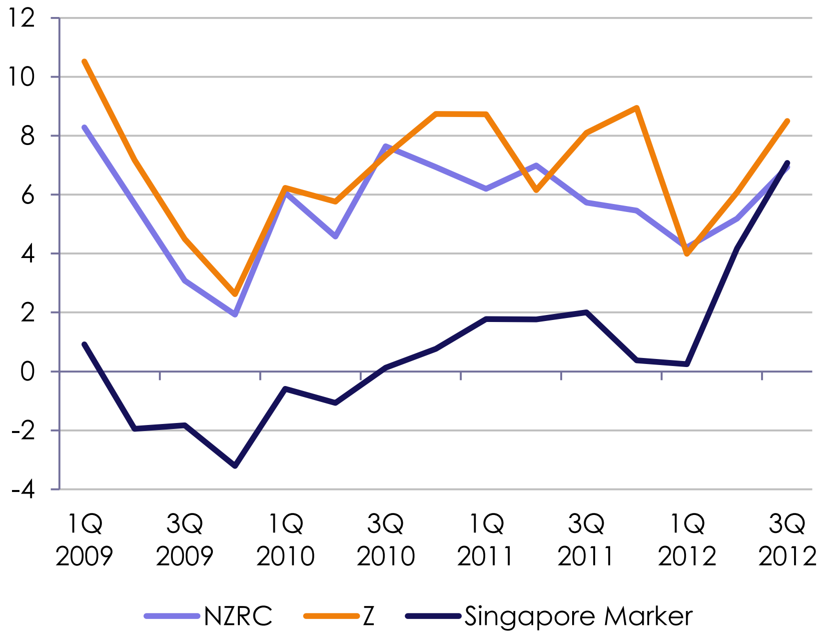
Half Year Results for FY13

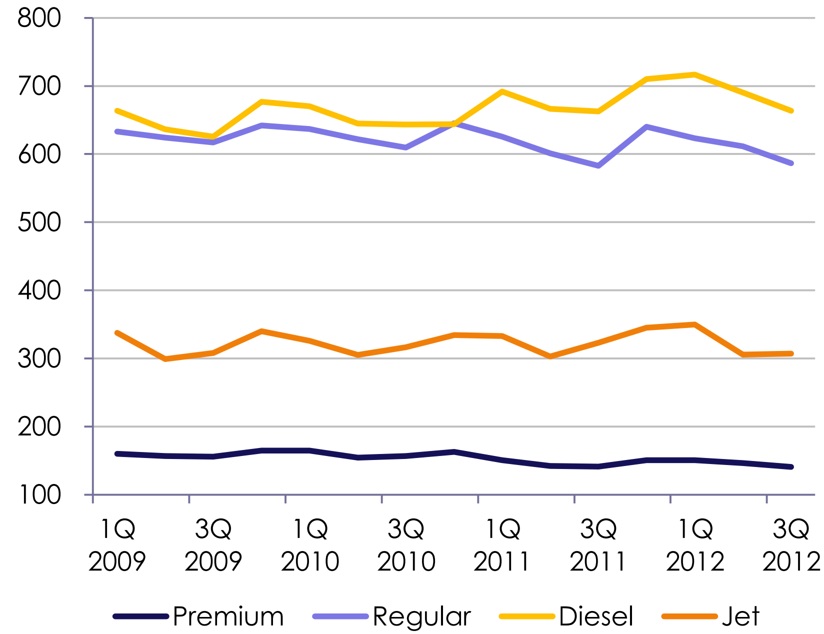
Momentum with financial performance, strategy delivery and brand development continues despite a significant increase in competition

Trading conditions have been bearish and strongly affected by slower global and local economic recovery

Gross Refinery Margin (US$/bbl)



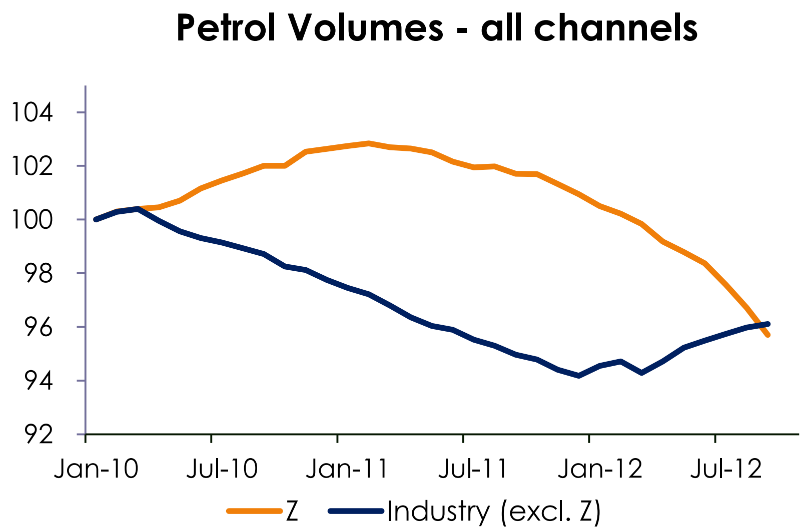
Industry Volumes (million litres)



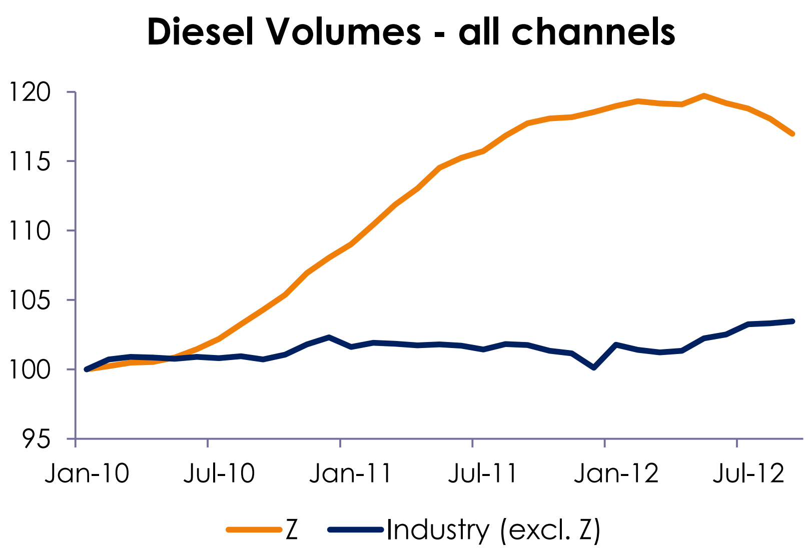
- Global margin deterioration in 1Q was strongly recovered in 2Q
- No clear trend for the future but declines back to long run averages most likely
- Data sourced from RNZ and IEA

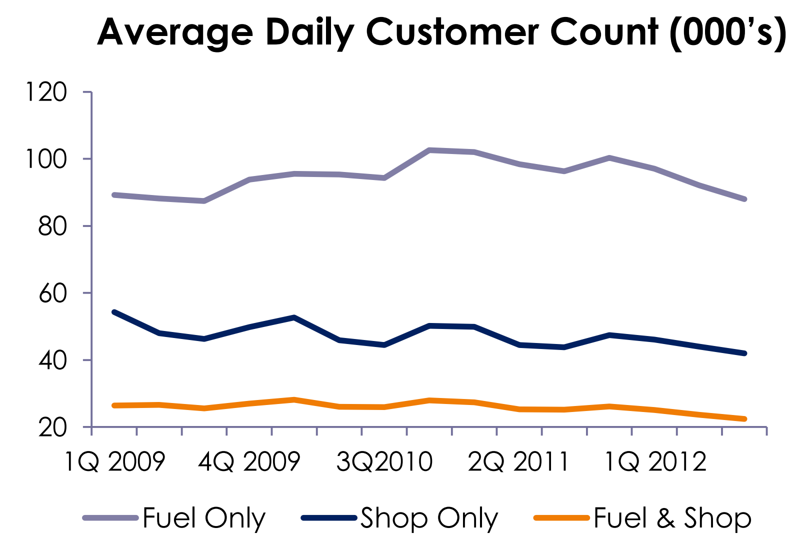
- Crude prices range bound $90-125/bbl
- Retail sales remain soft post recession
- Commercial sales tracking GDP growth
- Data sourced from LAFT returns

Z's competitive position declined in 1H albeit our actions were consistent with our goal to grow profits and returns

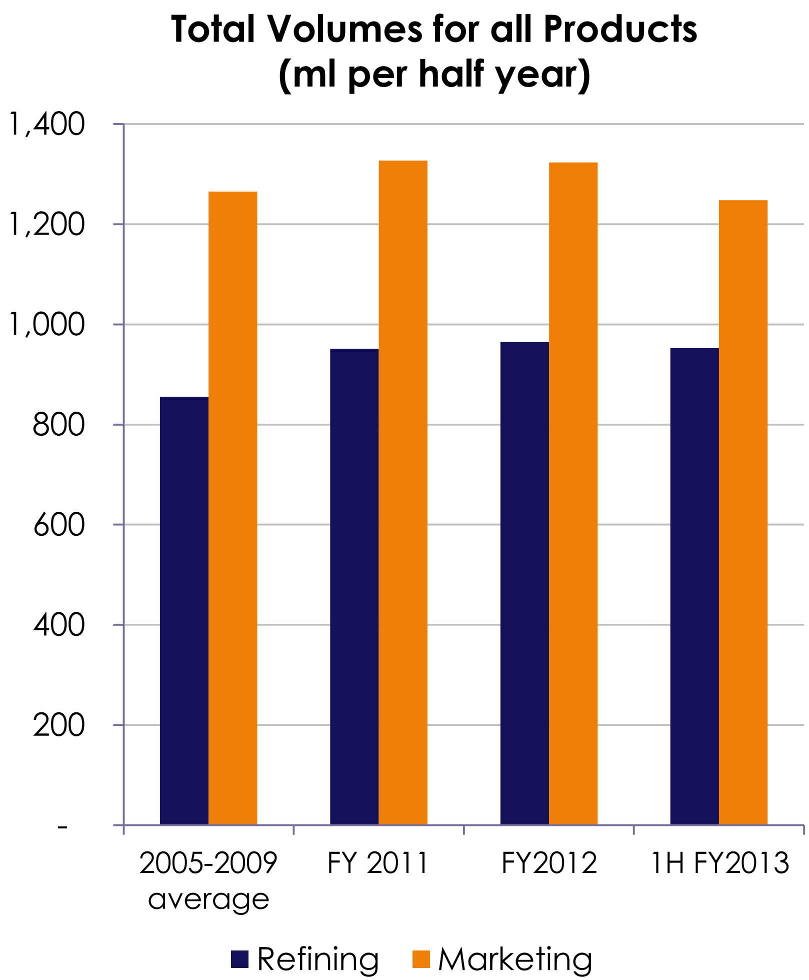


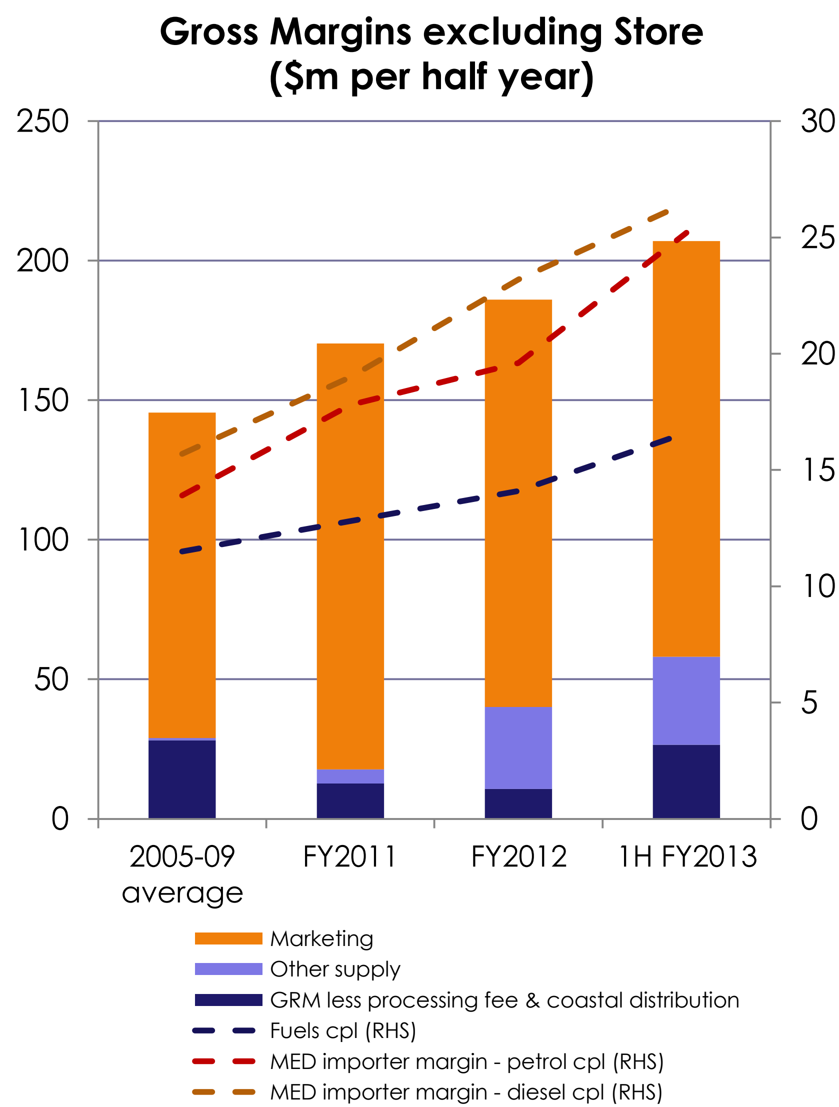
- For 1H FY13, YoY sales for the industry are -0.9% for petrol and +1.3% for diesel
- Slight volume growth when pump prices fell below $2/litre but eroded when this reduction reversed in July
- Final rebranding of sites and continuing store refits affecting petrol sales
- All volume data indexed back to January 2010 and sourced from LAFT returns





Whilst sales volumes have declined, these are more than offset by unit margin growth despite the volatile markets





Earnings were above the mid point of guidance based on a very strong 1Q which accounted for 68% of first half EBITDAF

Key Variables	First Half Actual	Previous Guidance for FY13
Gross refinery margin (USD/bbl)	$7.39	$7.00
RNZ Processing Volume (ml)	953	1,880
Sales Volume (ml)	1,248	2,600
Operating Costs*	$134.3m	$260-270m
Operating EBITDAF (Current Cost)*	$96.8m	$185-200m
Capex	$38.9m	$70-90m

- Very poor refinery margins in 1Q were recovered through a very strong 2Q
- Sales volumes affected by increased competitor pricing activity in retail and a conscious decision to highgrade the commercial portfolio away from loss making and marginal accounts (after allowing for integrated value and balance sheet resources)
- Operating costs higher from increased marketing programs to mitigate competitor activity and ongoing costs from a non core asset which was assumed for sale in 1Q
- Capex spend tracking to budget with benefits yet to flow to earnings

* A reconciliation between these numbers and the Statutory accounts is provided in the appendices

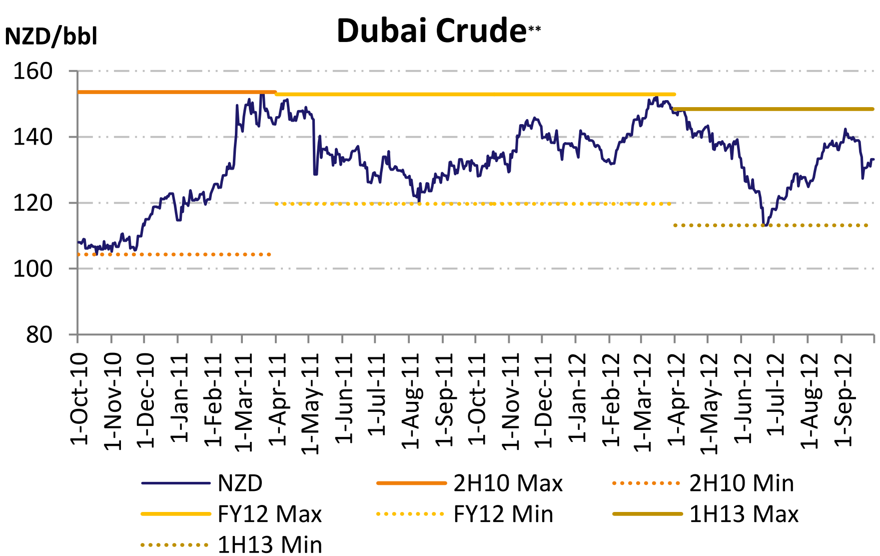
Double digit Operating EBITDAF (CC) growth despite slower economic recovery and increasing price competition

Operating costs*	(134.3)	(126.4)	-6%
Operating EBITDAF (Current Cost)*	**96.8**	**82.8**	**17%**
Cost Of Sales Adjustment	(42.5)	(12.4)	-243%
Associate Earnings	3.6	6.1	-41%
EBITDAF (Historic Cost)	**57.9**	**76.5**	**-24%**
Interest (Other)	(22.9)	(20.8)	-10%
Interest (Shareholder)	(13.5)	(13.9)	3%
Depreciation and Amortisation	(20.7)	(16.3)	-27%
Hedge revaluations & other	4.4	6.6	33%
Tax	(1.3)	(9.1)	86%
Asset revaluations	(1.6)	(0.1)	-1500%
Net Surplus (per Statutory Accounts)	**2.3**	**22.9**	**-90%**
Comprehensive income from associates	(0.2)	-	
Total comprehensive income	**2.1**	**22.9**	**-91%**

* A reconciliation between these numbers and the Statutory accounts is provided in the appendices.

There has been a material cost of sales adjustment between current cost and historical cost earnings

$m	1H FY13	FY12	FY11
Operating EBITDAF (CC)*	**96.8**	**172.0**	**157.0**
Cost of Sales Adjustment	(42.5)	30.0	62.0
Associate Earnings	3.6	4.0	10.0
EBITDAF (Historic Cost)	**57.9**	**206.0**	**229.0**
Oil Price (NZD) - Low **	$113/bbl	$119/bbl	$99/bbl
Oil Price (NZD) - High**	$148/bbl	$152/bbl	$153/bbl



- Historical cost (as required by IFRS) calculates cost on a first in, first out basis. So historic cost earnings are subject to fluctuations in the value of the stock held on the balance sheet due to changes in the price of oil and exchange rates.
- To protect margins, purchases are hedged to match equivalent sales which are priced on a current cost basis, i.e. costs are aligned to the revenue we receive from customers.
- Management and capital providers focus on current cost earnings as these reflect the underlying business model.
- Current cost is calculated by revaluing all stock to its current value. The difference between historic cost and current cost is called the cost of sales adjustment (COSA).
- Over time historic cost and current cost measures should deliver similar results but there will be differences in any one accounting period.
- Current cost is a non-IFRS number.

* A reconciliation between these numbers and the Statutory accounts is provided in the appendices.
** We have used Dubai pricing as an indicator crude

Impact on Infratil's Results

Aotea Energy Equity Earnings ($m)	1H FY13	1H FY12
AEHL net surplus attributable to owners of the company (per statutory accounts)	2.3	22.9
Infratil's share (50%)	1.1	11.4
Shareholder loan interest	4.2	4.3
Shareholder RPS interest	2.6	2.6
Share of AEHL's earnings attributable to Infratil	7.9	18.3

- AEHL's earnings attributable to Infratil are included within Infratil's share of earnings and income of associate companies after tax. This is included within Infratil's total income.
- Ordinary dividends paid by AEHL to Infratil are included within the carrying value of AEHL on Infratil's balance sheet within the investments in associates.

FY13 is the second year of a three year program of Strategy projects that grow underlying earnings $36m by end FY15

Delivered as expected in 1H

- ✓ Product procurement moved to north Asian refineries saving $5m per annum
- ✓ Rebranding completed on budget
- ✓ 72 of 100 stores already refitted with revenues +5.4% YoY
- ✓ Loss earning commercial accounts (progressively) repriced or removed from portfolio
- ✓ Scheduling system saving $1m per annum
- ✓ ERP upgraded plus new chart of accounts
- ✓ Third bond issue maturing 2019
- ✓ $82m (net) from sale and leaseback of 44 secondary sites (7.55% yield) settling 31 March 2013, expecting $27m gain on sale

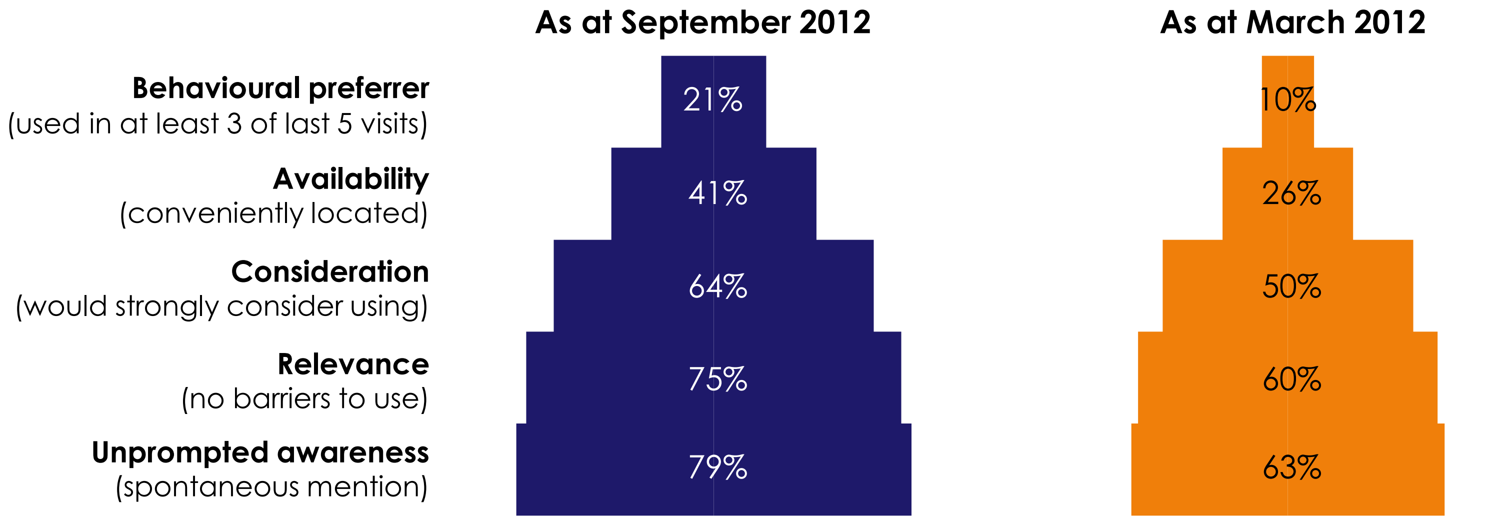
Progress on track for the full year

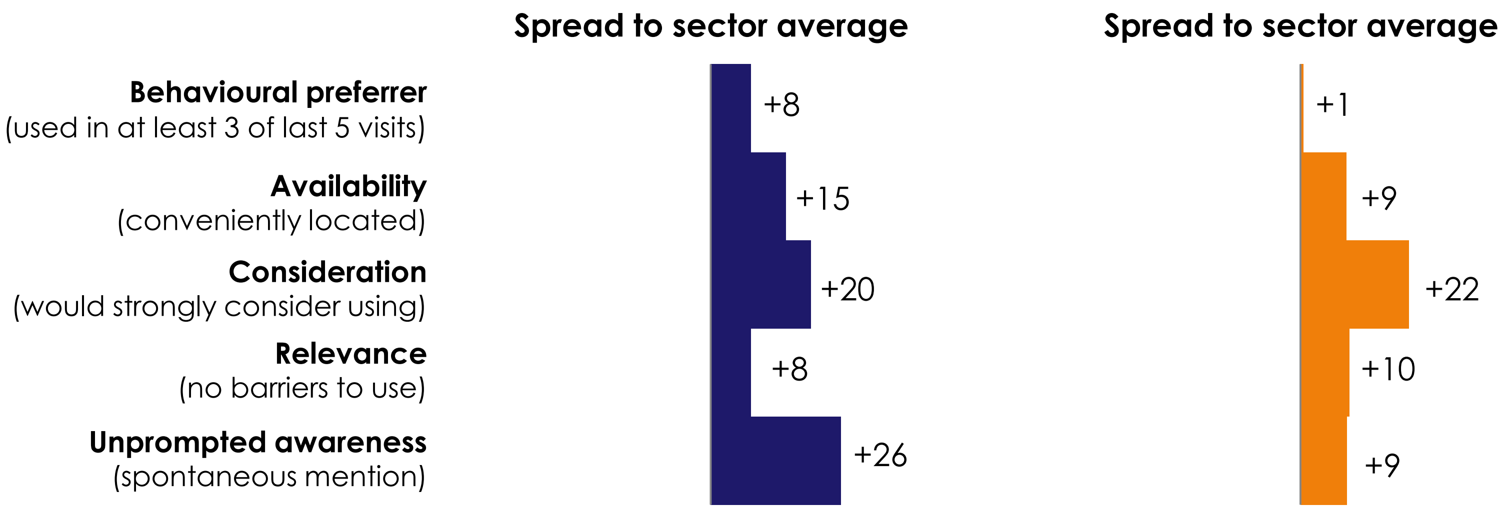
- Retail and truckstop POS upgrade
- 5 new sites, 2 rebuilds and 13 car washes
- FlyBuys offer development
- Commercial segmentation and offer development postponed from 1H
- Preliminary engineering and consenting for $40m of new tankage at Lyttelton and MTM
- Further 9 secondary sites being marketed

At risk for the full year

- × Crude supply and refining projects
- × Capital recovery charges

The Brand is growing into its potential and continued favorable results will steadily turn into increased loyalty and profits





Base: All respondents Sept -12 n=1,240.

Base: All respondents Apr n=1,137.

We are forecasting recent trading conditions to continue with earnings upside from strategy projects

Key Variables	FY13 Updated Guidance	FY13 Previous Guidance	FY 2012
Average crude price (USD/bbl)	$110	$120	$109
Average crude price (NZD/bbl)	$137	$156	$137
Gross refinery margin (USD/bbl)	$7.00	$7.00	$6.70
RNZ Processing Volume (ml)	1,900	1,880	1,930
Sales Volume (ml)	2,450	2,600	2,647
Operating Costs	$280 - 290m	$260 - 270m	$250m
Operating EBITDAF (Current Cost)	$185 - 200m	$185 - 200m	$172m
Capex	$80 - 90m	$70 - 90m	$74m

- Refinery margins assumed to revert from 2Q highs to long run average
- Volume loss will not be recovered as focus is on optimising retail margins, growing non fuel income and highgrading the commercial portfolio – while not eroding integrated value
- Upside in an environment of crude prices less than $100/bbl and Kiwi dollar at ~0.78

Appendices

Reconciliations

Reconciliation from operating costs to total operating expenditure (per the statutory accounts)	$m
Operating costs	134.3
Add depreciation and amortisation	20.5
Add impairments	0.2
Add gains / losses on sales on assets	1.6
Total operating expenditure (statutory accounts)	156.5

Reconciliation from operating EBITDAF (CC) to operating surplus (per the statutory accounts)	$m
Operating EBITDAF (CC)	96.8
Less depreciation and amortisation	(20.5)
Less impairments	(0.2)
Less asset revaluations	(1.6)
Less unrealised gains/losses	(8.8)
Less cost of sales adjustment	(42.5)
Add share of earnings of Associate Companies	3.6
Operating surplus before financing derivatives and realisations (statutory accounts)	26.8

Reconciliation from fuels gross margin & other income to gross profit (per the statutory accounts)	$m
Fuels Gross Margin	207.1
Other income	24.0
Income	231.1
Less cost of sales adjustment	(42.5)
Less unrealised gains / losses	(8.8)
Gross profit (statutory accounts)	179.8