



FOR IMMEDIATE RELEASE
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SALE OF UFF HOLDINGS LIMITED GOES UNCONDITIONAL

The sale of UFF Holdings Limited (UFFH), the holding company for Hamilton-based fibre business Ultrafast Fibre Limited, to First State Investments (FSI) is now unconditional.

Electricity distributors WEL Networks Limited (WEL) and Waipa Networks Limited (Waipa) announced their decision to sell their shares in UFFH in May, subject to regulatory approvals which have now been confirmed.

First State Investments (FSI) agreed to purchase WEL Networks' 85% majority shareholding and Waipa Networks' 15% shareholding in UFFH for \$854 million, subject to completion adjustments, of which a consideration of \$200 million payable to WEL is deferred for 18 months from completion. The \$200 million deferred payment is supported by obligations enforceable against the Purchaser.

WEL Group Chairman Rob Campbell says: "The UFF sale enables WEL Networks to strengthen the core electricity business balance sheet, allowing us to pursue new opportunities and invest in innovative energy solutions in accordance with our business strategy. The investment in fibre has both delivered valuable infrastructure to our communities and proved a very successful investment for WEL."

WEL Energy Trust Chairman Mike West says while ownership of the region's fibre network is changing, the asset will always remain for the benefit of the wider community.

"A decade ago, with the full support of WEL Energy Trust, WEL undertook a bold investment in UFF with a vision of providing a fibre network to benefit our region. This was a 100% debt funded venture. To find ways to reduce the risk associated with this debt a capital structure review was commenced by the Company in early 2019 and this culminated in the sale of UFF. WEL Energy Trust is pleased this will enable WEL Networks to focus on its core business and continue to provide a robust and reliable electricity network well into the future, benefiting us all."

WEL Networks will continue working with FSI to ensure a smooth transition and will confirm once the transaction has been completed.

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About First State Investments

First State Investments (known as First Sentier Investors in Australia) manages A\$228.5 billion in assets (as at 31 December 2019) on behalf of institutional investors, pension funds, wholesale distributors, investment platforms, financial advisers and their clients worldwide. The firm operates as a standalone global investment management business with offices across Europe, the Americas, and Asia Pacific. FSI's expertise spans a range of asset classes and specialist investment sectors, and is focused on delivering sustainable investment success based on responsible investment principles.

FSI is a leading manager of infrastructure investments with A\$13 billion in unlisted infrastructure equity investments and has been actively investing in long life infrastructure businesses since 1994. FSI is an experienced owner of transport and utility businesses across the U.S., Australia, New Zealand, UK and Europe. In New Zealand, FSI's interests include First Gas, acquired from Vector in 2016, and Quantem Bulk Liquid Storage & Handling, which operates across both sides of the Tasman.

FSI's infrastructure team take significant stakes in companies, often 100 percent ownership, ensuring effective engagement and partnership with the company's management team. As long-term investors, this hands-on governance and oversight allows the team to both mitigate risk and enhance potential risk-adjusted returns. It also enables the team to provide strategic input on ESG issues, business strategy, operational and capital expenditure, capital structure and all other key drivers of value.

About WEL Networks

Hamilton-based WEL Networks is the fifth-largest electricity distributor in New Zealand. We've been serving the Waikato region for over 100 years, distributing power from the national grid, connecting over 90,000 households and businesses to our network.

About UFF

The UFF network currently represents just under 14% of the entire national UFB network, operating a 3,500km fibre network across Hamilton, Tauranga, New Plymouth and Whanganui. The Company is owned by UFF Holdings Limited – a partnership between neighbouring utility companies WEL Networks (85%) and Waipa Networks (15%). UFF completed the first phase of the Government's UFB rollout programme (UFB1) in 2015, and completed the second phase, UFB2 and UFB2+, to 27 new towns at the end of 2019.