

Financial Statements

For the 6 months ended
30 September 2019

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Consolidated Statement of Comprehensive Income

	Notes	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Operating revenue	8	701.3	663.8	1,333.2
Dividends		0.5	1.3	2.6
Total revenue		701.8	665.1	1,335.8
Share of earnings of associate companies	5	100.6	71.1	106.4
Total income		802.4	736.2	1,442.2
Depreciation		70.1	75.9	145.1
Amortisation of intangibles		5.1	7.8	15.3
Employee benefits		50.5	44.9	90.8
Other operating expenses	9	448.0	409.5	907.0
Total operating expenditure		573.7	538.1	1,158.2
Operating surplus before financing, derivatives, realisations and impairments		228.7	198.1	284.0
Net gain/(loss) on foreign exchange and derivatives		(16.4)	12.0	0.3
Net realisations, revaluations and (impairments)		(0.8)	0.6	0.6
Interest income		6.2	3.7	6.8
Interest expense		91.8	75.8	155.3
Net financing expense		85.6	72.1	148.5
Net surplus before taxation		125.9	138.6	136.4
Taxation expense	10	46.1	46.2	72.0
Net surplus for the period from continuing operations		79.8	92.4	64.4
Net surplus/(loss) from discontinued operations after tax	7	8.3	13.7	(12.0)
Net surplus for the period		88.1	106.1	52.4
Net surplus/(loss) attributable to owners of the Company		56.4	58.5	(19.5)
Net surplus attributable to non-controlling interest		31.7	47.6	71.9
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		89.2	(152.5)	(283.6)
Share of associates other comprehensive income		(9.8)	(12.3)	(11.6)
Fair value movements in relation to the executive share scheme		(0.9)	-	(0.1)
Income tax effect of the above items		(18.4)	45.3	69.8
Items that may subsequently be reclassified to profit and loss:				
Differences arising on translation of foreign operations		38.9	43.6	(18.9)
Transfers to profit and loss on disposal of subsidiaries		(22.5)	-	-
Net change in fair value of equity investments at fair value through other comprehensive income		(1.3)	(1.2)	2.6
Ineffective portion of hedges taken to profit and loss		-	-	-
Effective portion of changes in fair value of cash flow hedges		(58.3)	7.6	5.9
Income tax effect of the above items		20.5	(1.4)	(3.6)
Total other comprehensive income/(loss) after tax		37.4	(70.9)	(239.5)
Total comprehensive income/(loss) for the period		125.5	35.2	(187.1)
Total comprehensive income for the period attributable to owners of the Company		112.7	29.8	(164.3)
Total comprehensive income for the period attributable to non-controlling interests		12.8	52.1	(22.8)
Earnings per share				
Basic and diluted (cents per share) from continuing operations		8.1	8.0	(1.3)
Basic and diluted (cents per share)		9.5	10.5	(3.5)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

		30 September 2019	30 September 2018	31 March 2019
	Notes	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Cash and cash equivalents		362.6	219.3	414.3
Trade and other accounts receivable and prepayments		275.2	251.0	226.1
Derivative financial instruments		17.5	5.1	17.8
Inventories		-	5.9	-
Income tax receivable		4.9	0.5	1.2
Assets held for sale		0.5	-	521.8
Current assets		660.7	481.8	1,181.2
Trade and other accounts receivable and prepayments		26.8	64.3	22.8
Property, plant and equipment		4,306.4	4,614.8	4,201.5
Investment properties		248.9	82.8	86.5
Right of use assets		83.7	-	-
Derivative financial instruments		153.1	119.7	156.7
Intangible assets		35.0	38.3	33.5
Goodwill		113.1	117.4	113.2
Investments in associates	5	2,059.2	991.0	856.5
Other investments	6	83.1	67.7	81.2
Non-current assets		7,109.3	6,096.0	5,551.9
Total assets		7,770.0	6,577.8	6,733.1
Accounts payable, accruals and other liabilities		227.4	384.9	274.5
Interest bearing loans and borrowings	11	430.2	124.5	295.3
Lease liabilities	1	13.2	-	-
Derivative financial instruments		30.7	18.5	32.2
Income tax payable		0.2	19.9	9.3
Infrastructure bonds	12	149.0	111.4	148.9
Trustpower bonds		-	113.8	114.0
Wellington International Airport bonds		25.0	25.0	25.0
Liabilities directly associated with the assets held for sale		-	-	146.2
Total current liabilities		875.7	798.0	1,045.4
Interest bearing loans and borrowings	11	831.6	844.8	696.8
Other liabilities		2.8	39.2	25.9
Lease liabilities	1	152.0	-	-
Deferred tax liability		463.4	486.6	442.5
Derivative financial instruments		151.0	36.9	85.3
Infrastructure bonds	12	1,012.9	652.8	747.2
Perpetual Infratil Infrastructure bonds	12	231.7	231.3	231.5
Trustpower bonds		431.8	209.0	307.8
Wellington International Airport bonds and senior notes		489.1	402.8	405.1
Non-current liabilities		3,766.3	2,903.4	2,942.1
Attributable to owners of the Company		2,079.5	1,852.6	1,647.1
Non-controlling interest in subsidiaries		1,048.5	1,023.8	1,098.5
Total equity		3,128.0	2,876.4	2,745.6
Total equity and liabilities		7,770.0	6,577.8	6,733.1
Net tangible assets per share (\$ per share)		2.93	3.03	2.68

Approved on behalf of the Board on 12 November 2019


Alison Gerry
Director


Mark Tume
Director

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

	Notes	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Cash flows from operating activities				
<i>Cash was provided from:</i>				
Receipts from customers		933.6	953.5	1,825.6
Distributions received from associates		22.8	43.8	52.2
Other dividends		0.5	1.3	1.8
Interest received		6.3	3.8	7.1
		963.2	1,002.4	1,886.7
<i>Cash was disbursed to:</i>				
Payments to suppliers and employees		(767.0)	(743.3)	(1,388.7)
Interest paid		(89.9)	(73.0)	(149.3)
Taxation paid		(38.3)	(43.4)	(71.8)
		(895.2)	(859.7)	(1,609.8)
Net cash inflow from operating activities	14	68.0	142.7	276.9
Cash flows from investing activities				
<i>Cash was provided from:</i>				
Proceeds from sale of associates		169.7	-	-
Proceeds from sale of subsidiaries (net of cash sold)		138.3	-	-
Proceeds from sale of property, plant and equipment		-	5.8	12.9
Proceeds from sale of investments		4.5	5.9	5.9
Return of security deposits		7.7	-	-
		320.2	11.7	18.8
<i>Cash was disbursed to:</i>				
Purchase of investments		(1,093.7)	(76.2)	(69.9)
Lodgement of security deposits		-	(4.5)	(2.7)
Purchase of intangible assets		(6.7)	(3.6)	(8.3)
Interest capitalised on construction of fixed assets		-	-	-
Purchase of shares in subsidiaries		-	(55.0)	(109.3)
Purchase of property, plant and equipment		(216.5)	(96.3)	(258.2)
		(1,316.9)	(235.6)	(448.4)
Net cash inflow/(outflow) from investing activities		(996.7)	(223.9)	(429.6)
Cash flows from financing activities				
<i>Cash was provided from:</i>				
Proceeds from issue of shares		393.4	-	-
Sale of shares in non-wholly owned subsidiary		-	6.3	6.3
Proceeds from issue of shares to non-controlling Interests		-	-	92.6
Bank borrowings		615.5	198.4	346.7
Issue of bonds		493.4	-	346.2
		1,502.3	204.7	791.8
<i>Cash was disbursed to:</i>				
Repayment of bank debt		(365.5)	(174.3)	(229.8)
Repayment of lease liabilities		2.3	-	-
Loan establishment costs		(8.5)	(1.2)	(10.8)
Repayment of bonds		(139.2)	-	(111.4)
Infrastructure bond issue expenses		(4.9)	(0.1)	(6.9)
Share buyback		-	-	-
Share buyback of non-wholly owned subsidiary		-	-	-
Dividends paid to non-controlling shareholders in subsidiary companies		(64.0)	(50.4)	(117.7)
Dividends paid to owners of the Company	3	(72.5)	(60.1)	(95.1)
		(652.3)	(286.1)	(571.7)
Net cash inflow/(outflow) from financing activities		850.0	(81.4)	220.1
Net increase/(decrease) in cash and cash equivalents		(78.7)	(162.6)	67.4
Foreign exchange gains/(losses) on cash and cash equivalents		(2.6)	1.4	(4.0)
Cash and cash equivalents at beginning of the period		414.3	380.5	380.5
Adjustment for cash classified as assets held for sale		29.6	-	(29.6)
Cash and cash equivalents at end of the period		362.6	219.3	414.3

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 2019	361.8	685.0	(64.3)	(38.1)	702.7	1,647.1	1,098.5	2,745.6
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	(31.5)	17.4	56.3	(18.9)	37.4
Total comprehensive income for the period	-	7.0	63.4	(31.5)	73.8	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
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	(0.9)	(69.6)	704.0	2,079.5	1,048.5	3,128.0

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 2018	361.8	798.2	(42.4)	(0.5)	818.5	1,935.6	1,199.4	3,135.0
Adjustment on initial application of IFRS 15 (net of tax)	-	-	-	-	10.6	10.6	10.2	20.8
Adjusted balance as at 1 April 2018	361.8	798.2	(42.4)	(0.5)	829.1	1,946.2	1,209.6	3,155.8
Total comprehensive income for the period								
Net surplus for the period	-	-	-	-	58.5	58.5	47.6	106.1
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	45.1	-	-	45.1	(0.8)	44.3
Transfers to profit and loss on disposal of subsidiaries	-	-	-	-	-	-	-	-
Net change in fair value of equity investments at FVOCI	-	-	-	(1.2)	-	(1.2)	-	(1.2)
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	2.5	-	2.5	3.0	5.5
Fair value movements in relation to the executive share scheme	-	-	-	-	-	-	-	-
Fair value change of property, plant & equipment recognised in equity	-	(62.6)	-	-	-	(62.6)	(44.6)	(107.2)
Share of associates other comprehensive income	-	-	-	-	(12.3)	(12.3)	-	(12.3)
Total other comprehensive income	-	(62.6)	45.1	1.3	(12.3)	(28.5)	(42.4)	(70.9)
Total comprehensive income for the period	-	(62.6)	45.1	1.3	46.2	30.0	5.2	35.2
Contributions by and distributions to non-controlling interest								
Issue/(acquisition) of shares held by outside equity interest	-	-	-	(63.5)	-	(63.5)	(140.6)	(204.1)
Total contributions by and distributions to non-controlling interest	-	-	-	(63.5)	-	(63.5)	(140.6)	(204.1)
Contributions by and distributions to owners								
Shares issued	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(60.1)	(60.1)	(50.4)	(110.5)
Total contributions by and distributions to owners	-	-	-	-	(60.1)	(60.1)	(50.4)	(110.5)
Balance as at 30 September 2018	361.8	735.6	2.7	(62.7)	815.2	1,852.6	1,023.8	2,876.4

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 2018	361.8	798.2	(42.4)	(0.5)	818.5	1,935.6	1,199.4	3,135.0
Adjustment on initial application of IFRS 15 (net of tax)	-	-	-	-	10.6	10.6	10.2	20.8
Adjusted balance as at 1 April 2018	361.8	798.2	(42.4)	(0.5)	829.1	1,946.2	1,209.6	3,155.8
Total comprehensive income for the year								
Net surplus for the year	-	-	-	-	(19.5)	(19.5)	71.9	52.4
Disposal of revalued assets	-	0.2	-	-	(0.2)	-	-	-
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	(21.9)	-	-	(21.9)	0.2	(21.7)
Transfers to profit and loss on disposal of subsidiaries	-	-	-	-	-	-	-	-
Net change in fair value of equity investments at FVOCI	-	-	-	2.6	-	2.6	-	2.6
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	(1.1)	-	(1.1)	6.2	5.1
Fair value movements in relation to the executive share scheme	-	-	-	0.6	-	0.6	-	0.6
Fair value change of property, plant & equipment recognised in equity	-	(113.4)	-	-	-	(113.4)	(101.1)	(214.5)
Share of associates other comprehensive income	-	-	-	-	(11.6)	(11.6)	-	(11.6)
Total other comprehensive income	-	(113.4)	(21.9)	2.1	(11.6)	(144.8)	(94.7)	(239.5)
Total comprehensive income for the year	-	(113.2)	(21.9)	2.1	(31.3)	(164.3)	(22.8)	(187.1)
Contributions by and distributions to non-controlling interest								
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	-	-	-	-
Issue of shares to non-controlling interests	-	-	-	-	-	-	92.6	92.6
Issue/(acquisition) of shares held by outside equity interest	-	-	-	(39.7)	-	(39.7)	(63.2)	(102.9)
Total contributions by and distributions to non-controlling interest	-	-	-	(39.7)	-	(39.7)	29.4	(10.3)
Contributions by and distributions to owners								
Shares issued	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(95.1)	(95.1)	(117.7)	(212.8)
Total contributions by and distributions to owners	-	-	-	-	(95.1)	(95.1)	(117.7)	(212.8)
Balance at 31 March 2019	361.8	685.0	(64.3)	(38.1)	702.7	1,647.1	1,098.5	2,745.6

The accompanying notes form part of these financial statements.

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 2019 and should be read in conjunction with the previous annual report. Except as described below, no changes have been made from the accounting policies used in the 31 March 2019 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.

Changes in accounting policies

The Group has adopted NZ IFRS 16 Leases ('NZ IFRS 16') from 1 April 2019.

i) NZ IFRS 16 Leases

NZ IFRS 16 replaces NZ IAS 17 Leases and removes the classification of leases as either operating leases or finance leases and consequently for the lessee, all leases (other than short term or low value leases) are recognised on the Statement of Financial Position. Similar to the previous finance lease model, this has resulted in the Group recognising right of use assets and related lease liabilities on the statement of financial position. As a result, payments for leases previously classified as operating leases – which include leases of land and buildings, telecommunications equipment and electricity transmission lines – have been reclassified from other operating expenses to depreciation and interest expense. Lessor accounting remains materially unchanged under the new standard.

The Group has adopted NZ IFRS 16 using the modified retrospective approach and has not restated comparative amounts for the period prior to first adoption. The Group has utilised the practical expedients permitted by NZ IFRS 16 in respect of short-term and low value leases where appropriate. The Group has also elected not to reassess whether a contract contains a lease at the date of initial application.

The lease liability was measured at the present value of the minimum lease payments, discounted at the incremental borrowing rate applicable to that lease (or portfolio of leases) at 1 April 2019. In line with the modified retrospective approach, the associated right of use assets were measured at the amount equal to the lease liability relating to that lease at 1 April 2019, with no overall change in net assets. Where the lease pertains to property held to earn rental income, the right of use asset is classified as Investment Property and is measured at fair value.

The impact of adoption of NZ IFRS 16 in the Group's Consolidated Statement of Financial Position is summarised in the table below:

Consolidated Statement of Financial Position effect	30 September 2019 \$Millions Unaudited	1 April 2019 \$Millions Unaudited
Right of use assets	83.7	80.5
Investment properties	80.0	79.1
Lease liabilities	165.2	159.6
Change in net assets	(1.5)	-

When compared to the accounting policies applied in the prior comparative period, the adoption of NZ IFRS 16 on the Group's Consolidated Statement of Comprehensive Income for the six months ended 30 September 2019 is summarised in the table below:

Consolidated Statement of Comprehensive Income effect	30 September 2019 \$Millions Unaudited
Other operating expenses	(7.3)
Depreciation	4.4
Interest expense	4.4

The weighted average incremental borrowing cost applied to lease liabilities at 1 April 2019 was 4.9%.

2 Nature of business

The Group owns and operates infrastructure and utility businesses and investments in New Zealand, Australia and the United States. 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

Ordinary shares (fully paid)	6 months ended 30 September 2019 Unaudited	6 months ended 30 September 2018 Unaudited	Year ended 31 March 2019 Audited
Total issued capital at the beginning of the period	559,278,166	559,278,166	559,278,166
<i>Movements in issued and fully paid ordinary shares during the period:</i>			
New shares issued	99,992,228	-	-
Conversion of executive redeemable shares	265,267	-	-
Total issued capital at the end of the period	659,535,661	559,278,166	559,278,166

All fully paid ordinary shares have equal voting rights and share equally in dividends and equity. At 30 September 2019 the Group held 775,000 shares as Treasury Stock (30 September 2018: 775,000, 31 March 2019: 775,000).

Dividends paid on ordinary shares	6 months ended 30 September 2019 cps Unaudited	6 months ended 30 September 2018 cps Unaudited	Year ended 31 March 2019 cps Audited	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Final dividend prior year	11.00	10.75	10.75	72.5	60.1	60.1
Interim dividend paid current year	-	-	6.25	-	-	35.0
Dividends paid on ordinary shares	11.00	10.75	17.00	72.5	60.1	95.1

4 Operating segments

Reportable segments of the Group are analysed by significant businesses. The Group has seven reportable segments, as described below:

Trustpower and Tilt Renewables are renewable generation investments, Wellington International Airport is an airport investment, NZ Bus is a transportation investment and Perth Energy is a non-renewable generation investment in Western Australia. Associates comprises Infratil's investments that aren't consolidated for financial reporting purposes including CDC Data Centres, RetireAustralia, ANU Student Accommodation, Longroad Energy and Vodafone New Zealand. Further information on these investments is outlined in note 5. The Group's investments in NZ Bus, Perth Energy, and ANU Student Accommodation were divested during the period and treated as Discontinued Operations as at 30 September 2019. Further information on these investments is outlined in note 7. All other segments and corporate includes predominately the activities of the Parent Company. The group has no significant reliance on any one customer.

	Trustpower Australasia \$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									
Segment 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)
Segment revenue – external	539.4	109.2	72.6	76.1	114.2	101.1	4.5	(214.7)	802.4
Operating expenses	(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)
Segment profit/(loss)	38.6	12.6	17.6	(35.4)	(24.7)	101.1	(20.6)	(9.4)	79.8
Investments in associates	-	-	-	-	-	2,059.2	-	-	2,059.2
Total non-current assets (excluding derivatives and deferred tax)	2,125.3	1,288.0	1,243.0	-	-	2,059.2	240.7	-	6,956.2
Total assets	2,367.8	1,726.2	1,300.5	-	-	2,059.2	316.3	-	7,770.0
Total liabilities	1,065.9	1,034.7	734.0	-	-	-	1,807.4	-	4,642.0
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 Australasia \$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 2018									
Segment revenue	512.2	104.7	67.5	99.2	138.8	-	78.2	(241.9)	758.7
Share of earnings of associate companies	-	-	-	-	-	76.6	-	(5.5)	71.1
Inter-segment revenue	-	-	-	-	-	-	(72.9)	(20.7)	(93.6)
Segment revenue – external	512.2	104.7	67.5	99.2	138.8	76.6	5.3	(268.1)	736.2
Operating expenses	(382.6)	(32.2)	(17.9)	(86.0)	(113.6)	-	(46.9)	224.8	(454.4)
Interest income	1.0	0.5	0.2	-	0.1	-	5.9	(4.0)	3.7
Interest expense	(14.4)	(16.7)	(8.9)	(3.0)	(3.7)	-	(35.9)	6.8	(75.8)
Depreciation and amortisation	(24.9)	(47.8)	(10.9)	(12.8)	(3.0)	-	(0.3)	16.0	(83.7)
Net gain/(loss) on foreign exchange and derivatives	(1.0)	7.3	0.4	-	-	-	5.4	(0.1)	12.0
Net realisations, revaluations and (impairments)	(0.3)	-	0.9	(1.7)	-	-	-	1.7	0.6
Taxation expense	(25.2)	(6.6)	(8.8)	0.7	(8.3)	-	(7.0)	9.0	(46.2)
Segment profit/(loss)	64.8	9.2	22.5	(3.6)	10.3	76.6	(73.5)	(13.9)	92.4
Investments in associates (including those held for sale)	-	-	-	-	-	991.0	-	-	991.0
Total non-current assets (excluding derivatives and deferred tax)	2,268.5	1,119.5	1,180.9	178.9	141.0	990.9	96.6	-	5,976.3
Total assets	2,429.4	1,320.6	1,209.2	198.4	206.5	991.1	222.6	-	6,577.8
Total liabilities	873.0	871.2	656.2	28.8	111.3	-	1,160.9	-	3,701.4
Capital expenditure and investments	11.4	50.6	44.8	12.7	0.3	80.2	10.0	(25.6)	184.4

4 Operating segments (continued)

	Trustpower Australasia \$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 2019									
Segment revenue	1,030.1	207.1	137.9	184.2	269.9	-	158.6	(461.3)	1,526.5
Share of earnings of associate companies	-	-	-	-	-	119.2	-	(12.8)	106.4
Inter-segment revenue	-	-	-	-	-	-	(147.8)	(42.9)	(190.7)
Segment revenue - external	1,030.1	207.1	137.9	184.2	269.9	119.2	10.8	(517.0)	1,442.2
Operating expenses	(807.9)	(62.7)	(36.5)	(166.8)	(234.0)	-	(142.4)	452.5	(997.8)
Interest income	1.4	1.4	0.3	-	0.2	-	13.3	(9.8)	6.8
Interest expense	(29.6)	(33.6)	(19.7)	(7.1)	(7.6)	-	(73.3)	15.6	(155.3)
Depreciation and amortisation	(47.2)	(89.5)	(23.7)	(21.1)	(6.0)	-	(0.6)	27.7	(160.4)
Net gain/(loss) on foreign exchange and derivatives	(5.8)	(2.1)	1.2	-	-	-	7.0	-	0.3
Net realisations, revaluations and (impairments)	(10.9)	-	4.8	(29.2)	-	-	3.5	32.4	0.6
Taxation expense	(37.5)	(7.4)	(0.2)	4.2	(12.1)	-	(30.3)	11.3	(72.0)
Segment profit/(loss)	92.6	13.2	64.1	(35.8)	10.4	119.2	(212.0)	12.7	64.4
Investments in associates (including those held for sale)	-	-	-	-	-	964.7	-	(108.2)	856.5
Total non-current assets (excluding derivatives and deferred tax)	2,093.5	1,114.7	1,213.6	174.8	107.7	964.7	117.1	(390.9)	5,395.2
Total assets	2,314.5	1,601.0	1,260.5	200.0	211.3	964.7	181.1	-	6,733.1
Total liabilities	965.5	915.8	656.9	29.7	110.5	-	1,309.1	-	3,987.5
Capital expenditure and investments	27.7	127.1	72.1	45.9	0.4	139.0	27.8	(55.6)	384.4

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. 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	Eliminations & discontinued operations \$Millions Unaudited	Total from continuing operations \$Millions Unaudited
For the period ended 30 September 2019					
Segment 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)
Segment revenue – external	712.2	287.0	17.9	(214.7)	802.4
Operating expenses	(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)
Segment profit/(loss)	(17.6)	88.9	17.9	(9.4)	79.8
Investments in associates	1,026.4	1,029.3	3.5	-	2,059.2
Total non-current assets (excluding derivatives and deferred tax)	4,836.8	2,087.6	31.8	-	6,956.2
Total assets	5,252.1	2,486.1	31.8	-	7,770.0
Total liabilities	3,762.0	880.0	-	-	4,642.0
Capital expenditure and investments	1,195.3	96.7	6.3	(3.0)	1,295.3
For the period ended 30 September 2018					
Segment revenue	783.2	217.4	-	(241.9)	758.7
Share of earnings of associate companies	-	25.4	51.2	(5.5)	71.1
Inter-segment revenue	(72.9)	-	-	(20.7)	(93.6)
Segment revenue – external	710.3	242.8	51.2	(268.1)	736.2
Operating expenses	(564.2)	(115.0)	-	224.8	(454.4)
Interest income	7.2	0.5	-	(4.0)	3.7
Interest expense	(64.5)	(18.1)	-	6.8	(75.8)
Depreciation and amortisation	(60.8)	(38.9)	-	16.0	(83.7)
Net gain/(loss) on foreign exchange and derivatives	4.2	7.9	-	(0.1)	12.0
Net realisations, revaluations and (impairments)	(1.1)	-	-	1.7	0.6
Taxation expense	(40.8)	(14.4)	-	9.0	(46.2)
Segment profit/(loss)	(9.7)	64.8	51.2	(13.9)	92.4
Investments in associates (including those held for sale)	0.3	912.1	78.6	-	991.0
Total non-current assets (excluding derivatives and deferred tax)	3,930.6	1,949.0	96.7	-	5,976.3
Total assets	4,281.9	2,199.2	96.7	-	6,577.8
Total liabilities	2,890.6	810.8	-	-	3,701.4
Capital expenditure and investments	80.1	58.8	71.1	(25.6)	184.4

Entity wide disclosure – geographical (continued)

	New Zealand \$Millions Audited	Australia \$Millions Audited	United States \$Millions Audited	Eliminations & discontinued operations \$Millions Audited	Total from continuing operations \$Millions Audited
For the year ended 31 March 2019					
Segment revenue	1,555.8	432.0	-	(461.3)	1,526.5
Share of earnings of associate companies	-	72.7	46.5	(12.8)	106.4
Inter-segment revenue	(147.8)	-	-	(42.9)	(190.7)
Segment revenue – external	1,408.0	504.7	46.5	(517.0)	1,442.2
Operating expenses	(1,214.4)	(235.9)	-	452.5	(997.8)
Interest income	15.1	1.5	-	(9.8)	6.8
Interest expense	(135.2)	(35.7)	-	15.6	(155.3)
Depreciation and amortisation	(116.0)	(72.1)	-	27.7	(160.4)
Net gain/(loss) on foreign exchange and derivatives	0.8	(0.5)	-	-	0.3
Net realisations, revaluations and (impairments)	(31.8)	-	-	32.4	0.6
Taxation expense	(62.8)	(20.5)	-	11.3	(72.0)
Segment profit/(loss)	(136.3)	141.5	46.5	12.7	64.4
Investments in associates (including those held for sale)	-	953.9	10.8	(108.2)	856.5
Total non-current assets (excluding derivatives and deferred tax)	3,785.9	1,962.6	37.6	(390.9)	5,395.2
Total assets	4,173.2	2,522.3	37.6	-	6,733.1
Total liabilities	3,115.3	872.2	-	-	3,987.5
Capital expenditure and investments	161.9	176.6	101.5	(55.6)	384.4

5 Investments in associates

	Note	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
<i>Investments in associates are as follows:</i>				
CDC Data Centres	5.1	660.8	487.8	555.3
RetireAustralia	5.2	368.5	317.0	290.4
ANU Student Accommodation	7.1	-	107.3	-
Longroad Energy	5.3	3.5	78.6	10.8
Vodafone New Zealand	5.4	1,026.4	-	-
Mana Coach Holdings		-	0.3	-
Investments in associates		2,059.2	991.0	856.5
<i>Equity accounted earnings of associates are as follows:</i>				
CDC Data Centres	5.1	79.5	30.2	83.9
RetireAustralia	5.2	6.5	(10.3)	(23.9)
Longroad Energy	5.3	17.8	51.2	46.4
Vodafone New Zealand	5.4	(3.2)	-	-
Share of earnings of associate companies		100.6	71.1	106.4

5.1 CDC Data Centres

On 14 September 2016 the Group completed the acquisition of 48.13% of CDC Data Centres ('CDC'), with consortium partner the Commonwealth Superannuation Corporation acquiring 48.13% and CDC Executives 3.74%. CDC operates 80MW (30 September 2018: 39MW, 31 March 2019: 67MW) of installed capacity across 3 accredited and connected Data Centre campuses in Canberra and Sydney. 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 48.22% (30 September 2018: 48.22%, 31 March 2019: 48.22%).

	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Movement in the carrying amount of the Group's investment in CDC Data Centres:			
Carrying value at 1 April	555.3	453.2	453.2
Acquisition of shares	-	-	31.7
Capitalised transaction costs	-	-	-
Shareholder loan	8.1	-	11.0
Total capital contributions during the year	8.1	-	42.7
Interest on shareholder loan (including accruals)	7.2	7.1	14.5
Share of associate's surplus/(loss) before income tax	107.9	29.4	108.6
Share of associate's income tax (expense)	(35.6)	(6.3)	(39.2)
Total share of associate's earnings during the year	79.5	30.2	83.9
Share of associate's other comprehensive income	-	-	-
less: shareholder loan repayments including interest	(0.6)	(6.3)	(12.6)
Foreign exchange movements recognised in other comprehensive income	18.5	10.7	(11.9)
Carrying value of investment in associate	660.8	487.8	555.3
Summary financial information			
<i>Summary information for CDC is not adjusted for the percentage ownership held by the Group:</i>			
Current assets	78.9	50.3	35.0
Non-current assets	2,299.4	1,367.3	1,799.4
Total assets	2,378.3	1,417.6	1,834.4
Current liabilities	69.7	30.2	20.5
Non-current liabilities	1,396.8	766.2	1,039.9
Total liabilities	1,466.5	796.4	1,060.4
Revenues	67.2	42.5	115.5
Net surplus/(loss) after tax	137.8	47.4	137.5

CDC's functional currency is Australian Dollars (A\$) and the summary financial information shown is presented in this currency.

5.2 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 2018: 50%, 31 March 2019: 50%).

	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Movement in the carrying amount of the Group's investment in RetireAustralia:			
Carrying value at 1 April	290.4	319.0	319.0
Acquisition of shares	61.3	-	-
Total capital contributions during the period	61.3	-	-
Share of associate's surplus/(loss) before income tax	6.5	(10.3)	(23.9)
Share of associate's income tax (expense)	-	-	-
Total share of associate's earnings during the period	6.5	(10.3)	(23.9)
Share of associate's other comprehensive income	-	-	-
less: distributions received	-	-	-
Foreign exchange movements recognised in other comprehensive income	10.3	8.3	(4.7)
Carrying value of investment in associate	368.5	317.0	290.4
Summary financial information			
<i>Summary information for RetireAustralia is not adjusted for the percentage ownership held by the Group:</i>			
Current assets	193.1	184.4	191.1
Non-current assets	2,355.6	2,306.0	2,319.6
Total assets	2,548.7	2,490.4	2,510.7
Current liabilities	1,733.1	1,730.3	1,746.0
Non-current liabilities	133.4	180.7	210.8
Total liabilities	1,866.5	1,911.0	1,956.8
Revenues	38.8	35.3	74.6
Net surplus/(loss) after tax	12.4	(19.0)	(44.5)

RetireAustralia's functional currency is Australian Dollars (A\$) and the summary financial information shown is presented in this currency.

5.3 Longroad Energy

On 5 October 2016 Infratil announced an initial (45%) investment in Longroad Energy Holdings, LLC ('Longroad'), a recently formed renewable energy development and operating vehicle headquartered in Boston, Massachusetts. Longroad's focus is primarily in the development of utility-scale wind and solar generation throughout North America. The other establishment partners were the New Zealand Superannuation Fund (current shareholding is 40%) and the Longroad management team (current shareholding is 20%). Infratil's current shareholding is 40% (30 September 2018: 40%, 31 March 2019: 40%).

	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Movement in the carrying amount of the Group's investment in Longroad Energy:			
Carrying value at 1 April	10.8	10.1	10.1
Capital contributions	5.9	3.7	19.8
Shareholder loan	-	0.4	0.4
Mezzanine debt drawdowns	-	67.0	67.0
Total capital contributions during the year	5.9	71.1	87.2
Interest on shareholder loan (including accruals)	-	-	-
Interest on mezzanine debt (including accruals)	-	3.0	4.6
Share of associate's surplus/(loss) before income tax	17.8	48.2	41.8
Share of associate's income tax (expense)	-	-	-
Total share of associate's earnings during the year	17.8	51.2	46.4
Share of associate's other comprehensive income	(9.7)	(12.3)	(12.0)
less: distributions received	(17.7)	(32.0)	(32.7)
less: capital returned	(3.6)	(13.4)	(16.5)
less: shareholder loan repayments including interest	-	(1.6)	(1.6)
less: mezzanine debt repayments including interest	-	-	(71.6)
Foreign exchange movements recognised in other comprehensive income	-	5.5	1.5
Carrying value of investment in associate	3.5	78.6	10.8
Summary financial information			
<i>Summary information for Longroad Energy is not adjusted for the percentage ownership held by the Group:</i>			
Current assets		282.2	91.4
Non-current assets		572.7	549.0
Total assets		854.9	640.4
Current liabilities		290.1	35.0
Non-current liabilities		533.8	531.7
Total liabilities		823.9	566.7
Revenues		93.4	18.1
Net surplus/(loss) after tax		59.5	(22.6)
Total comprehensive income		58.4	(22.6)

The summary information provided is taken from the most recent audited annual financial statements of Longroad, LLC which have a balance date of 31 December and are reported as at that date. Longroad's functional currency is United States Dollars (US\$) and the summary financial information shown is presented in this currency.

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 have been issued 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 2019, US\$104.4 million (30 September 2018: US\$47.6 million 31 March 2019: US\$115.3 million) in Letters of Credit have been issued under the Longroad Letter of Credit facility.

5.4 Vodafone New Zealand

On 31 July 2019, the Group acquired a 49.9% shareholding of Vodafone New Zealand Limited ('Vodafone'), in conjunction with consortium partner Brookfield Asset Management Inc. which also acquired a 49.9% ownership interest. The remaining shares were reserved for 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 2018: N/A, 31 March 2019: N/A).

	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Movement in the carrying amount of the Group's investment in Vodafone:			
Carrying value at 1 April	-	-	-
Acquisition of shares	690.3	-	-
Shareholder loan	339.3	-	-
Total capital contributions during the period	1,029.6	-	-
Interest on shareholder loan (including accruals)	2.5	-	-
Share of associate's surplus/(loss) before income tax	(4.1)	-	-
Share of associate's income tax (expense)	(1.6)	-	-
Total share of associate's earnings during the period	(3.2)	-	-
Share of associate's other comprehensive income	-	-	-
less: distributions received	-	-	-
less: shareholder loan repayments including interest	-	-	-
Carrying value of investment in associate	1,026.4	-	-

6 Other investments

	30 September 2019 \$Millions Unaudited	30 September 2018 \$Millions Unaudited	31 March 2019 \$Millions Audited
Australian Social Infrastructure Partners	46.1	40.8	45.4
Clearvision Ventures	28.3	18.1	26.8
Other	8.7	8.8	9.0
Other investments	83.1	67.7	81.2

Australian Social Infrastructure Partners

Australian Social Infrastructure Partners ('ASIP') has currently invested in 9.95% and 49.0% respectively of the equity in the New Royal Adelaide Hospital PPP and the South East Queensland Schools PPP. As at 30 September 2019 Infratil has made total contributions of A\$30.5 million (30 September 2018: A\$30.5 million; 31 March 2019: A\$30.5 million).

Clearvision Ventures

In February 2016 Infratil made a commitment of US\$25 million to the California based Envision Ventures Fund 2. The strategic objective is to help Infratil's businesses identify and engage with technology changes that will impact their activities. As at 30 September 2019 Infratil has made total contributions of US\$19.8 million (30 September 2018: US\$13.0 million, 31 March 2019: US\$19.5 million), with the remaining US\$5.2 million commitment uncalled at that date. During the prior period Envision Ventures Fund 2 LP was renamed Clearvision Ventures Ecosystem Fund LP.

7 Discontinued operations

	Note	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Summary of results of discontinued operations				
ANU Student Accommodation	7.1	66.6	5.5	12.7
NZ Bus	7.2	(32.6)	(1.5)	(30.8)
Perth Energy	7.3	(23.1)	12.2	14.2
Snapper		(2.6)	(2.5)	(8.1)
Net surplus from discontinued operations after tax		8.3	13.7	(12.0)

7.1 ANU Student Accommodation

On 21 May 2019 Infratil announced that the sale of its 50% interest in the Australian National University's PBSA concession to funds controlled by AMP Capital had completed. Infratil received cash proceeds of A\$162.1 million, as well as shareholder loan interest and distributions of A\$4.8 million in the period from 31 March 2019 to completion. The investment was classified as held for sale at 31 March 2019 and is reported in the financial statements as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Carrying value at 1 April	108.2	96.1	96.1
Acquisition of shares	-	4.1	4.1
Shareholder loan	-	5.0	5.0
Total capital contributions during the period	-	9.1	9.1
Interest on shareholder loan (including accruals)	0.5	1.8	3.8
Share of associate's surplus/(loss) before income tax	-	3.7	8.9
Share of associate's income tax (expense)	-	-	-
Total share of associate's earnings in the period	0.5	5.5	12.7
less: Distributions received	(3.5)	(4.6)	(5.2)
less: Shareholder loan repayments including interest	(57.6)	(1.0)	(1.7)
less: Capital returned	(49.4)	-	-
Foreign exchange movements recognised in other comprehensive income	1.8	2.2	(2.8)
Carrying value of investment in associate	-	107.3	108.2
<i>The net gain on the sale is calculated as follows:</i>			
Gross sale proceeds	172.2	-	-
Carrying amount of assets and liabilities as at the date of sale	104.1	-	-
Gain on sale before cost of disposal	68.1	-	-
Cost of disposal	(2.0)	-	-
Net gain on sale	66.1	-	-
Net surplus from discontinued operation after tax	66.6	5.5	12.7
Basic and diluted earnings per share (cents per share)	11.2	1.0	2.3
The profit from the discontinued operation is attributable entirely to the owners of the Company.			
<i>Cash flows from/(used in) discontinued operation</i>			
Net cash from operating activities	4.0	5.6	6.9
Net cash from/(used) in investing activities	169.7	(9.1)	(9.1)
Net cash used in financing activities	-	-	-
Net cash flows for the period	173.7	(3.5)	(2.2)

There was no cumulative income recognised in other comprehensive income relating to ANU Student Accommodation at 30 September 2019 (30 September 2018: \$2.2 million, 31 March 2019: -\$2.4 million).

7.2 NZ Bus

On 2 September 2019 Infratil announced that the sale of its NZ Bus business to funds controlled by Next Capital had been completed. The final consideration after post-completion adjustments for working capital, capital expenditure, and an earnout mechanism is estimated to be between \$125–\$145 million. Upfront cash proceeds of approximately \$93 million have been received. The balance (after the post-completion adjustments and earnout) will be paid in cash and a vendor loan of up to \$20 million (based on the expected proceeds), repayable within 5.5 years of completion. The investment was classified as held for sale at 31 March 2019 and is reported in the financial statements as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below. Gross sale proceeds are based on Management's best estimate of the post-completion adjustments at 30 September 2019.

	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Results of discontinued operation			
Revenue	76.1	99.2	184.2
Operating expenses	70.2	86.0	166.8
Results from operating activities	5.9	13.2	17.4
Depreciation & amortisation of intangibles	(7.1)	(12.8)	(21.1)
Net realisations, revaluations, (impairments)	0.2	(1.7)	(29.2)
Net financing expense	-	(0.1)	(0.2)
Net surplus/(loss) before tax	(1.0)	(1.4)	(33.1)
Taxation (expense)/credit	0.6	(0.1)	2.3
Net surplus/(loss) after tax	(0.4)	(1.5)	(30.8)
<i>The net loss on the sale is calculated as follows:</i>			
Gross sale proceeds	134.7	-	-
Carrying amount of assets and liabilities as at the date of sale	166.9	-	-
Loss on sale before cost of disposal	(32.2)	-	-
Cost of disposal	-	-	-
Net loss on sale	(32.2)	-	-
Net loss from discontinued operation after tax	(32.6)	(1.5)	(30.8)
Basic and diluted earnings per share (cents per share)	(5.5)	(0.3)	(5.5)
The loss from the discontinued operation is attributable entirely to the owners of the Company.			
<i>Cash flows from/(used in) discontinued operation</i>			
Net cash from operating activities	(0.1)	(3.0)	2.6
Net cash from/(used) in investing activities	92.9	1.5	2.8
Net cash used in financing activities	-	-	-
Net cash flows for the period	92.9	(1.5)	5.4

There was no cumulative income recognised in other comprehensive income relating to NZ Bus at 30 September 2019 (30 September 2019: nil, 31 March 2019: nil).

7.3 Perth Energy

On 2 September 2019 Infratil announced that the sale of Perth Energy to AGL Energy Limited had been completed. Infratil received cash proceeds of A\$53.3 million for its 80% shareholding, with final proceeds to be adjusted for normal working capital and net debt adjustments. The investment was classified as held for sale at 31 March 2019 and is reported in the financial statements as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Results of discontinued operation			
Revenue	114.2	138.8	269.9
Operating expenses	102.1	113.5	234.0
Results from operating activities	12.1	25.3	35.9
Depreciation & amortisation of intangibles	(2.6)	(3.0)	(6.0)
Net realisations, revaluations, (impairments)	-	-	-
Net financing expense	(1.1)	(1.1)	(2.1)
Net surplus/(loss) before tax	8.4	21.2	27.8
Taxation (expense)/credit	(4.9)	(9.0)	(13.6)
Net surplus/(loss) after tax	3.5	12.2	14.2
<i>The net loss on the sale is calculated as follows:</i>			
Gross sale proceeds	63.7	-	-
Carrying amount of assets and liabilities as at the date of sale	89.6	-	-
Loss on sale before cost of disposal	(25.9)	-	-
Cost of disposal	(0.7)	-	-
Net loss on sale	(26.6)	-	-
Net surplus/(loss) from discontinued operation after tax	(23.1)	12.2	14.2
Basic and diluted earnings per share (cents per share)	(3.9)	2.2	2.5
The profit/(loss) from the discontinued operation is attributable entirely to the owners of the Company.			
<i>Cash flows from/(used in) discontinued operation</i>			
Net cash from/(used) operating activities	3.5	4.9	11.9
Net cash from/(used) in investing activities	63.5	(0.2)	(0.4)
Net cash (used) in financing activities	(2.3)	(1.6)	(4.5)
Net cash flows for the period	64.8	3.1	7.0

There was no cumulative income recognised in other comprehensive income relating to Perth Energy at 30 September 2019 (30 September 2018: \$1.2 million, 31 March 2019: \$5.1 million).

8 Revenue

	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Operating revenue – contracted	675.6	661.5	1,318.9
Operating revenue – outside the scope of NZ IFRS 15	25.7	2.3	14.3
Total operating revenue	701.3	663.8	1,333.2
<i>Operating revenue – contracted</i>			
Electricity*	524.4	527.0	1,037.9
Gas	17.5	17.8	29.2
Telecommunications	46.8	43.3	87.7
Aircraft movement and terminal charges	40.3	40.6	81.5
Transport, hotel and other trading activities	19.2	14.3	30.5
Other	27.4	18.5	52.2
Total operating revenue – contracted	675.6	661.5	1,318.9

* Electricity comprises revenue from Trustpower and Tilt Renewables

9 Other operating expenses

	Note	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
<i>Trading operations</i>				
Energy and wholesale costs		123.2	87.3	234.6
Line, distribution and network costs		151.6	154.9	284.5
Generation production & development costs		26.0	19.3	46.5
Other energy business costs		59.1	66.4	123.1
Telecommunications cost of sales		32.8	24.8	54.4
Transportation business costs		-	-	-
Airport business costs		14.2	12.0	24.0
Bad debts written off		1.4	1.0	2.0
Increase in provision for doubtful debts		-	-	-
Directors' fees		1.7	1.2	3.2
Administration and other corporate costs		7.6	1.0	7.1
Management fee (to related party Morrison & Co Infrastructure Management)	16	17.4	11.4	24.1
International Portfolio incentive fee	16	12.8	29.4	102.6
Donations		0.2	0.7	0.9
Total other operating expenses		448.0	409.5	907.0

10 Taxation

	6 months ended 30 September 2019 \$Millions Unaudited	6 monthded ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Net surplus before taxation from continuing operations	125.9	138.6	136.4
Taxation on the surplus for the period @ 28%	35.3	38.8	38.2
<i>Plus/(less) taxation adjustments:</i>			
Effect of tax rates in foreign jurisdictions	(0.6)	0.3	(0.1)
Net benefit of imputation credits	-	-	-
Timing differences not recognised	-	-	(1.0)
Tax losses not recognised/(utilised)	(3.2)	0.4	30.1
Effect of equity accounted earnings of associates	(20.5)	(18.4)	0.6
Recognition of previously unrecognised deferred tax	9.0	-	(1.2)
(Over)/Under provision in prior periods	7.5	2.1	0.9
Net investment realisations	(0.1)	-	(0.4)
Other permanent differences	18.7	23.0	4.9
Taxation expense	46.1	46.2	72.0
Current taxation	36.8	41.8	52.4
Deferred taxation	9.3	4.4	19.6
Tax on discontinued operations	4.3	9.1	11.4

11 Loans and borrowings

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

	30 September 2019 \$Millions Unaudited	30 September 2018 \$Millions Unaudited	31 March 2019 \$Millions Audited
Current liabilities			
Unsecured bank loans	225.0	78.0	97.7
Secured bank facilities	210.3	47.4	201.9
less: Loan establishment costs capitalised and amortised over term	(5.1)	(0.9)	(4.3)
	430.2	124.5	295.3
Non-current liabilities			
Unsecured bank loans	338.8	178.0	200.2
Secured bank facilities	504.3	668.0	505.3
less: Loan establishment costs capitalised and amortised over term	(11.5)	(1.2)	(8.7)
	831.6	844.8	696.8
Facilities utilised at reporting date			
Unsecured bank loans	563.8	256.0	298.0
Unsecured guarantees	-	-	-
Secured bank loans	714.6	715.4	707.0
Secured guarantees	187.4	113.5	129.5
Facilities not utilised at reporting date			
Unsecured bank loans	679.3	599.0	391.0
Unsecured guarantees	-	-	-
Secured bank loans	348.2	20.2	380.8
Secured guarantees	74.3	6.0	85.7
Interest bearing loans and borrowings – <i>current</i>	430.2	124.5	295.3
Interest bearing loans and borrowings – <i>non-current</i>	831.6	844.8	696.8
Total interest bearing loans and borrowings	1,261.8	969.3	992.1

Financing arrangements

Infratil Finance Limited, a wholly owned subsidiary of the Company, has entered into bank facilities with a negative pledge arrangement, 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 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 drawn debt and accrued interest under the IGG facilities was \$327.7 million (30 September 2018: nil, 31 March 2019: \$70.2 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 its assets as part of its bank facility arrangements. IENZ has total facilities of \$125.0 million, of which \$10.0 million was drawn as at 30 September 2019 (30 September 2018: nil, 31 March 2019: nil).

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 has granted security under a General Security Agreement in relation to its bank facilities. 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.

Interest rates are 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 1.6% to 3.7% (30 September 2018: 2.2% to 4.5%, 31 March 2019: 2.2% to 4.5%).

12 Infrastructure bonds

	30 September 2019 \$Millions Unaudited	30 September 2018 \$Millions Unaudited	31 March 2019 \$Millions Audited
Balance at the beginning of the period	1,127.6	994.4	994.4
Issued during the period	268.3	-	246.2
Exchanged during the period	-	-	(51.1)
Matured during the period	-	-	(60.4)
Purchased by Infratil during the period	-	-	-
Bond issue costs capitalised during the period	(3.4)	-	(3.6)
Bond issue costs amortised during the period	1.1	1.1	2.1
Balance at the end of the period	1,393.6	995.5	1,127.6
Current	149.0	111.4	148.9
Non-current fixed coupon	902.3	652.8	747.2
Non-current variable coupon	110.6	-	-
Non-current perpetual variable coupon	231.7	231.3	231.5
Balance at the end of the period	1,393.6	995.5	1,127.6
<i>Repayment terms and interest rates:</i>			
IFT180 maturing in November 2018, 6.85% p.a. fixed coupon rate	-	111.4	-
IFT200 maturing in November 2019, 6.75% p.a. fixed coupon rate	68.5	68.5	68.5
IFT090 maturing in February 2020, 8.50% p.a. fixed coupon rate	80.5	80.5	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
IFT250 maturing in June 2025, 6.15% p.a. fixed coupon rate	43.4	43.4	43.4
IFT280 maturing in December 2026, 3.35% p.a. fixed coupon rate	156.3	-	-
IFT270 maturing in December 2028, 4.85% p.a. fixed coupon rate	146.2	-	146.2
IFTHC maturing in December 2029, 3.50% p.a. variable coupon rate	112.1	-	-
IFTHA Perpetual Infratil infrastructure bonds	231.9	231.9	231.9
less: Bond issue costs capitalised and amortised over term	(11.1)	(6.0)	(8.7)
Balance at the end of the period	1,393.6	995.5	1,127.6

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

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. 25 days prior to the maturity date of the IFT090 series, Infratil can elect to convert all of the bonds in that series to equity by issuing the number of shares calculated by dividing the \$1.00 face value by 98% of the market price of an Infratil share. The market price is the average price weighted by volume of all trades of ordinary shares over the 10 business days up to the fifth business day before the maturity date.

IFTHC bonds

The Company has 112,053,000 (30 September 2018: nil, 31 March 2019: nil) IFTHCs on issue 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 (September 2018: nil, March 2019: nil). Thereafter the rate will be reset annually at 2.50% per annum over the then one year bank rate for quarterly payments.

Perpetual Infratil infrastructure bonds ('PIIBs')

The Company has 231,916,000 (30 September 2018: 231,916,000, 31 March 2019: 231,916,000) PIIBs on issue at a face value of \$1.00 per bond. Interest is payable quarterly on the bonds. For the period to 15 November 2019 the coupon is fixed at 3.55% per annum (September 2018: 3.50%, March 2019: 3.55%). Thereafter the rate will be reset annually at 1.50% per annum over the then one year bank 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 2018: nil, March 2019: nil) were repurchased by Infratil Limited during the period.

At 30 September 2019 the Infrastructure bonds (including PIIBs) had a fair value of \$1,393.6 million (30 September 2018: \$973.9 million, 31 March 2019: \$1,104.4 million).

13 Financial instruments

13.1 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 2019 of \$2,415.4 million (30 September 2018: \$1,762.3 million, 31 March 2019: \$1,997.8 million) compared to a carrying value of \$2,339.5 million (30 September 2018: \$1,746.1 million, 31 March 2019: \$1,979.5 million). The fair value of the Group's bank loans are not materially different to the carrying values disclosed in note 11.

13.2 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 2018: 3.3% to 3.5%, 31 March 2019: 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.

13.3 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 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
30 September 2018				
Assets per the statement of financial position				
Derivative financial instruments – energy	-	1.0	122.7	123.7
Derivative financial instruments – cross currency interest rate swaps	-	0.1	-	0.1
Derivative financial instruments – foreign exchange	-	-	-	-
Derivative financial instruments – interest rate	-	1.0	-	1.0
Total	-	2.1	122.7	124.8
Liabilities per the statement of financial position				
Derivative financial instruments – energy	-	2.7	19.9	22.6
Derivative financial instruments – cross currency interest rate swaps	-	-	-	-
Derivative financial instruments – foreign exchange	-	-	-	-
Derivative financial instruments – interest rate	0.1	32.7	-	32.8
Total	0.1	35.4	19.9	55.4

31 March 2019	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	-	0.3	170.6	170.9
Derivative financial instruments – cross currency interest rate swaps	-	2.9	-	2.9
Derivative financial instruments – foreign exchange	-	-	-	-
Derivative financial instruments – interest rate	-	0.7	-	0.7
Total	-	3.9	170.6	174.5
Liabilities per the statement of financial position				
Derivative financial instruments – energy	-	8.1	27.1	35.2
Derivative financial instruments – cross currency interest rate swaps	-	-	-	-
Derivative financial instruments – foreign exchange	-	-	-	-
Derivative financial instruments – interest rate	-	82.3	-	82.3
Total	-	90.4	27.1	117.5

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 2019 (30 September 2018: none, 31 March 2019: none).

13.4 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 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Profit and loss			
10% increase in energy forward prices	(1.5)	(0.3)	(2.2)
10% decrease in energy forward prices	1.5	0.3	2.2
Other comprehensive income			
10% increase in energy forward prices	(34.4)	(33.9)	(33.2)
10% decrease in energy forward prices	34.4	33.9	33.2

The Group's energy derivatives 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. The following table reconciles the movements in level 3 Energy derivatives.

	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Assets per the statement of financial position			
Opening balance	170.6	107.5	107.5
Foreign exchange movement on opening balance	2.8	2.8	(2.3)
Acquired as part of business combination	-	-	-
Gains and (losses) recognised in profit or loss	(3.9)	(4.4)	11.7
Gains and (losses) recognised in other comprehensive income	(23.2)	16.8	53.7
Closing balance	146.3	122.7	170.6
Total gains or (losses) for the period included in profit or loss for assets held at the end of the reporting period	(11.9)	8.5	53.4
Liabilities per the statement of financial position			
Opening balance	27.1	27.3	27.3
Foreign exchange movement on opening balance	0.7	4.1	(0.2)
Acquired as part of business combination	-	-	-
(Gains) and losses recognised in profit or loss	1.3	(8.0)	(4.1)
(Gains) and losses recognised in other comprehensive income	16.8	(3.6)	4.1
Sold as part of the disposal of a subsidiary	-	-	-
Closing balance	45.9	19.9	27.1
Total gains or (losses) for the period included in profit or loss for liabilities held at the end of the reporting period	12.9	0.6	(3.9)
Settlements during the period	22.8	2.8	24.9

14 Reconciliation of net surplus with cash flow from operating activities

	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Net surplus for the period	88.1	106.1	52.4
<i>Items classified as investing activity:</i>			
Loss on investment realisations and impairments	23.4	2.0	36.7
<i>Items not involving cash flows:</i>			
Movement in financial derivatives taken to the profit or loss	16.4	(12.0)	(0.3)
Decrease in deferred tax liability excluding transfers to reserves	13.8	14.5	34.3
Changes in fair value of investment properties	(29.1)	(0.9)	(4.8)
Equity accounted earnings of associate net of distributions received	(78.3)	(32.7)	(67.0)
Depreciation	79.7	91.3	171.7
Movement in provision for bad debts	1.4	1.5	2.2
Amortisation of intangibles	5.3	8.4	16.5
Other	9.0	4.6	5.6
<i>Movements in working capital:</i>			
Change in receivables	(7.8)	(50.8)	(83.4)
Change in inventories	1.3	(1.6)	0.2
Change in trade payables	122.8	44.0	5.7
Change in accruals and other liabilities	(176.3)	(29.2)	129.8
Change in current and deferred taxation	(1.7)	(2.5)	(22.7)
Net cash flow from operating activities	68.0	142.7	276.9

15 Capital commitments

	30 September 2019 \$Millions Unaudited	30 September 2018 \$Millions Unaudited	31 March 2019 \$Millions Audited
Committed but not contracted for	10.1	48.5	37.2
Contracted but not provided for	707.0	139.3	544.1
Capital commitments	717.1	187.8	581.3

Capital commitments associated with the Dundonnell Wind Farm and Waipipi Wind Farm total A\$630.8 million as at 31 March 2019. See note 6 for Infratil's commitments to Clearvision Ventures.

16 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 year were:

	Note	6 months ended 30 September 2019 \$Millions Unaudited	6 months ended 30 September 2018 \$Millions Unaudited	Year ended 31 March 2019 \$Millions Audited
Management fees		17.6	11.8	24.9
International Portfolio incentive fee	17	12.8	29.4	102.6
Executive secondment and consulting		0.1	0.1	-
Directors fees		0.9	1.0	2.2
Financial management, accounting, treasury, compliance and administrative services		0.7	0.7	1.4
Capitalised development fee		0.3	-	0.3
Investment banking services		0.5	0.5	1.2
Total management and other fees		32.9	43.5	132.6

The above table includes \$0.4 million paid by discontinued operations in the period ended 30 September 2019 (30 September 2018: \$0.6 million, 31 March 2019: \$1.5 million).

At 30 September 2019 amounts owing to MCIM of \$3.7 million (excluding GST) are included in trade creditors (30 September 2018: \$2.5 million, 31 March 2019: \$3.6 million).

On 8 May 2017 the Company obtained a standing waiver from the former NZSX Listing Rule 9.2.1 (which, under the transition arrangements for the new NZSX Listing Rules, has been grandparented to 30 June 2020 to allow for re-documentation under the new NZSX Listing Rules). The effect of the waiver is to waive the requirement for Infratil to obtain an Ordinary Resolution from shareholders to enter into a Material Transaction with a Related Party to the extent required to allow Infratil to enter into transactions with co-investors that have also engaged an entity related to MCO for investment management or advisory services. The waiver is provided on the conditions specified in paragraph 2 of the waiver decision, which is available on Infratil's website: www.infratil.com/for-investors/announcements. As yet, no transaction has been entered into with reliance on this waiver.

On 31 May 2019 Infratil announced that the sale of its public transport ticketing subsidiary Snapper to Allectus Capital Limited ('Allectus') for nominal consideration. Allectus is owned by ICM Limited ('ICM'). Infratil notes that Duncan Saville, a director of MCO, is the Chairman and founder of ICM. Infratil confirms that the sale of Snapper was considered and approved by the Independent Directors of Infratil, who are satisfied that the transaction was negotiated and entered into on an arm's length commercial basis and that the directors associated with MCO have not exercised any undue influence over the Board in its decisions in respect of the transaction.

17 International Portfolio incentive fee

International Investments ('International Portfolio Assets') 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.

All 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 these assets against a benchmark of 12% p.a. after tax, compounding. Thereafter International Portfolio Assets 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. Realised Incentive Fees are payable on the realised gains from the sale or other realisation of an International Portfolio Asset 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.

The investments in Australian Social Infrastructure Partners, CDC Data Centres, Longroad Energy, RetireAustralia and Tilt Renewables are currently eligible for the International Portfolio Annual Incentive fee assessment as at 31 March 2020. There are no other International Portfolio Assets.

As at 30 September, it is probable that Infratil will have an International Portfolio Annual Incentive fee (for the year to 31 March 2020) due to MCO based on the performance of the above portfolio of assets, and as a result an amount of \$12.7 million has been accrued as at 30 September. Incentive fee calculations as at 31 March are based on independent valuations as at that date.

18 Contingent liabilities and legal matters

Snowtown Wind Farm Stage 2 Pty Ltd, a wholly-owned subsidiary of Tilt Renewables, has been served with court proceedings on behalf of the Australian Energy Regulator ('AER') in relation to their investigations into the system black event which occurred in South Australia on 28 September 2016. The company will continue to engage with the AER in an endeavour to resolve this matter.

There were no other contingent liabilities as at 30 September 2019.

19 Events after balance date

Infratil Infrastructure Bond Offer

On 22 October 2019, Infratil announced the offer of a new series of unsecured unsubordinated Infrastructure Bonds, with a fixed coupon of 3.35% and a maturity date of 15 March 2026. Infratil has also extended the closing date for its offer of IFTHC bonds (due 15 December 2029) to 13 November 2019.

Snowtown 2 Wind Farm Refinancing

On 24 October 2019 Tilt Renewables reached financial close on a standalone A\$616 million Project Financing Facility for the Snowtown 2 Wind Farm. The proceeds of these funds were used to repay a facility which was due to expire at the end of October 2019 along with other Tilt Renewables facilities. Proceeds of the refinancing have been retained by the business and are intended to be used as the equity contribution for other near term development opportunities.

Dividend

On 12 November 2019, 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 13 December 2019.



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 2019 and its financial performance and cash flows for the 6 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 2019;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the 6 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

12 November 2019

Directory

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M Bogoievski

A Gerry

P Gough

K Mactaggart

P M Springford

C Savage

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N Lough

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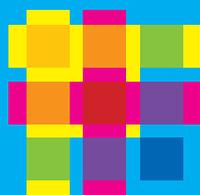
Calendar

Half year end	30 September 2019
Half year results released	13 November 2019
Interim dividend paid	13 December 2019
Financial year end	31 March 2020

Updates/Information

Infratil produces an Annual Report and Interim Report each year. In addition, Infratil produces occasional reports on the operations of its subsidiaries. These are available at www.infratil.com.

All Infratil's reports and releases are on the website, which also contains profiles of Infratil's businesses and links.



Infratil