

# Infratil Results

## for the year ended 31 March 2010



This breakdown of Infratil's results, assets, liabilities and the performance of key investments is to be read in conjunction with Infratil's year end audited financial statements.

### Consolidated Results

YE 31 March \$ Millions	2010	2009
Operating revenue	1,835.9	1,733.8
EBITDAF	363.3	356.7
Net interest	(159.3)	(176.9)
Depreciation & amortisation	(114.0)	(102.2)
<b>Operating earnings</b>	<b>90.0</b>	<b>77.6</b>
Net (loss)/gain on energy, investment, foreign exchange and interest rate derivatives	(67.5)	8.0
Net investment realisations and (impairments) and transaction costs expensed	83.8	(179.4)
<b>Net surplus before tax</b>	<b>106.3</b>	<b>(93.8)</b>
Tax	(11.3)	(34.6)
<b>Net surplus after tax</b>	<b>95.0</b>	<b>(128.4)</b>
Minority interests	(66.0)	(62.6)
<b>Net surplus attributable to parent entity</b>	<b>29.0</b>	<b>(191.0)</b>
<b>Net cashflows from operating activities</b>	<b>126.9</b>	<b>117.9</b>
<b>Group dividends paid</b>	<b>(115.0)</b>	<b>(102.5)</b>

**EBITDAF** of \$363.3 million reflects satisfactory growth in core businesses. After adjusting for the effect of divestment activities: Fullers Ferries, surplus property, Lubeck Airport, Energy Developments and Auckland International Airport, EBITDAF growth achieved was 3.2%.

**Net interest expense** of \$159.3 million was down 10% compared to a year ago. Includes interest income of \$7.9 million and interest costs of \$167.2 million, which comprised \$84.4 million for Infratil and wholly owned subsidiaries, and the following amounts for non-wholly owned subsidiaries: \$16.9 million expense for Wellington Airport, \$58.7 million expense for TrustPower and \$0.7 million interest income for Perth Energy.

**Depreciation & amortisation** of \$114 million increased by 11.5% due to growth in capital expenditure and capitalised customer acquisition costs at Infratil businesses following fixed asset investment in 2009 and revaluations.

**Revaluation of Financial derivatives** of (\$67.5) million represent movements in the mark to market value of financial instruments including energy derivatives, interest rate derivatives, and foreign exchange which are not effective hedges. NZIFRS requires derivatives which do not meet the strict hedging criteria to be taken through profit and loss. Amounts comprise: a fall in value of the energy derivatives of Infratil Energy Australia of (\$75.4 million), a gain in the value of TrustPower energy derivatives of \$12.5 million, a decrease in value of interest rate swaps \$5.9 million, and gain of \$1.3 million on foreign currency.

**Realisations, impairments and revaluations** of \$83.8 million comprise a reduction of \$34.3 million in the carrying value of Glasgow Prestwick Airport, \$6.1 for TrustPower impairment of software, & \$0.8 million for other subsidiaries. These changes were offset by; \$11.4 million gain from the sale of Fullers, \$3.3 million gain relating to the sale of surplus properties, \$11.2 million gain from the sale of Lübeck, \$94.6 million gain from the sale of Energy Developments, \$6.3 million gain from the divestment of Auckland International Airport, \$0.8 million of other gains, and \$2.6 million of investment transaction costs expensed.

**EBITDAF** - refers to earnings before interest, tax, depreciation and amortisations, mark to market movements on financial derivatives and investment properties, and net investment realisations, impairments and investment transaction costs.

## Infratil Consolidated Group cash flow

YE 31 March \$ Millions	2010	2009
<b>EBITDAF</b>	<b>363.3</b>	<b>356.7</b>
Working cap & other non-cash	(33.3)	(26.4)
Net interest	(159.2)	(176.0)
Tax	(43.9)	(36.4)
<b>Operating cash flow</b>	<b>126.9</b>	<b>117.9</b>
<b>Investing activities</b>		
Realisations /(Investments)	391.8	21.0
Capex	(227.0)	(321.6)
Security deposits	(0.5)	(5.8)
	<b>164.3</b>	<b>(306.4)</b>
<b>Financing Activities</b>		
Equity raised	103.4	92.6
Bank debt (repaid)/drawn	(487.1)	72.8
Dividends	(115.0)	(102.5)
Shares bought back	-	(26.5)
Bonds issued/repaid	137.3	148.0
	<b>(361.4)</b>	<b>184.4</b>
Cash balances net movement	(70.2)	(4.1)
Opening cash held	251.1	255.2
<b>Closing cash Held</b>	<b>180.9</b>	<b>251.1</b>

Growth in EBITDA of 2% mainly due to growth from TrustPower (up 5.3%), WIAL (up 4.4%), Infratil income \$86.5 million (up 10%), and Infratil Airports Europe (up 54.6%), offset by NZ Bus (down 27.3%), and Infratil Energy Australia (down 44%).

Net interest expense has reduced by \$17.7 million (10%) due to lower debt levels and interest rates.

Investment realisation relates to the sale of Fullers, Ferries surplus property, Lubeck, EDL and AIA.

Cash capital expenditure for investments, customers and plant fell by 29% (\$94.4 million).

Equity raised of \$103.4 million including warrant conversions of \$98 million, and \$4.3 million for Perth Energy minority equity. Decrease in bank debt of \$487.2 million due to divestment activity and bond issuance, with strong cash holdings for liquidity management. Group dividends paid increased 12.5% mainly due to higher TrustPower dividends.

**IFT Group Statement of Comprehensive Income**

YE 31 March \$ Millions	2010		2009		2010		2009		2010		2009	
	Profit and loss		Reserves		TOTAL							
<b>Operating earnings</b>	<b>90.0</b>	<b>77.6</b>	-	-	<b>90.0</b>	<b>77.6</b>						
Net (loss) gain on energy, interest rate and foreign exchange derivatives	(67.5)	(24.9)	(4.8)	14.1	(72.3)	(10.8)						
Net gain on investment	-	32.9	-	-	-	32.9						
Change in value of investment properties, PPE and other assets	(41.2)	(18.9)	19.9	220.6	(21.3)	201.7						
Investment realisations	127.6	18.4	-	-	127.6	18.4						
Investment transaction costs expensed	(2.6)	(0.4)	-	-	(2.6)	(0.4)						
Impairments	-	(178.5)	-	94.1	0.0	(84.4)						
<b>Total fair value changes and realisations</b>	<b>16.3</b>	<b>(171.4)</b>	<b>15.1</b>	<b>328.8</b>	<b>31.4</b>	<b>157.4</b>						
<b>Surplus before tax</b>	<b>106.3</b>	<b>(93.8)</b>	<b>15.1</b>	<b>328.8</b>	<b>121.4</b>	<b>235.0</b>						
Tax	(11.3)	(34.6)	-	-	(11.3)	(34.6)						
<b>Net earnings after tax before minorities</b>	<b>95.0</b>	<b>(128.4)</b>	<b>15.1</b>	<b>328.8</b>	<b>110.1</b>	<b>200.4</b>						
Minority interests	(66.0)	(62.6)	(14.9)	(114.4)	(80.9)	(177.0)						
<b>Infratil parent net earnings and changes in value</b>	<b>29.0</b>	<b>(191.0)</b>	<b>0.2</b>	<b>214.4</b>	<b>29.2</b>	<b>23.4</b>						

**Analysis / breakdown of Net Surplus attributable to the owners of the company**

YE 31 March \$ Millions	Infratil (i)		WIAL (66%)		TrustPower (50.5%)		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>EBITDAF</b>	<b>118.0</b>	<b>119.5</b>	<b>68.3</b>	<b>65.4</b>	<b>273.9</b>	<b>260.0</b>	<b>(96.9)</b>	<b>(88.2)</b>	<b>363.3</b>	<b>356.7</b>
Depreciation & amortisation	(43.2)	(43.7)	(15.8)	(14.1)	(55.0)	(44.4)			(114.0)	(102.2)
<b>EBIT</b>	<b>74.8</b>	<b>75.8</b>	<b>52.5</b>	<b>51.3</b>	<b>218.9</b>	<b>215.6</b>	<b>(96.9)</b>	<b>(88.2)</b>	<b>249.3</b>	<b>254.5</b>
Net interest	(83.7)	(104.4)	(16.9)	(20.1)	(58.7)	(52.4)			(159.3)	(176.9)
Realisations & impairments	93.2	(170.8)	(0.7)	(8.2)	(6.1)	-			86.4	(179.0)
Investment transaction costs expensed	(2.6)	(0.4)							(2.6)	(0.4)
Financial Derivatives - energy	(75.3)	(24.4)	-	-	12.5	(19.6)			(62.8)	(44.0)
Financial Derivatives - S&P/FX	(0.2)	44.2	(4.5)	7.8	-	-			(4.7)	52.0
Tax	42.3	11.5	(6.5)	(7.5)	(47.1)	(38.6)			(11.3)	(34.6)
Minority interests	(0.3)	(2.6)	(6.6)	(7.9)	(59.1)	(52.1)			(66.0)	(62.6)
<b>Net surplus</b>	<b>48.2</b>	<b>(171.1)</b>	<b>17.3</b>	<b>15.4</b>	<b>60.4</b>	<b>52.9</b>	<b>(96.9)</b>	<b>(88.2)</b>	<b>29.0</b>	<b>(191.0)</b>

(i) Infratil includes the parent company, wholly owned subsidiaries and Perth Energy (81.2%) owned by Infratil.

YE 31 March \$ Millions	IFT Parent		NZ Bus		IEA Group		Infratil Airports Europe		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>EBITDAF</b>	<b>86.5</b>	<b>78.5</b>	<b>29.1</b>	<b>40.0</b>	<b>11.0</b>	<b>19.9</b>	<b>(8.6)</b>	<b>(18.9)</b>	<b>118.0</b>	<b>119.5</b>

### Infratil Investments

YE 31 March \$000	2010	2009
<b>Listed investments at market price</b>		
TrustPower	1,152,719	1,122,468
Energy Developments	-	73,338
Auckland International Airport	-	81,091
<b>Non-listed investments at Net book value</b>		
Infratil Energy Australia (IEA)	256,360	221,081
Wellington Airport (WA)	288,856	285,883
Infratil Airports Europe (IAE)	138,019	221,807
NZ Bus	214,436	210,933
IIP – surplus Bus depots	35,647	35,398
Snapper	10,383	10,475
<b>Investments Held for sale</b>		
Fullers	-	24,800
Infratil Infrastructure Property	-	19,200
Lübeck	-	56,327
<b>Other Investments</b>		
Other investments	8,219	8,311
	<b>2,104,638</b>	<b>2,371,110</b>

Listed investments at market value are shown at the bid price as at 31 March 2010. Non-listed assets (including assets held for sale) are shown at either, Infratil's share of the relevant net asset book values (excluding deferred tax and cash balances for wholly owned subsidiaries), cost or realisable value. At period end exchange rates of NZ\$/A\$ 0.8183 (March 09 0.8235) and NZ\$/UK£ 0.4518 (March 09 0.3969) were used to translate offshore assets to NZ\$.

### Capital /Funding (Infratil and wholly owned subsidiaries)

YE 31 March \$ Millions	2010	2009
Net bank (cash)/ debt <sup>(i)</sup>	(58.4)	323.2
Redeemable Preference Shares <sup>(ii)</sup>	140.0	140.0
Bonds maturing 2011	0.7	0.7
Bonds maturing 2012	132.1	132.1
Bonds maturing 2013	57.4	57.4
Bonds maturing 2014	85.3	85.3
Bonds maturing 2016	152.8	152.8
Bonds maturing 2020	80.5	80.5
Perpetual Bonds <sup>(iii)</sup>	239.8	239.9
	<b>830.2</b>	<b>1,211.9</b>

<sup>(i)</sup> Infratil debt funding comprised \$748.6 million of Bonds and \$492 million of bank facilities drawn to \$68.9 million (excluding amounts of \$36.4 million utilised for guarantees). Cash balances held amounted to \$127.3 million.

<sup>(ii)</sup> A wholly owned subsidiary has \$140 million of non recourse redeemable preference shares maturing in August 2013.

<sup>(iii)</sup> During the year ended 31 March the Company bought back 239,315 Perpetual Bonds.

**Infratil maturity profile (Infratil & Wholly Owned subsidiaries)**

<b>2010</b>	<b>Total</b>	<b>0-1 year 2010-2011</b>	<b>1-2 years 2011-2012</b>	<b>2-3 years 2012-2013</b>	<b>3-4 years 2013-2014</b>
Bank debt	69	-	-	-	-
Cash on deposit	(127.4)	-	-	-	-
<b>Net (cash)/bank debt</b>	<b>(58.4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total bank debt facilities (excl RPS)	492	198	186	108	-
RPS drawn	140	-	-	-	140

**Shares On Issue & Net Tangible Assets**

	<b>2010</b>	<b>2009</b>
Ordinary shares on issue	567,655,106	520,211,418
Treasury stock	13,644,371	12,744,371
IFTWB warrants on issue	38,086,925	84,398,343
IFTWC warrants on issue	52,825,458	52,825,848

Excludes effect of shares which are held as treasury stock 13,644,371 (2009: 12,744,371).

Warrants exercised during the period of 40,531,919 (2009: 1,539,244).

Partly paid IFTWBs - expire on 21 May 2010 and have an exercise price of \$1.12

IFTWCs - expire on 29 June 2012 and have an exercise price of \$4.12

During the period 40,531,919 IFTWBs were converted to ordinary shares and 38,086,925 WBs were partly paid to \$0.55 with the remaining amount of \$1.12 to be paid on or before 21 May 2010.

Each Infratil warrant held entitles the holder to acquire a further share in the Company at a price of \$1.12 (IFTWBs) and \$4.12 (IFTWCs) on, or before, 22 May 2010 (IFTWBs) and on, or before, 29 June 2012 (IFTWCs). 7,811,769 shares were issued as part of the IFTWB underwrite share placement.

During the year the Company issued 339,000 (2009 293,500) Executive Redeemable shares in accordance with the Infratil Executive Redeemable Shares Trust Deed.

## TrustPower

YE 31 March \$ Millions	2010	2009
Customer (Electricity) ('000's)	225	227
Sales (GWh)	4,103	4,032
Hydro generation production (GWh)	1,435	1,568
NZ Wind generation production (GWh)	582	558
Australian wind production GWh	373	254
Av. Gen spot price (\$/MWh)	50	112
EBITDAF	273.9	261.4
NPAT	119.4	105.2

## Infratil Energy Australia

YE 31 March A\$ millions	2010	2009
Generation MW	99	99
Billed customers ('000)	411	387
Revenue - Generation	13.2	8.4
Revenue - Retail	527	370.9
Management fee	1.0	0.6
EBITDAF	8.8	16.7
Net interest	(11.3)	(4.4)
Depreciation & amortisation	(12.1)	(10.5)
Tax	22.5	5.2
Derivative change	(60.1)	(20.0)
Minority interests	(0.2)	(2.4)

## Wellington Airport

YE 31 March \$ Millions	2010	2009
Passengers Domestic	4,491,260	4,645,402
Passengers International	626,646	610,996
Aero income	54.5	53.2
Passenger services income	25.7	23.6
Property & other income	7.6	8.3
Operating costs	19.7	19.6
EBITDAF	68.3	65.4
Net interest	(16.9)	(20.1)
Depreciation & amortisation	(15.8)	(13.9)
Tax	(6.5)	(7.5)
Financial derivatives	(4.5)	7.8
Minority interests	(6.6)	(7.9)

## European Airports

YE 31 March £ Millions	2010	2009
Total passengers	1,718,070	2,748,184
Total freight (tonnes)	48,582	42,012
Aero income	12.7	17.4
Passenger services income	6.6	8.4
Property & other income	4.4	3.9
Operating cost	27.4	36.8
EBITDAF	(3.6)	(7.1)
Net interest	(1.3)	(3.7)
Depreciation & amortisation	(3.5)	(5.2)
Tax	4.2	(0.9)
Financial derivatives	-	(0.5)
Revaluations/ realisations	(16.8)	6.1
Minority interests	-	0.1

## NZ Bus

YE 31 March \$ Millions	2010	2009
Passengers	54,539,287	59,977,265
Passenger income	106.8	130.5
Contract income	83.2	88.2
EBITDAF	29.1	40.0
Net interest	(8.9)	(9.2)
Depreciation & amortisation	(16.2)	(15.5)
Tax	(1.3)	(6.3)
Financial derivatives	-	-
Gain on sale	11.3	(0.1)