Infratil

Interim Results Announcement

11 November 2016

Half Year Overview

Targeted deployment of capital the highlight of the first half of FY17

- Underlying EBITDAF of $246.0 million slightly down on the comparative half year of $253.1 million (-2.8%)
- Operating cash flow of $129.2 million remains strong, up $7.6 million on the prior year
- 6 months dominated by capital deployment in new platforms and expansion:
  - $412 million acquisition of 48% of Canberra Data Centres
  - $85 million acquisition of 50% of Australian National University Student Accommodation Rental Concession
  - $44 million of development at Wellington Airport including terminal extension and transport hub
  - US$45 - $50 million commitment to the development of renewables in the United States
  - Over $500 million of cash and undrawn bank facilities remain on hand
- Approval to utilise up to $50 million of Infratil's buyback programme through July 2017
- Interim dividend of 5.75 cps, up 9.5% on the prior year
- FY17 Underlying EBITDAF tracking at the bottom end of our previously announced guidance range of $485 - $525 million

Financial Highlights

Earnings from core businesses maintained while capital successfully deployed

Half Year ended 30 September ($millions)	2016	2015	Variance	% Change
Underlying EBITDAF (continuing activities)[1]	**246.0**	253.1	(7.1)	(2.8%)
Net Parent Surplus (continuing activities)	**28.9**	28.3	0.6	2.2%
Net Operating Cash Flow	**129.2**	121.6	7.6	6.3%
Capital Expenditure	**103.5**	62.4	41.1	65.9%
Investment	**496.3**	-	496.3	N/A
Earnings per share (cps) (continuing activities)	**5.1**	5.0	0.1	2.0%

[1] Underlying EBITDAF is a non-GAAP measure of financial performance, presented to show management's view of the underlying business performance. Underlying EBITDAF represents consolidated net earnings before interest, tax, depreciation, amortisation, financial derivative movements, revaluations, gains or losses on the sales of investments, and includes Infratil's share of Metlifecare and RetireAustralia's underlying profits. Underlying profit for Metlifecare and RetireAustralia removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, excludes one-off gains and deferred taxation, and includes realised resale gains and realised development margins. A reconciliation of Underlying EBITDAF is provided in Appendix I

Results Summary

Operating performance impacted by one-off items & challenging market conditions

30 September ($Millions)	2016	2015
Operating revenue	971.2	892.5
Operating expenses	(717.9)	(623.9)
Depreciation & amortisation	(88.5)	(84.6)
Net interest	(79.6)	(91.6)
Tax expense	(22.4)	(20.9)
Revaluations	0.1	(7.8)
Discontinued operations	-	407.1
Net profit after tax	62.9	470.8
Minority earnings	(34.0)	(35.4)
Net parent surplus	28.9	435.4

- Operating revenue increased 8.8%, offset by increased operating expenses largely relating to the trading difficulties experienced by Perth Energy
- Slight increase in depreciation and amortisation reflects increasing asset base
- Net interest has decreased as a result of net cash at the corporate level following divestments at the end of the prior period, and maturing bonds across the Group being replaced with coupon rates up to 300 basis points lower
- No material revaluations or impairments during the period
- Discontinued operations in the prior period includes the results of Z Energy and iSite prior to divestment and the gain on sale of the balance of Z Energy

Underlying EBITDAF

Core assets provide stable earnings during the period

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Underlying EBITDAF ($Millions)	2016	2015
Trustpower[1]	118.7	119.2
Tilt Renewables[1]	66.1	65.0
Wellington Airport	43.7	41.8
NZ Bus	25.0	22.7
Perth Energy	(9.7)	1.1
CDC	0.6	-
Metlifecare[2]	7.4	6.2
RetireAustralia[2]	7.1	10.4
ANU Student Accommodation	1.5	-
Other	(14.4)	(13.3)
Continuing operations	246.0	258.0
Discontinued operations	-	16.2
Total	246.0	274.2

- Trustpower – Weak New Zealand generation performance and increased marketing and customer acquisition costs delivered a flat result. The HY17 number excludes demerger costs YTD of $8.7 million
- Tilt Renewables – Australia wind generation was 13% above the prior period, partially offset by higher generation production costs
- WIAL – Increase in aeronautical and passenger services revenue was driven by record passenger numbers
- NZ Bus - Lower operating costs despite an increase in service levels, reflecting a continued focus on productivity across the business as well as lower fuel prices
- Perth Energy – Retail performance hampered by challenging market conditions in Western Australia
- Metlifecare – Underlying Profit up 26% for FY16 to 30 June
- RetireAustralia – Underlying profit A$13 million for the half year with development weighted to second half
- Contributions for CDC and ANU are for half a month and 2 months from the dates of acquisition respectively

[1] Trustpower and Tilt results relate to the respective performance of the two entities pre-demerger

[2] Underlying EBITDAF for Metlifecare and RetireAustralia includes Infratil's share of their respective underlying profits. Underlying profit is a common performance measure used by retirement companies and removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, one-off gains and deferred taxation, and includes realised resale gains and realised development margins

Group Capital Expenditure and Investment

Continuing to optimise value in existing assets while repositioning the portfolio

30 September ($Millions)	2016	2015
Trustpower	20.2	15.0
Tilt Renewables	6.0	0.4
Wellington Airport	44.0	28.0
NZ Bus	12.3	4.8
RetireAustralia	16.6	8.6
Other	4.4	5.6
Capital Expenditure[1]	103.5	62.4
CDC	411.5	-
ANU Student Accommodation	84.8	-
Investment	496.3	-
Total	599.8	65.5

[1] Capital expenditure excludes asset level capex of Metlifecare

- **Trustpower and Tilt** capex represents its operational and maintenance capex programme
- **Wellington Airport** has several major capital expenditure projects underway including the terminal expansion, commencement of the land-transport hub and plans for an onsite hotel
- **NZ Bus** has completed the acquisition of 23 ADL double decker buses for use on key Auckland corridors to reduce congestion, while assembly of a prototype bus using Wrightspeed electric powertrain technology is currently underway
- **RetireAustralia** spend includes 50% share of new units built during the period. RetireAustralia has delivered 37 new villas in the first half of 2017 and is on track to deliver ~150 new villas in FY17
- The acquisitions of **ANU** and **CDC** were completed during the period totalling $496 million
- **US Renewables** investment in the pipeline for the 2nd half of FY17 with the announcement of a 45% stake in Longroad Energy

Asset Values

Strong demand for Infrastructure assets underpins the value of the portfolio

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Investment ($Millions)	September 2016	March 2016
Trustpower[1]	1,230.0	1,223.6
Wellington Airport	389.7	408.9
NZ Bus	193.9	201.5
Perth Energy	56.5	69.2
CDC	401.3	-
Metlifecare	265.1	222.7
RetireAustralia	255.3	252.9
ANU	82.7	-
Other	80.7	73.2
Total	2,955.1	2,452.0

[1] Following the demerger of Trustpower on October 28, Infratil's respective shareholdings in Trustpower and Tilt were valued at $785.9 million and $359.4 million based on their closing share prices on the NZX at that date.

"Lower for longer" expectations continue to drive up valuations in the infrastructure sector highlighting potentially significant gaps between book value and market value

- **Trustpower** – movement in listed market share price ($7.70 vs $7.66)
- **Wellington Airport** – book value implied EV/EBITDA multiple of 10.5x compares to Auckland Airport >20x
- **NZ Bus** – movement reflects capital expenditure less asset depreciation
- **CDC**, **RetireAustralia** and **ANU** – acquisition cost plus share of trading result adjusted for NZD/AUD movements
- **Metlifecare** – movement in listed market share price ($6.25 vs $5.25)
- Other investments include ASIP, Snapper and Property

Debt Position

Strong capital base remains with cash position, facility head room and duration

- Cash position of $255 million and wholly owned subsidiaries bank facilities drawn of $61 million
- Senior debt facilities have maturities up to 3.5 years and 5 years (for bus finance export credit facility)
- $150 million in Infrastructure Bonds was raised in June, replacing $100 million of maturing bonds
- Infratil gearing 30.8% (net debt / net debt + equity capitalisation)
- Infratil continues to target duration of its borrowings consistent with the profile of its assets and long-term ownership

Maturities in period to 31 March ($Millions)	2017	2018	2019	2020	>4 yrs	>10 yrs
Bonds	-	147.4	111.4	149.0	365.8	233.4
Infratil bank facilities[1]	65.0	57.0	71.0	-	53.0	-
100% subsidiaries bank facilities[2]	6.3	12.7	12.7	12.7	16.8	-

[1] Infratil and wholly-owned subsidiaries exclude Trustpower, Tilt, WIAL, Perth Energy, CDC, Metlifecare, RetireAustralia and ANU

[2] NZ Bus export credit guarantee fleet procurement facility

Funds Available for Investment

Significant capacity remains to support further investment

- Over $500 million of cash and undrawn bank facilities remain on hand

30 September ($Millions)	2011	2012	2013	2014	2015	2016
Net bank debt (cash on hand)	352	397	42	(640)	(682)	(194)
Infratil bonds (incl. PiiBs)	799	858	921	989	989	1,007
Market value of equity	1,073	1,268	1,454	1,589	1,719	1,822
Total capital	2,224	2,523	2,417	1,938	2,026	2,635
Gearing (net debt / total capital)	**52%**	**50%**	**40%**	**18%**	**15%**	**31%**
Infratil undrawn bank facilities[(1)]					276	246
100% subsidiaries cash					755	255
Funds Available					1,031	501

Portfolio Composition

Higher return development ideas supported by core assets generating cash flows

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Core assets generating free cash

Trustpower · Wild at Heart · Wellington Airport · NZ Bus · Australian National University

- Retirement DMF assets and operational renewable assets

High Conviction Proprietary Platforms

Retirement Platform

Metlifecare · retire australia

- Development pipeline
- Care strategy

Renewables Platform

tilt renewables · longroad ENERGY

- Development pipeline
- Australian solar

Emerging Platforms

cdc

- Data Infrastructure
- Student/Social Housing
- Healthcare
- Agriculture Infra

- Total returns to shareholders are enhanced by building and maintaining a well balanced portfolio
  - Portfolio composition needs to also take account of credit metrics and liquidity
- Although the focus is on capital growth, it is also important to retain a proportion of cash generating investments
  - Lower growth core assets provide the cash flow to build development platforms
- Higher-risk development returns are delivered if we can position investments early in major trends
  - e.g. growth in renewables, data growth or the aging demographic

Trustpower

Demerger results in two new entities positioned for success

Trustpower has demerged into Tilt Renewables and Trustpower (new). Shareholders have received 1 share in each company for each share they owned in Trustpower (old)

- Trustpower (new) holds Trustpower's New Zealand and Australian hydro assets and its New Zealand based retail operations
- Key attributes of Trustpower (new):
  - Electricity connections 278,000, Telecommunications connections 69,000, Gas connections 31,000 and 84,000 customers with 2 or more services
  - 65% stake in King Country Energy
  - 80% of new customers taking both electricity and telecommunications
  - 570 MW of Hydro Generation
  - Long term power purchase agreements with Tilt Renewables to acquire generation outputs of New Zealand wind farms at market prices

- Tilt Renewables owns Trustpower's Australian and New Zealand existing wind assets and the wind and solar development pipeline
- Key attributes of Tilt Renewables:
  - Strong existing wind portfolio and development pipeline
  - Australian development options underpinned by supportive regulatory environment (Large Scale Renewable Energy Target), that is targeting ~23.5% of Australia's electricity being renewable by 2020 (33,000 GWh)

Trustpower

Multi-product customer growth during demerger and a flat market

EBITDAF for 1H17 was $118.7 million, $0.5 million below 1H16 before demerger costs

- Customer acquisition costs drove the expected level of customer growth, but strong competition resulted in higher than expected losses leaving overall energy connection growth flat
- King Country Energy’s contribution to EBITDAF was $7.1 million. Its generation contributed 116 GWh with sales of 113 GWh to its 17,000 retail customers

Customers

- Total accounts up 2% since 31 March 2016 to 378,000 accounts (up 14% since September 2015)
- Total accounts with two or more utilities up 9% since 31 March 2016 to 84,000 accounts (up 27% since September 2015)

Generation

- New Zealand generation production was above the prior period due to the impact of the King Country Energy acquisition, however it remained 5% below the long term average due to generation being withheld in response to low spot prices
- Production from Australian hydro stations, was 100 GWh, 47% higher than in the prior period reflecting very strong hydro inflows in the period

Tilt Renewables

Bringing a fresh perspective to the Australasian renewable energy market

EBITDAF for 1H17 was $66.1 million, $1.1 million above 1H16

Generation

- Strong wind generation conditions in South Australia have resulted in Australian wind approximately 13% above prior period and 7% above long-term expectation
- New Zealand wind generation was 2% ahead of the prior period, with both periods ahead of long-term expectation
- Generation production costs were higher than the prior period due to costs incurred in relation to some one-off turbine repairs and increased market costs due to unusual market conditions in the South Australian market

Development

- Development options continue to be progressed with the Tilt targeting to be in a position to commit to new investments during 2017
- Planning permit received for Dundonnell Wind Farm (up to 300 MW and 96 turbines) located in south-west Victoria
- Establishment activities centred around the company operating as a stand-alone business following demerger progressing

Perth Energy
Challenging retail environment with significant uncertainty

EBITDAF loss for the period of A$9.1 million driven by a poor performance in the retail business

Retail

- Perth Energy’s retail business has experienced significant deterioration in trading conditions:
  - High fixed price product purchase arrangements relative to the current market; and
  - Limited availability of wholesale hedging products as a result of the merger of Synergy with Verve which has changed the wholesale electricity market structure
- A substantially new management team is seeking to establish a sustainable forward plan for the retail business, which should show improvement in the 6 months to 31 March 2017

Generation

- Perth Energy's generation provides valuable peak capacity to the market and will benefit from the announced removal of excess capacity from the market

Canberra Data Centres

Strong platform in an emerging growth sector

- IFT completed its acquisition of 48% of Canberra Data Centres (CDC) on 14 September 2016, for a total cash equity cost of A$385.7 million
- Construction of the first stage of the Hume 3 data centre was completed within budget in October 2016. When fully fitted out the facility will add a further 9 MW of available capacity
- CDC has secured some strategic initial workloads for the Hume 3 facility and is in discussion with a number of Federal Government and commercial customers regarding upcoming opportunities
- In the year to 30 June 2016 CDC delivered earnings EBITDAF of A$46 million and while recent growth has been affected by the Federal Election temporarily delaying Government purchase decisions, medium term targets have not changed

Australia National University student accommodation

Evolving standalone sector with attractive yield and development profile

- Student Accommodation is an emerging asset class in Australia, supported by strong domestic and international demand growth for quality tertiary education
- Investment is a 50% interest in a 30-year revenue stream from nine on-campus residences of Australian National University (“ANU”) in Canberra
- Provides Infratil with exposure to a new growth sector with an attractive yield profile
- Establishes a new development platform within a broad social infrastructure asset class
- Half year result includes two months trading performance

On a standalone basis, ANU provides:

- High single digit cash yield on initial investment with capital upside on potential future development opportunities

ANU also offers options:

- Extension of social infrastructure/PPP strategy
- Early move into a large emerging Australian student accommodation opportunity

Summary of Longroad investment

Commitment to the development of renewables in the U.S.

- Attractive access point into the U.S. renewable energy market
  - Experienced team with a demonstrable track record of developing and operating utility scale renewable generating facilities
  - Infratil's partnership with Longroad combines local knowledge with the capital of Infratil and the NZ Superannuation Fund
- Compelling industry fundamentals with strong anticipated growth in the medium term
  - The US provides a unique opportunity to enter one of the largest and fastest growing renewable markets in the world
  - Macro environment is increasingly supportive of renewable energy development, although recent election result may disrupt the passage of the Clean Energy Plan
- Initial commitment of up to US$100m to establish renewable energy development and operating platform
  - Infratil and the NZ Superannuation Fund will initially own 90% of the business while Longroad Energy Partners (LEP), an entity held by the Longroad executive team will own the remaining 10%
  - Over time, Longroad will provide an option for further investment in stable, low risk operating assets

Wellington International Airport

Passenger growth responding well to capital expenditure and new routes

EBITDAF of $43.7 million +4.5%

- Total passengers over 2.9 million, +4.5% or 125,000 increase on prior period (long run average growth 82,000 p.a.)
- Domestic passenger growth +5.6% following up-gauging of Air NZ aircraft and regional competition from Jetstar
- International passengers consistent with the prior period, with 29% growth since 2011. Further growth expected in the latter part of FY17 with the arrival of the Singapore Airlines service to Singapore via Canberra adding around +55,000 seats

- Significant capex of $44 million invested during the period, with completion of the Terminal South Extension and commencement of the Multi-Level Car Park; part of ~$300 million of forecast capital expenditure projects, including aeronautical and terminal developments, and a 4 star hotel
- Revenue and EBITDAF are expected to increase, reflecting investment in route development and increases in scheduled aeronautical charges

NZ Bus

Strong first half year operational performance

EBITDAF of $25.0 million, +10%

- Revenue growth (+1%) driven by additional services in Auckland and patronage growth in Wellington
- Expenses lower than the prior year (1.1%) despite increase to service levels, reflecting a continued focus on productivity across the business as well as a lower fuel price

Contracting market update (Public Transport Operating Model)

- Auckland Transport has issued an invitation to price for NZ Bus' directly appointed units in West (already submitted, awaiting result), Central and East Auckland (due early December). North Auckland will follow in early 2017. Prices will be benchmarked against tender results
- Greater Wellington Regional Council has issued a tender for the Wellington Region units, with submissions in mid November. An invitation to price NZ Bus' Wellington directly appointed units is expected in Q2 2017

NZ Bus

Focus on electric, connected and autonomous transit

Fleet Investment

- 23 double decker buses purchased for use on key Auckland corridors to reduce congestion are now in service
- Development of the prototype combining an existing trolley bus with a Wrightspeed Inc. electric powertrain is progressing. Core components have arrived in country, and testing is expected to commence in the near future
- Plans to incorporate the Wrightspeed technology into other fleet types are also progressing

Future Technologies

- The rise of alternative forms of mobility, such as on-demand services, will have an impact on public transit – some positive, some negative – and new opportunities will emerge. A strong core business offers a stable platform from which to invest and grow new technologies in an environment that is heading towards a convergence of electric, connected and autonomous transit

Metlifecare

Strong development activity across high-performing portfolio of villages

- $8 million Underlying EBITDAF contribution to Infratil, up from $6 million in the prior period:
  - Underlying Profit of $66.1 million in FY16 up 26%
  - Revaluation gains $237.2 million and realised resale gains of $56.5 million (FY16)
  - Strong growth in the key profit metrics driven by lift in list prices of resale units across the portfolio, in particular in Auckland and Bay of Plenty, and increases in new sales of occupation right agreements
- In FY16 Metlifecare achieved 430 resales of occupation right agreements, 7% up on the prior period and generated realised resale gains of $46.5 million, up 49% on the prior period. Realised resale gains per unit increased to $111,000, a 48% increase on the prior period
- As at 30 June 2016 Metlifecare had:
  - 279 units and beds under construction
  - Development pipeline of 1,773 units and care beds; including the now completed acquisition of 5ha of land at Red Beach on the Whanagaparaoa peninsula

Development Landbank: Proposed Red Beach development

[1]FY16 for Metlifecare refers to the 12 months to 30 June 2016

RetireAustralia

Strong first half year result; care and development strategies on track

Operating Performance

- Net profit after tax (IFRS) A$30 million
- Underlying profit A$13 million. On track to deliver 150+ new villas in FY17 with development weighted to second half. 37 delivered in first half
- First half sales volumes slightly weak due to lack of available stock – 170 resales and 30 new sales
- Realised DMF and capital gains slightly lower at A$102,000 per resale due to mix
- Embedded value up 8% on FY16 to A$117,000 per unit due to strong price growth and contract terms improvement
- Realised development margin 22%
- Positive initial response to national standardisation of resident contracts

Development pipeline growing

- Acquired 2 new sites yielding ~315 apartments. Consent process underway
- A further 2 sites yielding ~250 apartments in final stages of negotiation

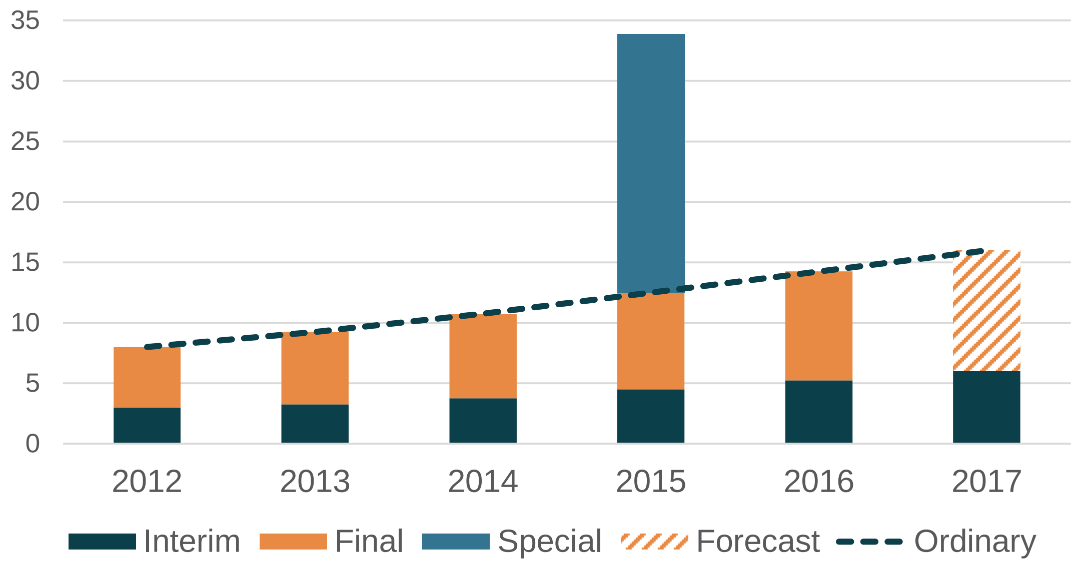
Care strategy progressing well

- Broader thinking about retirement services has prompted RetireAustralia to consider extending services into the home
- Piloting enhanced care provision into existing serviced apartments
- ~250 care apartments now included in planned developments

Distributions

Growth in dividend per share maintained

Dividend Per Share Profile FY 2012-2017[1]



[1] Forecast dividend range for the FY17 Final dividend is 9.5 – 10.0 cps

INTERIM ORDINARY DIVIDEND

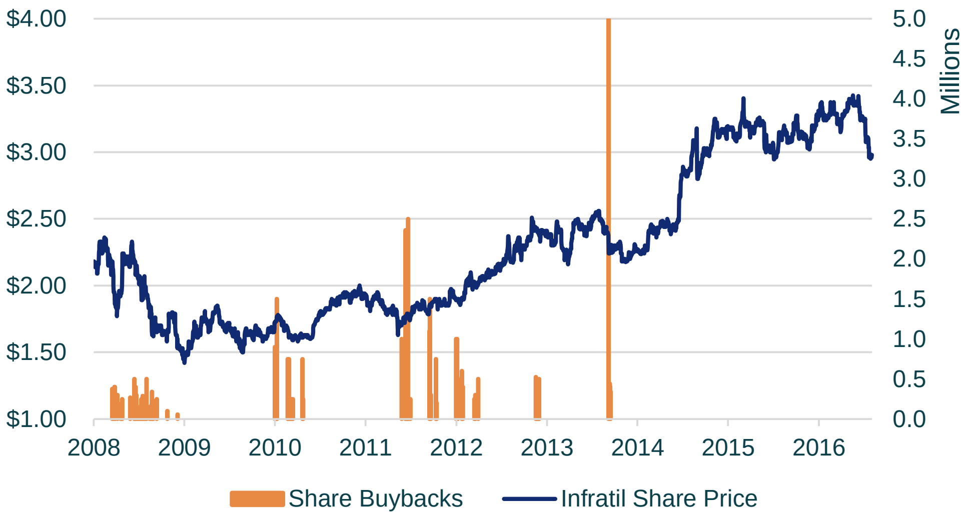
Interim **ordinary** dividend of **5.75** cps, fully imputed, payable on **15 December 2016** to shareholders recorded as owners by the registry as at **28 November 2016** (last year interim ordinary of 5.25 cps)

The DRP remains suspended for this dividend

Capital Options

Approval to utilise up to $50 million of Infratil's buyback programme through July 2017

Infratil Share Price and Buybacks



Historical buyback summary:

2009: 12.7m shares at $1.96
2010: 0.9m shares at $1.72
2011: 5.6m shares at $1.66
2012: 18.7m shares at $1.83
2013: 6.4m shares at $2.07
2014: 26.0m* shares at $2.37
2015-2017: nil
*05/12/13: 24.8 million share buyback at $2.38

- At recent share price of ~$3.00, Infratil is trading approximately 13% off its historical highs and at an approximate discount range of 15-30% to broker NAVs 20% to broker average
- Current share price suggests:
  - Conservative implied values of TPW and WIAL
  - New investments in CDC and ANU are held at a discount to cost
- $50 million on-market buyback designed to repurchase shares at attractive returns and deliver strong accretion in the near term
- These buybacks will occur under the buyback programme outlined in the notice for the 2016 Annual Meeting (which allows for on-market and off-market purchases of up to 50 million ordinary shares through July 2017)

2016/17 Outlook

Underlying EBITDAF tracking at the bottom end of $485-$525 million guidance range

- Underlying FY17 EBITDAF is tracking at the bottom end of our previously announced guidance range of $485-$525 million
- Trends reflect current trajectory and changes in the portfolio including:
  - First half TPW performance
  - Challenging retail operating conditions for Perth Energy
  - Additional corporate costs associated with the establishment of Tilt Renewables
  - A full period contribution from King Country Energy
  - Continued growth from Wellington Airport
  - NZ Bus impacted by the loss of its South Auckland service contracts
  - Initial contributions from CDC, ANU and Longroad
- Capital structure and confidence in outlook are positive for growth in dividends per share

Investment ($Millions)	2016 Actual	2017 Outlook
Underlying EBITDAF	462.1	~485
Operating Cashflow	250.5	225-255
Net Interest	169.9	185-195
Depreciation & Amortisation	172.1	170-180
Capital Expenditure & Investment	599.8	700-750

2017 guidance is based on management's current expectations and assumptions about the trading performance of Infratil's investments and is subject to risks and uncertainties, is dependent on prevailing market conditions continuing throughout the outlook period and assumes no major changes in the composition of the Infratil investment portfolio. Trading performance and market conditions can and will change, which may materially affect the guidance set out above.

Underlying EBITDAF is a non-GAAP measure of financial performance, presented to show management's view of the underlying business performance. Underlying EBITDAF represents consolidated net earnings before interest, tax, depreciation, amortisation, financial derivative movements, revaluations, gains or losses on the sales of investments, and includes Infratil's share of Metlifecare's and RetireAustralia underlying profits. Underlying profit for Metlifecare and RetireAustralia removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, excludes one-off gains and deferred taxation, and includes realised resale gains and realised development margins.

Summary
Getting set for above average returns for the next 10 years

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Recent development activity has established several proprietary platforms with significant future optionality:

- Tilt Renewables – Australian wind and solar
- Longroad – North American wind and solar
- Metlifecare/RetireAustralia – Australasian retirement services
- Canberra Data Centres – Australian data infrastructure
- ANU student accommodation – Australian student accommodation

Key value drivers for the next 12-24 months:

- Realising customer value benefits of the Trustpower multi-product offering
- Achieving financial close on Australian and U.S. renewable projects
- Enhancing development and care capability within retirement assets
- Managing growth, capex, and customer acquisition strategies for CDC
- Continuing to interact with regulators and politicians regarding key policy shifts in each jurisdiction
- Remaining opportunistic for low-tension processes and high quality assets in our home markets
- Balancing sensible capital management and distribution strategies with priority investment and portfolio opportunities

For more information:

www.infratil.com

Results Summary

Appendix I – Reconciliation of NPAT to Underlying EBITDAF

30 September ($Millions)	2016	2015
Net profit after tax	62.9	470.8
less: share of MET & RA investment property revaluations	(35.1)	(29.6)
plus: share of MET & RA realised resale gains	7.9	7.2
plus: share of MET & RA development margin	3.5	5.1
plus: share of MET & RA deferred tax expense and non-recurring items	2.1	1.8
Trustpower demerger costs	8.7	-
CDC transaction costs	5.6	-
Net loss/(gain) on foreign exchange and derivatives	0.4	8.5
Net realisations, revaluations and (impairments)	(0.5)	(0.7)
Discontinued operations	-	(407.1)
Underlying Earnings	55.5	55.9
Depreciation & amortisation	88.5	84.6
Net interest	79.6	91.6
Tax	22.4	20.9
Underlying EBITDAF	246.0	253.1

- Underlying EBITDAF is a non-GAAP measure of financial performance, presented to show management’s view of the underlying business performance.
- Underlying EBITDAF represents consolidated net earnings before interest, tax, depreciation, amortisation, financial derivative movements, revaluations, gains or losses on the sales of investments, and includes Infratil’s share of Metlifecare and RetireAustralia’s underlying profits.
- Underlying profit for Metlifecare and RetireAustralia removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, excludes one-off gains and deferred taxation, and includes realised resale gains and realised development margins.
- The impact reduces reported earnings in the current period, however provides a better benchmark to measure business performance.