



**5 July 2013**

## **Z Energy Guidance Announcement**

### **Listing Rule 10.1**

Information is now available that allows the following guidance to be given for Z Energy in respect of the period 1 April 2013 to 31 March 2014.

During this period Z Energy expects:

- Operating EBITDA of \$195 - 215 million measured on a current cost basis (compared with current cost operating EBITDAF of \$195 million reported for the year ended 31 March 2013).<sup>1</sup>
- Net borrowings of approximately \$295 million as at 31 March 2014, based on average working capital balances. It should be noted that working capital is highly variable and influenced by, among other things, the timing of crude and product shipments across balance dates.
- Capital expenditure of \$95 - 100 million (compared to the guidance of \$90 – 100 million given by Infratil on 14 May 2013).
- Ordinary dividends of \$80 - 90 million for the current financial year, reflecting the expected ongoing dividend policy of approximately 80% of current cost NPAT (subject to adjusting for significant non-cash items and directors' discretion).

The above guidance takes into account payment of a special dividend to existing shareholders of \$50m on 25 June 2013, and assumes that Z Energy will hold the 17.14% stake in The New Zealand Refining Company Limited from August 2013.

Infratil confirms there is no change to its own full year EBITDAF<sup>2</sup> guidance announced on 14 May 2013.

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<sup>1</sup> Operating EBITDA and operating EBITDAF measured on a current cost basis are non-GAAP earnings measures used by Z Energy management and capital providers. It shows earnings before financing costs and tax, and non-cash items such as depreciation, amortisation, equity accounted earnings from Refining NZ, and in the case of EBITDAF, fair value adjustments to financial instruments. Current cost earnings measures adjust cost of sales as if inputs had been procured at time of sale. See Appendix II of our Results Presentation of 14 May 2013 for further information, which is available at:

[http://infratil.com/assets/Uploads/PDF/ift\\_fy13results\\_presentation\\_14052013.pdf](http://infratil.com/assets/Uploads/PDF/ift_fy13results_presentation_14052013.pdf)

<sup>2</sup> EBITDAF is a non-GAAP earnings measure which shows earnings before financing costs and tax, and non-cash items such as depreciation, amortisation and fair value adjustments. See of Appendix I of our Results Presentation of 14 May 2013 for further information