INFRATIL LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	Notes	Consolidated 6 months ended 30 September 2012 $Millions Unaudited	6 months ended 30 September 2011 $Millions Unaudited	12 months ended 31 March 2012 $Millions Audited
Operating revenue	5	1,249.3	1,125.5	2,166.4
Dividends	5	0.1	0.1	0.2
Total revenue		1,249.4	1,125.6	2,166.6
Share of earnings and income of associate companies (net of tax)	5, 10	7.9	18.4	52.3
Total income	5	1,257.3	1,144.0	2,218.9
Depreciation		57.5	50.0	106.4
Amortisation of intangibles		15.2	14.0	27.3
Employee benefits		109.4	104.0	210.6
Other operating expenses	6	852.8	763.6	1,488.1
Total operating expenditure		1,034.9	931.6	1,832.4
Operating surplus before financing, derivatives, realisations and impairments		222.4	212.4	386.5
Net gain/(loss) on energy, foreign exchange and interest rate derivatives		(22.5)	10.7	19.2
Net realisations, revaluations and (impairments)	5	(3.3)	0.2	4.3
Results from operating activities		196.6	223.3	410.0
Interest income		2.1	2.6	4.8
Interest expense		99.3	94.9	192.0
Net financing expense		97.2	92.3	187.2
Net surplus before taxation		99.4	131.0	222.8
Taxation expense associated with removal of depreciation on buildings	8	-	-	(2.1)
Taxation expense - other	8	29.4	36.9	60.5
Net surplus for the period from continuing operations		70.0	94.1	164.4
Net (loss) from discontinued operations after tax	4	(47.3)	(5.3)	(37.4)
Net surplus for the period		**22.7**	**88.8**	**127.0**
Net surplus attributable to owners of the company		(16.5)	50.2	51.6
Net surplus attributable to non-controlling interest		39.2	38.6	75.4
Other comprehensive income net of income tax				
Differences arising on translation of foreign operations		(5.5)	(35.4)	(39.1)
Amortisation of fair value of ineffective hedges taken to profit and loss		0.5	2.0	3.2
Effective portion of changes in fair value of cash flow hedges		(16.0)	9.6	10.7
Recognition of previously unrecognised deferred tax losses		5.2	-	-
Fair value movements in relation to the executive share scheme		-	(0.1)	0.1
Net change in fair value of property, plant & equipment recognised in equity		(1.0)	2.1	227.8
Share of associates other comprehensive income		(0.1)	-	(3.4)
Total other comprehensive income net of income tax		(16.9)	(21.8)	199.3
Total comprehensive income for the period		5.8	67.0	326.3
Total comprehensive income for the period - owners of the Company		(24.3)	28.5	148.5
Total comprehensive income for the period - non controlling interest		30.1	38.5	177.8
Earnings per share				
Basic (cents per share)		(2.8)	8.3	8.6
Diluted (cents per share)		(2.8)	8.3	8.6

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012

	Notes	Consolidated 30 September 2012 $Millions Unaudited	30 September 2011 $Millions Unaudited	31 March 2012 $Millions Audited
Cash and cash equivalents		163.1	105.3	104.3
Trade and other accounts receivable and prepayments		451.2	379.5	371.0
Derivative financial instruments		23.5	4.2	18.0
Inventories		19.1	23.8	31.4
Income tax receivable		5.0	3.8	6.8
Disposal group assets classified as held for sale	4	48.0	116.2	89.5
Current assets		709.9	632.8	621.0
Prepayments		19.2	32.5	30.5
Property, plant and equipment		3,965.9	3,647.2	3,914.2
Investment properties		51.1	48.9	49.9
Derivative financial instruments		9.1	8.9	6.1
Intangible assets		85.9	71.9	85.9
Goodwill		242.0	242.0	242.0
Investments in associates	10	324.0	317.3	333.4
Other investments	10	10.4	9.9	10.4
Non current assets		4,707.6	4,378.6	4,672.4
Total assets		5,417.5	5,011.4	5,293.4
Accounts payable		221.8	226.3	202.8
Accruals and other liabilities		75.0	68.3	112.5
Interest bearing loans and borrowings - current	11	508.1	30.6	73.4
Derivative financial instruments		10.7	61.6	8.2
Income tax payable		23.7	17.9	16.0
Infrastructure bonds	12	142.7	20.0	57.4
TrustPower bonds		-	108.6	108.6
Disposal group liabilities classified as held for sale	4	21.6	31.0	26.0
Total current liabilities		1,003.6	564.3	604.9
Interest bearing loans and borrowings - non-current	11	482.0	822.9	762.3
Other liabilities		0.6	2.0	1.6
Deferred tax		398.9	378.3	424.2
Derivative financial instruments		129.9	39.3	85.0
Infrastructure bonds	12	476.7	539.0	561.5
Perpetual Infratil Infrastructure Bonds	12	232.3	234.1	232.7
Wellington International Airport bonds		249.0	248.5	248.7
TrustPower bonds		504.6	365.3	365.9
Non current liabilities		2,474.0	2,629.4	2,681.9
Attributable to owners of the Company		1,015.6	991.8	1,074.6
Non controlling interest in subsidiaries		924.3	825.9	932.0
Total equity		1,939.9	1,817.7	2,006.6
Total equity and liabilities		5,417.5	5,011.4	5,293.4
Net tangible assets per share ($ per share)		$ 1.18	$ 1.14	$ 1.27

Approved on behalf of the Board on 12 November 2012

Director

Director

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	Notes	Consolidated		
		6 months ended 30 September 2012 $Millions Unaudited	6 months ended 30 September 2011 $Millions Unaudited	12 months ended 31 March 2012 $Millions Audited
Cash flows from operating activities				
Cash was provided from:				
Receipts from customers		1,195.3	1,075.2	2,124.8
Distributions received from associates		17.3	15.1	29.5
Other dividends received		-	-	0.1
Interest received		2.1	2.6	4.8
		1,214.7	1,092.9	2,159.2
Cash was disbursed to:				
Payments to suppliers and employees		(980.2)	(872.5)	(1,743.3)
Interest paid		(93.3)	(89.5)	(180.6)
Taxation paid		(35.0)	(23.4)	(47.4)
		(1,108.5)	(985.4)	(1,971.3)
Net cash inflow from operating activities	13	106.2	107.5	187.9
Cash flows from investing activities				
Cash was provided from:				
Proceeds from sale of property, plant and equipment		0.7	0.1	11.8
Return of security deposits		13.3	0.2	5.9
		14.0	0.3	17.7
Cash was disbursed to:				
Purchase of investments		(0.1)	(0.1)	(0.6)
Lodgement of security deposits		(21.3)	-	(9.2)
Purchase of intangible assets		(9.0)	(10.7)	(35.1)
Interest capitalised on construction of fixed assets		(0.7)	(0.1)	-
Capitalisation of customer acquisition costs		(7.4)	(9.4)	(11.9)
Purchase of property, plant and equipment		(128.4)	(57.2)	(131.8)
		(166.9)	(77.5)	(188.6)
Net cash (outflow) from investing activities		(152.9)	(77.2)	(170.9)
Cash flows from financing activities				
Cash was provided from:				
Proceeds from issue of shares		3.6	2.7	5.3
Proceeds from issue of shares to non-controlling shareholders		2.2	-	-
Bank borrowings		296.2	189.9	304.2
Issue of bonds		139.9	12.2	103.1
		441.9	204.8	412.6
Cash was disbursed to:				
Repayment of bank debt		(133.9)	(112.6)	(208.9)
Loan establishment costs		(3.6)	(3.0)	(8.8)
Repayment of bonds/PIIB buyback		(108.8)	(70.1)	(100.8)
Infrastructure bond issue expenses		(1.9)	(1.3)	(2.5)
Share buyback		(17.2)	(12.7)	(26.0)
Share buyback of non-wholly owned subsidiary		(0.1)	(2.5)	(4.7)
Dividends paid to non-controlling shareholders in subsidiary companies		(39.9)	(53.7)	(84.7)
Dividends paid to owners of the Company		(29.7)	(25.9)	(44.1)
		(335.1)	(281.8)	(480.5)
Net cash inflow/(outflow) from financing activities		106.8	(77.0)	(67.9)
Net (decrease) in cash		60.1	(46.7)	(50.9)
Exchange gains/(losses) on cash		(0.4)	(5.8)	(4.7)
Cash balances at beginning of year		104.3	157.5	157.5
Cashflow from discontinued operation		(0.9)	0.3	2.4
Cash balances at end of year		163.1	105.3	104.3

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2012
Attributable to equity holders of the Company - Unaudited

Consolidated	Capital	Revaluation reserve	Foreign currency translation reserve	Fair value reserve	Hedge/other reserve	Retained earnings	Total	Non-controlling	Total equity
	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions
Balance as at 1 April 2012	428.6	561.9	(61.4)	-	4.1	141.4	1,074.6	932.0	2,006.6
Total comprehensive income for the period									
Net surplus (deficit) for the period	-	-	-	-	-	(16.5)	(16.5)	39.2	22.7
Other comprehensive income, after tax									
Transfer between reserves	-	(0.4)	-	-	-	0.6	0.2	(0.2)	-
Recognition of previously unrecognised deferred tax losses	-	-	5.2	-	-	-	5.2	-	5.2
Differences arising on translation of foreign operations	-	-	(4.4)	-	-	-	(4.4)	(1.1)	(5.5)
Fair value movements in relation to the executive share scheme	-	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(8.5)	-	(8.5)	(7.5)	(16.0)
Amortisation of fair value of ineffective hedges taken to profit and loss	-	-	-	-	0.3	-	0.3	0.2	0.5
Net change in fair value of property, plant & equipment recognised in equity	-	(0.5)	-	-	-	-	(0.5)	(0.5)	(1.0)
Share of associates other comprehensive income	-	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Total other comprehensive income	-	(0.9)	0.8	-	(8.2)	0.5	(7.8)	(9.1)	(16.9)
Total comprehensive income for the period	**-**	**(0.9)**	**0.8**	**-**	**(8.2)**	**(16.0)**	**(24.3)**	**30.1**	**5.8**
Contributions by non-controlling interest									
Outside equity interest arising on establishment of subsidiary	-	-	-	-	-	-	-	-	-
Issue of shares to an outside equity interest	-	-	-	-	-	-	-	2.1	2.1
Total contributions by non-controlling interest	-	-	-	-	-	-	-	2.1	2.1
Contributions by and distributions to owners									
Share buyback	(8.6)	-	-	-	-	-	(8.6)	-	(8.6)
Treasury Stock reissued under dividend reinvestment plan	3.6	-	-	-	-	-	3.6	-	3.6
Dividends to equity holders	-	-	-	-	-	(29.7)	(29.7)	(39.9)	(69.6)
Total contributions by and distributions to owners	(5.0)	-	-	-	-	(29.7)	(34.7)	(39.9)	(74.6)
Balance as at 30 September 2012	**423.6**	**561.0**	**(60.6)**	**-**	**(4.1)**	**95.7**	**1,015.6**	**924.3**	**1,939.9**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2011
Attributable to equity holders of the Company - Unaudited

Consolidated	Capital	Revaluation reserve	Foreign currency translation reserve	Fair value reserve	Hedge/other reserve	Retained earnings	Total	Non-controlling	Total equity
	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions
Balance as at 1 April 2011	457.8	433.2	(26.1)	-	(2.8)	137.3	999.4	843.5	1,842.9
Total comprehensive income for the period									
Net surplus for the year	-	-	-	-	-	50.2	50.2	38.6	88.8
Other comprehensive income, after tax									
Differences arising on translation of foreign operations	-	-	(31.4)	-	-	-	(31.4)	(4.0)	(35.4)
Fair value movements in relation to the executive share scheme	-	-	-	-	(0.1)	-	(0.1)	-	(0.1)
Amortisation of fair value of ineffective hedges transferred to profit or loss	-	-	-	-	1.3	-	1.3	0.7	2.0
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	4.2	-	4.2	5.4	9.6
Net change in fair value of property, plant & equipment recognised in equity	-	4.3	-	-	-	-	4.3	(2.2)	2.1
Share of associates other comprehensive income	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	4.3	(31.4)	-	5.4	-	(21.7)	(0.1)	(21.8)
Total comprehensive income for the period	**-**	**4.3**	**(31.4)**	**-**	**5.4**	**50.2**	**28.5**	**38.5**	**67.0**
Contributions by non-controlling interest									
Repurchase of shares held by an outside equity interest	-	-	-	-	-	-	-	(2.4)	(2.4)
Total contributions by non-controlling interest	-	-	-	-	-	-	-	(2.4)	(2.4)
Contributions by and distributions to owners									
Share buyback	(12.9)	-	-	-	-	-	(12.9)	-	(12.9)
Treasury Stock reissued under dividend reinvestment plan	2.7	-	-	-	-	-	2.7	-	2.7
Dividends to equity holders	-	-	-	-	-	(25.9)	(25.9)	(53.7)	(79.6)
Total contributions by and distributions to owners	(10.2)	-	-	-	-	(25.9)	(36.1)	(53.7)	(89.8)
Balance as at 30 September 2011	**447.6**	**437.5**	**(57.5)**	**-**	**2.6**	**161.6**	**991.8**	**825.9**	**1,817.7**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2012
Attributable to equity holders of the Company - Audited

Consolidated	Capital	Revaluation reserve	Foreign currency translation reserve	Fair value reserve	Hedge/other reserve	Retained earnings	Total	Non-controlling	Total equity
	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions
Balance as at 1 April 2011	457.8	433.2	(26.1)	-	(2.8)	137.3	999.4	843.5	1,842.9
Total comprehensive income for the year									
Net surplus for the year	-	-	-	-	-	51.6	51.6	75.4	127.0
Other comprehensive income, after tax									
Differences arising on translation of foreign operations	-	-	(35.3)	-	-	-	(35.3)	(3.8)	(39.1)
Fair value movements in relation to the executive share scheme	-	-	-	-	0.1	-	0.1	-	0.1
Amortisation of fair value of ineffective hedges transferred to profit or loss	-	-	-	-	2.1	-	2.1	1.1	3.2
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	4.7	-	4.7	6.0	10.7
Net changed in fair value of property, plant & equipment recognised in equity	-	128.7	-	-	-	-	128.7	99.1	227.8
Share of associates other comprehensive income	-	-	-	-	-	(3.4)	(3.4)	-	(3.4)
Total other comprehensive income	-	128.7	(35.3)	-	6.9	(3.4)	96.9	102.4	199.3
Total comprehensive income for the year	**-**	**128.7**	**(35.3)**	**-**	**6.9**	**48.2**	**148.5**	**177.8**	**326.3**
Contributions by non-controlling interest									
Repurchase of shares held by an outside equity interest	-	-	-	-	-	-	-	(4.7)	(4.7)
Total contributions by non-controlling interest	-	-	-	-	-	-	-	(4.7)	(4.7)
Contributions by and distributions to owners									
Share buyback	(34.5)	-	-	-	-	-	(34.5)	-	(34.5)
Treasury Stock reissued under Dividend reinvestment plan	5.3	-	-	-	-	-	5.3	-	5.3
Dividends to equity holders	-	-	-	-	-	(44.1)	(44.1)	(84.6)	(128.7)
Total contributions by and distributions to owners	(29.2)	-	-	-	-	(44.1)	(73.3)	(84.6)	(157.9)
Balance as at 31 March 2012	**428.6**	**561.9**	**(61.4)**	**-**	**4.1**	**141.4**	**1,074.6**	**932.0**	**2,006.6**

The accompanying notes form part of these financial statements.

(1) Accounting policies

Basis of preparation

These unaudited condensed consolidated half year financial statements of Infratil Limited ("the Company") together with its subsidiaries and associates ("the Group") have been prepared in accordance with NZ IAS 34 Interim Financial Reporting. These condensed consolidated half year financial statements also comply with IAS 34 Interim Financial Reporting. The unaudited condensed consolidated financial statements for the six months to 30 September 2012 have been prepared in accordance with the accounting policies stated in the published financial statements for the year ended 31 March 2012 and should be read in conjunction with the previous annual report. No changes have been made from the accounting policies used in the most recent 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 Group's functional currency. Comparative figures have been restated where appropriate to ensure consistency with the current period.

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for interim periods ending on 30 September 2012, and have not been applied in preparing these financial statements. None of these is expected to have a material effect on the financial statements of the Group, with the exception of:

Amendment to NZ IAS 1 – Presentation of Financial Statements – Presentation of Items in Other Comprehensive Income

The amendment requires items of other comprehensive income to be grouped into those that will and will not subsequently be reclassified to profit or loss. Tax on items of other comprehensive income is required to be allocated on the same basis. The measurement and recognition of items of profit or loss and other comprehensive income are not affected by the amendments.

These amendments come into effect for periods beginning on or after 1 July 2012 and have not been early adopted by the Group.

(2) Nature of business

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

(3) Reconciliation of earnings before interest, tax, depreciation, amortisation, fair value movements of financial instruments, realisations and impairments (EBITDAF)

EBITDAF is presented to provide further information on the operating performance of the Group. EBITDAF is a non-GAAP financial measure which shows the contribution to earnings prior to non-cash items such as depreciation and amortisation, fair value adjustments, and before the cost of financing and taxation. It is calculated by adjusting net surplus for the year from continuing operations for items that are non-operating such as interest, taxation, depreciation, amortisation, fair value movements of financial instruments, realisations, revaluations and impairments.

	Note	Consolidated 6 months ended 30 September 2012 $Millions Unaudited	6 months ended 30 September 2011 $Millions Unaudited	12 months ended 31 March 2012 $Millions Audited
Net surplus for the year from continuing operations		70.0	94.1	164.4
Net financing expense / (income)		97.2	92.3	187.2
Taxation expense	8	29.4	36.9	58.4
Depreciation		57.5	50.0	106.4
Amortisation of intangibles		15.2	14.0	27.3
Net loss / (gain) on derivatives		22.5	(10.7)	(19.2)
Net realisations, revaluations and impairments		3.3	(0.2)	(4.3)
Earnings before interest, taxation, depreciation, amortisation, fair value movements of financial instruments, realisations, revaluations and impairments (EBITDAF) from continuing operations		295.1	276.4	520.2

(4) Disposal group held for sale
The Infratil Airports Europe segment comprising Glasgow Prestwick and Manston Airports is presented as a disposal group held for sale following the decision of the Group in January 2012 to sell these businesses. Efforts to sell this segment have commenced and a sale is intended within the next 12 months.

	Consolidated 6 months ended 30 September 2012 $Millions Unaudited	6 months ended 30 September 2011 $Millions Unaudited	12 months ended 31 March 2012 $Millions Audited
Results of discontinued operation			
Revenue	19.5	25.4	44.4
Employee benefits	(11.0)	(11.8)	(22.7)
Other operating expenses	(12.7)	(17.1)	(33.6)
Results from operating activities	(4.2)	(3.5)	(11.9)
Depreciation	(1.7)	(2.2)	(4.4)
Impairment of assets	(43.9)	-	(26.0)
Interest expense	(0.1)	(0.1)	(0.2)
Loss before tax of discontinued operation	(49.9)	(5.8)	(42.5)
Taxation credit	2.6	0.5	5.1
Net (loss) from discontinued operation after tax	(47.3)	(5.3)	(37.4)
Basic earnings per share (cents per share)	(8.1)	(0.9)	(6.3)
Diluted earnings per share (cents per share)	(8.1)	(0.9)	(6.3)

The loss from discontinued operation of $47.3 million (September 2011: $5.3 million, March 2012: $37.4m) is attributable entirely to the owners of the Company.

At 30 September 2012 the Directors assessed the carrying value of Glasgow Prestwick and Manston airports and an impairment charge of $43.9 million has been recognised in the result from discontinued operations for the six months then ended. In assessing the carrying value of the airports, the Directors made reference to the sales process of the airports, relevant market feedback and advice from the sales advisors and concluded that the impairment was required to reflect the current market value of the airports.

Cash flows used in discontinued operation			
Net cash used in operating activities	(8.3)	(6.4)	(11.7)
Net cash used in investing activities	(2.8)	(4.8)	(7.1)
Net cash used in financing activities	-	-	-
Net cash flows for the period	(11.1)	(11.2)	(18.8)
Effect of reclassification of the disposal group on the financial position of the Group			
Bank overdraft	1.5	0.3	2.4
Trade and other accounts receivable and prepayments	(5.9)	(0.7)	(5.9)
Inventory	(0.8)	(0.8)	(1.0)
Property, plant and equipment	(21.5)	(91.7)	(63.8)
Investment properties	(21.3)	(23.3)	(21.2)
Accounts payable	2.0	3.3	2.5
Accruals and other liabilities	8.6	8.5	9.9
Other liabilities	9.3	10.0	9.4
Deferred tax	1.7	9.2	4.2
Net reclassification of (assets) and liabilities	(26.4)	(85.2)	(63.5)

The cumulative income recognised in other comprehensive income relating to the disposal group at 30 September 2012 is $3.4 million (September 2011: $3.2 million, March 2012: $3.1 million)

(5) Total income and net realisations, revaluations and impairments

		Consolidated		
		6 months ended 30 September 2012	6 months ended 30 September 2011	12 months ended 31 March 2012
	Note	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Operating revenue		1,249.3	1,125.5	2,166.4
Dividends		0.1	0.1	0.2
Share of earnings and income of associate companies (net of tax)	10	7.9	18.4	52.3
Total income		1,257.3	1,144.0	2,218.9
Investment realisations, revaluations and impairments		0.6	0.4	4.6
Change in fair value of investment properties		1.2	-	1.0
Impairment of property, plant and equipment		(5.1)	(0.2)	(1.3)
Net realisations, revaluations and impairments		(3.3)	0.2	4.3

(6) Other operating expenses

		Consolidated		
		6 months ended 30 September 2012	6 months ended 30 September 2011	12 months ended 31 March 2012
	Note	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Fees paid to group auditors				
Audit fees		0.4	0.4	0.8
Other assurance services		-	-	0.1
Taxation and other services		0.2	0.1	0.1
Audit fees paid to other auditors		0.2	0.1	0.4
Bad debts written off		7.0	7.2	14.9
Increase/(decrease) in provision for doubtful debts		3.2	(0.8)	(0.8)
Directors' fees		1.2	1.3	2.4
Corporate and investment costs		4.5	2.2	5.5
Management fee (to related party MCIM)	17	9.9	8.7	17.9
Trading operations				
Energy and wholesale costs		358.6	319.9	638.2
Line, distribution and network costs		310.9	272.0	506.4
Other energy business costs		103.5	99.2	191.8
Transportation business costs		38.2	34.9	73.5
Airport business costs		7.8	7.4	14.6
Other operating business costs		7.2	11.0	22.3
Total other operating expenses		852.8	763.6	1,488.1

Other assurance services include services for the audit or review of financial information other than financial statements.

Donations of $0.3 million (September 2011: $0.4 million, March 2012: $0.8 million) were made during the period.

(7) Seasonality

TrustPower
The retail sale of electricity is subject to seasonal fluctuations, with peak demand in the second quarter, and to a lesser extent the first quarter, of each financial year. This is due to higher demand for electricity in colder weather. For the six months ended 30 September 2011, the volume of customer sales was 17% higher than for the six months ended 31 March 2012.

Infratil Energy Australia
Wholesale electricity prices (and the cost of the hedge contracts used to cover these prices) in Australia can vary throughout a financial year depending on the period these purchases cover. These prices are generally higher during warmer months. This seasonality can result in higher margins in the first six months of the year, than in the second six months of the year.

European airports
The first half of the financial year is the European summer, creating a higher demand for passenger travel across the airports in this period. For the six months ended 30 September 2012, the volume of passengers represented 63% of the forecast annual level of passenger trips for the year to 31 March 2013.

(8) Taxation

	Consolidated		
	6 months ended 30 September 2012	6 months ended 30 September 2011	12 months ended 31 March 2012
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Net surplus before taxation (from continuing operations)	99.4	131.0	222.8
Taxation on the surplus for the period @ 28%	27.8	36.7	62.4
Plus/(less) taxation adjustments:			
Effect of tax rates in foreign jurisdictions	0.7	1.1	0.7
Net benefit of imputation credits	(3.7)	(3.3)	(6.5)
Removal of tax depreciation on buildings	-	-	(2.1)
Tax losses not recognised	1.5	2.7	10.0
Equity accounted earnings of associates	2.6	(1.5)	(6.4)
Temporary differences not recognised	-	1.1	2.9
(Over)/Under provision in prior years	0.8	(0.2)	(2.1)
Net investments impairment/(realisations)	0.3	1.1	1.8
Other permanent differences	(0.6)	(0.8)	(2.3)
Taxation expense	29.4	36.9	58.4
Current taxation	44.5	34.4	53.8
Deferred taxation	(15.1)	2.5	4.6

Income tax recognised in other comprehensive income	**6 months ended 30 September 2012**		
	Before tax	Tax (expense) /benefit	Net of tax
	$Millions Unaudited	$Millions Unaudited	$Millions Unaudited
Differences arising on translation of foreign operations	(3.8)	(1.7)	(5.5)
Amortisation of fair value of ineffective hedges transferred to profit or loss	0.7	(0.2)	0.5
Effective portion of changes in fair value of cash flow hedges	(21.8)	5.8	(16.0)
Recognition of previously unrecognised deferred tax losses	-	5.2	5.2
Net change in fair value of property, plant & equipment recognised in equity	(1.0)	-	(1.0)
Fair value movements in relation to executive share scheme	-	-	-
Share of associates other comprehensive income	(0.1)	-	(0.1)
Balance at the end of the period	(26.0)	9.1	(16.9)

Income tax recognised in other comprehensive income	**6 months ended 30 September 2011**		
	Before tax	Tax (expense) /benefit	Net of tax
	$Millions Unaudited	$Millions Unaudited	$Millions Unaudited
Differences arising on translation of foreign operations	(31.6)	(3.8)	(35.4)
Amortisation of fair value of ineffective hedges transferred to profit or loss	2.6	(0.6)	2.0
Effective portion of changes in fair value of cash flow hedges	14.3	(4.7)	9.6
Recognition of previously unrecognised deferred tax losses	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	5.8	(3.7)	2.1
Fair value movements in relation to executive share scheme	(0.1)	-	(0.1)
Share of associates other comprehensive income	-	-	-
Balance at the end of the period	(9.0)	(12.8)	(21.8)

Income tax recognised in other comprehensive income	**12 months ended 31 March 2012**		
	Before tax	Tax (expense) /benefit	Net of tax
	$Millions Audited	$Millions Audited	$Millions Audited
Differences arising on translation of foreign operations	(35.5)	(3.6)	(39.1)
Amortisation of fair value of ineffective hedges transferred to profit or loss	4.4	(1.2)	3.2
Effective portion of changes in fair value of cash flow hedges	14.6	(3.9)	10.7
Recognition of previously unrecognised deferred tax losses	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	271.7	(43.9)	227.8
Fair value movements in relation to executive share scheme	0.1	-	0.1
Share of associates other comprehensive income	(3.5)	0.1	(3.4)
Balance at the end of the period	251.8	(52.5)	199.3

(9) Infratil shares and warrants

Ordinary shares (fully paid)

	6 months ended 30 September 2012 Unaudited	6 months ended 30 September 2011 Unaudited	12 months ended 31 March 2012 Audited
Total issued capital at the beginning of the period	586,930,830	602,806,392	602,806,392
Movements in issued and fully paid ordinary shares during the year			
Share buyback held as treasury stock	(4,500,000)	(7,543,410)	(18,743,410)
Treasury stock reissued under Dividend Reinvestment Plan	1,812,092	1,420,205	2,867,848
Total issued capital at the end of the period	584,242,922	596,683,187	586,930,830

All fully paid ordinary shares have equal voting rights and share equally in dividends and equity. All authorised shares are issued and have no par value.

Infratil Warrants (IFTWC's)	6 months ended 30 September 2012 Unaudited	6 months ended 30 September 2011 Unaudited	12 months ended 31 March 2012 Audited
Total warrants at the beginning of the period	52,825,458	52,825,458	52,825,458
Warrants exercised and fully paid	-	-	-
Warrants lapsed	(52,825,458)	-	-
Total warrants at the end of the period	-	52,825,458	52,825,458

Each IFTWC held entitled holders to acquire a further share in the Company at a price of $4.12 on, or before, 29 June 2012. During the period, the IFTWCs lapsed unexercised.

Dividends paid on ordinary shares	6 months ended 30 September 2012 Unaudited	6 months ended 30 September 2011 Unaudited	12 months ended 31 March 2012 Audited
Final dividend prior year (cents per share)	5.00	4.25	4.25
Interim dividend paid current year (cents per share)	-	-	3.00
	5.00	4.25	7.25

	6 months ended 30 September 2012 Unaudited	6 months ended 30 September 2011 Unaudited	12 months ended 31 March 2012 Audited
Final dividend prior year ($ millions)	29.7	25.9	25.9
Interim dividend paid current year ($ millions)	-	-	18.2
	29.7	25.9	44.1

(10) Investments	Consolidated		
	30 September 2012 $Millions Unaudited	30 September 2011 $Millions Unaudited	31 March 2012 $Millions Audited
Non-current investments			
Investment in associates	324.0	317.3	333.4
Investments in other companies (classified as available-for-sale)	10.4	9.9	10.4
Total investments	334.4	327.2	343.8

	Consolidated		
Investments in other companies (classified as available for sale)	30 September 2012 $Millions Unaudited	30 September 2011 $Millions Unaudited	31 March 2012 $Millions Audited
Balance at 1 April	10.4	9.7	9.7
Investment during the period	-	0.2	0.7
Closing balance	10.4	9.9	10.4

	Consolidated		
Investment in associates	30 September 2012 $Millions Unaudited	30 September 2011 $Millions Unaudited	31 March 2012 $Millions Audited
Aotea Energy Holdings Limited (parent entity of Z Energy Limited)	321.7	315.1	331.2
Mana Coach Holdings Limited	2.3	2.2	2.2
	324.0	317.3	333.4

Summary financial information for Aotea Energy Holdings Limited, not adjusted for the percentage ownership held by the Group:

	Consolidated		
Aotea Energy Holdings Limited ('AEHL')	30 September 2012 $Millions Unaudited	30 September 2011 $Millions Unaudited	31 March 2012 $Millions Audited
Current assets	702.5	872.2	934.1
Non-current assets	726.5	673.5	691.7
Total Assets	1,429.0	1,545.7	1,625.8
Current liabilities	329.4	535.6	531.3
Shareholder loans	244.5	244.5	244.5
Shareholder redeemable preference shares	115.0	115.0	115.0
Other non current liabilities	466.0	390.0	442.1
Total liabilities	1,154.9	1,285.1	1,332.9
Revenues	1,492.2	1,545.7	3,179.3
Net profit after tax	2.3	22.9	77.0

The Group's interest in AEHL includes a 50% equity interest, redeemable preference shares and a shareholder loan, acquired on 1 April 2010 for $209.75 million.
AEHL and its subsidiaries operate within the downstream oil industry.

	Consolidated		
	6 months ended 30 September 2012	6 months ended 30 September 2011	12 months ended 31 March 2012
Movement in the carrying amount of investment in AEHL (50% interest)	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Carrying value of investment in AEHL at 1 April	331.2	311.8	311.8
Share of associate's net surplus before income tax	1.8	16.0	54.1
Share of associate's income tax (expense)	(0.7)	(4.6)	(15.6)
Share of associate's net profit after tax	1.1	11.4	38.5
Interest on shareholder loan (including accruals)	4.2	4.4	8.6
Dividend on RPS (including accruals)	2.6	2.6	5.2
Total share of associate's earnings in the period	7.9	18.4	52.3
Share of associate's other comprehensive income	(0.1)	-	(3.4)
Less: distributions received	(17.3)	(15.1)	(29.5)
Carrying value of investment in associate	321.7	315.1	331.2

(11) Interest-bearing loans and borrowings

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

	Consolidated		
	30 September 2012	30 September 2011	31 March 2012
	$Millions	$Millions	$Millions
Current liabilities	Unaudited	Unaudited	Audited
Unsecured bank loans	239.3	12.7	36.4
Secured bank facilities	92.7	2.0	20.7
Redeemable preference shares - secured	140.0	-	-
Commercial paper	20.0	-	-
Less: Capitalised loan establishment costs	(1.0)	-	(0.3)
	491.0	14.7	56.8
Non-current liabilities			
Unsecured bank loans	476.2	569.7	537.5
Secured bank facilities	-	93.6	74.0
Redeemable preference shares - secured	-	140.0	140.0
Less: Capitalised loan establishment costs	(4.9)	(8.4)	(8.8)
	471.3	794.9	742.7
Facilities utilised at reporting date			
Unsecured bank loans	715.5	582.4	573.9
Unsecured guarantees	38.2	27.6	31.5
Secured bank loans	92.7	95.6	94.7
Secured guarantees	0.5	-	0.4
Redeemable preference shares - secured	140.0	140.0	140.0
Commercial paper	20.0	-	-
Facilities not utilised at reporting date			
Unsecured bank loans	1,018.6	798.3	823.2
Unsecured guarantees	1.6	14.3	5.1
Secured bank loans	3.2	1.2	1.8
Vendor financing			
Vendor financing - current	17.1	15.9	16.6
Vendor financing - non current	10.7	28.0	19.6
	27.8	43.9	36.2
Interest bearing loans and borrowings - current	508.1	30.6	73.4
Interest bearing loans and borrowings - non current	482.0	822.9	762.3
Total interest bearing loans and borrowings	990.1	853.5	835.7

Financing arrangements

The Group's debt includes bank facilities with negative pledge arrangements, which with limited exceptions do not permit the borrower to grant any security over its assets. The bank facilities require the borrower to maintain certain levels of shareholder funds and operate within defined performance and gearing ratios. The banking arrangements also include restrictions over the sale or disposal of certain assets without bank agreement. Throughout the period the Group has complied with all debt covenant requirements as imposed by lenders.

At 30 September 2012 the Group had unsecured bank debt and guarantee facilities of $1,793.9 million (September 2011: $1,422.6 million, March 2012: $1,433.7 million), redeemable preference shares (RPS) of $140 million (September 2011: $140 million, March 2012: $140 million) and secured bank and guarantee debt facilities of $96.4 million (September 2011: $96.9 million, March 2012: $96.9 million).

Infratil Airports Europe Limited ("IAEL"), a wholly owned subsidiary of Infratil Limited has a GBP 2.0 million overdraft facility (September 2011: GBP 2.0 million, March 2012: GBP 2.0 million), drawn to GBP 0.7 million at 30 September 2012 (September 2011: GBP 0.2 million, March 2012: GBP 1.2 million). IAEL also has bank guarantees of GBP 0.5 million at 30 September 2012 (September 2011: GBP 0.5 million, March 2012: GBP 0.5 million). These are classified as held for sale at 30 September 2012.

The secured and unsecured debt facilities are able to be drawn-down as required subject to the borrower being in compliance with undertakings in respect of those facilities. 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 2.9% to 7.5% (September 2011: 2.8% to 8.2%, March 2012: 2.7% to 8.2%).

Swift Transport Limited, a wholly owned subsidiary of Infratil Limited has entered into United Kingdom, Export Credit Guarantee Department Term Facility Agreements (UK ECGD) of $81.6 million in relation to the acquisition of buses. The facilities expire between May 2020 and August 2021.

Secured bank facilities of a non-wholly owned subsidiary are non-recourse to the assets of Infratil and its other subsidiary and associate companies.

The Group has issued redeemable preference shares (RPS) which have a fixed interest rate of 8.06% (September 2011: 8.06%, March 2012: 8.06%), and which mature in August 2013. The RPS are secured by a specific charge over 48.5 million TrustPower shares held by the subsidiary company and a general security charge over the other assets of the subsidiary company.

(12) Infrastructure bonds

	Consolidated		
	30 September 2012	30 September 2011	31 March 2012
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Balance at the beginning of the period	851.6	854.8	854.8
Issued during the period	-	18.4	99.5
Matured during the period	-	(69.5)	(83.4)
Exchanged during the period	-	(9.8)	(15.9)
Purchased by Infratil during the period	(0.6)	(1.0)	(2.5)
Bond issue costs capitalised during the period	-	(0.3)	(2.0)
Bond issue costs amortised during the period	0.7	0.5	1.1
Balance at the end of the period	851.7	793.1	851.6
Current	142.7	20.0	57.4
Non current fixed coupon	476.7	539.0	561.5
Non current perpetual - variable coupon	232.3	234.1	232.7
Balance at the end of the year	851.7	793.1	851.6
Repayment terms and interest rates:			
Maturing in November 2011, 8.5% per annum fixed coupon rate	-	20.0	-
Maturing in November 2012, 7.75% per annum fixed coupon rate	57.4	57.4	57.4
Maturing in September 2013, 8.5% per annum fixed coupon rate	85.3	85.3	85.3
Maturing in November 2015, 8.5% per annum fixed coupon rate	152.8	152.8	152.8
Maturing in June 2016, 8.5% per annum fixed coupon rate	100.0	100.0	100.0
Maturing in June 2017, 8.5% per annum fixed coupon rate	66.3	66.3	66.3
Maturing in November 2017, 8.0% per annum fixed coupon rate	81.1	-	81.1
Maturing in February 2020, 8.5% per annum fixed coupon rate	80.5	80.5	80.5
Perpetual Infratil infrastructure bonds (PIIBs)	235.2	237.3	235.8
Bond issue costs capitalised and amortised over term	(6.9)	(6.5)	(7.6)
Balance at the end of the year	851.7	793.1	851.6

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 bonds issued prior to November 2011, Infratil can elect to redeem those infrastructure bonds in that series at their $1.00 face value payable in cash or convert all the infrastructure bonds in the relevant series by issuing the number of shares obtained by dividing the $1.00 face value by the product of the relevant conversion percentage of 98% and the market price. 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.

Perpetual Infratil infrastructure bonds (PIIBs)

The Company has 235,242,200 (September 2011: 237,293,200, March 2012: 235,762,200) infrastructure bonds (series 20) on issue at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. For the period to 15 November 2012 the coupon is fixed at 4.22% per annum (September 2011: 4.99%, March 2012: 4.22%). Thereafter the rate will be reset annually at 1.5% per annum over the then one year bank rate (quarterly), unless Infratil's gearing ratio exceeds certain thresholds, in which case the margin increases. These infrastructure bonds have no fixed maturity date. 520,000 (September 2011: 1,038,000, March 2012: 2,569,000) of PIIBs were repurchased by Infratil Limited during the period.

At 30 September 2012 the Infrastructure bonds had a fair value of $797.2m (30 September 2011: $708.7m, 31 March 2012: $776.4m).

(13) Reconciliation of net surplus with cash flow from operating activities	Consolidated		
	6 months ended 30 September 2012	6 months ended 30 September 2011	12 months ended 31 March 2012
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Net surplus for the period	22.7	88.8	127.0
(Gain)/Less items classified as investing activity			
(Gain)/Loss on investment realisations and impairments	48.4	(0.2)	21.5
Other items not involving cash flows			
Movement in financial derivatives taken to the profit or loss	22.5	(10.7)	(19.2)
Decrease in deferred tax liability excluding transfers to reserves	(17.7)	2.0	(0.5)
Changes in fair value of investment properties	(1.2)	-	0.2
Equity accounted earnings and income of associates net of distributions received	9.4	(3.4)	(22.8)
Depreciation	59.2	52.2	110.8
Provision for bad debts	10.1	6.4	14.1
Amortisation	15.2	14.0	27.3
Other	6.8	5.0	11.4
Movements in working capital			
Change in receivables	(74.1)	(71.8)	(85.9)
Change in inventories	12.3	(5.7)	(13.6)
Change in trade payables	30.2	23.9	8.8
Change in accruals and other liabilities	(45.6)	(4.1)	21.1
Change in current and deferred taxation	8.0	11.1	(12.3)
Net cash flow from operating activities	106.2	107.5	187.9

(14) Segment analysis

Reportable segments of the Group, as at 30 September 2012, are analysed by significant businesses. The Group has six reportable segments, as described below.
TrustPower is our renewable generation/retail investment, Wellington International Airport is our Wellington Airport Investment, NZ Bus is our transportation investment, Infratil Energy Australia (including Perth Energy) is our non renewable generation/retail investment. Corporate includes, other investments less financing, management and other corporate costs. The Group's UK Airport investment is included in the segment analysis and eliminated in the eliminations column. The total column represents the continuing operations of the Group once the UK Airport investment has been eliminated.

For the period ended 30 September 2012	TrustPower New Zealand $Millions Unaudited	Wellington Airport New Zealand $Millions Unaudited	NZBus New Zealand $Millions Unaudited	Infratil Energy Australia Australia $Millions Unaudited	Infratil Airports Europe Discontinued UK $Millions Unaudited	All other segments and corporate New Zealand $Millions Unaudited	Eliminations $Millions Unaudited	Total $Millions Unaudited
Segment revenue - total	438.7	51.4	111.5	637.6	19.5	80.3	(89.6)	1,249.4
Share of earnings of Associate Companies	-	-	-	-	-	7.9	-	7.9
Inter-segment revenue	-	(0.6)	(1.7)	-	-	(67.8)	70.1	-
Segment revenue - external	438.7	50.8	109.8	637.6	19.5	20.4	(19.5)	1,257.3
EBITDAF	166.1	38.9	23.9	71.2	(4.2)	(5.0)	4.2	295.1
Interest revenue	0.5	-	-	0.9	-	12.5	(11.8)	2.1
Interest expense	(32.5)	(9.8)	(2.6)	(13.1)	(2.4)	(50.7)	11.8	(99.3)
Depreciation and amortisation	(32.5)	(8.0)	(12.2)	(17.3)	(1.7)	(2.7)	1.7	(72.7)
Financial derivative fair value movements	(8.9)	(3.9)	-	5.8	-	(15.5)	-	(22.5)
Realisations	-	(3.4)	(0.8)	-	-	(0.3)	-	(4.5)
Revaluations and Impairments	-	1.2	-	-	(43.9)	-	43.9	1.2
Taxation expense	(22.9)	3.0	(1.5)	(14.3)	2.6	6.3	(2.6)	(29.4)
Segment result	69.8	18.0	6.8	33.2	(49.6)	(55.4)	47.2	70.0
Equity accounted investment in associates	-	-	-	-	-	324.0	-	324.0
Non current assets (excluding financial instruments and deferred tax)	2,799.2	776.0	258.6	472.5	42.8	392.2	(42.8)	4,698.5
Total assets	3,013.7	796.8	270.1	835.1	48.0	453.8	-	5,417.5
Total liabilities	1,344.6	398.0	39.2	334.5	21.6	1,339.7	-	3,477.6
Capital expenditure/investment (including accruals)	98.8	5.0	21.8	11.4	2.8	8.3	-	148.1

For the period ended 30 September 2011	TrustPower New Zealand $Millions Unaudited	Wellington Airport New Zealand $Millions Unaudited	NZBus New Zealand $Millions Unaudited	Infratil Energy Australia Australia $Millions Unaudited	Infratil Airports Europe Discontinued UK $Millions Unaudited	All other segments and corporate New Zealand $Millions Unaudited	Eliminations $Millions Unaudited	Total $Millions Unaudited
Segment revenue - total	426.6	57.3	110.1	527.9	25.4	104.8	(126.5)	1,125.6
Share of earnings of Associate Companies	-	-	-	-	-	18.4	-	18.4
Inter-segment revenue	-	-	(1.0)	-	-	(100.1)	101.1	-
Segment revenue - external	426.6	57.3	109.1	527.9	25.4	23.1	(25.4)	1,144.0
EBITDAF	161.6	35.7	24.0	46.2	(3.5)	8.9	3.5	276.4
Interest revenue	0.4	0.3	-	1.3	-	12.8	(12.2)	2.6
Interest expense	(31.7)	(9.7)	(3.7)	(13.5)	(1.9)	(46.7)	12.3	(94.9)
Depreciation and amortisation	(29.4)	(10.3)	(9.8)	(12.7)	(2.2)	(1.8)	2.2	(64.0)
Financial derivative fair value movements	(9.5)	(8.5)	-	32.6	-	(3.9)	-	10.7
Realisations	-	6.6	(0.3)	-	-	0.5	(6.6)	0.2
Revaluations and Impairments	-	-	-	-	-	-	-	-
Taxation expense	(22.6)	0.5	(0.6)	(16.2)	0.5	2.0	(0.5)	(36.9)
Segment result	68.8	14.6	9.6	37.7	(7.1)	(28.2)	(1.3)	94.1
Equity accounted investment in associates	-	-	-	-	-	317.3	-	317.3
Non current assets (excluding financial instruments and deferred tax)	2,550.3	698.6	234.7	505.3	115.0	380.8	(115.0)	4,369.7
Total assets	2,716.0	713.0	251.6	730.7	122.4	477.7	-	5,011.4
Total liabilities	1,185.8	402.6	57.3	320.0	31.0	1,197.0	-	3,193.7
Capital expenditure/investment (including accruals)	26.2	14.7	28.7	10.6	4.7	1.3	-	86.2

For the year ended 31 March 2012	TrustPower New Zealand $Millions Audited	Wellington Airport New Zealand $Millions Audited	NZBus New Zealand $Millions Audited	Infratil Energy Australia Australia $Millions Audited	Infratil Airports Europe Discontinued UK $Millions Audited	All other segments and corporate New Zealand $Millions Audited	Eliminations $Millions Audited	Total $Millions Audited
Segment revenue - total	807.1	109.1	219.8	1,008.9	44.4	155.6	(178.3)	2,166.6
Share of earnings of Associate Companies	-	-	-	-	-	52.3	-	52.3
Inter-segment revenue	-	-	(1.0)	-	-	(132.9)	133.9	-
Segment revenue - external	807.1	109.1	218.8	1,008.9	44.4	75.0	(44.4)	2,218.9
EBITDAF	300.1	76.3	46.0	64.5	(11.9)	33.3	11.9	520.2
Interest revenue	0.9	0.2	0.1	2.4	-	24.7	(23.5)	4.8
Interest expense	(63.9)	(19.4)	(7.4)	(27.3)	(2.7)	(94.8)	23.5	(192.0)
Depreciation and amortisation	(58.2)	(19.1)	(21.0)	(30.8)	(4.4)	(4.6)	4.4	(133.7)
Financial derivative fair value movements	(7.5)	(9.6)	-	40.1	-	(3.8)	-	19.2
Realisations	-	6.6	-	-	-	4.7	(6.6)	4.7
Revaluations and Impairments	(0.4)	0.9	(0.9)	-	(26.0)	-	26.0	(0.4)
Taxation expense	(39.3)	(5.1)	(3.2)	(14.8)	5.1	4.0	(5.1)	(58.4)
Segment result	131.7	30.8	13.6	34.1	(39.9)	(36.5)	30.6	164.4
Equity accounted investment in associates	-	-	-	-	-	333.4	-	333.4
Non current assets (excluding financial instruments and deferred tax)	2,744.9	781.5	257.3	490.9	85.1	391.7	(85.1)	4,666.3
Total assets	2,904.5	794.7	274.6	787.6	89.5	442.5	-	5,293.4
Total liabilities	1,224.3	386.4	83.7	325.7	26.0	1,240.7	-	3,286.8
Capital expenditure/investment (including accruals)	48.5	22.2	63.7	22.1	6.9	8.6	-	172.0

(14) Segment analysis (continued)

Entity wide disclosure - geographical

The Group operated in three principal areas New Zealand, Australia and the United Kingdom. The groups geographical segments are based on the location of both customers and assets.

For the period ended 30 September 2012	New Zealand $Millions Unaudited	Australia $Millions Unaudited	United Kingdom $Millions Unaudited	Eliminations $Millions Unaudited	Total $Millions Unaudited
Segment revenue - total	663.4	656.1	19.5	(89.6)	1,249.4
Share of earnings of Associate Companies	7.9	-	-	-	7.9
Inter-segment revenue	(70.1)	-	-	70.1	-
Segment revenue - external	601.2	656.1	19.5	(19.5)	1,257.3
EBITDAF	215.3	79.8	(4.2)	4.2	295.1
Interest revenue	12.9	1.0	-	(11.8)	2.1
Interest expense	(90.2)	(18.5)	(2.4)	11.8	(99.3)
Depreciation and amortisation	(47.8)	(24.9)	(1.7)	1.7	(72.7)
Financial derivative fair value movements	(35.6)	13.1	-	-	(22.5)
Realisations	(4.5)	-	-	-	(4.5)
Revaluations and Impairments	1.2	-	(43.9)	43.9	1.2
Taxation expense	(10.6)	(18.8)	2.6	(2.6)	(29.4)
Segment result	40.7	31.7	(49.6)	47.2	70.0
Equity accounted investment in associates	324.0	-	-	-	324.0
Non current assets (excluding financial instruments and deferred tax)	3,820.4	878.1	42.8	(42.8)	4,698.5
Total assets	4,074.3	1,295.2	48.0	-	5,417.5
Total liabilities	2,783.9	672.1	21.6	-	3,477.6
Capital expenditure/investment (including accruals)	56.5	88.8	2.8	-	148.1

For the period ended 30 September 2011	New Zealand Unaudited $Millions	Australia Unaudited $Millions	United Kingdom Unaudited $Millions	Eliminations Unaudited $Millions	Total Unaudited $Millions
Segment revenue - total	681.7	545.0	25.4	(126.5)	1,125.6
Share of earnings of Associate Companies	18.4	-	-	-	18.4
Inter-segment revenue	(101.1)	-	-	101.1	-
Segment revenue - external	599.0	545.0	25.4	(25.4)	1,144.0
EBITDAF	217.5	58.9	(3.5)	3.5	276.4
Interest revenue	9.7	1.5	-	(8.6)	2.6
Interest expense	(82.4)	(19.3)	(1.9)	8.7	(94.9)
Depreciation and amortisation	(44.4)	(19.6)	(2.2)	2.2	(64.0)
Financial derivative fair value movements	(16.3)	27.0	-	-	10.7
Realisations	6.8	-	-	(6.6)	0.2
Revaluations and Impairments	-	-	-	-	-
Taxation expense	(22.8)	(14.1)	0.5	(0.5)	(36.9)
Segment result	68.1	34.4	(7.1)	(1.3)	94.1
Equity accounted investment in associates	317.3	-	-	-	317.3
Non current assets (excluding financial instruments and deferred tax)	3,558.0	811.7	115.0	(115.0)	4,369.7
Total assets	3,834.9	1,054.1	122.4	-	5,011.4
Total liabilities	2,625.3	537.4	31.0	-	3,193.7
Capital expenditure/investment (including accruals)	70.3	11.2	4.7	-	86.2

For the year ended 31 March 2012	New Zealand $Millions Audited	Australia $Millions Audited	United Kingdom $Millions Audited	Eliminations $Millions Audited	Total $Millions Audited
Segment revenue - total	1,307.3	1,045.2	44.4	(178.3)	2,218.6
Share of earnings of Associate Companies	0.3	-	-	-	0.3
Inter-segment revenue	(133.9)	-	-	133.9	-
Segment revenue - external	1,173.7	1,045.2	44.4	(44.4)	2,218.9
EBITDAF	432.9	87.3	(11.9)	11.9	520.2
Interest revenue	18.2	2.8	-	(16.2)	4.8
Interest expense	(163.4)	(42.1)	(2.7)	16.2	(192.0)
Depreciation and amortisation	(89.1)	(44.6)	(4.4)	4.4	(133.7)
Financial derivative fair value movements	(15.2)	34.4	-	-	19.2
Realisations	11.3	-	-	(6.6)	4.7
Revaluations and Impairments	(0.4)	-	(26.0)	26.0	(0.4)
Taxation expense	(48.5)	(9.9)	5.1	(5.1)	(58.4)
Segment result	145.8	27.9	(39.9)	30.6	164.4
Equity accounted investment in associates	333.4	-	-	-	333.4
Non current assets (excluding financial instruments and deferred tax)	3,836.0	830.3	85.1	(85.1)	4,666.3
Total assets	4,055.4	1,148.5	89.5	-	5,293.4
Total liabilities	2,705.5	555.3	26.0	-	3,286.8
Capital expenditure/investment (including accruals)	137.9	27.2	6.9	-	172.0

The group has no significant reliance on any one customer.

(15) Commitments

Capital commitments	Consolidated		
	6 months ended 30 September 2012	6 months ended 30 September 2011	12 months ended 31 March 2012
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Committed but not contracted for	1.4	16.0	2.5
Contracted but not provided for	523.4	39.8	38.4
	524.8	55.8	40.9

The capital commitments comprise mainly the contracts for the construction of stage 2 of TrustPower's Snowtown Wind Farm.

(16) Contingent liabilities and legal matters

Subsidiaries have outstanding letters of credit to suppliers totalling $0.3 million (September 2011: $0.3 million, March 2012: nil), and performance bonds totalling $3.7 million (September 2011: $3.7 million, March 2012: $4.2 million)

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

The Company has a contingent liability under the management agreement with MCIM in the event that the Group sells its international or venture capital fund assets or valuation of the assets exceeds the performance thresholds set out in the management agreement.

The Company and Group have provided guarantees in the ordinary course of business to certain of its energy and trading suppliers.

The Company has agreed to guarantee certain obligations of Infratil Trustee Limited, a related party, that is the Trustee to the Infratil Staff Share Scheme. The amount of the guarantee is limited to the loans provided to the employees.

During 2007 the European Commission opened formal investigations into alleged state aid in relation to Lübeck airport (owned and operated by Flughafen Lübeck GmbH, one of the Group's subsidiaries at that time). In 2009 Infratil exercised a put option and sold its interest in Lübeck airport back to the City of Lübeck. Lübeck is one of eight airports in Germany in relation to which the European Commission has opened formal state aid investigations. Infratil understands a significant number of airports elsewhere in the European Union are also under investigation. Three of the four matters being investigated since 2007 do not relate to Infratil Airports Europe Limited ("IAEL"), but to the financing of the airport by the City of Lübeck and to arrangements with Ryanair which were entered into prior to the sale of the airport to IAEL. The fourth relates to the price IAEL paid when it purchased Flughafen Lübeck GmbH. The European Commission appears to have prioritised the long running German airport investigations. In February, the investigation was formally extended to include the put option arrangements as well. It is possible that the Commission's findings will be made by the end of 2012 or early in 2013. IAEL, Flughafen Lübeck GmbH, Ryanair, the Hanseatic City of Lübeck, and the government of the Federal Republic of Germany continue to work to refute the allegations of state aid. IAEL maintains its position that the purchase of 90% in Flughafen Lübeck GmbH which was the result of an open, unconditional and transparent tender process in 2005, and the put option arrangements, cannot, by their very nature and the circumstances they were agreed on, involve state aid. IAEL continues to be confident that it will be able to demonstrate this to the Commission and, if necessary, the European Court of Justice. If IAEL was found to have received state aid, it would be required to refund the state aid received, together with interest. As the directors cannot predict with any degree of certainty the outcome of the above matter, it is not possible to assess accurately the quantum of any financial cost to the Infratil Group.

Bank guarantees totalling $38.2 million (September 2011: $27.6 million, March 2012: $31.5 million) have been drawn and issued to a range of counterparties to facilitate trading in the various energy markets and related transmission networks. These guarantees have the benefit of a Deed of Negative Pledge, Subordination and Guarantee from Infratil Limited and its wholly owned guaranteeing subsidiaries.

Inland Revenue is currently disputing the tax treatment adopted by the Group in relation to feasibility expenditure in the 2006, 2007 and 2008 financial years. Inland Revenue has now issued assessments for the 2006, 2007 and 2008 financial years. These assessments are based on the adjudication report previously issued by Inland Revenue and now allow a deduction for certain categories of expenditure which were previously disputed by Inland Revenue but contend that the costs of obtaining resource consents should have been capitalised. The assessments are based on Inland Revenue's determination of what should be considered resource consent costs. The Group does not agree with the basis of the assessments. It continues to believe the tax treatment it has adopted is correct and continues to defend its position. The case is currently scheduled to be heard in the High Court in August 2013. Should Inland Revenue be completely successful in its claim for all three years, the resulting liability would give rise to an additional tax payment of $5,924,000 and interest expense of $2,797,000. Based on the principle of the assessments, the Group would need to revise its policy for capitalising the costs of resource consents for tax purposes in the 2009 and future years. This would give rise to a further estimated tax payment of $4,475,000 and interest expense of $970,000 in respect of the 2009 to 2013 years. This would primarily result in a balance sheet adjustment in the financial statements as most resource consents are depreciable intangible property. The impact of these adjustments on the tax expense in the income statement is difficult to estimate but is unlikely to exceed $3,600,000 for all years up to September 2012.

On 24 August 2012, Snapper received notice from Auckland Transport purporting to terminate the participation agreement, alleging that Snapper could not comply with obligations under that agreement to complete the integration work. Snapper considers that it complied and could comply with its obligations under the participation agreement, and that Auckland Transport was not entitled to terminate. Snapper intends to pursue Auckland Transport to recover its losses from this wrongful termination, principally the amounts it has invested on integration.

Aotea Energy Holdings Limited has guaranteed an exposure of up to $5.1 million (September 2011: $5.1 million, March 2012: $5.1 million) to a financier of one of its associate companies. Aotea Energy Holdings Limited, is not expecting to be required to honour this guarantee.

(17) 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. Transactions undertaken with Group companies have been entered into on an arm's length commercial basis.

Morrison & Co Infrastructure Management Limited ('MCIM') is the management company for the Company. MCIM received management fees in accordance with the management agreement of $10.1 million (excluding GST) (September 2011: $8.9 million, March 2012: $18.3 million). Included in trade creditors is an amount owing to MCIM of $1.7 million (excluding GST) (September 2011: $1.5 million, March 2012: $1.8 million). $0.2 million of the total management fees during the period (September 2011: $0.2 million, March 2012: $0.4 million) were paid by Infratil Airports Europe Limited and are included within the result from discontinued operations.

MCIM is owned by H.R.L. Morrison & Co Group Limited ('MCO'). Messrs M Bogoievski and D P Saville are directors of the Company, and Mr Muh (an alternate director) is also a Director and executive of MCO. Mr Bogoievski is Chief Executive Officer of MCO. Entities associated with Mr Saville, Mr Bogoievski and Mr Muh own shares in MCO.

Other fees paid by the Group to MCIM, MCO or its related parties are:	Consolidated		
	6 months ended 30 September 2012	6 months ended 30 September 2011	12 months ended 31 March 2012
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Consulting	0.2	0.5	1.4
Financial management, accounting, treasury, compliance and administrative services	0.8	0.5	1.0
Risk management reporting	-	-	0.2
Investment banking services	0.5	0.1	0.6
Total other fees and services	1.5	1.1	3.2

(18) Events after balance date

Dividend
Subsequent to 30 September 2012 the Directors have approved a fully imputed interim dividend of 3.25 cents per share to holders of fully paid ordinary shares to be paid on the 14th of December 2012.

Directory

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M Bogoievski
H J D Rolleston
D P Saville
M Tume
A Y Muh (alternate to D P Saville)

Company Secretary
K Baker

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Westpac Banking Corporation
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Auditors' review report

To the shareholders of Infratil Limited

We have completed a review of the financial statements on pages 1 to 18 in accordance with the Review Engagement Standard RS-1 issued by the External Reporting Board and RG-1 issued by the New Zealand Institute of Chartered Accountants. The financial statements provide information about the past financial performance of Infratil Limited and its subsidiaries ("the Group") and its financial position as at 30 September 2012.

Directors' responsibilities

The Directors of Infratil Limited are responsible for the preparation of financial statements which give a true and fair view of the financial position of the Group as at 30 September 2012 and the results of its operations and cash flows for the six month period ended on that date.

Reviewers' responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

Basis of opinion

A review is limited primarily to enquiries of Group personnel and analytical review procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Our firm has also provided other assurance services to the Group. Partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the businesses of the Group. These matters have not impaired our independence as auditors of the Group. The firm has no other relationship with, or interest in, the Group.

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements on pages 1 to 18 do not give a true and fair view of the financial position of the Group as at 30 September 2012 and the results of its operations and cash flows for the six month period ended on that date.

Our review was completed on 12 November 2012 and our opinion is expressed as at that date.

KPMG

Wellington