



8 August 2019

Agreement to sell Perth Energy to AGL

Infratil announces the conditional sale of Perth Energy to AGL Energy Limited. The agreement is subject to satisfaction of a limited number of conditions precedent, with completion targeted before 30 September 2019.

At completion, Infratil expects to receive cash proceeds of approximately A\$55.0 million for its 80% shareholding, with final proceeds adjusted for normal working capital and net debt adjustments. As at 31 March 2019, Infratil's book value for Perth Energy was NZ\$89.3 million with the result that completion of the sale is currently expected to give rise to a loss on disposal of NZ\$33.0 million. Infratil may receive further sale proceeds of up to A\$14.9 million in cash within three years, contingent on financial outcomes under a material contract and the tax treatment of certain penalty refunds which Perth Energy may become entitled to claim. The sale completion will also release Infratil from its credit support of Perth Energy, which as at 31 March 2019 amounted to A\$64.7 million.

Morrison & Co executive and Perth Energy chairperson, Roger Crawford, said "We are disappointed to realise a loss on sale but pleased with the turnaround in Perth Energy over the last two years, driven by a restructuring of wholesale supply arrangements, the closing out of unprofitable legacy customer contracts, and a revitalised sales team. This sale enables the Perth Energy business to continue to grow under AGL's ownership and allows Infratil to focus its investments on established platforms targeting renewable energy, data and connectivity, aged care, and airports".

Background

Infratil is the 80% shareholder in Perth Energy. Infratil initially invested in Perth Energy in 2007 and announced a strategic review of its investment in October 2018. Perth Energy is Western Australia's leading independent energy retailer, marketing electricity and gas to small and medium size enterprises and commercial and industrial users. The business also owns and operates the 120 MW Kwinana Swift dual fuel peaking power station.

Any enquiries should be directed to:

Mark Flesher, Investor Relations, Infratil Limited

mark.flesher@infratil.com

info@infratil.com