

Infratil Interim Financial Statements

For the 6 months ended
30 September 2020

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Consolidated Statement of Comprehensive Income

	Notes	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
Operating revenue	7	578.2	701.3	1,281.3
Dividends		-	0.5	0.6
Total revenue		578.2	701.8	1,281.9
Share of earnings of associate companies	5	83.8	100.6	86.8
Total income		662.0	802.4	1,368.7
Depreciation		51.6	70.1	136.4
Amortisation of intangibles		5.6	5.1	11.1
Employee benefits		50.0	50.5	99.1
Other operating expenses	8	449.8	448.0	929.4
Total operating expenditure		557.0	573.7	1,176.0
Operating surplus before financing, derivatives, realisations and impairments		105.0	228.7	192.7
Net gain/(loss) on foreign exchange and derivatives		15.3	(16.4)	6.2
Net realisations, revaluations and impairments		13.7	(0.8)	510.7
Interest income		3.1	6.2	10.7
Interest expense		75.2	91.8	197.1
Net financing expense		72.1	85.6	186.4
Net surplus before taxation		61.9	125.9	523.2
Taxation expense	9	4.9	46.1	14.4
Net surplus for the period from continuing operations		57.0	79.8	508.8
Net surplus/(loss) from discontinued operations after tax		-	8.3	(24.6)
Net surplus for the period		57.0	88.1	484.2
Net surplus/(loss) attributable to owners of the Company		27.8	56.4	241.2
Net surplus attributable to non-controlling interest		29.2	31.7	243.0
Other comprehensive income, after tax				
Items that will not be reclassified to profit and loss:				
Net change in fair value of property, plant & equipment recognised in equity		(1.7)	89.2	63.3
Share of associates other comprehensive income		28.9	(9.8)	(21.3)
Net change in fair value of equity investments at fair value through other comprehensive income		0.7	(1.3)	(0.5)
Ineffective portion of hedges taken to profit and loss		-	-	-
Fair value movements in relation to the executive share scheme		-	(0.9)	5.1
Income tax effect of the above items		0.2	(18.4)	(22.8)
Items that may subsequently be reclassified to profit and loss:				
Differences arising on translation of foreign operations		67.5	38.9	(17.8)
Realisations on disposal of subsidiary, reclassified to profit and loss		-	(22.5)	(22.5)
Effective portion of changes in fair value of cash flow hedges		43.2	(58.3)	(75.0)
Income tax effect of the above items		(5.5)	20.5	20.8
Total other comprehensive income/(loss) after tax		133.3	37.4	(70.7)
Total comprehensive income/(loss) for the period		190.3	125.5	413.5
Total comprehensive income for the period attributable to owners of the Company		159.1	112.7	207.9
Total comprehensive income for the period attributable to non-controlling interests		31.2	12.8	205.6
Earnings per share				
Basic and diluted (cents per share) from continuing operations		4.0	8.1	41.5
Basic and diluted (cents per share)		4.0	9.5	37.6

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

	Notes	30 September 2020 \$Millions Unaudited	30 September 2019 \$Millions Unaudited	31 March 2020 \$Millions Audited
Cash and cash equivalents		435.2	362.6	730.3
Trade and other accounts receivable and prepayments		222.7	275.2	174.8
Derivative financial instruments		31.9	17.5	18.9
Income tax receivable		22.6	4.9	9.3
Assets held for sale		34.8	0.5	-
Current assets		747.2	660.7	933.3
Trade and other accounts receivable and prepayments		14.4	26.8	18.7
Property, plant and equipment		4,271.7	4,306.4	3,958.2
Investment properties		260.1	248.9	266.7
Right of use assets		171.8	83.7	161.2
Derivative financial instruments		163.7	153.1	65.5
Intangible assets		34.6	35.0	35.1
Goodwill		113.1	113.1	113.1
Investments in associates	5	2,082.7	2,058.1	1,961.9
Other investments	6	78.2	83.1	71.4
Non-current assets		7,190.3	7,108.2	6,651.8
Total assets		7,937.5	7,768.9	7,585.1
Accounts payable, accruals and other liabilities		200.7	227.4	227.3
Interest bearing loans and borrowings	10	86.3	430.2	134.7
Lease liabilities		24.2	13.2	21.8
Derivative financial instruments		22.8	30.7	8.0
Income tax payable		-	0.2	4.6
Infrastructure bonds	11	93.7	149.0	-
Trustpower bonds		-	-	-
Wellington International Airport bonds		75.0	25.0	25.0
Current liabilities		502.7	875.7	421.4
Interest bearing loans and borrowings	10	826.4	831.6	835.0
Other liabilities		83.3	2.8	86.5
Lease liabilities		235.3	152.0	225.1
Deferred tax liability		307.7	463.4	314.6
Derivative financial instruments		199.5	151.0	121.3
Infrastructure bonds	11	968.6	1,012.9	1,061.3
Perpetual Infratil Infrastructure bonds	11	231.9	231.7	231.9
Trustpower bonds		432.5	431.8	432.2
Wellington International Airport bonds and senior notes		526.7	489.1	515.9
Non-current liabilities		3,811.9	3,766.3	3,823.8
Attributable to owners of the Company		2,513.0	2,078.4	2,132.2
Non-controlling interest in subsidiaries		1,109.9	1,048.5	1,207.7
Total equity		3,622.9	3,126.9	3,339.9
Total equity and liabilities		7,937.5	7,768.9	7,585.1
Net tangible assets per share (\$ per share)		3.27	2.93	3.01

Approved on behalf of the Board on 11 November 2020



Alison Gerry
Director



Mark Tume
Director

Consolidated Statement of Cash Flows

	Notes	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
Cash flows from operating activities				
<i>Cash was provided from:</i>				
Receipts from customers		551.6	933.6	1,495.0
Distributions received from associates		16.7	22.8	75.2
Other dividends		-	0.5	0.6
Interest received		4.3	6.3	10.8
		572.6	963.2	1,581.6
<i>Cash was disbursed to:</i>				
Payments to suppliers and employees		(495.5)	(767.0)	(1,253.3)
Interest paid		(77.5)	(89.9)	(177.5)
Taxation paid		(43.9)	(38.3)	(50.8)
		(616.9)	(895.2)	(1,481.6)
Net cash inflow/(outflow) from operating activities	13	(44.3)	68.0	100.0
Cash flows from investing activities				
<i>Cash was provided from:</i>				
Proceeds from sale of associates		-	169.7	169.7
Capital returned from associates		44.6	3.6	4.4
Proceeds from sale of subsidiaries (net of cash sold)		-	138.3	593.3
Proceeds from sale of property, plant and equipment		-	-	19.4
Proceeds from sale of investments		-	4.5	19.7
Return of security deposits		78.3	7.7	14.4
		122.9	323.8	820.9
<i>Cash was disbursed to:</i>				
Purchase of investments		(16.5)	(1,097.3)	(1,136.9)
Lodgement of security deposits		(109.0)	-	(5.5)
Purchase of intangible assets		(5.1)	(6.7)	(12.9)
Interest capitalised on construction of fixed assets		0.2	-	(4.4)
Purchase of shares in subsidiaries		-	-	(5.2)
Purchase of investment properties		(13.9)	-	(22.9)
Purchase of property, plant and equipment		(341.8)	(216.5)	(463.3)
		(486.5)	(1,320.5)	(1,651.1)
Net cash inflow/(outflow) from investing activities		(363.6)	(996.7)	(830.2)
Cash flows from financing activities				
<i>Cash was provided from:</i>				
Proceeds from issue of shares		294.2	393.4	396.8
Bank borrowings		404.7	615.5	1,436.2
Issue of bonds		100.0	493.4	544.5
		798.9	1,502.3	2,377.5
<i>Cash was disbursed to:</i>				
Repayment of bank debt		(476.8)	(365.5)	(824.4)
Repayment of lease liabilities		(7.5)	2.3	(12.1)
Loan establishment costs		(3.1)	(8.5)	(10.1)
Repayment of bonds		(25.0)	(139.2)	(288.2)
Bond issue expenses		(1.3)	(4.9)	(6.0)
Share buyback		-	-	(3.7)
Capital return to non-controlling shareholders in subsidiary companies		(94.0)	-	-
Dividends paid to non-controlling shareholders in subsidiary companies		(37.4)	(64.0)	(92.3)
Dividends paid to owners of the Company	3	(72.5)	(72.5)	(113.7)
		(717.6)	(652.3)	(1,350.5)
Net cash inflow/(outflow) from financing activities		81.3	850.0	1,027.0
Net increase/(decrease) in cash and cash equivalents		(326.6)	(78.7)	296.8
Foreign exchange gains/(losses) on cash and cash equivalents		31.5	(2.6)	(10.4)
Cash and cash equivalents at beginning of the period		730.3	414.3	414.3
Adjustment for cash classified as assets held for sale		-	29.6	29.6
Cash and cash equivalents at end of the period		435.2	362.6	730.3

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

Attributable to equity holders of the Company – Unaudited

	Capital \$Millions	Revaluation reserve \$Millions	Foreign currency translation reserve \$Millions	Other reserves \$Millions	Retained earnings \$Millions	Total \$Millions	Non- controlling \$Millions	Total equity \$Millions
Balance as at 1 April 2020	754.9	655.1	(71.8)	(108.4)	902.4	2,132.2	1,207.7	3,339.9
Total comprehensive income for the period								
Net surplus for the period	-	-	-	-	27.8	27.8	29.2	57.0
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	79.9	-	-	79.9	(12.3)	67.6
Transfers to profit and loss on disposal of subsidiaries	-	-	-	-	-	-	-	-
Net change in fair value of equity investments at FVOCI	-	-	-	0.7	-	0.7	-	0.7
Realisations on disposal of equity investments at FVOCI	-	-	-	-	-	-	-	-
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	22.8	-	22.8	14.8	37.6
Fair value movements in relation to the executive share scheme	-	-	-	-	-	-	-	-
Fair value change of property, plant & equipment recognised in equity	-	(1.0)	-	-	-	(1.0)	(0.5)	(1.5)
Share of associates other comprehensive income	-	-	-	28.9	-	28.9	-	28.9
Total other comprehensive income	-	(1.0)	79.9	52.4	-	131.3	2.0	133.3
Total comprehensive income for the period	-	(1.0)	79.9	52.4	27.8	159.1	31.2	190.3
Contributions by and distributions to non-controlling interest								
Issue/(acquisition) of shares held by outside equity interest	-	-	-	-	-	-	(91.6)	(91.6)
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	(91.6)	(91.6)
Contributions by and distributions to owners								
Shares issued	294.2	-	-	-	-	294.2	-	294.2
Share buyback	-	-	-	-	-	-	-	-
Shares issued under dividend reinvestment plan	-	-	-	-	-	-	-	-
Conversion of executive redeemable shares	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(72.5)	(72.5)	(37.4)	(109.9)
Total contributions by and distributions to owners	294.2	-	-	-	(72.5)	221.7	(37.4)	184.3
Balance as at 30 September 2020	1,049.1	654.1	8.1	(56.0)	857.7	2,513.0	1,109.9	3,622.9

Consolidated Statement of Changes in Equity

Attributable to equity holders of the Company – Unaudited

	Capital \$Millions	Revaluation reserve \$Millions	Foreign currency translation reserve \$Millions	Other reserves \$Millions	Retained earnings \$Millions	Total \$Millions	Non- controlling \$Millions	Total equity \$Millions
Balance as at 1 April 2019	361.8	685.0	(65.4)	(50.4)	715.0	1,646.0	1,098.5	2,744.5
Total comprehensive income for the period								
Net surplus for the period	-	-	-	-	56.4	56.4	31.7	88.1
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	47.1	-	-	47.1	(3.9)	43.2
Transfers to profit and loss on disposal of subsidiaries	-	(21.5)	16.3	0.4	-	(4.8)	(17.7)	(22.5)
Net change in fair value of equity investments at FVOCI	-	-	-	(1.3)	-	(1.3)	-	(1.3)
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	(29.7)	-	(29.7)	(12.4)	(42.1)
Fair value movements in relation to the executive share scheme	-	-	-	(0.9)	-	(0.9)	-	(0.9)
Fair value change of property, plant & equipment recognised in equity	-	28.5	-	-	27.2	55.7	15.1	70.8
Share of associates other comprehensive income	-	-	-	(9.8)	-	(9.8)	-	(9.8)
Total other comprehensive income	-	7.0	63.4	(41.3)	27.2	56.3	(18.9)	37.4
Total comprehensive income for the period	-	7.0	63.4	(41.3)	83.6	112.7	12.8	125.5
Contributions by and distributions to non-controlling interest								
Issue/(acquisition) of shares held by outside equity interest	-	-	-	-	-	-	1.2	1.2
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	1.2	1.2
Contributions by and distributions to owners								
Shares issued	391.3	-	-	-	-	391.3	-	391.3
Share buyback	-	-	-	-	-	-	-	-
Shares issued under dividend reinvestment plan	-	-	-	-	-	-	-	-
Conversion of executive redeemable shares	0.9	-	-	-	-	0.9	-	0.9
Dividends to equity holders	-	-	-	-	(72.5)	(72.5)	(64.0)	(136.5)
Total contributions by and distributions to owners	392.2	-	-	-	(72.5)	319.7	(64.0)	255.7
Balance as at 30 September 2019	754.0	692.0	(2.0)	(91.7)	726.1	2,078.4	1,048.5	3,126.9

Consolidated Statement of Changes in Equity

Attributable to equity holders of the Company – Audited

	Capital \$Millions	Revaluation reserve \$Millions	Foreign currency translation reserve \$Millions	Other reserves \$Millions	Retained earnings \$Millions	Total \$Millions	Non- controlling \$Millions	Total equity \$Millions
Balance as at 1 April 2019	361.8	685.0	(65.4)	(50.4)	715.0	1,646.0	1,098.5	2,744.5
Total comprehensive income for the year								
Net surplus for the year	-	-	-	-	241.2	241.2	243.0	484.2
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	(22.7)	-	-	(22.7)	5.2	(17.5)
Transfers to profit and loss on disposal of subsidiaries	-	(21.5)	16.3	0.4	-	(4.8)	(17.7)	(22.5)
Net change in fair value of equity investments at FVOCI	-	-	-	(1.0)	-	(1.0)	-	(1.0)
Realisations on disposal of equity investments at FVOCI	-	-	-	(2.5)	2.5	-	-	-
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	(32.7)	-	(32.7)	(21.3)	(54.0)
Fair value movements in relation to the executive share scheme	-	-	-	(0.9)	-	(0.9)	-	(0.9)
Fair value change of property, plant & equipment recognised in equity	-	22.9	-	-	27.2	50.1	(3.6)	46.5
Share of associates other comprehensive income	-	-	-	(21.3)	-	(21.3)	-	(21.3)
Total other comprehensive income	-	1.4	(6.4)	(58.0)	29.7	(33.3)	(37.4)	(70.7)
Total comprehensive income for the year	-	1.4	(6.4)	(58.0)	270.9	207.9	205.6	413.5
Contributions by and distributions to non-controlling interest								
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	-	-	-	-
Issue of shares to non-controlling interests	-	-	-	-	-	-	1.7	1.7
Issue/(acquisition) of shares held by outside equity interest	-	-	-	-	-	-	(5.2)	(5.2)
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	(3.5)	(3.5)
Disposal of Snowtown 2	-	(31.3)	-	-	30.2	(1.1)	(0.6)	(1.7)
Contributions by and distributions to owners								
Shares issued	390.9	-	-	-	-	390.9	-	390.9
Share buyback	(3.7)	-	-	-	-	(3.7)	-	(3.7)
Shares issued under dividend reinvestment plan	5.0	-	-	-	-	5.0	-	5.0
Conversion of executive redeemable shares	0.9	-	-	-	-	0.9	-	0.9
Dividends to equity holders	-	-	-	-	(113.7)	(113.7)	(92.3)	(206.0)
Total contributions by and distributions to	393.1	-	-	-	(113.7)	279.4	(92.3)	187.1
Balance at 31 March 2020	754.9	655.1	(71.8)	(108.4)	902.4	2,132.2	1,207.7	3,339.9

Notes to the Financial Statements

1 Accounting policies

Reporting Entity

Infratil Limited ('the Company') is a company domiciled in New Zealand and registered under the Companies Act 1993. The Company is listed on the NZX Main Board ('NZX') and Australian Securities Exchange ('ASX'), and is an FMC Reporting Entity in terms of Part 7 of the Financial Markets Conduct Act 2013.

Basis of preparation

These unaudited condensed consolidated half year financial statements ('half year statements') of Infratil Limited together with its subsidiaries and associates ('the Group') have been prepared in accordance with NZ IAS 34 Interim Financial Reporting and comply with IAS 34 Interim Financial Reporting. These half year statements have been prepared in accordance with the accounting policies stated in the published financial statements for the year ended 31 March 2020 and should be read in conjunction with the previous annual report. No changes have been made from the accounting policies used in the 31 March 2020 annual report which can be obtained from Infratil's registered office or www.infratil.com. The presentation currency used in the preparation of these financial statements is New Zealand dollars, which is also the Company's functional currency. Comparative figures have been restated where appropriate to ensure consistency with the current period.

COVID-19 pandemic

The Group's financial statements for the year ended 31 March 2020 included a summary of the primary impacts of COVID-19 on the Group's consolidated balance sheet at 31 March 2020. An updated assessment as at 30 September 2020 is outlined below.

Investments (including associates)

The potential impact of COVID-19 was considered by RetireAustralia as part of the estimation of the fair value of their investment properties and resident obligations at 31 March 2020. RetireAustralia have reviewed the key valuation assumptions at 30 September 2020 and did not identify any circumstances that suggest a material change to any of these assumptions is warranted. The valuation of RetireAustralia's investment properties and resident obligations increased in the six months ended 30 September 2020, primarily reflecting capital expenditure during the period and the roll forward of the valuation. RetireAustralia did not call upon the A\$20 million in shareholder support arrangements during the period ended 30 September 2020 (Infratil share: A\$10 million).

Vodafone New Zealand recorded an increase in its expected credit loss allowance for trade receivables at 31 March 2020 due to an expectation of a deteriorating economic outlook in New Zealand as a result of COVID-19. Vodafone has not observed any material adverse impact on cash collections to date at 30 September 2020 and the expected credit loss provision remains broadly in line with 31 March 2020.

Property, Plant and Equipment & Investment properties

COVID-19 has had a significant impact on the aviation industry and on Wellington International Airport's ('WIAL') business. The longer-term effects of COVID-19 on WIAL's business remain uncertain and the impacts of the pandemic continue to evolve.

As at 30 September 2020, WIAL has made an assessment of whether the carrying amounts of property, plant and equipment and investment properties differed materially from fair value. This assessment is based on the latest available information at the time of preparation of these financial statements and includes passenger and cashflow forecasts.

WIAL has forecast a significant reduction in passengers for the year ending 31 March 2021 and a slow recovery back to pre-COVID-19 levels occurring in financial year ending 31 March 2023. These forecasts are arrived at by reference to various data sources including airlines, the International Air Transport Association and travel and tourism bodies.

WIAL's estimates of passengers, recovery and growth rates remain uncertain and are dependent on a number of factors. This includes any potential future restrictions on travel, for example as a result of further COVID-19 outbreak or changing of alert levels, border controls for international travel, public demand and behaviour with respect to travel and airline scheduling. Material changes in any of these factors might have a material impact on the WIAL's estimates of income and cashflows used in fair value assessments as at 30 September 2020. In addition, the longer-term effects of COVID-19 on WIAL's business remain uncertain and the potential impacts of the pandemic continue to evolve.

WIAL did not draw upon its \$75.8 million shareholder support arrangement during the period ended 30 September 2020 (Infratil share: \$50.5 million). An update on WIAL's financing arrangements during the period is also provided in Note 10.

Trade and other accounts receivable and prepayments

Trustpower and Wellington International Airport increased their expected credit loss allowance for trade receivables at 31 March 2020, in part due to the expectation of a deteriorating economic outlook in New Zealand as a result of COVID-19. Neither Trustpower nor Wellington International Airport have materially altered their expected credit loss allowance at 30 September 2020.

Generation Asset Valuation

Since the previous valuation of generation assets by Trustpower and Tilt Renewables at 31 March 2020, New Zealand Aluminium Smelters ('NZAS') has announced its intention to close its aluminium smelter at Tiwai Point. Electricity future pricing reflects an expectation this will be a staged exit. The Electricity Authority has also announced its final Transmission Pricing Guidelines which would end Trustpower's avoided cost of transmission ('ACOT') revenue from 1 April 2024. Trustpower and Tilt Renewables have assessed the carrying value of their respective New Zealand generation assets in light of these developments and concluded that the valuation remains within a reasonable fair value range.

2 Nature of business

The Group owns and operates infrastructure businesses and investments in New Zealand, Australia, the United States and Europe. The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 5 Market Lane, Wellington, New Zealand.

More information on the individual businesses is contained in Note 4 (Operating segments) and Note 5 (Investments in associates) including the relative contributions to total revenue and expenses of the Group.

The Group's business is not highly seasonal, but individual businesses are subject to seasonality due to differences in demand for certain services. The seasonality does not result in material differences in the interim and full year reporting.

3 Infratil shares and dividends

	6 months ended 30 September 2020 Unaudited	6 months ended 30 September 2019 Unaudited	Year ended 31 March 2020 Audited
Ordinary shares (fully paid)			
Total authorised and issued capital shares at the beginning of the period	659,678,837	559,278,166	559,278,166
<i>Movements during the period:</i>			
New shares issued	63,273,696	99,992,228	99,992,228
New shares issued under dividend reinvestment plan	-	-	1,030,793
Conversion of executive redeemable shares	-	265,267	265,267
Share buyback	-	-	(887,617)
Total authorised and issued capital shares at the end of the period	722,952,533	659,535,661	659,678,837

During the period the Company issued new shares to provide additional balance sheet flexibility and to fund growth investments across Infratil's existing portfolio companies as well as providing the opportunity to take advantage of any new investment opportunities that may arise. In total net proceeds after issue costs of \$294.2 million were raised via an institutional placement and share purchase plan for existing shareholders. During the comparative period the Company issued new shares to support the acquisition of a 49.9% share of Vodafone New Zealand Limited, raising net proceeds after issue costs of \$390.9 million via an institutional placement and an entitlement offer to existing shareholders. All fully paid ordinary shares have equal voting rights and share equally in dividends and equity. At 30 September 2020 the Group held 1,662,617 shares as Treasury Stock (30 September 2019: 775,000, 31 March 2020: 1,662,617).

	6 months ended 30 September 2020 cps Unaudited	6 months ended 30 September 2019 cps Unaudited	Year ended 31 March 2020 cps Audited	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
Dividends paid on ordinary shares						
Final dividend prior year	11.00	11.00	11.00	72.5	72.5	72.5
Interim dividend paid current year	-	-	6.25	-	-	41.2
Dividends paid on ordinary shares	11.00	11.00	17.25	72.5	72.5	113.7

4 Operating segments

Reportable segments of the Group are analysed by significant businesses for reporting to the Infratil Chief Executive Officer.

The Group has five reportable segments, as described below (30 September 2019: seven reportable segments, 31 March 2020: seven reportable segments): Trustpower and Tilt Renewables are renewable generation investments and Wellington International Airport is an airport investment. Associates comprises Infratil's investments that are not consolidated for financial reporting purposes including CDC Data Centres, Vodafone New Zealand, RetireAustralia, Longroad Energy and Galileo Green Energy. Further information on these investments is outlined in Note 5. The Group's investments in NZ Bus, Perth Energy, ANU Student Accommodation and Snapper were treated as Discontinued Operations as at 30 September 2019 and 31 March 2020. All other segments and corporate predominately includes the activities of the Parent Company. The group has no significant reliance on any one customer. Inter-segment revenue primarily comprises dividends from Trustpower, subvention income from Wellington International Airport and intercompany transactions between Trustpower and Tilt Renewables.

	Trustpower New Zealand \$Millions Unaudited	Tilt Renewables Australasia \$Millions Unaudited	Wellington International Airport New Zealand \$Millions Unaudited	Associates \$Millions Unaudited	All other segments & corporate New Zealand \$Millions Unaudited	Eliminations & discontinued operations \$Millions Unaudited	Total from continuing operations \$Millions Unaudited
For the period ended 30 September 2020							
Total revenue	506.3	60.0	25.8	-	66.2	-	658.3
Share of earnings of associate companies	-	-	-	83.8	-	-	83.8
Inter-segment revenue	-	-	-	-	(62.3)	(17.8)	(80.1)
Total income	506.3	60.0	25.8	83.8	3.9	(17.8)	662.0
Operating expenses (excluding depreciation and amortisation)	(395.9)	(25.9)	(14.9)	-	(80.9)	17.8	(499.8)
Interest income	0.3	2.3	0.2	-	0.3	-	3.1
Interest expense	(15.4)	(7.8)	(13.1)	-	(38.9)	-	(75.2)
Depreciation and amortisation	(21.9)	(21.8)	(13.5)	-	-	-	(57.2)
Net gain/(loss) on foreign exchange and derivatives	(26.5)	34.4	0.6	-	6.8	-	15.3
Net realisations, revaluations and impairments	-	-	3.9	-	9.8	-	13.7
Taxation expense	(13.3)	(12.5)	8.2	-	12.7	-	(4.9)
Net surplus/(loss) for the year	33.6	28.7	(2.8)	83.8	(86.3)	-	57.0
Net surplus/(loss) attributable to owners of the company	16.9	18.8	(5.4)	83.8	(86.3)	-	27.8
Net surplus/(loss) attributable to non-controlling interests	16.7	9.9	2.6	-	-	-	29.2
Current assets	210.9	377.3	100.5	-	58.5	-	747.2
Non-current assets	1,959.8	1,479.1	1,325.4	2,082.7	343.3	-	7,190.3
Current liabilities	128.4	72.7	127.3	-	174.3	-	502.7
Non-current liabilities	946.3	760.8	713.4	-	1,391.5	-	3,811.9
Net assets	1,096.0	1,022.9	585.2	2,082.7	(1,163.9)	-	3,622.9
Non-controlling interest percentage	49.0%	34.4%	34.0%	-	-	-	-
Capital expenditure and investments	15.6	305.7	11.5	15.8	16.4	-	365.0

4 Operating segments (continued)

	Trustpower New Zealand \$Millions Unaudited	Tilt Renewables Australasia \$Millions Unaudited	Wellington International Airport New Zealand \$Millions Unaudited	NZ Bus New Zealand \$Millions Unaudited	Perth Energy Australia \$Millions Unaudited	Associates \$Millions Unaudited	All other segments & corporate New Zealand \$Millions Unaudited	Eliminations & discontinued operations \$Millions Unaudited	Total from continuing operations \$Millions Unaudited
For the period ended 30 September 2019									
Total revenue	539.4	109.2	72.6	76.1	114.2	-	102.6	(191.9)	822.2
Share of earnings of associate companies	-	-	-	-	-	101.1	-	(0.5)	100.6
Inter-segment revenue	-	-	-	-	-	-	(98.1)	(22.3)	(120.4)
Total income	539.4	109.2	72.6	76.1	114.2	101.1	4.5	(214.7)	802.4
Operating expenses (excluding depreciation and amortisation)	(432.3)	(33.8)	(22.2)	(70.2)	(102.1)	-	(34.8)	196.9	(498.5)
Interest income	0.3	3.6	0.5	-	0.1	-	7.2	(5.5)	6.2
Interest expense	(17.3)	(17.2)	(13.0)	(3.9)	(3.6)	-	(44.3)	7.5	(91.8)
Depreciation and amortisation	(19.8)	(41.8)	(13.4)	(7.1)	(2.6)	-	(0.1)	9.6	(75.2)
Net gain/(loss) on foreign exchange and derivatives	(12.2)	(3.2)	(1.6)	-	-	-	0.8	(0.2)	(16.4)
Net realisations, revaluations and impairments	(2.4)	-	1.9	(32.0)	(26.5)	-	65.5	(7.3)	(0.8)
Taxation expense	(17.1)	(4.2)	(7.2)	1.7	(4.2)	-	(19.4)	4.3	(46.1)
Net surplus/(loss) for the year	38.6	12.6	17.6	(35.4)	(24.7)	101.1	(20.6)	(9.4)	79.8
Net surplus/(loss) attributable to owners of the company	19.4	8.3	9.8	(35.4)	(25.0)	101.1	(20.6)	(9.1)	48.5
Net surplus/(loss) attributable to non- controlling interests	19.2	4.3	7.8	-	0.3	-	-	(0.3)	31.3
Current assets	188.4	358.9	37.7	(5.9)	-	-	81.6	-	660.7
Non-current assets	2,079.3	1,367.3	1,262.8	5.9	-	2,058.1	334.8	-	7,108.2
Current liabilities	121.2	292.7	95.1	-	-	-	366.7	-	875.7
Non-current liabilities	944.7	742.0	638.9	-	-	-	1,440.7	-	3,766.3
Net assets	1,201.8	691.5	566.5	-	-	2,058.1	(1,391.0)	-	3,126.9
Non-controlling interest percentage	49.0%	34.7%	34.0%	-	20.0%	-	-	-	-
Capital expenditure and investments	16.4	123.9	32.0	2.7	0.2	1,104.9	18.2	(3.0)	1,295.3

4 Operating segments (continued)

	Trustpower New Zealand \$Millions Audited	Tilt Renewables Australasia \$Millions Audited	Wellington International Airport New Zealand \$Millions Audited	NZ Bus New Zealand \$Millions Audited	Perth Energy Australia \$Millions Audited	Associates \$Millions Audited	All other segments & corporate New Zealand \$Millions Audited	Eliminations & discontinued operations \$Millions Audited	Total from continuing operations \$Millions Audited
For the year ended 31 March 2020									
Total revenue	990.0	179.2	146.4	76.1	114.2	-	135.1	(191.9)	1,449.1
Share of earnings of associate companies	-	-	-	-	-	87.3	-	(0.5)	86.8
Inter-segment revenue	-	-	-	-	-	-	(125.3)	(41.9)	(167.2)
Total income	990.0	179.2	146.4	76.1	114.2	87.3	9.8	(234.3)	1,368.7
Operating expenses (excluding depreciation and amortisation)	(803.5)	(55.5)	(43.2)	(70.2)	(102.1)	-	(170.5)	216.5	(1,028.5)
Interest income	0.6	7.6	0.7	-	0.1	-	7.3	(5.6)	10.7
Interest expense	(32.4)	(49.0)	(25.5)	(3.9)	(3.6)	-	(90.2)	7.5	(197.1)
Depreciation and amortisation	(42.5)	(76.3)	(28.4)	(7.1)	(2.6)	-	(0.1)	9.5	(147.5)
Net gain/(loss) on foreign exchange and derivatives	16.2	(9.0)	0.1	-	-	-	(1.1)	-	6.2
Net realisations, revaluations and impairments	8.9	511.5	(11.4)	(68.6)	(22.9)	-	67.7	25.5	510.7
Taxation expense	(39.6)	(4.9)	34.5	1.7	(4.2)	-	(6.1)	4.2	(14.4)
Net surplus/(loss) for the year	97.7	503.6	73.2	(72.0)	(21.1)	87.3	(183.2)	23.3	508.8
Net surplus/(loss) attributable to owners of the company	48.6	330.7	52.6	(72.0)	(21.4)	87.3	(183.2)	23.6	266.2
Net surplus/(loss) attributable to non- controlling interests	49.1	172.9	20.6	-	0.3	-	-	(0.3)	242.6
Current assets	150.8	730.5	35.0	-	-	-	17.0	-	933.3
Non-current assets	1,960.0	1,046.0	1,336.9	-	-	1,961.9	347.0	-	6,651.8
Current liabilities	143.6	92.6	89.5	-	-	-	95.7	-	421.4
Non-current liabilities	867.1	469.0	641.6	-	-	-	1,846.1	-	3,823.8
Net assets	1,100.1	1,214.9	640.8	-	-	1,961.9	(1,577.8)	-	3,339.9
Non-controlling interest percentage	49.0%	34.4%	34.0%	-	20.0%	-	-	-	-
Capital expenditure and investments	34.3	506.4	80.6	2.7	0.2	1,134.5	41.0	(3.0)	1,796.7

Entity wide disclosure – geographical

The Group operates in two principal areas, New Zealand and Australia, as well as having certain investments in the United States and Europe. The Group's geographical segments are based on the location of both customers and assets.

	New Zealand \$Millions Unaudited	Australia \$Millions Unaudited	United States \$Millions Unaudited	Europe \$Millions Unaudited	Eliminations & discontinued operations \$Millions Unaudited	Total from continuing operations \$Millions Unaudited
For the period ended 30 September 2020						
Total revenue	622.6	35.7	-	-	-	658.3
Share of earnings of associate companies	(15.6)	114.9	(13.8)	(1.7)	-	83.8
Inter-segment revenue	(62.3)	-	-	-	(17.8)	(80.1)
Total income	544.7	150.6	(13.8)	(1.7)	(17.8)	662.0
Operating expenses (excluding depreciation and amortisation)	(500.9)	(16.7)	-	-	17.8	(499.8)
Interest income	1.3	1.8	-	-	-	3.1
Interest expense	(68.5)	(6.7)	-	-	-	(75.2)
Depreciation and amortisation	(42.4)	(14.8)	-	-	-	(57.2)
Net gain/(loss) on foreign exchange and derivatives	5.8	9.5	-	-	-	15.3
Net realisations, revaluations and impairments	13.7	-	-	-	-	13.7
Taxation expense	(2.3)	(2.6)	-	-	-	(4.9)
Net surplus/(loss) for the year	(48.6)	121.1	(13.8)	(1.7)	-	57.0
Current assets	603.2	144.0	-	-	-	747.2
Non-current assets	4,931.9	2,217.9	34.4	6.1	-	7,190.3
Current liabilities	466.5	36.2	-	-	-	502.7
Non-current liabilities	3,281.6	530.3	-	-	-	3,811.9
Net assets	1,787.0	1,795.4	34.4	6.1	-	3,622.9
Capital expenditure and investments	195.8	158.6	5.6	5.0	-	365.0
For the period ended 30 September 2019						
Total revenue	813.6	200.5	-	-	(191.9)	822.2
Share of earnings of associate companies	(3.3)	86.5	17.9	-	(0.5)	100.6
Inter-segment revenue	(98.1)	-	-	-	(22.3)	(120.4)
Total income	712.2	287.0	17.9	-	(214.7)	802.4
Operating expenses (excluding depreciation and amortisation)	(589.8)	(105.6)	-	-	196.9	(498.5)
Interest income	8.2	3.5	-	-	(5.5)	6.2
Interest expense	(80.8)	(18.5)	-	-	7.5	(91.8)
Depreciation and amortisation	(51.7)	(33.1)	-	-	9.6	(75.2)
Net gain/(loss) on foreign exchange and derivatives	(6.5)	(9.7)	-	-	(0.2)	(16.4)
Net realisations, revaluations and impairments	33.0	(26.5)	-	-	(7.3)	(0.8)
Taxation expense	(42.2)	(8.2)	-	-	4.3	(46.1)
Net surplus/(loss) for the year	(17.6)	88.9	17.9	-	(9.4)	79.8
Current assets	562.8	97.9	-	-	-	660.7
Non-current assets	4,911.6	2,164.8	31.8	-	-	7,108.2
Current liabilities	606.8	268.9	-	-	-	875.7
Non-current liabilities	3,125.5	614.8	-	-	26.0	3,766.3
Net assets	1,742.1	1,379.0	31.8	-	(26.0)	3,126.9
Capital expenditure and investments	1,195.3	96.7	6.3	-	(3.0)	1,295.3

Entity wide disclosure – geographical (continued)

	New Zealand \$Millions Audited	Australia \$Millions Audited	United States \$Millions Audited	Europe \$Millions Audited	Eliminations & discontinued operations \$Millions Audited	Total from continuing operations \$Millions Audited
For the period ended 31 March 2020						
Total revenue	1,391.4	249.6	-	-	(191.9)	1,449.1
Share of earnings of associate companies	(24.6)	107.8	4.7	(0.6)	(0.5)	86.8
Inter-segment revenue	(125.3)	-	-	-	(41.9)	(167.2)
Total income	1,241.5	357.4	4.7	(0.6)	(234.3)	1,368.7
Operating expenses (excluding depreciation and amortisation)	(1,147.5)	(97.5)	-	-	216.5	(1,028.5)
Interest income	9.1	7.2	-	-	(5.6)	10.7
Interest expense	(170.0)	(34.6)	-	-	7.5	(197.1)
Depreciation and amortisation	(100.2)	(56.8)	-	-	9.5	(147.5)
Net gain/(loss) on foreign exchange and derivatives	15.7	(9.5)	-	-	-	6.2
Net realisations, revaluations and impairments	(3.4)	488.6	-	-	25.5	510.7
Taxation expense	(11.2)	(7.4)	-	-	4.2	(14.4)
Net surplus/(loss) for the year	(166.0)	647.4	4.7	(0.6)	23.3	508.8
Current assets	268.1	665.2	-	-	-	933.3
Non-current assets	4,845.6	1,773.1	30.1	3.0	-	6,651.8
Current liabilities	357.1	64.3	-	-	-	421.4
Non-current liabilities	3,434.0	389.8	-	-	-	3,823.8
Net assets	1,322.6	1,984.2	30.1	3.0	-	3,339.9
Capital expenditure and investments	1,249.8	512.5	34.0	3.4	(3.0)	1,796.7

5 Investments in associates

	Note	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
<i>Investments in associates are as follows:</i>				
Vodafone New Zealand	5.1	917.5	1,026.4	974.0
CDC Data Centres	5.2	845.8	660.8	693.4
RetireAustralia	5.3	313.3	367.4	291.5
Longroad Energy	5.4	-	3.5	-
Galileo Green Energy		6.1	-	3.0
Investments in associates		2,082.7	2,058.1	1,961.9
<i>Equity accounted earnings of associates are as follows:</i>				
Vodafone New Zealand	5.1	(15.6)	(3.2)	(24.7)
CDC Data Centres	5.2	108.5	79.5	161.0
RetireAustralia	5.3	6.4	6.5	(53.7)
Longroad Energy	5.4	(13.8)	17.8	4.7
Galileo Green Energy		(1.7)	-	(0.5)
Share of earnings of associate companies		83.8	100.6	86.8

5.1 Vodafone New Zealand

On 31 July 2019, the Group acquired a 49.9% ownership interest in Vodafone New Zealand Limited ('Vodafone'). The Group and consortium partner Brookfield Asset Management Inc. ('Brookfield') each acquired 49.9% of the share capital, with the remaining shares held by management of Vodafone. Vodafone is a full-service telecommunications company in New Zealand and the acquisition increases Infratil's exposure to long-term data and connectivity growth. Infratil's current shareholding is 49.9% (30 September 2019: 49.9%, 31 March 2020: 49.9%).

	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
Movement in the carrying amount of the Group's investment in Vodafone:			
Carrying value at 1 April	974.0	-	-
Acquisition of shares	-	690.3	690.3
Capitalised transaction costs	-	-	0.2
Shareholder loan	-	339.3	339.4
Total capital contributions during the period	-	1,029.6	1,029.9
Interest on shareholder loan	5.2	2.5	9.3
Share of associate's surplus/(loss) before income tax	(27.6)	(4.1)	(45.1)
Share of associate's income tax (expense)	6.8	(1.6)	11.1
Total share of associate's earnings during the period	(15.6)	(3.2)	(24.7)
Share of associate's other comprehensive income	1.3	-	(6.2)
less: Distributions received	-	-	(19.1)
less: Shareholder loan repayments including interest	(42.2)	-	(5.9)
Carrying value of investment in associate	917.5	1,026.4	974.0
Summary financial information			
<i>Summary information for Vodafone is not adjusted for the percentage ownership held by the Group (unless stated)</i>			
Current assets	540.6	540.2	598.7
Non-current assets	3,679.0	3,989.2	3,811.7
Total assets	4,219.6	4,529.4	4,410.4
Current liabilities	552.0	564.9	580.9
Non-current liabilities	2,442.2	2,593.0	2,565.0
Total liabilities	2,994.2	3,157.9	3,145.9
Net assets (100%)	1,225.4	1,371.5	1,264.5
Group's share of net assets	611.4	684.4	631.0
Revenues	939.6	297.2	1,382.6
Net surplus/(loss) after tax	(37.1)	(11.4)	(68.1)
Total other comprehensive income	1.2	-	2.2

5.1 Vodafone New Zealand (continued)

The summary financial information presented on the previous page is reflective of Infratil's period of ownership from 31 July 2019. This is relevant for the profit and loss numbers presented in the comparative periods which are for 2 months and 8 months respectively.

	30 September 2020 \$Millions Unaudited	30 September 2019 \$Millions Unaudited	31 March 2020 \$Millions Audited
<i>Reconciliation of the carrying amount of the Group's investment in Vodafone:</i>			
Group's share of net assets	611.4	684.4	631.0
add: Shareholder loan	305.9	341.8	342.8
add: Capitalised transaction costs	0.2	0.2	0.2
Carrying value of investment in associate	917.5	1,026.4	974.0

5.2 CDC Data Centres

On 14 September 2016 the Group completed the acquisition of 48.13% of CDC Data Centres ('CDC'). CDC operates across 3 accredited and connected Data Centre campuses in Canberra and Sydney, with construction of additional facilities in Auckland, New Zealand underway. These facilities provide highly secure outsourced co-location Data Centre services to Australian Government entities and third party service providers. Infratil's current shareholding is 48.08% (30 September 2019: 48.22%, 31 March 2020: 48.22%).

	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
Movement in the carrying amount of the Group's investment in CDC:			
Carrying value at 1 April	693.4	555.3	555.3
Acquisition of shares	7.5	-	-
Shareholder loan	-	8.1	8.1
Total capital contributions during the period	7.5	8.1	8.1
Interest on shareholder loan	6.3	7.2	14.2
Share of associate's surplus/(loss) before income tax	147.7	107.9	216.6
Share of associate's income tax (expense)	(48.6)	(35.6)	(69.8)
add: share of associate's share capital issued, net of dilution	3.1	-	-
Total share of associate's earnings during the period	108.5	79.5	161.0
Share of associate's other comprehensive income	(0.4)	-	-
less: Shareholder loan repayments including interest	-	(0.6)	(16.1)
Foreign exchange movements	36.8	18.5	(14.9)
Carrying value of investment in associate	845.8	660.8	693.4

5.2 CDC Data Centres (continued)

	30 September 2020 A\$Millions Unaudited	30 September 2019 A\$Millions Unaudited	31 March 2020 A\$Millions Audited
Summary financial information			
<i>Summary information for CDC is not adjusted for the percentage ownership held by the Group (unless stated)</i>			
Current assets	148.3	78.9	87.2
Non-current assets	3,118.6	2,299.4	2,703.3
Total assets	3,266.9	2,378.3	2,790.5
Current liabilities	79.4	69.7	73.3
Non-current liabilities	1,910.0	1,396.8	1,654.1
Total liabilities	1,989.4	1,466.5	1,727.4
Net assets (100%)	1,277.5	911.7	1,063.1
Group's share of net assets	614.2	441.7	512.6
Revenues	92.7	67.2	173.6
Net surplus/(loss) after tax	191.7	137.8	289.1
Total other comprehensive income	(0.8)	-	-
	30 September 2020 \$Millions Unaudited	30 September 2019 \$Millions Unaudited	31 March 2020 \$Millions Audited
<i>Reconciliation of the carrying amount of the Group's investment in CDC:</i>			
Group's share of net assets in NZD	663.8	475.6	526.3
add: Shareholder loan	182.0	185.2	167.1
Carrying value of investment in associate	845.8	660.8	693.4

CDC's functional currency is Australian Dollars (A\$) and the summary financial information shown is presented in this currency. The NZD/AUD exchange rates used to convert the summary financial information to the Group's functional currency (\$NZD) were 0.9253 (Spot rate) and 0.9329 (Average rate) (30 September 2019: Spot rate 0.9287, Average rate 0.9468, 31 March 2020: Spot rate 0.9740, Average rate 0.9501).

5.3 RetireAustralia

On 31 December 2014, the Group acquired a 50% shareholding of RetireAustralia, with consortium partner the New Zealand Superannuation Fund acquiring the other 50%. RetireAustralia operates 27 retirement villages across three states in Australia – New South Wales, Queensland and South Australia. Infratil's current shareholding is 50% (30 September 2019: 50%, 31 March 2020: 50%).

	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
Movement in the carrying amount of the Group's investment in RetireAustralia:			
Carrying value at 1 April	291.5	289.3	289.3
Acquisition of shares	-	61.3	61.3
Total capital contributions during the period	-	61.3	61.3
Share of associate's surplus/(loss) before income tax	6.4	6.5	(53.7)
Share of associate's income tax (expense)	-	-	-
Total share of associate's earnings during the period	6.4	6.5	(53.7)
Share of associate's other comprehensive income	-	-	-
less: Distributions received	-	-	-
Foreign exchange movements	15.4	10.3	(5.4)
Carrying value of investment in associate	313.3	367.4	291.5
Summary financial information			
<i>Summary information for RetireAustralia is not adjusted for the percentage ownership held by the Group (unless stated)</i>			
Current assets	216.4	193.1	196.4
Non-current assets	2,300.9	2,355.6	2,266.4
Total assets	2,517.3	2,548.7	2,462.8
Current liabilities	1,753.6	1,733.1	1,738.0
Non-current liabilities	183.8	133.4	157.1
Total liabilities	1,937.4	1,866.5	1,895.1
Net assets (100%)	579.8	682.2	567.7
Group's share of net assets	290.0	341.1	283.9
Group's share of net assets and carrying value of investment in associate (\$NZD)	313.3	367.4	291.5
Revenues	47.1	38.8	77.5
Net surplus/(loss) after tax	9.3	12.4	(102.1)
Total other comprehensive income	-	-	-

RetireAustralia's functional currency is Australian Dollars (A\$) and the summary financial information shown is presented in this currency. The NZD/AUD exchange rates used to convert the summary financial information to the Group's functional currency (\$NZD) were 0.9253 (Spot rate) and 0.9329 (Average rate) (30 September 2019: Spot rate 0.9287, Average rate 0.9468, 31 March 2020: Spot rate 0.9740, Average rate 0.9501).

RetireAustralia's net current asset deficiency has primarily arisen due to the requirement under Accounting Standards to classify resident obligations as current liabilities as there is no unconditional contractual right to defer settlement for at least twelve months of balance date (residents may give notice of their intention to vacate their unit with immediate effect). In contrast, the corresponding assets are classified as non-current under Accounting Standards.

5.4 Longroad Energy

On 5 October 2016 the Group announced an initial investment in Longroad Energy Holdings, LLC ('Longroad Energy'), a renewable energy development and operating vehicle headquartered in Boston, Massachusetts. Longroad Energy's focus is primarily in the development of utility-scale wind and solar generation throughout North America. Infratil's current shareholding is 40% (30 September 2019: 40%, 31 March 2020: 40%). The other establishment partners are the New Zealand Superannuation Fund (40%) and the Longroad management team (20%). In December 2018 Longroad Energy distributed its membership interest in Montgomery Street Holdings, LLC ('MSH') to the shareholders of Longroad Energy. The carrying value of MSH is included within the equity accounting for Longroad Energy presented below.

	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
Movement in the carrying amount of the Group's investment in Longroad Energy:			
Carrying value at 1 April	-	10.8	10.8
Capital contributions	3.3	5.9	31.8
Total capital contributions during the period	3.3	5.9	31.8
Share of associate's surplus/(loss) before income tax	(13.8)	17.8	4.7
Share of associate's income tax (expense)	-	-	-
Total share of associate's earnings during the period	(13.8)	17.8	4.7
Share of associate's other comprehensive income	28.0	(9.7)	(15.0)
less: Distributions received	(8.0)	(17.7)	(29.0)
less: Capital returned	(11.1)	(3.6)	(4.4)
Foreign exchange movements	1.6	-	1.1
Carrying value of investment in associate	-	3.5	-

An adjustment to the carrying value of the investment in Longroad Energy has been recorded as at 30 September 2020 and 31 March 2020 as under NZ IAS 28 the carrying amount of the investment is not permitted to reduce below zero. This adjustment is included in share of associate's other comprehensive income.

5.4 Longroad Energy (continued)

Summary financial information	31 December 2019 US\$Millions Unaudited	31 December 2018 US\$Millions Unaudited
<i>Summary information for Longroad Energy is not adjusted for the percentage ownership held by the Group (unless stated)</i>		
Current assets	153.0	282.2
Non-current assets	1,247.3	572.7
Total assets	1,400.3	854.9
Current liabilities	270.0	290.1
Non-current liabilities	1,059.8	533.8
Total liabilities	1,329.8	823.9
Net assets (100%)	70.5	31.0
Revenues	94.3	93.4
Net surplus/(loss) after tax	6.8	59.5
Total other comprehensive income	(10.2)	(1.1)

Longroad's functional currency is United States Dollars (\$US) and the summary financial information shown is presented in this currency. The NZD/USD exchange rates used to convert the summary financial information to the Group's functional currency (\$NZD) were 0.6603 (Spot rate) and 0.6408 (Average rate) (30 September 2019: Spot rate 0.6277, Average rate 0.6557, 31 March 2020: Spot rate 0.5997, Average rate 0.6474).

The summary information provided is taken from the most recent audited annual financial statements of Longroad Energy Holdings, LLC which has a balance date of 31 December and are reported as at that date.

Letter of credit facility

Longroad has obtained an uncommitted secured letter of credit facility of up to US\$150 million from HSBC Bank. Letters of credit under the Facility are on issue to beneficiaries to support the development and continued operations of Longroad. Infratil has provided shareholder backing of the Longroad Letter of Credit facility, specifically, Infratil (and the New Zealand Superannuation Fund) have collectively agreed to meet up to US\$150 million of capital calls (i.e. subscribe for additional units) equal to Longroad's reimbursement obligation to the extent that a Letter of Credit is called and Longroad cannot fund the call, taking into account immediately available working capital. As at 30 September 2020, US\$91.8 million (30 September 2019: US\$104.4 million, 31 March 2020: US\$113.5 million) in Letters of Credit are on issue under the Longroad Letter of Credit facility.

6 Other investments

	30 September 2020 \$Millions Unaudited	30 September 2019 \$Millions Unaudited	31 March 2020 \$Millions Audited
Australian Social Infrastructure Partners	36.0	46.1	33.4
Clearvision Ventures	34.4	28.3	30.1
Other	7.8	8.7	7.9
Other investments	78.2	83.1	71.4

Australian Social Infrastructure Partners

Australian Social Infrastructure Partners ('ASIP') holds a 99.5% share of the equity in the New Royal Adelaide Hospital public-private partnership ('PPP'). ASIP divested its 49.0% equity interest in the South East Queensland Schools PPP during the year ended 31 March 2020, from which Infratil's share of cash proceeds was A\$12.9 million. In 2014, Infratil made a A\$100 million commitment to pursue greenfield availability-based PPP opportunities in Australia via ASIP. As at 30 September 2020, A\$69.0 million of the commitment remains uncalled (30 September 2019: A\$69.5 million; 31 March 2020: A\$69.5 million) however no further Capital Calls are forecast from ASIP.

Clearvision Ventures

In February 2016 Infratil made an initial commitment of US\$25 million to the California based Clearvision Ventures. An additional commitment of US\$25 million was made in May 2020 bringing Infratil's total commitment to US\$50 million. The strategic objective is to help Infratil's businesses identify and engage with technology changes that will impact their activities. As at 30 September 2020 Infratil has made total contributions of US\$25.7 million (30 September 2019: US\$19.8 million, 31 March 2020: US\$21.0 million), with the remaining US\$24.3 million commitment uncalled at that date.

7 Revenue

	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
Electricity	458.0	534.8	940.2
Gas	18.1	17.5	29.9
Telecommunications	50.7	46.8	98.1
Aircraft movement and terminal charges	11.3	40.3	80.8
Hotel and other trading activities	14.5	32.3	39.1
Revenue allocated to customer incentives	12.0	15.6	27.9
Other	13.6	13.9	65.3
Total operating revenue	578.2	701.3	1,281.3

The reduction in Electricity revenue primarily reflects the sale of Tilt Renewable's Snowtown 2 wind farm in December 2019.

The reduction in Aircraft movement and terminal charges and Hotel and other trading activities primarily reflects the significant reduction in passengers at WIAL as a result of restrictions on travel imposed as a result of the COVID-19 pandemic.

8 Other operating expenses

	Note	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
<i>Trading operations</i>				
Energy and wholesale costs		105.0	123.2	207.1
Line, distribution and network costs		133.2	151.6	280.7
Generation production & development costs		22.4	26.0	45.5
Other energy business costs		61.0	64.8	126.5
Telecommunications cost of sales		32.8	32.8	63.3
Airport business costs		10.0	14.2	27.5
Bad debts written off		2.5	1.4	3.6
Increase in provision for expected credit loss		-	-	3.2
Directors' fees		1.4	1.7	3.3
Administration and other corporate costs		3.4	1.9	5.4
Management fee	15	19.6	17.4	37.3
International Portfolio Incentive fee	15	57.7	12.8	125.0
Donations		0.8	0.2	1.0
Total other operating expenses		449.8	448.0	929.4

9 Taxation

	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
Net surplus before taxation from continuing operations	61.9	125.9	523.2
Taxation on the surplus for the period @ 28%	17.3	35.3	146.5
<i>Plus/(less) taxation adjustments:</i>			
Effect of tax rates in foreign jurisdictions	1.7	(0.6)	9.6
Net benefit of imputation credits	-	-	-
Timing differences not recognised	-	-	(3.1)
Tax losses not recognised/(utilised)	(11.0)	(3.2)	6.2
Effect of equity accounted earnings of associates	(24.7)	(20.5)	(2.1)
Recognition of previously unrecognised deferred tax	-	9.0	(20.8)
(Over)/under provision in prior periods	(6.5)	7.5	(6.1)
Net investment realisations	-	(0.1)	(148.8)
Other permanent differences	28.1	18.7	33.0
Taxation expense	4.9	46.1	14.4
Current taxation	15.1	36.8	35.1
Deferred taxation	(10.2)	9.3	(20.7)
Tax on discontinued operations	-	4.3	4.3

10 Loans and borrowings

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings.

	30 September 2020 \$Millions Unaudited	30 September 2019 \$Millions Unaudited	31 March 2020 \$Millions Audited
Current liabilities			
Unsecured bank loans	57.0	225.0	118.0
Secured bank facilities	32.4	210.3	19.8
less: Loan establishment costs capitalised and amortised over term	(3.1)	(5.1)	(3.1)
	86.3	430.2	134.7
Non-current liabilities			
Unsecured bank loans	328.9	338.8	460.7
Secured bank facilities	506.4	504.3	384.0
less: Loan establishment costs capitalised and amortised over term	(8.9)	(11.5)	(9.7)
	826.4	831.6	835.0
Facilities utilised at reporting date			
Unsecured bank loans	385.9	563.8	578.7
Secured bank loans	538.8	714.6	403.8
Secured guarantees	128.1	187.4	162.2
Facilities not utilised at reporting date			
Unsecured bank loans	759.1	679.3	514.5
Secured bank loans	174.9	348.2	303.6
Secured guarantees	58.3	74.3	57.6
Interest bearing loans and borrowings – <i>current</i>	86.3	430.2	134.7
Interest bearing loans and borrowings – <i>non-current</i>	826.4	831.6	835.0
Total interest bearing loans and borrowings	912.7	1,261.8	969.7
	30 September 2020 \$Millions Unaudited	30 September 2019 \$Millions Unaudited	31 March 2020 \$Millions Audited
Maturity profile for bank facilities (excluding secured guarantees):			
Between 0 to 1 year	179.9	635.2	220.0
Between 1 to 2 years	532.2	603.8	248.9
Between 2 to 5 years	926.3	786.7	1,118.4
Over 5 years	220.3	280.2	213.3
Total bank facilities	1,858.7	2,305.9	1,800.6

Financing arrangements

Infratil Finance Limited, a wholly owned subsidiary of the Company, has entered into bank facility arrangements with a negative pledge agreement, which, with limited exceptions does not permit the Infratil Guaranteeing Group ('IGG') to grant any security over its assets. The IGG comprises entities subject to a cross guarantee and comprises Infratil Limited, Infratil Finance Limited and certain other wholly owned subsidiaries. The IGG does not incorporate the underlying assets of the Company's non-wholly owned subsidiaries and investments in associates. The IGG bank facilities also include restrictions over the sale or disposal of certain assets without bank agreement. Liability under the cross guarantee is limited to the amount of debt drawn under the IGG facilities, plus any unpaid interest and costs of recovery. At 30 September 2020 drawn debt and accrued interest under the IGG facilities was \$52.0 million (30 September 2019: \$327.7 million, 31 March 2020: \$355.3 million).

Infratil Energy New Zealand Limited ('IENZ'), a wholly owned subsidiary of the Company, is not a member of the IGG and has granted a security interest over assets with a carrying amount of \$346.6 million (30 September 2019: \$400.9 million, 31 March 2020: \$310.2 million) as part of its bank facility arrangements. IENZ has total facilities of \$125.0 million, of which \$50.0 million was drawn as at 30 September 2020 (30 September 2019: \$10.0 million, 31 March 2020: \$125.0 million).

The Group's non-wholly owned subsidiaries also enter into bank facility arrangements. Amounts outstanding under these facilities are included within loans and borrowings in the table above. Wellington International Airport and Trustpower facilities are both subject to negative pledge arrangements, which with limited exceptions does not permit those entities to grant security over their respective assets. Tilt Renewables borrows under syndicated bank debt facilities (both general and project specific) and has granted security over its assets. All non-wholly owned subsidiary facilities are subject to restrictions over the sale or disposal of certain assets without bank agreement. The various bank facilities across the Group require the relevant borrowing group to maintain certain levels of shareholder funds and operate within defined performance and gearing ratios. Throughout the period the Group has complied with all debt covenant requirements as imposed by the respective lenders.

The impacts of COVID-19 have resulted in Wellington International Airport ('WIAL') forecasting a significant reduction in passenger numbers and income. As a result, WIAL has modelled certain scenarios where a breach in certain covenants may occur at the measurement dates of 31 March 2021 and 30 September 2021, without corrective action being undertaken. In response, and during the six month period to 30 September 2020, WIAL has increased its bank facilities from \$100.0 million to \$170.0 million, extended its bank facility maturity dates and issued a \$100.0 million retail bond (WIA070). WIAL has also obtained a temporary waiver of certain bank and USPP covenants for the test dates of September 2020, March 2021 and September 2021. Notwithstanding the temporary covenant waivers obtained, WIAL complied with its financial covenants during the period and as at the test date of 30 September 2020.

Interest rates payable on bank loan facilities are floating rate determined by reference to prevailing money market rates at the time of draw-down plus a margin. Interest rates paid during the period ranged from 0.62% to 2.93% (30 September 2019: 1.60% to 3.70%, 31 March 2020: 1.45% to 4.10%).

11 Infrastructure bonds

	30 September 2020 \$Millions Unaudited	30 September 2019 \$Millions Unaudited	31 March 2020 \$Millions Audited
Balance at the beginning of the period	1,293.2	1,127.6	1,127.6
Issued during the period	-	268.3	316.4
Exchanged during the period	-	-	(29.3)
Matured during the period	-	-	(119.7)
Bond issue costs capitalised during the period	-	(3.4)	(4.2)
Bond issue costs amortised during the period	1.0	1.1	2.4
Balance at the end of the period	1,294.2	1,393.6	1,293.2
Current	93.7	149.0	-
Non-current fixed coupon	846.9	902.3	939.7
Non-current variable coupon	121.7	110.6	121.6
Non-current perpetual variable coupon	231.9	231.7	231.9
Balance at the end of the period	1,294.2	1,393.6	1,293.2
<i>Repayment terms and interest rates:</i>			
IFT200 maturing in November 2019, 6.75% p.a. fixed coupon rate	-	68.5	-
IFT090 maturing in February 2020, 8.50% p.a. fixed coupon rate	-	80.5	-
IFT220 maturing in June 2021, 4.90% p.a. fixed coupon rate	93.9	93.9	93.9
IFT190 maturing in June 2022, 6.85% p.a. fixed coupon rate	93.7	93.7	93.7
IFT240 maturing in December 2022, 5.65% p.a. fixed coupon rate	100.0	100.0	100.0
IFT210 maturing in September 2023, 5.25% p.a. fixed coupon rate	122.1	122.1	122.1
IFT230 maturing in June 2024, 5.50% p.a. fixed coupon rate	56.1	56.1	56.1
IFT260 maturing in December 2024, 4.75% p.a. fixed coupon rate	100.0	100.0	100.0
IFT250 maturing in June 2025, 6.15% p.a. fixed coupon rate	43.4	43.4	43.4
IFT300 maturing in March 2026, 3.35% p.a. fixed coupon rate	37.0	156.3	37.0
IFT280 maturing in December 2026, 3.35% p.a. fixed coupon rate	156.3	-	156.3
IFT270 maturing in December 2028, 4.85% p.a. fixed coupon rate until 15 December 2023	146.2	146.2	146.2
IFTHC maturing in December 2029, 3.50% p.a. variable coupon rate	123.2	112.1	123.2
IFTHA Perpetual Infratil infrastructure bonds	231.9	231.9	231.9
less: Bond issue costs capitalised and amortised over term	(9.6)	(11.1)	(10.6)
Balance at the end of the period	1,294.2	1,393.6	1,293.2

Fixed coupon

The fixed coupon bonds the Company has on issue are at a face value of \$1.00 per bond. Interest is payable quarterly on the bonds.

IFTHC bonds

The IFTHC bonds the Company has on issue are at a face value of \$1.00 per bond. Interest is payable quarterly on the bonds. For the period to 15 December 2020 the coupon is fixed at 3.50% per annum. Thereafter the rate will be reset annually at 2.50% per annum over the then one year swap rate for quarterly payments.

IFT270 bonds

The interest rate of the IFT270 bonds is fixed for the first five years and then reset on 15 December 2023 for a further five years. The interest rate for the IFT270 bonds for the period from (but excluding) 15 December 2023 until the maturity date will be the sum of the five year swap rate on 15 December 2023 plus a margin of 2.50% per annum.

Perpetual Infratil infrastructure bonds ('PIIBs')

The Company has 231,916,000 (30 September 2019: 231,916,000, 31 March 2020: 231,916,000) PIIBs on issue at a face value of \$1.00 per bond. Interest is payable quarterly on the bonds. On 15 November 2019 the coupon was set at 2.67% per annum until the next reset date, being 15 November 2020 (September 2019: 3.55%, March 2020: 2.67%). Thereafter the rate will be reset annually at 1.50% per annum over the then one year swap rate for quarterly payments, unless Infratil's gearing ratio exceeds certain thresholds, in which case the margin increases. These infrastructure bonds have no fixed maturity date. No PIIBs (September 2019: nil, March 2020: nil) were repurchased by Infratil Limited during the period.

Throughout the period the Company complied with all debt covenant requirements as imposed by its bond Supervisor.

At 30 September 2020 Infratil Infrastructure bonds (including PIIBs) had a fair value of \$1,250.2 million (30 September 2019: \$1,393.6 million, 31 March 2020: \$1,161.5 million).

12 Financial instruments

12.1 Fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements is their fair value, with the exception of bond debt and senior notes held at amortised cost which have a fair value at 30 September 2020 of \$2,355.1 million (30 September 2019: \$2,415.4 million, 31 March 2020: \$2,142.5 million) compared to a carrying value of \$2,328.4 million (30 September 2019: \$2,339.5 million, 31 March 2020: \$2,266.3 million).

12.2 Estimation of fair values

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and liabilities are calculated using market-quoted rates based on discounted cash flow analysis.
- The fair value of derivative financial instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve or available forward price data for the duration of the instruments.

Where the fair value of a derivative is calculated as the present value of the estimated future cash flows of the instrument, the two key types of variables used by the valuation techniques are:

- forward price curve (for the relevant underlying interest rates, foreign exchange rates or commodity prices); and
- discount rates.

Valuation input	Source
Interest rate forward price curve	Published market swap rates
Foreign exchange forward prices	Published spot foreign exchange rates
Electricity forward price curve	Market quoted prices where available and management's best estimate based on its view of the long run marginal cost of new generation where no market quoted prices are available
Discount rate for valuing interest rate derivatives	Published market interest rates as applicable to the remaining life of the instrument
Discount rate for valuing forward foreign exchange contracts	Published market rates as applicable to the remaining life of the instrument
Discount rate for valuing electricity price derivatives	Assumed counterparty cost of funds ranging from 3.3% to 3.5% (30 September 2019: 3.3% to 3.5%, 31 March 2020: 3.1% to 4.1%)

The selection of variables requires significant judgement and therefore there is a range of reasonably possible assumptions in respect of these variables that could be used in estimating the fair value of these derivatives. Maximum use is made of observable market data when selecting variables and developing assumptions for the valuation techniques.

12.3 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (**level 1**)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (**level 2**)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (**level 3**)

The following tables present the Group's financial assets and liabilities that are measured at fair value.

	Level 1 \$Millions Unaudited	Level 2 \$Millions Unaudited	Level 3 \$Millions Unaudited	Total \$Millions Unaudited
30 September 2020				
Assets per the statement of financial position				
Derivative financial instruments – energy	-	2.0	155.3	157.3
Derivative financial instruments – cross currency interest rate swaps	-	21.2	-	21.2
Derivative financial instruments – foreign exchange	-	0.1	-	0.1
Derivative financial instruments – interest rate	-	17.0	-	17.0
Total	-	40.3	155.3	195.6
Liabilities per the statement of financial position				
Derivative financial instruments – energy	-	-	91.1	91.1
Derivative financial instruments – cross currency interest rate swaps	-	-	-	-
Derivative financial instruments – foreign exchange	-	-	-	-
Derivative financial instruments – interest rate	-	130.1	1.1	131.2
Total	-	130.1	92.2	222.3
30 September 2019				
Assets per the statement of financial position				
Derivative financial instruments – energy	-	1.0	146.3	147.3
Derivative financial instruments – cross currency interest rate swaps	-	19.8	-	19.8
Derivative financial instruments – foreign exchange	-	1.0	-	1.0
Derivative financial instruments – interest rate	-	2.5	-	2.5
Total	-	24.3	146.3	170.6
Liabilities per the statement of financial position				
Derivative financial instruments – energy	-	3.9	45.9	49.8
Derivative financial instruments – cross currency interest rate swaps	-	-	-	-
Derivative financial instruments – foreign exchange	-	-	-	-
Derivative financial instruments – interest rate	-	131.9	-	131.9
Total	-	135.8	45.9	181.7

31 March 2020	Level 1 \$Millions Audited	Level 2 \$Millions Audited	Level 3 \$Millions Audited	Total \$Millions Audited
Assets per the statement of financial position				
Derivative financial instruments – energy	-	3.1	32.6	35.7
Derivative financial instruments – cross currency interest rate swaps	-	35.5	-	35.5
Derivative financial instruments – foreign exchange	-	1.6	-	1.6
Derivative financial instruments – interest rate	-	11.6	-	11.6
Total	-	51.8	32.6	84.4
Liabilities per the statement of financial position				
Derivative financial instruments – energy	-	0.3	14.9	15.2
Derivative financial instruments – cross currency interest rate swaps	-	-	-	-
Derivative financial instruments – foreign exchange	-	-	-	-
Derivative financial instruments – interest rate	-	114.1	-	114.1
Total	-	114.4	14.9	129.3

There were no transfers between derivative financial instrument assets or liabilities classified as level 1 or level 2, and level 3 of the fair value hierarchy during the period ended 30 September 2020 (30 September 2019: none, 31 March 2020: none).

12.4 Energy derivatives

The Group meets its energy sales demand by purchasing energy on spot markets, physical deliveries and financial derivative contracts. This exposes the Group to fluctuations in the spot and forward price of energy. The Group has entered into a number of energy hedge contracts to reduce the energy price risk from price fluctuations. These hedge contracts establish the price at which future specified quantities of energy are purchased and settled. Any resulting differential to be paid or received is recognised as a component of energy costs through the term of the contract.

Energy price sensitivity analysis

The following table shows the impact on post-tax profit and equity of an increase/decrease in the relevant forward electricity prices with all other variables held constant:

	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
Profit and loss			
10% increase in energy forward prices	(4.7)	(1.5)	(2.2)
10% decrease in energy forward prices	4.7	1.5	2.2
Other comprehensive income			
10% increase in energy forward prices	(59.4)	(34.4)	(57.7)
10% decrease in energy forward prices	56.1	34.4	57.7

The following table reconciles the movements in level 3 Electricity price derivatives that are classified within level 3 of the fair value hierarchy because the assumed location factors which are used to adjust the forward price path are unobservable.

	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
Assets per the statement of financial position			
Opening balance	32.6	170.6	170.6
Foreign exchange movement on opening balance	1.1	2.8	0.8
Acquired as part of business combination	-	-	-
Gains and (losses) recognised in profit or loss	(21.9)	(3.9)	(106.0)
Gains and (losses) recognised in other comprehensive income	143.5	(23.2)	(32.8)
Closing balance	155.3	146.3	32.6
Total gains or (losses) for the period included in profit or loss for assets held at the end of the reporting period	61.1	(11.9)	(33.1)
Liabilities per the statement of financial position			
Opening balance	14.9	27.1	27.1
Foreign exchange movement on opening balance	1.0	0.7	(0.2)
Acquired as part of business combination	-	-	-
(Gains) and losses recognised in profit or loss	(13.8)	1.3	(11.2)
(Gains) and losses recognised in other comprehensive income	89.0	16.8	(0.8)
Sold as part of the disposal of a subsidiary	-	-	-
Closing balance	91.1	45.9	14.9
Total gains or (losses) for the period included in profit or loss for liabilities held at the end of the reporting period	(30.3)	12.9	3.6
Settlements during the period	(3.8)	22.8	18.6

13 Reconciliation of net surplus with cash flow from operating activities

	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
Net surplus for the period	57.0	88.1	484.2
<i>Items classified as investing activity:</i>			
Loss on investment realisations and impairments	0.8	23.4	(489.3)
<i>Items not involving cash flows:</i>			
Movement in financial derivatives taken to the profit or loss	8.7	16.4	(6.2)
Decrease in deferred tax liability excluding transfers to reserves	10.1	13.8	(16.2)
Changes in fair value of investment properties	(14.5)	(29.1)	5.0
Equity accounted earnings of associate net of distributions received	(67.1)	(78.3)	(12.1)
Depreciation	51.6	79.7	146.0
Movement in provision for bad debts	0.1	1.4	6.0
Amortisation of intangibles	5.6	5.3	11.3
Other	(6.1)	9.0	19.0
<i>Movements in working capital:</i>			
Change in receivables	(20.1)	(7.8)	24.7
Change in inventories	-	1.3	1.2
Change in trade payables	(0.8)	122.8	51.2
Change in accruals and other liabilities	(39.4)	(176.3)	(108.9)
Change in current and deferred taxation	(30.2)	(1.7)	(15.9)
Net cash flow from operating activities	(44.3)	68.0	100.0

14 Capital commitments

	30 September 2020 \$Millions Unaudited	30 September 2019 \$Millions Unaudited	31 March 2020 \$Millions Audited
Committed but not contracted for	3.6	10.1	5.8
Contracted but not provided for	198.2	707.0	500.4
Capital commitments	201.8	717.1	506.2

Capital commitments are primarily associated with the Dundonnell and Waipipi Wind Farms which total A\$159.7 million as at 30 September 2020 (30 September 2019: A\$630.8 million, 31 March 2020: A\$450.5 million). See Note 6 for Infratil's commitments to ASIP and Clearvision Ventures.

15 Related parties

Certain Infratil Directors have relevant interests in a number of companies with which Infratil has transactions in the normal course of business. A number of key management personnel are also Directors of Group subsidiary companies and associates.

Morrison & Co Infrastructure Management Limited ('MCIM') is the management company for the Company and receives management fees in accordance with the applicable management agreement. MCIM is owned by H.R.L. Morrison & Co Group Limited Partnership ('MCO'). Mr Bogoevski is a director of Infratil and is a director and Chief Executive Officer of MCO. Entities associated with Mr Bogoevski also have beneficial interests in MCO.

Management and other fees paid by the Group (including associates) to MCIM, MCO or its related parties during the period were:

	Note	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
Management fees		19.6	17.6	37.5
International Portfolio incentive fee	16	57.7	12.8	125.0
Executive secondment and consulting		0.1	0.1	-
Directors fees		1.0	0.9	2.0
Financial management, accounting, treasury, compliance and administrative services		0.8	0.7	1.3
Capitalised development fee		0.3	0.3	0.6
Investment banking services		-	0.5	1.2
Total management and other fees		79.5	32.9	167.6

The above table does not include any amounts paid by discontinued operations in the period ended 30 September 2020 (30 September 2019: \$0.4 million, 31 March 2020: \$0.4 million).

At 30 September 2020 amounts owing to MCIM of \$3.3 million (excluding GST) are included in trade creditors (30 September 2019: \$3.7 million, 31 March 2020: \$3.0 million).

16 International Portfolio Incentive Fee

International Investments are eligible for International Portfolio Incentive Fees ('Incentive Fees') under the Management Agreement between MCIM and Infratil. The Agreement allows for incentives to be payable for performance in excess of a minimum hurdle of 12% per annum in three separate areas:

- Initial Incentive Fees;
- Annual Incentive Fees; and,
- Realised Incentive Fees.

To the extent that there are assets that meet these criterion, independent valuations are performed on the respective International Investments to determine whether any Incentive Fees are payable.

International Portfolio Initial Incentive Fee

International Investments become eligible for the Initial Incentive Fee assessment on the third balance date (31 March) that they have been held continuously by the Company. All International Investments that are acquired in any one financial year are grouped together for the purposes of the Initial Incentive Fee, and an Initial Incentive Fee is payable at 20% of the outperformance of those assets against a benchmark of 12% p.a. after tax, compounding. No Initial Incentive Fees are payable as at 31 March 2021 (31 March 2020: nil).

International Portfolio Annual Incentive Fee

Thereafter International Investments are grouped together, and an Annual Incentive Fee is payable at 20% of the outperformance of those assets against the higher of, a benchmark of 12% p.a. after tax, relative to the most recent 31 March valuation, or cost.

The Company's investments in CDC Data Centres, Longroad Energy, RetireAustralia, Tilt Renewables and ASIP are eligible for the International Portfolio Annual Incentive Fee assessment as at 31 March 2021 (31 March 2020: CDC Data Centres, Longroad Energy, RetireAustralia, Tilt Renewables and ASIP).

As at 30 September 2020, it is probable that Infratil will have an International Portfolio Annual Incentive Fee (for the year to 31 March 2021) due to MCO based on the performance of the above portfolio of assets, and as a result an amount of \$57.7 million has been provided for as at 30 September.

International Portfolio Realised Incentive Fee

Realised Incentive Fees are payable on the realised gains from the sale or other realisation of International Investments at 20% of the outperformance (since the last valuation date) against the higher of, a benchmark of 12% p.a. after tax, relative to the most recent 31 March valuation, or cost. No Realised Incentive Fees are expected to be payable as at 31 March 2021 (31 March 2020: nil).

	6 months ended 30 September 2020 \$Millions Unaudited	6 months ended 30 September 2019 \$Millions Unaudited	Year ended 31 March 2020 \$Millions Audited
<i>International Portfolio Incentive Fees</i>			
ASIP	-	(1.0)	(0.8)
CDC Data Centres	43.5	6.4	105.5
Longroad Energy	-	1.8	6.1
RetireAustralia	(2.5)	(5.8)	(18.0)
Tilt Renewables	16.7	11.4	32.2
	57.7	12.8	125.0

All Incentive fees accrued relate to the Annual Incentive Fee assessment.

Payment of Annual Incentive Fees

Any Annual Incentive Fee calculated in respect of a Financial Year is earned and paid in three annual instalments, with the second and third instalments only being earned and payable if, at each relevant assessment date, the fair value of the relevant asset (including distributions, if any) exceeds or is equal to the greater of fair value or cost as at the date for which the Incentive Fee was first calculated.

The second and third instalments of the March 2020 Annual Incentive Fee remain payable as at 31 March 2021 and 31 March 2022.

17 Contingent liabilities and legal matters

The Company and certain wholly owned subsidiaries are guarantors of the bank debt facilities of Infratil Finance Limited under a Deed of Negative Pledge, Guarantee and Subordination and the Company is a guarantor to certain obligations of subsidiary companies.

There were no other contingent liabilities as at 30 September 2020.

18 Events after balance date

Acquisition of Qscan Group Holdings Pty Ltd

On 26 October 2020, Infratil announced that it had executed a conditional offer to acquire up to 60% of Qscan Group Holdings Pty Ltd ('Qscan') from Quadrant Private Equity ('QPE') and existing doctor and management shareholders for total cash equity consideration of up to A\$330 million. Qscan is a comprehensive diagnostic imaging business operating predominantly on the eastern seaboard of Australia. Qscan is one of Australia's largest radiology providers, operating over 70 clinics across Australia. Infratil has made the offer in conjunction with the Morrison & Co Growth Infrastructure Fund ('MGIF'), which has conditionally offered to acquire up to 15% of Qscan. Infratil's investment will be funded from existing bank facilities and available capital.

Completion of the acquisition is conditional on obtaining Foreign Investment Review Board of Australia approval by 31 December 2020, which can be extended by either party to 26 February 2021.

Dividend

On 11 November 2020, the Directors approved a partially imputed interim dividend of 6.25 cents per share to holders of fully paid ordinary shares to be paid on 15 December 2020.

Independent Review Report

To the shareholders of Infratil Limited

Report on the condensed consolidated half year financial statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated half year financial statements on pages 2 to 34 do not:

- i. present fairly in all material respects the group's financial position as at 30 September 2020 and its financial performance and cash flows for the six month period ended on that date; and
- ii. comply with NZ IAS 34 Interim Financial Reporting.

We have completed a review of the accompanying condensed consolidated half year financial statements which comprise:

- the consolidated statement of financial position as at 30 September 2020;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for conclusion

A review of condensed consolidated half year financial statements in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410") is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

As the auditor of Infratil Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

Our firm has also provided other services to the group in relation to taxation services, audit of regulatory disclosures and other assurance engagements. Subject to certain restrictions, partners and employees of our firm may also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as reviewer of the group. The firm has no other relationship with, or interest in, the group.



Use of this Independent Review Report

This report is made solely to the shareholders as a body. Our review work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the Independent Review Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our review work, this report, or any of the opinions we have formed.



Responsibilities of the Directors for the condensed consolidated half year financial statements

The Directors, on behalf of the group, are responsible for:

- the preparation and fair presentation of the condensed consolidated half year financial statements in accordance with NZ IAS 34 Interim Financial Reporting;
- implementing necessary internal control to enable the preparation of condensed consolidated half year financial statements that are fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the review of the condensed consolidated half year financial statements

Our responsibility is to express a conclusion on the condensed consolidated half year financial statements based on our review. We conducted our review in accordance with NZ SRE 2410. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated half year financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 Interim Financial Reporting.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on these condensed consolidated half year financial statements.

This description forms part of our Independent auditor's Report.



KPMG
Wellington

11 November 2020

Directory

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M Bogoievski
A Gerry
P Gough
K Mactaggart
C M Savage
P M Springford

Company Secretary

N Lough

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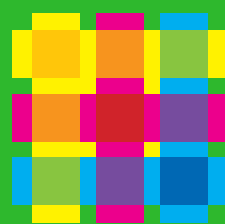
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Infratil