



New Zealand Social Infrastructure Fund Limited
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11 May 2012

Dear Shareholder

New Zealand Social Infrastructure Fund Capital Return

Further to our shareholder update 23 April 2012 where we indicated the likelihood of a partial return of capital from the Melbourne Convention & Exhibition Centre investment was occurring, the capital payment has now been received.

We are pleased to confirm that a **capital return of 2.768 cents per share will be paid to shareholders on 11 May 2012**. The record date was 9 May 2012. This is a non-taxable capital return achieved by way of redemption of preference shares. Payment will be made to your nominated bank account.

A distribution advice accompanies this letter.

Specifically, the capital return results from the repayment of loans originally made by the Public Infrastructure Partners Fund (PIP Fund) relating to the investment in the Melbourne Convention & Exhibition Centre (MCEC), now repaid from the successful refinancing of the subordinated debt as a result of Caisse de Dépôt et Placement du Québec ("Caisse" a leading Canadian Fund Manager) becoming a shareholder in the MCEC. The MCEC ownership structure is now 50% PIP Fund; 30% Plenary; and 20% Caisse.

The PIP Fund is repaying the capital return in two tranches with \$1,134,906 available now for distribution; we also expect a subsequent capital payment of up to \$230,000 to be paid in June 2012, although this amount is subject to finalising any Australian non-resident withholding tax.

We will look to pass through the second portion of the capital repayment along with the expected dividend payment in July.

NZSIF shares* are currently paid to 30 cents. The shares were issued at \$1 per share, with 10 cents per share paid on application. There has been one call of 20 cents per share. (*comprising 1 ordinary voting share and 100 non-voting redeemable preference shares).

If you have any queries regarding your investment in NZSIF, please discuss with your Investment Adviser or you may call Peter Lalor at NZSIF Management on 07 577 4727.

Yours faithfully

New Zealand Social Infrastructure Fund Limited

A handwritten signature in black ink, appearing to be 'Kim Ellis', written over a vertical line.

Kim Ellis
Chairman