

Infratil Limited
Consolidated Statement of Comprehensive Income
For the 6 months ended 30 September 2015

	Notes	6 months ended 30 September 2015 \$Millions Unaudited	6 months ended 30 September 2014 \$Millions Unaudited	Year ended 31 March 2015 \$Millions Audited
Operating revenue		876.4	839.4	1,657.2
Dividends		0.9	0.1	0.2
Total revenue		877.3	839.5	1,657.4
Share of earnings of associate companies	9	32.2	8.3	10.1
Total income		909.5	847.8	1,667.5
Depreciation		77.0	64.5	133.8
Amortisation of intangibles		8.3	7.6	15.9
Employee benefits		96.4	90.5	183.0
Other operating expenses	5	541.7	519.2	1,032.5
Total operating expenditure		723.4	681.8	1,365.2
Operating surplus before financing, derivatives, realisations and impairments		186.1	166.0	302.3
Net loss on foreign exchange and derivatives		(8.5)	(4.7)	(36.3)
Net realisations and revaluations		0.7	29.9	29.5
Interest income		5.9	1.8	12.0
Interest expense		97.5	94.2	190.2
Net financing expense		91.6	92.4	178.2
Net surplus before taxation		86.7	98.8	117.3
Taxation expense	7	21.6	21.8	19.6
Net surplus for the period from continuing operations		65.1	77.0	97.7
Net surplus from discontinued operations after tax	4	405.7	371.4	368.6
Net surplus for the period		470.8	448.4	466.3
Net surplus attributable to owners of the Company		435.4	398.8	383.5
Net surplus attributable to non-controlling interest		35.4	49.6	82.8
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		22.5	3.3	404.7
Share of associates other comprehensive income		0.2	-	(0.8)
Fair value movements in relation to the executive share scheme		-	-	0.2
Income tax effect of the above items		-	-	(109.6)
Items that may subsequently be reclassified to profit and loss				
Differences arising on translation of foreign operations		29.2	7.4	(13.0)
Realisations on disposal of subsidiary, reclassified to profit and loss		-	6.7	6.8
Net change in fair value of available for sale financial assets		2.4	0.4	(1.9)
Ineffective portion of hedges taken to profit and loss		(0.6)	(1.5)	(2.4)
Effective portion of changes in fair value of cash flow hedges		(8.0)	(8.9)	3.6
Income tax effect of the above items		16.4	4.9	(11.9)
Total other comprehensive income after tax		62.1	12.3	275.7
Total comprehensive income for the period		532.9	460.7	742.0
Total comprehensive income for the period attributable to owners of the Company		479.7	410.1	522.9
Total comprehensive income for the period attributable to non-controlling interest		53.2	50.6	219.1
Earnings per share				
Basic (cents per share)		77.5	71.0	68.3
Diluted (cents per share)		77.5	71.0	68.3

The accompanying notes form part of these financial statements

Infratil Limited
Consolidated Statement of Financial Position
As at 30 September 2015

	Notes	30 September 2015 \$Millions Unaudited	30 September 2014 \$Millions Unaudited	31 March 2015 \$Millions Audited
Cash and cash equivalents		313.2	832.1	363.4
Trade and other accounts receivable and prepayments	4	701.6	225.8	206.7
Derivative financial instruments		2.6	2.9	3.9
Inventories		6.4	3.9	5.1
Income tax receivable		0.7	12.1	5.7
Non current assets classified as held for sale		7.2	-	-
Current assets		1,031.7	1,076.8	584.8
Trade and other accounts receivable and prepayments		7.8	9.8	7.2
Property, plant and equipment		4,552.1	4,195.4	4,493.8
Investment properties		62.1	61.7	64.0
Derivative financial instruments		5.6	2.5	10.6
Intangible assets		71.2	78.1	75.3
Goodwill		179.7	179.7	179.7
Investments in associates	9	462.5	293.5	500.3
Other investments	10	34.7	18.7	32.0
Non-current assets		5,375.7	4,839.4	5,362.9
Total assets		6,407.4	5,916.2	5,947.7
Accounts payable		138.9	155.7	101.9
Accruals and other liabilities		54.1	99.7	84.3
Interest bearing loans and borrowings	11	120.2	85.5	47.7
Derivative financial instruments		4.7	10.2	5.3
Income tax payable		6.9	0.3	4.8
Infratil Infrastructure bonds	12	152.8	-	152.8
Trustpower bonds		100.0	75.0	100.0
Total current liabilities		577.6	426.4	496.8
Interest bearing loans and borrowings	11	795.1	956.0	816.0
Other liabilities		10.4	13.0	12.3
Deferred tax liability		500.3	425.2	520.3
Derivative financial instruments		75.1	50.2	62.2
Infratil Infrastructure bonds	12	597.0	748.1	596.2
Perpetual Infratil Infrastructure bonds	12	233.1	232.8	232.9
Trustpower bonds		382.3	377.3	381.8
Wellington International Airport bonds		274.1	273.8	273.9
Non-current liabilities		2,867.4	3,076.4	2,895.6
Attributable to owners of the Company		1,892.7	1,490.0	1,493.9
Non-controlling interest in subsidiaries		1,069.7	923.4	1,061.4
Total equity		2,962.4	2,413.4	2,555.3
Total equity and liabilities		6,407.4	5,916.2	5,947.7
Net tangible assets per share (\$ per share)		2.92	2.19	2.20

Approved on behalf of the Board on 10 November 2015



Director



Director

The accompanying notes form part of these financial statements.

Infratil Limited
Consolidated Statement of Cash Flows
For the 6 months ended 30 September 2015

	Notes	6 months ended 30 September 2015 \$Millions Unaudited	6 months ended 30 September 2014 \$Millions Unaudited	Year ended 31 March 2015 \$Millions Audited
Cash flows from operating activities				
<i>Cash was provided from:</i>				
Receipts from customers		828.0	1,247.3	2,036.3
Distributions received from associates		14.9	12.0	19.2
Interest received		5.9	2.0	12.2
		848.8	1,261.3	2,067.7
<i>Cash was disbursed to:</i>				
Payments to suppliers and employees		(605.2)	(1,009.6)	(1,595.5)
Interest paid		(93.3)	(89.3)	(179.6)
Taxation paid		(28.7)	(40.2)	(57.0)
		(727.2)	(1,139.1)	(1,832.1)
Net cash inflow from operating activities	13	121.6	122.2	235.6
Cash flows from investing activities				
<i>Cash was provided from:</i>				
Proceeds from sale of subsidiaries (net of cash sold)		-	702.5	654.9
Proceeds from sale of property, plant and equipment		2.0	19.8	20.0
Return of security deposits		4.9	10.2	8.2
		6.9	732.5	683.1
<i>Cash was disbursed to:</i>				
Purchase of investments		(2.3)	(15.6)	(252.8)
Lodgement of security deposits		(1.9)	(10.6)	(8.0)
Purchase of intangible assets		(4.3)	(18.5)	(23.9)
Interest capitalised on construction of fixed assets		(0.9)	(2.4)	(2.6)
Capitalisation of customer acquisition costs		-	(3.7)	(3.7)
Purchase of property, plant and equipment		(43.0)	(138.9)	(186.6)
		(52.4)	(189.7)	(477.6)
Net cash inflow / (outflow) from investing activities		(45.5)	542.8	205.5
Cash flows from financing activities				
<i>Cash was provided from:</i>				
Proceeds from issue of shares		-	-	0.5
Bank borrowings		173.7	252.3	265.9
Issue of bonds		-	-	105.0
		173.7	252.3	371.4
<i>Cash was disbursed to:</i>				
Repayment of bank debt		(174.1)	(147.2)	(271.3)
Loan establishment costs		(1.6)	(2.5)	(4.9)
Repayment of bonds/Perpetual Infratil Infrastructure bonds buyback		-	-	(75.0)
Infrastructure bond issue expenses		-	(0.2)	(1.4)
Share buyback of non-wholly owned subsidiary		-	(0.6)	(0.4)
Dividends paid to non-controlling shareholders in subsidiary companies		(45.1)	(43.3)	(73.9)
Dividends paid to owners of the Company		(80.9)	(39.3)	(148.8)
		(301.7)	(233.1)	(575.7)
Net cash inflow / (outflow) from financing activities		(128.0)	19.2	(204.3)
Net increase/ (decrease) in cash and cash equivalents		(51.9)	684.2	236.8
Foreign exchange gains / (losses) on cash and cash equivalents		1.7	3.7	(17.6)
Cash and cash equivalents at beginning of the period		363.4	144.2	144.2
Cash and cash equivalents at end of the period		313.2	832.1	363.4

The accompanying notes form part of these financial statements.

Infratil Limited
Consolidated Statement of Changes in Equity
For the 6 months ended 30 September 2015
Attributable to equity holders of the Company - Unaudited

	Capital	Revaluation reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling	Total equity
	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions
Balance as at 1 April 2015	369.8	683.2	(34.4)	(3.4)	478.7	1,493.9	1,061.4	2,555.3
Total comprehensive income for the period								
Net surplus for the period	-	-	-	-	435.4	435.4	35.4	470.8
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	33.2	-	-	33.2	10.0	43.2
Realisations on disposal of subsidiary, reclassified to profit and loss	-	-	-	-	-	-	-	-
Net change in fair value of available for sale financial assets	-	-	-	2.4	-	2.4	-	2.4
Ineffective portion of hedges taken to profit and loss	-	-	-	(0.6)	-	(0.6)	-	(0.6)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(2.4)	-	(2.4)	(3.2)	(5.6)
Fair value movements in relation to the executive share scheme	-	-	-	-	-	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	-	11.5	-	-	-	11.5	11.0	22.5
Share of associates other comprehensive income	-	-	-	-	0.2	0.2	-	0.2
Total other comprehensive income	-	11.5	33.2	(0.6)	0.2	44.3	17.8	62.1
Total comprehensive income for the period	-	11.5	33.2	(0.6)	435.6	479.7	53.2	532.9
Contributions by and distributions to non-controlling interest								
Issue/(acquisition) of shares held by outside equity interest	-	-	-	-	-	-	0.2	0.2
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	0.2	0.2
Contributions by and distributions to owners								
Conversion of executive redeemable shares	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(80.9)	(80.9)	(45.1)	(126.0)
Total contributions by and distributions to owners	-	-	-	-	(80.9)	(80.9)	(45.1)	(126.0)
Balance as at 30 September 2015	369.8	694.7	(1.2)	(4.0)	833.4	1,892.7	1,069.7	2,962.4

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the 6 months ended 30 September 2014
Attributable to equity holders of the Company - Unaudited

	Capital	Revaluation reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling	Total equity
	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions
Balance as at 1 April 2014	369.3	540.1	(46.0)	9.5	246.4	1,119.3	916.6	2,035.9
Total comprehensive income for the period								
Net surplus for the period	-	-	-	-	398.8	398.8	49.6	448.4
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	8.2	-	-	8.2	3.8	12.0
Realisations on disposal of subsidiary, reclassified to profit and loss	-	(9.2)	28.0	(12.6)	(1.6)	4.6	(0.6)	4.0
Net change in fair value of available for sale financial assets	-	-	-	0.4	-	0.4	-	0.4
Ineffective portion of hedges taken to profit and loss	-	-	-	(1.5)	-	(1.5)	-	(1.5)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(2.2)	-	(2.2)	(3.7)	(5.9)
Fair value movements in relation to the executive share scheme	-	-	-	-	-	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	-	1.7	-	-	-	1.7	1.6	3.3
Share of associates other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	(7.5)	36.2	(15.9)	(1.6)	11.2	1.1	12.3
Total comprehensive income for the period	-	(7.5)	36.2	(15.9)	397.2	410.0	50.7	460.7
Contributions by and distributions to non-controlling interest								
Issue/(acquisition) of shares held by outside equity interest	-	-	-	-	-	-	(0.6)	(0.6)
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	(0.6)	(0.6)
Contributions by and distributions to owners								
Conversion of executive redeemable shares	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(39.3)	(39.3)	(43.3)	(82.6)
Total contributions by and distributions to owners	-	-	-	-	(39.3)	(39.3)	(43.3)	(82.6)
Balance as at 30 September 2014	369.3	532.6	(9.8)	(6.4)	604.3	1,490.0	923.4	2,413.4

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the year ended 31 March 2015
Attributable to equity holders of the Company - Audited

	Capital	Revaluation reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling	Total equity
	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions
Balance as at 1 April 2014	369.3	540.1	(46.0)	9.5	246.4	1,119.3	916.6	2,035.9
<i>Total comprehensive income for the year</i>								
Net surplus for the year	-	-	-	-	383.5	383.5	82.8	466.3
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	(16.4)	-	-	(16.4)	(7.9)	(24.3)
Realisations on disposal of subsidiary, reclassified to profit and loss	-	(9.2)	28.0	(12.5)	(1.6)	4.7	(0.6)	4.1
Net change in fair value of available for sale financial assets	-	-	-	(1.9)	-	(1.9)	-	(1.9)
Ineffective portion of hedges taken to profit and loss	-	-	-	(2.8)	-	(2.8)	1.9	(0.9)
Effective portion of changes in fair value of cash flow hedges	-	-	-	4.1	-	4.1	0.1	4.2
Fair value movements in relation to the executive share scheme	-	-	-	0.2	-	0.2	-	0.2
Net change in fair value of property, plant & equipment recognised in equity	-	152.3	-	-	-	152.3	142.8	295.1
Share of associates other comprehensive income	-	-	-	-	(0.8)	(0.8)	-	(0.8)
Total other comprehensive income	-	143.1	11.6	(12.9)	(2.4)	139.4	136.3	275.7
Total comprehensive income for the year	-	143.1	11.6	(12.9)	381.1	522.9	219.1	742.0
Contributions by and distributions to non-controlling interest								
Issue/(acquisition) of shares held by outside equity interest	-	-	-	-	-	-	(0.4)	(0.4)
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	(0.4)	(0.4)
Contributions by and distributions to owners								
Conversion of executive redeemable shares	0.5	-	-	-	-	0.5	-	0.5
Dividends to equity holders	-	-	-	-	(148.8)	(148.8)	(73.9)	(222.7)
Total contributions by and distributions to owners	0.5	-	-	-	(148.8)	(148.3)	(73.9)	(222.2)
Balance at 31 March 2015	369.8	683.2	(34.4)	(3.4)	478.7	1,493.9	1,061.4	2,555.3

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the 6 months ended 30 September 2015

(1) Accounting policies

Basis of preparation

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. 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 2015 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 Parent's functional currency. Comparative figures have been restated where appropriate to ensure consistency with the current period.

New standards and amendments to standards came into effect for interim periods ending on 30 September 2015. None of these has had a material effect on the financial statements of the Group.

(2) Nature of business

The Group owns and operates energy, transport and social infrastructure businesses and investments in New Zealand and Australia. 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 from continuing operations before interest, taxation, depreciation, amortisation, fair value movements, realisations, revaluations and impairments ('EBITDAF')

EBITDAF is presented to provide further information on the operating performance of the Group. It is calculated by adjusting net surplus for the period from continuing operations for interest, taxation, depreciation, amortisation, fair value movements, realisations, revaluations and impairments. EBITDAF is a non-GAAP measure presented to show management's view of underlying business performance.

	Note	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
		\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Net surplus for the period from continuing operations		65.1	77.0	97.7
Net financing expense		91.6	92.4	178.2
Taxation expense	7	21.6	21.8	19.6
Depreciation		77.0	64.5	133.8
Amortisation of intangibles		8.3	7.6	15.9
Net loss on foreign exchange and derivatives		8.5	4.7	36.3
Net realisations and revaluations		(0.7)	(29.9)	(29.5)
EBITDAF		271.4	238.1	452.0

Notes to the Financial Statements
For the 6 months ended 30 September 2015

(4) Discontinued operations

On 30 September 2015 the Group agreed to sell its 20% interest (80 million shares) in Z Energy Limited ('ZEL') via a block trade for \$6.00 per share. The block trade followed a book build which commenced on the evening of 29 September 2015 and concluded on the evening of 30 September 2015. After sales costs, the net proceeds from the sale of Infratil's 20% stake are \$479.8 million resulting in a gain on sale of the 20% interest of \$392.3 million.

During the prior period the Group sold two components of the Group, which were reported as discontinued operations.

On 31 August 2014 the Group completed the sale of its 54% shareholding in PayGlobal Limited to MYOB Finance NZ Limited for cash consideration of \$8.5 million. Of the total cash proceeds, \$1.1 million is held in escrow until 31 August 2016 to satisfy any warranty claims received.

On 30 September 2014 the Group completed the sale of its 100% shareholdings in Infratil Energy Australia, Lumo Energy and Direct Connect Australia to Snowy Hydro Limited for cash consideration of A\$648.1 million. The transaction settled on 30 September 2014, with an adjustment for final working capital amounts settled in December 2014.

The impact on the Group following the sale of these components is shown below.

Summary of results of discontinued operations

	Note	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
		\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Z Energy Limited		405.7	4.4	1.4
PayGlobal Limited		-	3.4	3.4
Infratil Energy Australia (including Lumo Energy and Direct Connect Australia)		-	363.5	363.8
Net surplus from discontinued operation after tax		405.7	371.3	368.6

Z Energy Limited

	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Carrying value at 1 April	87.1	104.1	104.1
Share of associate's surplus before income tax	19.2	5.8	1.2
Share of associate's income tax (expense)	(5.8)	(1.4)	0.2
Total share of associate's earnings in the period	13.4	4.4	1.4
Share of associate's other comprehensive income	0.2	-	(0.8)
less: distributions received	(13.2)	(11.4)	(17.6)
less: disposal	(87.5)	-	-
Carrying value of investment in associate	-	97.1	87.1
<i>The net gain on the sale is calculated as follows:</i>			
Gross sale proceeds	480.0	-	-
less: Sale costs	(0.2)	-	-
Net sales proceeds	479.8	-	-
Carrying value of investment in associate prior to sale	87.5	-	-
Net gain on sale	392.3	-	-
Net surplus from discontinued operation after tax	405.7	4.4	1.4
Basic earnings per share (cents per share)	72.2	0.8	0.2
Diluted earnings per share (cents per share)	72.2	0.8	0.2
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	13.2	11.4	17.6
Net cash used in investing activities	-	-	-
Net cash used in financing activities	-	-	-
Net cash flows for the period	13.2	11.4	17.6

There is no cumulative income recognised in other comprehensive income relating to Z Energy Limited (30 September 2014: \$1.6 million, 31 March 2015: \$2.4 million)

As at 30 September 2015 \$480.0 million relating to the sale of Z Energy was recorded in trade and other accounts receivable and prepayments with settlement due on 6 October 2015.

Notes to the Financial Statements
For the 6 months ended 30 September 2015

PayGlobal Limited

Results of PayGlobal (classified as discontinued)

	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Revenue	-	8.1	8.1
Operating expenses	-	6.9	6.9
Results from operating activities	-	1.2	1.2
Depreciation & amortisation of intangibles	-	(0.1)	(0.1)
Net interest expense	-	0.1	0.1
Profit before tax of PayGlobal	-	1.2	1.2
Taxation expense	-	-	-
Net surplus of PayGlobal after tax	-	1.2	1.2
<i>The Group's share of the net gain on the sale is calculated as follows:</i>			
Gross sale proceeds	-	8.5	8.5
less: Sale costs	-	-	-
Net sales proceeds	-	8.5	8.5
Carrying value of PayGlobal net assets sold	-	(5.4)	(5.4)
Taxation expense on sale	-	(0.9)	(0.9)
Net gain on sale	-	2.2	2.2
Net surplus/(loss) from discontinued operation after tax	-	3.4	3.4
Basic earnings per share (cents per share)	-	0.6	0.6
Diluted earnings per share (cents per share)	-	0.6	0.6

(\$0.6 million) of the net surplus from the discontinued operation in prior periods was attributable to the non-controlling interest of PayGlobal.

Cash flows from/(used in) discontinued operation

Net cash used in operating activities	-	-	-
Net cash used in investing activities	-	(0.2)	(0.2)
Net cash used in financing activities	-	(1.4)	(1.4)
Net cash flows for the period	-	(1.6)	(1.6)

There is no cumulative income recognised in other comprehensive income relating to PayGlobal in any of the reported periods

Infratil Energy Australia (including Lumo Energy and Direct Connect Australia)

Results of Infratil Energy Australia (classified as discontinued)

	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Revenue	-	444.6	444.6
Operating expenses	-	403.8	403.8
Results from operating activities	-	40.8	40.8
Depreciation & amortisation of intangibles	-	(9.4)	(9.4)
Net realisations, revaluations, (impairments) and net gain/(loss) on foreign exchange and derivatives	-	4.9	4.9
Net interest expense	-	(0.3)	(0.3)
Profit before tax of Infratil Energy Australia	-	36.0	36.0
Taxation expense	-	(9.1)	(9.9)
Net surplus of Infratil Energy Australia after tax	-	26.9	26.1
<i>The net gain on the sale is calculated as follows:</i>			
Gross sale proceeds	-	726.2	725.8
less: Sale costs	-	(10.7)	(9.9)
less: Incentive fee paid to MCIM	-	(45.2)	(44.5)
Net sales proceeds	-	670.3	671.4
Carrying value of Infratil Energy Australia net assets sold	-	(325.9)	(325.9)
Realised foreign exchange losses reclassified to profit and loss on disposal and derivative gains and losses	-	(7.8)	(7.8)
Net gain on sale	-	336.6	337.7
Net surplus from discontinued operation after tax	-	363.5	363.8
Basic earnings per share (cents per share)	-	64.7	64.8
Diluted earnings per share (cents per share)	-	64.7	64.8
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	-	13.7	13.7
Net cash used in investing activities	-	(14.9)	(14.9)
Net cash used in financing activities	-	(4.4)	(4.4)
Net cash flows for the period	-	(5.6)	(5.6)

There is no cumulative income recognised in other comprehensive income relating to Infratil Energy Australia in any of the reported periods

Notes to the Financial Statements
For the 6 months ended 30 September 2015

(5) Other operating expenses

		6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
	Note	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Fees paid to the Group auditor		0.4	0.4	0.6
Audit fees paid to other auditors		0.1	0.2	0.5
Bad debts written off		0.8	0.1	1.3
Increase in provision for doubtful debts		0.2	0.8	0.4
Directors' fees		1.2	1.0	2.1
Administration and other corporate costs		3.6	4.6	7.8
Management fee (to related party Morrison & Co Infrastructure Management)	18	10.7	8.7	19.3
<i>Trading operations</i>				
Energy and wholesale costs		180.0	188.2	371.8
Line, distribution and network costs		198.6	182.0	358.7
Other energy business costs		90.6	76.4	154.8
Transportation business costs		37.1	37.4	76.5
Airport business costs		8.6	8.4	16.4
Other operating business costs		9.8	11.0	22.3
Total other operating expenses		541.7	519.2	1,032.5

		6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
		\$000's Unaudited	\$000's Unaudited	\$000's Audited
<i>Fees paid to the Group auditor</i>				
Audit and review of financial statements		267.7	256.1	437.6
Regulatory audit work		15.0	35.0	42.0
Other assurance services		6.4	15.0	35.9
Taxation services		59.7	67.5	71.6
Other services		31.5	-	15.0
Total fees paid to the Group auditor		380.3	373.6	602.1

The audit fee includes the fees for both the annual audit of the financial statements and the review of the interim financial statements. Regulatory audit work consists of the audit of regulatory disclosures. Other assurance services comprise of agreed upon procedures, audit of compliance reports and verification in relation to gas trading licence. Tax services relate to tax compliance work. Other services related to tax advisory services provided to a subsidiary of the group and investment due diligence work.

No Donations were made during the period (30 September 2014: Nil, 31 March 2015: \$0.8 million).

(6) Seasonality

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

Trustpower

Trustpower's business is not highly seasonal, but the individual segments of Retail and NZ Generation are subject to seasonality due to seasonal differences in the demand for electricity and in the wholesale electricity price.

Notes to the Financial Statements
For the 6 months ended 30 September 2015

(7) Taxation

	Note	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
		\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Net surplus before taxation from continuing operations		86.7	98.8	117.3
Taxation on the surplus for the period @ 28%		24.3	27.7	32.8
<i>Plus/(less) taxation adjustments:</i>				
Effect of tax rates in foreign jurisdictions		(0.1)	0.6	0.6
Net benefit of imputation credits		(4.0)	(3.2)	(4.9)
Exempt dividends		(0.2)	(0.1)	-
Timing differences not recognised		-	-	0.2
Effect of equity accounted earnings of associates		(0.2)	1.0	6.7
(Over)/Under provision in prior periods		0.4	2.6	6.1
Inland Revenue dispute tax expense adjustment	18	2.7	-	-
Net investment realisations		(0.3)	-	(0.4)
Other permanent differences		(1.0)	(6.8)	(21.5)
Taxation expense		21.6	21.8	19.6
Current taxation		25.8	21.7	43.4
Deferred taxation		(4.2)	0.1	(23.8)
Tax on discontinued operations		-	9.3	10.7

6 months ended 30 September 2015			
	Before tax	Tax (expense) /benefit	Net of tax
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Differences arising on translation of foreign operations	29.2	14.0	43.2
Realisations on disposal of subsidiary, reclassified to profit and loss	-	-	-
Net change in fair value of available for sale financial assets	2.4	-	2.4
Ineffective portion of hedges taken to profit and loss	(0.6)	-	(0.6)
Effective portion of changes in fair value of cash flow hedges	(8.0)	2.4	(5.6)
Fair value movements in relation to executive share scheme	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	22.5	-	22.5
Share of associates other comprehensive income	0.2	-	0.2
Balance at the end of the period	45.7	16.4	62.1

6 months ended 30 September 2014			
	Before tax	Tax (expense) /benefit	Net of tax
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Differences arising on translation of foreign operations	7.4	4.6	12.0
Realisations on disposal of subsidiary, reclassified to profit and loss	6.7	(2.8)	3.9
Net change in fair value of available for sale financial assets	0.4	-	0.4
Ineffective portion of hedges taken to profit and loss	(1.5)	-	(1.5)
Effective portion of changes in fair value of cash flow hedges	(8.9)	3.0	(5.9)
Fair value movements in relation to executive share scheme	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	3.3	-	3.3
Share of associates other comprehensive income	-	-	-
Balance at the end of the period	7.4	4.9	12.2

Year ended 31 March 2015			
	Before tax	Tax (expense) /benefit	Net of tax
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Differences arising on translation of foreign operations	(13.0)	(11.3)	(24.3)
Realisations on disposal of subsidiary, reclassified to profit and loss	6.8	(2.7)	4.1
Net change in fair value of available for sale financial assets	(1.9)	-	(1.9)
Ineffective portion of hedges taken to profit and loss	(2.4)	1.5	(0.9)
Effective portion of changes in fair value of cash flow hedges	3.6	0.6	4.2
Fair value movements in relation to executive share scheme	0.2	-	0.2
Net change in fair value of property, plant & equipment recognised in equity	404.7	(109.6)	295.1
Share of associates other comprehensive income	(0.8)	-	(0.8)
Balance at the end of the year	397.2	(121.5)	275.7

Notes to the Financial Statements
For the 6 months ended 30 September 2015

(8) Infratil shares

Ordinary shares (fully paid)

	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
	Unaudited	Unaudited	Audited
Total issued capital at the beginning of the period	561,875,237	561,617,737	561,617,737
<i>Movements in issued and fully paid ordinary shares during the period:</i>			
Conversion of executive redeemable shares	-	-	257,500
Total issued capital at the end of the period	561,875,237	561,617,737	561,875,237

All fully paid ordinary shares have equal voting rights and share equally in dividends and equity. At 30 September 2015 the Group held 4,500,000 shares as Treasury Stock (30 September 2014: 4,500,000, 31 March 2015: 4,500,000).

	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
	cps Unaudited	cps Unaudited	cps Audited	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Dividends paid on ordinary shares						
Final dividend prior year	8.00	7.00	7.00	45.0	39.3	39.3
Interim dividend	-	-	4.50	-	-	25.3
Special dividend	6.40	-	15.00	35.9	-	84.2
Dividends paid on ordinary shares	14.40	7.00	26.50	80.9	39.3	148.8

(9) Investments in associates

	Note	30 September 2015	30 September 2014	31 March 2015
		\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
<i>Investments in associates are as follows:</i>				
Z Energy Limited	4	-	97.1	87.1
Metlifecare Limited		218.7	194.3	202.2
RA (Holdings) 2014 Pty Limited		241.6	-	208.6
Mana Coach Holdings Limited		2.2	2.1	2.4
Investments in associates		462.5	293.5	500.3

	30 September 2015	30 September 2014	31 March 2015
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
<i>Equity accounted earnings of associates are as follows:</i>			
Metlifecare Limited	16.5	8.3	16.2
RA (Holdings) 2014 Pty Limited	15.7	-	(6.1)
Mana Coach Holdings Limited	-	-	-
Share of earnings of associate companies	32.2	8.3	10.1

Notes to the Financial Statements
For the 6 months ended 30 September 2015

Metlifecare Limited

The Group owns a 19.99% shareholding in Metlifecare Limited ('MET') and equity accounts for this investment. Metlifecare is one of New Zealand's largest providers of retirement villages and aged care services and is dual listed on the New Zealand Stock Exchange and on the Australian Securities Exchange.

	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
<i>Movement in the carrying amount of investment in Metlifecare Limited:</i>			
Carrying value at 1 April	202.2	186.0	186.0
Acquisition of shares	0.6	0.5	1.6
Share of associate's surplus before income tax	17.8	9.4	16.6
Share of associate's income tax (expense)	(1.3)	(1.1)	(0.4)
Total share of associate's earnings in the period	16.5	8.3	16.2
Share of associate's other comprehensive income	-	-	-
less: distributions received	(0.6)	(0.5)	(1.6)
Carrying value of investment in associate	218.7	194.3	202.2

Summary financial information for Metlifecare Limited, not adjusted for the percentage ownership held by the Group:

The summary information provided is taken from the most recent NZ IFRS audited annual financial statements of Metlifecare Limited which have a balance date of 30 June and are reported as at that date.

	30 June 2015 \$Millions Audited	30 June 2014 \$Millions Audited
Current assets	9.4	13.5
Non-current assets	2,218.0	1,996.1
Total Assets	2,227.4	2,009.6
Current liabilities	26.9	18.2
Non-current liabilities	1,289.1	1,199.7
Total liabilities	1,316.0	1,217.9
Revenues	101.5	94.8
Net profit after tax	122.7	68.8
Total other comprehensive income	0.1	0.2

At 30 September 2015 the Group's investment in MET had a fair value of \$179.4 million based on the quoted market price of MET shares on the NZX at that date of \$4.23 (30 September 2014: \$193.4 million at \$4.48, 31 March 2015: \$199.6 million at \$4.72).

RA (Holdings) 2014 Pty Limited

On 31 December 2014, the Group acquired a 50% shareholding of the RetireAustralia Group ('RetireAustralia'), with consortium partner the NZ Super Fund acquiring the other 50%. RetireAustralia operates 28 retirement villages across 3 states in Australia – New South Wales, Queensland and South Australia. The total equity consideration was A\$407.8 million with Infratil and the NZ Super Fund each providing total cash equity of A\$203.9 million (NZ\$213.0 million). The total cost of the acquisition included transaction costs of A\$15.9 million (primarily landholder duty). The Group equity accounts for its investment in RetireAustralia.

	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
<i>Movement in the carrying amount of investment in RetireAustralia:</i>			
Carrying value at 1 April	208.6	-	-
Cost of investment in RetireAustralia (Shares acquired)	-	-	213.0
Capitalised transaction costs	-	-	1.1
Prepayment for shares not yet issued	1.4	-	5.0
Total cost of investment	210.0	-	219.1
Share of associate's surplus/(loss) before income tax	15.7	-	(6.1)
Share of associate's income tax (expense)	-	-	-
Total share of associate's earnings in the period	15.7	-	(6.1)
Share of associate's other comprehensive income	-	-	-
less: distributions received	-	-	-
Foreign exchange movements recognised in other comprehensive income	15.9	-	(4.4)
Carrying value of investment in associate	241.6	-	208.6

Notes to the Financial Statements
For the 6 months ended 30 September 2015

Summary financial information for RetireAustralia is not adjusted for the percentage ownership held by the Group: RA (Holdings) 2014 Pty Limited was incorporated on 9 December 2014 and the business commenced trading on 1 January 2015. The Company's functional currency is Australian Dollars (A\$) and the summary financial information shown is presented in this currency.

	30 September 2015 A\$Millions Unaudited	30 September 2014 A\$Millions Unaudited	31 March 2015 A\$Millions Audited
Current assets	129.3	-	122.9
Non-current assets	1,926.6	-	1,808.8
Total Assets	2,055.9	-	1,931.7
Current liabilities	1,414.8	-	1,307.3
Non-current liabilities	216.1	-	228.0
Total liabilities	1,630.9	-	1,535.3
Revenues	43.1	-	14.4
Net profit/(loss) after tax	28.8	-	(11.4)
Total other comprehensive income	-	-	-

(10) Other investments

	30 September 2015 \$Millions Unaudited	30 September 2014 \$Millions Unaudited	31 March 2015 \$Millions Audited
Australian Social Infrastructure Partners	32.8	16.8	30.1
Other	1.9	1.9	1.9
Total other investments	34.7	18.7	32.0

Australian Social Infrastructure Partners

Infratil has made a commitment of A\$100 million to pursue greenfield availability based public-private partnership ('PPP') opportunities in Australia via Australian Social Infrastructure Partners ('ASIP').

The balance of the A\$100m commitment is likely to be called over a 2-3 year period as bids for PPP opportunities are progressed, with the Investment period for the fund ending on 30 June 2018. 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 2015 Infratil has made total contributions of A\$29.9m (30 September 2014: A\$15.1m, 31 March 2015: A\$29.6m), with the remaining A\$70.1m commitment uncalled at that date.

NOTES TO THE FINANCIAL STATEMENTS
For the 6 months ended 30 September 2015

(11) Loans and borrowings

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

	30 September 2015 \$Millions Unaudited	30 September 2014 \$Millions Unaudited	31 March 2015 \$Millions Audited
<i>Current liabilities</i>			
Unsecured bank loans	66.6	82.4	44.4
Secured bank facilities	54.9	4.2	4.3
less: Capitalised loan establishment costs	(1.3)	(1.1)	(1.0)
	120.2	85.5	47.7
<i>Non-current liabilities</i>			
Unsecured bank loans	799.6	906.7	772.9
Secured bank facilities	-	56.0	48.6
less: Capitalised loan establishment costs	(4.5)	(6.7)	(5.5)
	795.1	956.0	816.0
<i>Facilities utilised at reporting date</i>			
Unsecured bank loans	866.2	989.1	817.3
Unsecured guarantees	13.4	11.2	11.9
Secured bank loans	54.9	60.2	52.9
Secured guarantees	0.2	0.2	0.2
<i>Facilities not utilised at reporting date</i>			
Unsecured bank loans	627.7	486.8	580.0
Unsecured guarantees	8.6	-	8.6
Secured bank loans	21.0	157.3	17.6
Secured guarantees	0.6	0.6	0.5
Interest bearing loans and borrowings - <i>current</i>	120.2	85.5	47.7
Interest bearing loans and borrowings - <i>non-current</i>	795.1	956.0	816.0
Total interest bearing loans and borrowings	915.3	1,041.5	863.7

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.

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 2.8% to 5.3% (30 September 2014: 3.6% to 5.5%, 31 March 2015: 3.0% to 5.6%).

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

NOTES TO THE FINANCIAL STATEMENTS
For the 6 months ended 30 September 2015

(12) Infrastructure bonds

	30 September 2015 \$Millions Unaudited	30 September 2014 \$Millions Unaudited	31 March 2015 \$Millions Audited
Balance at the beginning of the period	981.9	979.9	979.9
Issued during the period	-	-	-
Matured during the period	-	-	-
Purchased by Infratil during the period	-	-	-
Bond issue costs capitalised during the period	-	-	-
Bond issue costs amortised during the period	1.0	1.0	2.0
Balance at the end of the period	982.9	980.9	981.9
<i>Repayment terms and interest rates:</i>			
IFT070 Maturing in November 2015, 8.50% p.a. fixed coupon rate	152.8	152.8	152.8
IFT150 Maturing in June 2016, 8.50% p.a. fixed coupon rate	100.0	100.0	100.0
IFT160 Maturing in June 2017, 8.50% p.a. fixed coupon rate	66.3	66.3	66.3
IFT170 Maturing in November 2017, 8.00% p.a. fixed coupon rate	81.1	81.1	81.1
IFT180 Maturing in November 2018, 6.85% p.a. fixed coupon rate	111.4	111.4	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
IFT190 Maturing in June 2022, 6.85% p.a. fixed coupon rate	93.7	93.7	93.7
IFTHA Perpetual Infratil infrastructure bonds	234.9	234.9	234.9
/ess: Bond issue costs capitalised and amortised over term	(6.3)	(8.3)	(7.3)
Balance at the end of the period	982.9	980.9	981.9
Current	152.8	-	152.8
Non-current fixed coupon	597.0	748.1	596.2
Non-current perpetual variable coupon	233.1	232.8	232.9

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 IFT070, IFT090, IFT150 and IFT160 series, Infratil can elect to redeem those infrastructure bonds 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 equivalent to 98% of the face value of the bonds multiplied by the market price of the shares. 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 234,857,200 (30 September 2014: 234,857,200, 31 March 2015: 234,857,200) 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 2015 the coupon is fixed at 5.26% per annum (September 2014: 4.53%, March 2015: 5.26%). 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. No PIIBs (September 2014: nil, March 2015: nil) were repurchased by Infratil Limited during the period.

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

At 30 September 2015 the Infrastructure bonds (including PIIBs) had a fair value of \$967.1 million (30 September 2014: \$963.4 million, 31 March 2015: \$966.1 million).

NOTES TO THE FINANCIAL STATEMENTS
For the 6 months ended 30 September 2015

(13) Reconciliation of net surplus with cash flow from operating activities

	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Net surplus for the period	470.8	448.4	466.3
<i>(Add) / Less items classified as investing activity:</i>			
(Gain) / Loss on investment realisations and impairments	(393.0)	(372.3)	(369.9)
<i>Add items not involving cash flows:</i>			
Movement in financial derivatives taken to the profit or loss	8.5	2.7	31.4
Decrease in deferred tax liability excluding transfers to reserves	(4.2)	6.7	(16.6)
Changes in fair value of investment properties	-	(0.3)	(0.4)
Equity accounted earnings of associate net of distributions received	(30.7)	(0.7)	7.7
Depreciation	77.0	67.3	136.6
Movement in provision for bad debts	1.0	8.9	9.7
Amortisation of intangibles	8.3	14.3	22.6
Other	3.2	5.8	11.0
<i>Movements in working capital:</i>			
Change in receivables	(13.4)	(33.5)	(36.8)
Change in inventories	(1.1)	5.8	4.4
Change in trade payables	30.0	36.7	(6.7)
Change in accruals and other liabilities	(31.9)	(52.6)	(13.7)
Change in current and deferred taxation	(2.9)	(15.0)	(10.0)
Net cash flow from operating activities	121.6	122.2	235.6

NOTES TO THE FINANCIAL STATEMENTS
For the 6 months ended 30 September 2015

(14) Operating segments

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

Trustpower is our renewable generation investment, Wellington International Airport is our Wellington airport investment, NZ Bus is our transportation investment and Australian Energy is our non renewable generation investment.

Other comprises investment activity not included in the specific categories. The principal investments in Other are the Group's interests in Z Energy, Metlifecare, RetireAustralia and ASIP.

For the period ended 30 September 2015	Trustpower New Zealand \$Millions Unaudited	Wellington Airport New Zealand \$Millions Unaudited	NZ Bus New Zealand \$Millions Unaudited	Australian Energy Australia \$Millions Unaudited	All other segments and corporate New Zealand \$Millions Unaudited	Eliminations \$Millions Unaudited	Total from Continuing Operations \$Millions Unaudited
Segment revenue	540.6	55.6	118.9	145.8	98.0	-	958.9
Share of earnings of associate companies	-	-	-	-	45.6	(13.4)	32.2
Inter-segment revenue	-	(0.7)	(1.8)	-	(79.1)	-	(81.6)
Segment revenue - external	540.6	54.9	117.1	145.8	64.5	(13.4)	909.5
EBITDAF	184.2	41.2	22.7	1.1	35.6	(13.4)	271.4
Interest income	-	0.3	-	0.3	6.6	(1.3)	5.9
Interest expense	(44.0)	(8.8)	(1.8)	(2.5)	(41.8)	1.4	(97.5)
Depreciation and amortisation	(57.2)	(8.2)	(15.4)	(3.2)	(1.2)	(0.1)	(85.3)
Net gain/(loss) on foreign exchange and derivatives	(3.0)	(2.3)	-	0.4	(3.6)	-	(8.5)
Net realisations, revaluations and (impairments)	-	(0.1)	-	-	393.0	(392.2)	0.7
Taxation expense	(20.2)	(6.5)	(0.5)	1.2	4.4	-	(21.6)
Segment result	59.8	15.6	5.0	(2.7)	393.0	(405.6)	65.1
Investments in associates	-	-	-	-	462.5	-	462.5
Total non-current assets (excluding financial instruments and deferred tax)	3,566.8	825.1	287.5	143.5	547.2	-	5,370.1
Total assets	3,742.4	842.9	305.2	200.7	1,316.2	-	6,407.4
Total liabilities	1,792.8	441.1	50.4	101.5	1,059.2	-	3,445.0
Capital expenditure/investment (including accruals)	15.4	28.0	4.8	0.4	6.5	-	55.1

NOTES TO THE FINANCIAL STATEMENTS
For the 6 months ended 30 September 2015

For the period ended 30 September 2014

	Trustpower New Zealand \$Millions Unaudited	Wellington Airport New Zealand \$Millions Unaudited	NZ Bus New Zealand \$Millions Unaudited	Australian Energy Australia \$Millions Unaudited	All other segments and corporate New Zealand \$Millions Unaudited	Eliminations \$Millions Unaudited	Total from Continuing Operations \$Millions Unaudited
Segment revenue	504.9	53.6	117.1	593.2	104.0	(452.7)	920.1
Share of earnings of associate companies	-	-	-	-	12.7	(4.4)	8.3
Inter-segment revenue	-	(0.8)	(1.8)	-	(78.0)	-	(80.6)
Segment revenue - external	504.9	52.8	115.3	593.2	38.7	(457.1)	847.8
EBITDAF	173.3	40.4	20.0	45.7	5.2	(46.5)	238.1
Interest income	0.5	0.3	-	0.4	5.1	(4.5)	1.8
Interest expense	(38.2)	(9.4)	(2.2)	(5.8)	(43.3)	4.7	(94.2)
Depreciation and amortisation	(46.2)	(8.1)	(13.2)	(12.4)	(1.7)	9.5	(72.1)
Net gain/(loss) on foreign exchange and derivatives	(4.4)	0.3	-	4.9	(3.5)	(2.0)	(4.7)
Net realisations, revaluations and (impairments)	25.0	(0.3)	(0.1)	339.6	8.4	(342.7)	29.9
Taxation expense	(20.8)	(6.5)	-	(9.9)	5.5	9.9	(21.8)
Segment result	89.2	16.7	4.5	362.5	(24.3)	(371.6)	77.0
Investments in associates	-	-	-	-	293.5	-	293.5
Total non-current assets (excluding financial instruments and deferred tax)	3,226.6	797.9	307.5	144.3	360.6	-	4,836.9
Total assets	3,446.9	814.8	328.2	199.8	1,126.4	-	5,916.1
Total liabilities	1,794.4	408.0	47.3	105.2	1,147.9	-	3,502.8
Capital expenditure/investment (including accruals)	143.9	7.3	10.3	16.5	18.0	-	196.0

NOTES TO THE FINANCIAL STATEMENTS
For the 6 months ended 30 September 2015

For the year ended 31 March 2015

	Trustpower New Zealand \$Millions Audited	Wellington Airport New Zealand \$Millions Audited	NZ Bus New Zealand \$Millions Audited	Australian Energy Australia \$Millions Audited	All other segments and corporate New Zealand \$Millions Audited	Eliminations \$Millions Audited	Total from Continuing Operations \$Millions Audited
Segment revenue	993.5	108.3	229.8	740.3	160.5	(452.7)	1,779.7
Share of earnings of associate companies	-	-	-	-	11.5	(1.4)	10.1
Inter-segment revenue	-	(1.5)	(3.7)	-	(117.1)	-	(122.3)
Segment revenue - external	993.5	106.8	226.1	740.3	54.9	(454.1)	1,667.5
EBITDAF	330.7	82.1	34.2	54.9	(6.5)	(43.4)	452.0
Interest income	1.1	0.5	0.1	0.9	15.5	(6.1)	12.0
Interest expense	(79.6)	(18.3)	(4.4)	(8.4)	(85.7)	6.2	(190.2)
Depreciation and amortisation	(98.2)	(16.2)	(26.4)	(15.4)	(3.0)	9.5	(149.7)
Net gain/(loss) on foreign exchange and derivatives	(14.2)	(1.2)	-	4.9	(20.9)	(4.9)	(36.3)
Net realisations, revaluations and (impairments)	24.9	(0.3)	(0.2)	56.0	289.9	(340.8)	29.5
Taxation expense	(20.7)	1.2	3.6	(11.2)	(3.3)	10.8	(19.6)
Segment result	144.0	47.8	6.9	81.7	186.0	(368.7)	97.7
Investments in associates	-	-	-	-	500.3	-	500.3
Total non-current assets (excluding financial instruments and deferred tax)	3,531.4	805.2	298.2	136.3	581.2	-	5,352.3
Total assets	3,690.5	841.5	317.0	191.4	907.3	-	5,947.7
Total liabilities	1,771.3	403.4	52.2	96.6	1,068.9	-	3,392.4
Capital expenditure/investment (including accruals)	199.8	21.9	15.3	15.1	255.5	-	507.6

NOTES TO THE FINANCIAL STATEMENTS
For the 6 months ended 30 September 2015

Entity wide disclosure - geographical

The Group operated in two principal areas New Zealand and Australia. The Group's geographical segments are based on the location of both customers and assets.

	New Zealand	Australia	Eliminations	Total from Continuing Operations
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Unaudited	\$Millions Unaudited
For the period ended 30 September 2015				
Segment revenue	748.1	210.8	-	958.9
Share of earnings of associate companies	30.0	15.7	(13.5)	32.2
Inter-segment revenue	(81.7)	-	0.1	(81.6)
Segment revenue - external	696.4	226.5	(13.4)	909.5
EBITDAF	220.8	64.1	(13.5)	271.4
Interest income	6.9	0.3	(1.3)	5.9
Interest expense	(79.4)	(19.5)	1.4	(97.5)
Depreciation and amortisation	(54.0)	(31.2)	(0.1)	(85.3)
Net gain/(loss) on foreign exchange and derivatives	(6.8)	(1.7)	-	(8.5)
Net realisations, revaluations and (impairments)	392.9	-	(392.2)	0.7
Taxation expense	(22.7)	1.1	-	(21.6)
Segment result	457.7	13.1	(405.7)	65.1
Investments in associates	220.9	241.6	-	462.5
Total non-current assets (excluding financial instruments and deferred tax)	3,835.8	1,534.3	-	5,370.1
Total assets	4,777.8	1,629.6	-	6,407.4
Total liabilities	2,453.7	991.3	-	3,445.0
Capital expenditure/investment (including accruals)	25.4	29.7	-	55.1
	New Zealand	Australia	Eliminations	Total from Continuing Operations
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Unaudited	\$Millions Unaudited
For the period ended 30 September 2014				
Segment revenue	722.3	650.5	(452.7)	920.1
Share of earnings of associate companies	12.7	-	(4.4)	8.3
Inter-segment revenue	(80.6)	-	-	(80.6)
Segment revenue - external	654.4	650.5	(457.1)	847.8
EBITDAF	196.1	88.3	(46.3)	238.1
Interest income	5.7	0.6	(4.5)	1.8
Interest expense	(76.0)	(22.9)	4.7	(94.2)
Depreciation and amortisation	(53.4)	(28.2)	9.5	(72.1)
Net gain/(loss) on foreign exchange and derivatives	(4.1)	1.4	(2.0)	(4.7)
Net realisations, revaluations and (impairments)	8.0	361.7	(339.8)	29.9
Taxation expense	(18.1)	(13.6)	9.9	(21.8)
Segment result	58.2	387.3	(368.5)	77.0
Investments in associates	293.5	-	-	293.5
Total non-current assets (excluding financial instruments and deferred tax)	3,834.0	1,002.9	-	4,836.9
Total assets	4,775.3	1,140.8	-	5,916.1
Total liabilities	2,614.5	888.3	-	3,502.8
Capital expenditure/investment (including accruals)	63.9	132.1	-	196.0

NOTES TO THE FINANCIAL STATEMENTS
For the 6 months ended 30 September 2015

	New Zealand	Australia	Eliminations	Total from Continuing Operations
For the year ended 31 March 2015	\$Millions Audited	\$Millions Audited	\$Millions Audited	\$Millions Audited
Segment revenue	1,362.8	869.6	(452.7)	1,779.7
Share of earnings of associate companies	17.7	(6.2)	(1.4)	10.1
Inter-segment revenue	(122.3)	-	-	(122.3)
Segment revenue - external	1,258.2	863.4	(454.1)	1,667.5
EBITDAF	349.1	146.3	(43.4)	452.0
Interest income	16.7	1.4	(6.1)	12.0
Interest expense	(142.5)	(53.9)	6.2	(190.2)
Depreciation and amortisation	(107.6)	(51.6)	9.5	(149.7)
Net gain/(loss) on foreign exchange and derivatives	(22.6)	(8.8)	(4.9)	(36.3)
Net realisations, revaluations and (impairments)	288.7	81.6	(340.8)	29.5
Fair value gain on acquisition of associate	-	-	-	-
Taxation expense	(16.2)	(14.2)	10.8	(19.6)
Segment result	365.6	100.8	(368.7)	97.7
Investments in associates	291.7	208.6	-	500.3
Total non-current assets (excluding financial instruments and deferred tax)	3,939.4	1,412.9	-	5,352.3
Total assets	4,448.8	1,498.9	-	5,947.7
Total liabilities	2,550.3	842.1	-	3,392.4
Capital expenditure/investment (including accruals)	100.2	407.4	-	507.6

The group has no significant reliance on any one customer.

(15) Financial instruments

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 held at amortised cost which has a fair value at 30 September 2015 of \$1,764.5 million (30 September 2014: \$1,712.7 million, 31 March 2015: \$1,757.2 million) compared to a carrying value of \$1,739.3 million (30 September 2014: \$1,707.0 million, 31 March 2015: \$1,737.6 million).

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 4.1% to 4.7% (30 September 2014: 5.0% to 5.3%, 31 March 2015: 5.0% to 5.3%)

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.

NOTES TO THE FINANCIAL STATEMENTS
For the 6 months ended 30 September 2015

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.

30 September 2015	Level 1 \$Millions Unaudited	Level 2 \$Millions Unaudited	Level 3 \$Millions Unaudited	Total \$Millions Unaudited
Assets per the statement of financial position				
Derivative financial instruments - energy	-	-	5.8	5.8
Derivative financial instruments - foreign exchange	-	0.2	-	0.2
Derivative financial instruments - interest rate	-	2.2	-	2.2
Total	-	2.4	5.8	8.2
Liabilities per the statement of financial position				
Derivative financial instruments - energy	-	0.9	9.9	10.8
Derivative financial instruments - foreign exchange	-	-	-	-
Derivative financial instruments - interest rate	-	69.0	-	69.0
Total	-	69.9	9.9	79.8
30 September 2014	Level 1 \$Millions Unaudited	Level 2 \$Millions Unaudited	Level 3 \$Millions Unaudited	Total \$Millions Unaudited
Assets per the statement of financial position				
Derivative financial instruments - energy	-	-	1.9	1.9
Derivative financial instruments - foreign exchange	-	0.8	-	0.8
Derivative financial instruments - interest rate	-	2.7	-	2.7
Total	-	3.5	1.9	5.4
Liabilities per the statement of financial position				
Derivative financial instruments - energy	-	0.3	14.0	14.3
Derivative financial instruments - foreign exchange	-	3.2	-	3.2
Derivative financial instruments - interest rate	-	42.9	-	42.9
Total	-	46.4	14.0	60.4
31 March 2015	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	-	0.1	11.5	11.6
Derivative financial instruments - foreign exchange	-	0.2	-	0.2
Derivative financial instruments - interest rate	-	2.7	-	2.7
Total	-	3.0	11.5	14.5
Liabilities per the statement of financial position				
Derivative financial instruments - energy	-	1.2	4.3	5.5
Derivative financial instruments - foreign exchange	-	-	-	-
Derivative financial instruments - interest rate	-	62.0	-	62.0
Total	-	63.2	4.3	67.5

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 2015 (30 September 2014: none, 31 March 2015: none).

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

	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Assets per the statement of financial position			
Opening balance	11.5	2.6	2.6
Gains and (losses) recognised in profit or loss	1.4	(0.7)	1.8
Gains and (losses) recognised in other comprehensive income	(7.1)	-	7.1
Closing balance	5.8	1.9	11.5
Total gains or (losses) for the period included in profit or loss for assets held at the end of the reporting period	(1.0)	0.5	4.4
Liabilities per the statement of financial position			
Opening balance	4.3	9.3	9.3
Foreign exchange movement on opening balance	-	0.1	-
(Gains) and losses recognised in profit or loss	3.7	(1.4)	(1.7)
(Gains) and losses recognised in other comprehensive income	1.9	7.8	(1.5)
Sold as part of the disposal of a subsidiary	-	(1.8)	(1.8)
Closing balance	9.9	14.0	4.3
Total losses for the period included in profit or loss for liabilities held at the end of the reporting period	9.9	(0.3)	3.4
Settlements during the period	6.9	(6.5)	(14.9)

NOTES TO THE FINANCIAL STATEMENTS
For the 6 months ended 30 September 2015

Energy derivatives

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 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:

Energy price sensitivity analysis

	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Profit and loss			
10% increase in energy forward prices	(0.5)	1.2	1.1
10% decrease in energy forward prices	0.5	(1.2)	(1.1)
Other comprehensive income			
10% increase in energy forward prices	5.8	5.0	10.7
10% decrease in energy forward prices	(5.8)	(5.0)	(10.7)

(16) Capital commitments

Capital commitments

	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Committed but not contracted for	-	2.9	1.2
Contracted but not provided for	39.1	4.7	38.8
	39.1	7.6	40.0

The capital commitments include terminal development works at Wellington International Airport and the purchase of buses by NZ Bus. See note 10 for Infratil's commitment to ASIP.

(17) Contingent liabilities and legal matters

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

The Company has a contingent liability under the international fund management agreement with Morrison & Co International Limited in the event that the Group sells its international assets, or valuation of the assets exceeds the performance thresholds set out in the international fund management agreement.

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 several 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. In February 2012, the investigation was formally extended to include the put option arrangements as well. Infratil, 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. Infratil maintains its position that the purchase of 90% in Flughafen Lübeck GmbH 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. Infratil 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 Group.

NOTES TO THE FINANCIAL STATEMENTS
For the 6 months ended 30 September 2015

Trustpower was successful in its High Court case against Inland Revenue. The Court ruled that Trustpower's existing tax treatment of feasibility expenditure incurred in the 2006 to 2008 financial years was appropriate and disagreed with Inland Revenue's view that the resource consents acquired were capital assets. However this decision was overturned by the Court of Appeal. Trustpower has been given leave to appeal this decision in the Supreme Court and a hearing has been scheduled for early March 2016. Inland Revenue has reassessed the 2009 and 2010 years and has made further claims. Trustpower has disputed this assessment. This dispute has been lodged with the High Court but is on hold pending an outcome in the initial 2006 to 2008 dispute. It is likely Inland Revenue will take the same approach in assessing the 2011 and future tax years.

Given the uncertainty created by the Court of Appeal decision Trustpower has decided to fully provide for these claims (including the effect on the 2011 and future years). Should Inland Revenue be completely successful in its claim it would give rise to the following outcomes:

	Tax Payment	Interest Expense	Total
	\$Millions	\$Millions	\$Millions
Additional amount owed to Inland Revenue:			
2006 to 2008	5.9	3.0	8.9
2009 to 2010	2.6	1.4	4.1
2011 to 2015	2.1	0.6	2.7
Total	10.6	5.0	15.6

Trustpower was awarded \$1,177,000 of costs in relation to the High Court case. These costs were paid by Inland Revenue in the prior period. They have been refunded by Trustpower in this period following the Court of Appeal decision. The Court of Appeal also awarded Inland Revenue costs for the High Court and Court of Appeal. As Inland Revenue has yet to claim these costs they are very difficult to quantify, Trustpower has made a provision of \$500,000 as its best estimate of the amount payable. These costs are also subject to appeal at the Supreme Court. The tests used to determine whether feasibility expenditure is deductible have not been in dispute between Trustpower and Inland Revenue; the dispute to date has been on how the tests are to be applied to the facts. The Court of Appeal however developed an approach which departs from the previously accepted practice as set out in the Commissioner's Interpretation Statement and disallowed the expenditure on the basis of this new approach. The decision by the Court of Appeal to develop a new approach for determining the deductibility of feasibility expenditure may well increase the liability for tax payable. However as there is limited guidance on how to apply this new approach Trustpower has been unable to quantify the impact of this change. The impact may well be zero if the Inland Revenue decides not to apply the new approach retrospectively but is considered unlikely to exceed \$4 million even if a retrospective test is applied.

(18) 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'). Messrs M Bogoevski and D P Saville are directors of, and Mr Muh is an alternate director of Infratil. Mr Bogoevski is a director and Chief Executive Officer of MCO, Mr Muh is an executive director of MCO, and Mr Saville is a non-executive director of MCO. Entities associated with Mr Bogoevski, Mr Saville and Mr Muh also have beneficial interests in MCO.

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

	6 months ended 30 September 2015	6 months ended 30 September 2014	Year ended 31 March 2015
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Management fees	10.7	9.1	19.7
Incentive fees on realisations of international assets	-	45.2	44.5
Executive secondment and consulting	0.1	0.1	0.2
Directors fees	0.7	0.8	1.6
Financial management, accounting, treasury, compliance and administrative services	0.6	0.6	1.3
Investment banking services	0.1	3.7	3.9
Total management and other fees	12.2	59.5	71.2

At 30 September 2015 amounts owing to MCIM of \$2.2 million (excluding GST) are included in trade creditors (30 September 2014: \$47.1 million, 31 March 2015: \$2.0 million).

\$0.1 million of directors fees are included in the table above and are included within the result from discontinued operations (30 September 2014: \$0.4 million of management fees, \$3.7m of investment banking services, and the \$45.2 million incentive fee on the realisation of international assets, 31 March 2015: \$0.4 million of management fees, \$3.7m of investment banking services, and the \$44.5 million incentive fee on the realisation of international assets).

(19) Events after balance date

Bond Issue

On 1 October 2015 Infratil announced the opening of an offer of Infrastructure Bonds which mature on 15 September 2023 and pay a quarterly coupon of 5.25% per annum. On 27 October 2015 and 29 October 2015 \$75.0 million and \$16.3 million bonds were allotted respectively. The bond offer closes on 13 November 2015 with the final allotment on 16 November 2015.

King Country Energy Limited

On 3 November 2015 Trustpower announced that it had issued a Notice of Intention to make a full takeover offer for all of the shares of King Country Energy Limited ('KCE') through a fully owned subsidiary company, King Country Energy Holdings Limited. Trustpower intends to fund the up to \$125 million acquisition of KCE from committed bank facilities.

Dividend

On 10 November 2015, the Directors approved a fully imputed interim dividend of 5.25 cents per share to holders of fully paid ordinary shares to be paid on 15 December 2015.

Directory

Directors

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

Company Secretary

P Harford

Registered Office - New Zealand

5 Market Lane
PO Box 320
Wellington
Telephone: +64 4 473 3663
Internet address: www.infratil.com

Manager

Morrison & Co Infrastructure Management
5 Market Lane
PO Box 1395
Wellington
Telephone: +64 4 473 2399
Facsimile: +64 4 473 2388
Internet address: www.hrlmorrison.com

Share Registrar - New Zealand

Link Market Services
Level 7, Zurich House
21 Queen Street
PO Box 91976
Auckland
Telephone: +64 9 375 5998
E-mail: enquiries@linkmarketservices.co.nz
Internet address: www.linkmarketservices.co.nz

Auditor

KPMG
Maritime Tower
10 Customhouse Quay
PO Box 996
Wellington

Bankers

ANZ Bank New Zealand Limited
Level 14
215-229 Lambton Quay
Wellington

Bank of New Zealand
Level 4
80 Queen Street
Auckland

The Bank of Tokyo-Mitsubishi UFJ Limited
Level 22
151 Queen Street
Auckland

Commonwealth Bank of Australia
Level 2
ASB North Wharf
12 Jellicoe Street
Auckland

Registered Office - Australia

C/- H.R.L. Morrison & Co Private Markets
Suite 40C
Level 40
Governor Phillip Tower
1 Farrer Place
Sydney
NSW, 2000
Telephone: +64 4 473 3663

Share Registrar - Australia

Link Market Services
Level 12
680 George Street
Sydney
NSW 2000
Telephone: +61 2 8280 7100
E-mail: registrars@linkmarketservices.com.au
Internet address: www.linkmarketservices.com.au

The Hong Kong and Shanghai Banking Corporation Limited
Level 25
HSBC Tower
195 Lambton Quay
Wellington

Kiwibank Limited
Level 12
New Zealand Post House
7 Waterloo Quay
Wellington

Westpac New Zealand Limited
Westpac On Takutai Square
16 Takutai Square
Auckland



Independent review report

To the Shareholders of Infratil Limited

Report on the Interim Financial statements

We have completed a review of the condensed interim financial statements of Infratil Limited and its subsidiaries ("the Group") on pages 1 to 25 which comprise the consolidated statement of financial position as at 30 September 2015, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities

The directors of Infratil Limited are responsible for the preparation and fair presentation of condensed interim financial statements in accordance with NZ IAS 34 Interim Financial Reporting and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibilities

Our responsibility is to express a conclusion on the condensed interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity*. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 Interim Financial Reporting. As the auditor of the Group, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

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 those financial statements.

Our firm has also provided other services to the group in relation to taxation, 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 auditor of the group. The firm has no other relationship with, or interest in, the group.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these condensed interim financial statements of the Group do not present fairly, in all material respects, the consolidated financial position of the Group as at 30 September 2015, and of its consolidated financial performance and its cash flows for the period ended on that date, in accordance with NZ IAS 34 Interim Financial Reporting.

A handwritten signature in blue ink, appearing to read 'KANG'.

10 November 2015
Wellington