Foundations in place for the next phase

Infratil Investor Day

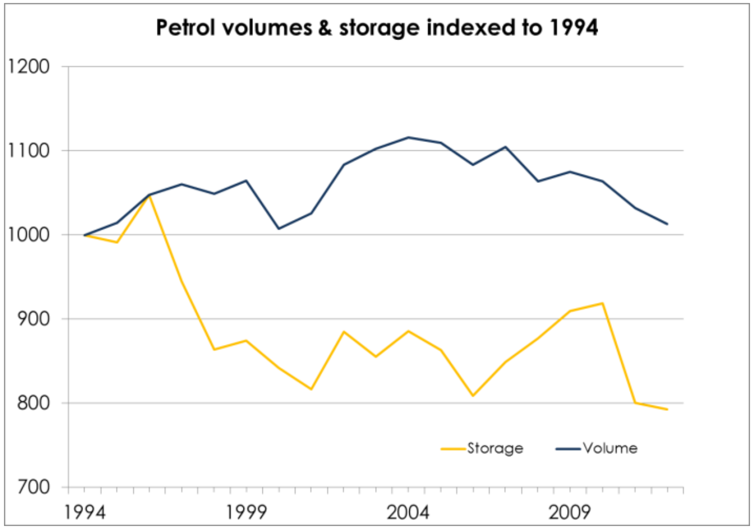
8 March 2013

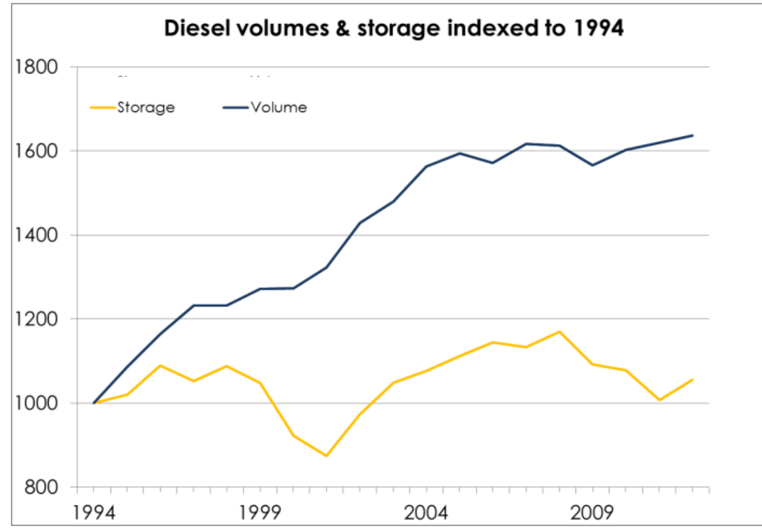
Accomplishments in the past three years

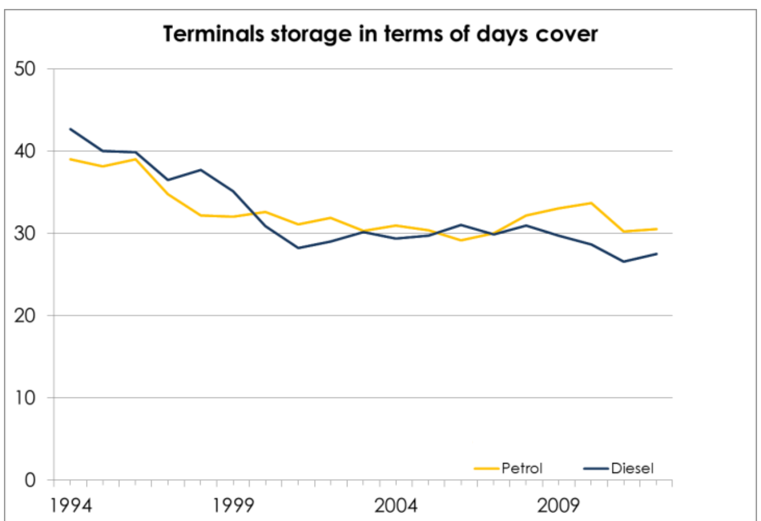
- Transition to stand alone company
- Supply capability yielding benefits
- ERP and customer facing technology upgraded
- Retirement of Shell and the establishment of Z as the most preferred brand
- Capital efficiency through value engineering
- Rollout of new offers and social media
- Staff engagement in ‘best employer’ range

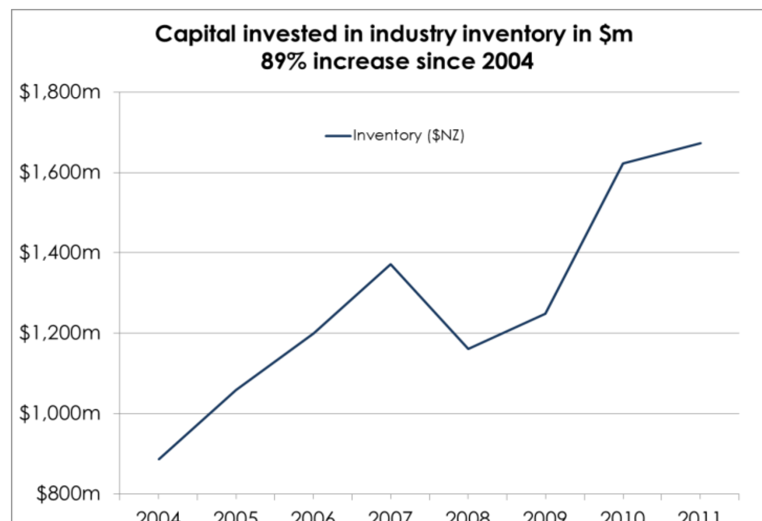
- FY13 guidance intact despite being the most competitive market for over a decade due to material changes within the industry

The drivers for changes to industry structure and related agreements remain









There are still opportunities from a changing industry structure and related agreements

Signs of progress

- Capital recovery charge agreed through Z's bilateral agreements, not fully between all other players nor charges always passed to customers
- More inter company 'sales' rather than strictly borrow and loan transactions
- Backloads for import ships to relieve coastal shipping constraints
- RNZ's competitiveness will be improved through Te Mahi Hou (CCR project)

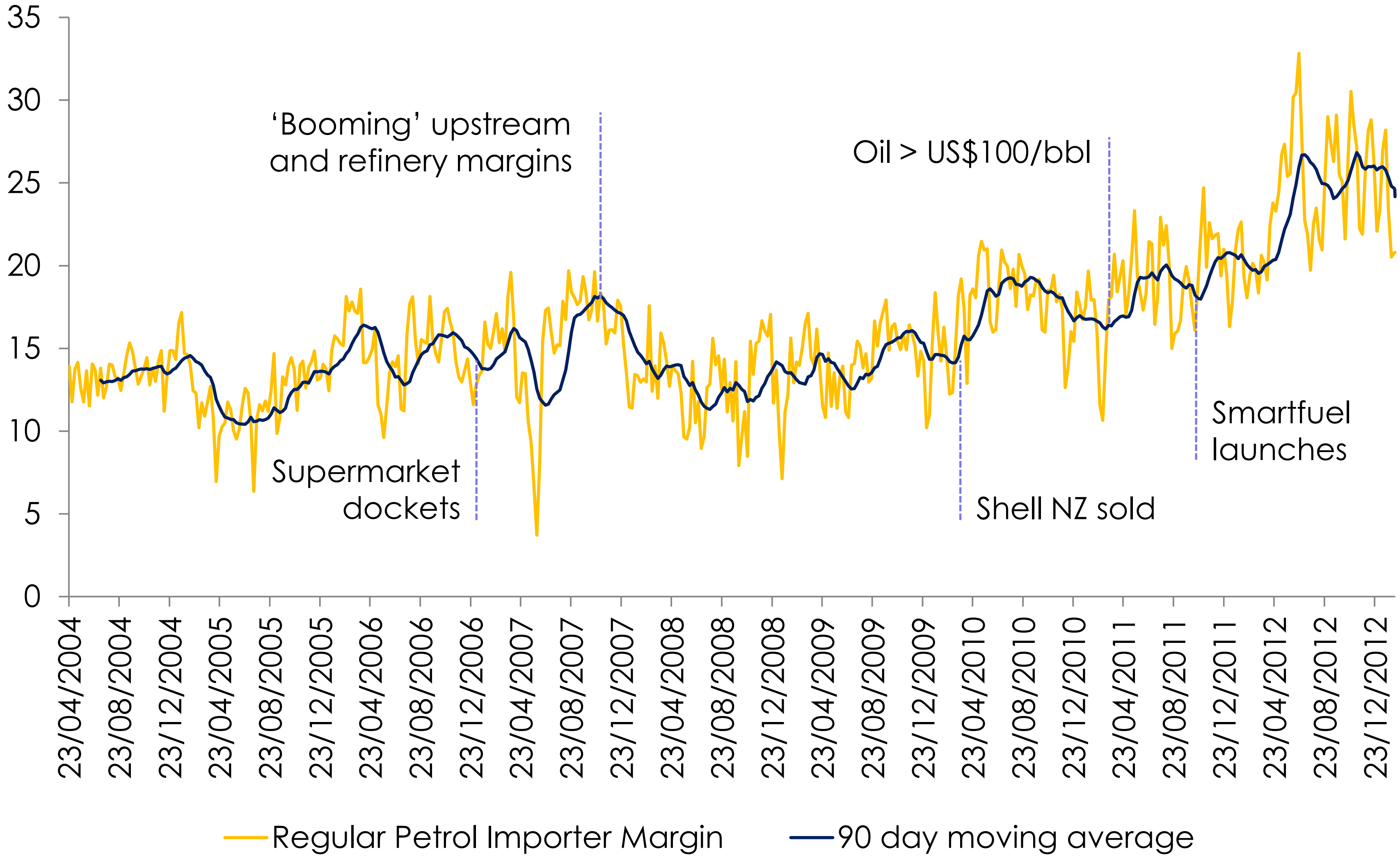
Future Opportunities

- Crude purchasing and processing with another major, or across the industry in conjunction with Refining NZ
- 40ml of new storage for Z to reduce import freight costs and increase resilience
- Kakariki (coastal vessel) replacement decision for November 2014

Brand and customer service metrics

	Current Ranking	Jan 2013	June 2012	Nov 2011
Behavioural preference	#1	21%	15%	2%
Unprompted awareness	#2	78%	71%	59%
Attitudinal first choice	#1	30%	22%	9%
Raving fans	#1	31%	25%	18%
Service	#1	49%	43%	37%
Food and coffee	#2	35%	33%	29%

Margin changes in recent years are driven by structural changes rather than reduced competition



Source : MED website and Companies Office

Arguably Z is an effective integration of two companies

Infrastructure

- Four majors
- Assets: RNZ shareholding, crude working capital, coastal ships, terminals, JV agreements
- ~30% of gross margins and 35-40% of EBITDAF
- Capital employed of ~$400m

- Notable difference to CTX.AU – RNZ top in most Solomon rankings within ANZ geography; lower refinery exposure for margin and capex

Marketing

- Four majors plus six other brands
- Assets: products working capital, freehold property, leases, plant and equipment
- ~70% of gross margins and 60-65% of EBITDAF
- Capital employed of ~$700m

- Notable difference to CTX.AU – lower portfolio earnings from Marketing; lower demand growth; growing unit fuel gross margin; lower proportional earnings and growth from non fuel income

Z is disciplined and rigorous in its management of strategy and growth options

Board approved the current Strategy program in November 2010

- Focus on optimising acquired assets for the first three years
- Drive towards preferred industry structure and competitor landscape
- Lay down options for future growth
- Be available for inorganic acquisitions

Working towards approval for Strategy 2.0 in August 2013

- Consideration for inorganic and beyond the core options, e.g. adjacent markets or leveraging an existing capability
- Leverage options created in 1.0 especially competitor positioning, e.g. infrastructure gaps, capex light, risks in dealer channel
- Continue to be available should one of the majors exit

There are three pathways to growth

Internal growth

- Crude and product procurement, coupled with working capital management
- Optimise commercial portfolio
- Investment in 40ml of tankage at Mt Maunganui and Lyttelton
- Have scale rewarded through ‘commercial’ industry agreements

Competitive growth

- Available and capable should another major exit, in whole or in part
- Sensibly outspend on new to industry assets given competitors’ limitations

Market growth

- First mover in alternatives to fossil fuels for transport use
- Services and mobile apps, e.g. FuelWise
- Leverage 60 million footfalls – NZ’s third largest Retail transaction count

Z's intended positioning

- An essential infrastructure industry supplying a large part of New Zealand's liquid fuel requirements
- A market leader with scale and a tightly integrated operating model, who is prepared to invest
- An experienced management team with a track record of managing change and delivering growth
- There are further growth opportunities, enhanced by Z being differentiated through its Kiwi branding

Z's most likely positioning

Key Selling Point	Supported by
An essential infrastructure industry supplying a large part of New Zealand's liquid fuel requirements	✓ Industry supply underpins household and business activity across most aspects of NZ's physical economy ✓ Jointly controlled supply infrastructure provides a key strategic advantage to established industry participants ✓ Long history of stable returns through oil price and economic cycles ✓ Unique asset with no comparable NZX exposure
A market leader with scale and a tightly integrated operating model, who is prepared to invest	✓ #1 or #2 market position in all seven products ✓ Competitive cost position based on strong focus on asset efficiency and network optimisation ✓ Unique operating model that drives growth and delivers excellent customer service
An experienced management team with a track record of managing change and delivering growth	✓ Delivered post-Shell transition and major rebrand project on time and on budget ✓ Clear strategic direction focused on being integrated, safe, flexible and fast ✓ A strong industry voice within the downstream fuels sector
There are further growth opportunities, enhanced by Z being differentiated through its Kiwi branding	✓ Significant latent potential within market leading brand preference and customer loyalty position ✓ Ability to meet a broader range of customer needs through existing channels ✓ A willingness to invest to grow returns through a differentiated market position, whereas competition is capital constrained ✓ Continued supply chain optimisation opportunities