

Tilt Renewables
Interim Report 2017



Chief Executive Officer Report

This document comprises the interim report of Tilt Renewables Limited for the six month period ended 30 September 2017.

Key highlights for 1H FY18

Highlights for the period ending 30 September 2017 included:

- Continued strong safety performance with in excess of 560 days Lost Time Injury free for employees and contractors maintaining a standard of zero harm across the business
- Financial Close was achieved for the 54 MW Salt Creek Wind Farm project in Victoria. This project is now under construction and is on track to commence commercial operations by July 2018
- Development approvals have been secured for two solar projects in Queensland for up to 350 MW in aggregate. In addition, development approval applications have been lodged for two other solar projects in Queensland with a combined capacity of up to 180 MW with approvals expected by the end of FY18
- Final development approval has been received for the Waverley Wind Farm in New Zealand for a capacity of up to 130 MW
- Earnings Before Interest, Tax, Depreciation, Amortisation and Fair Value Movements of Financial Instruments ("EBITDAF") of \$49 million was achieved in the period
- Net cash from operating activities of \$32 million was delivered in the period, impacted by lower production, demerger-related tax payments and timing of LGC receipts

Despite lower than forecast wind conditions for the period, the performance of the operating assets has remained strong with availability across the portfolio exceeding 97%.



Robert Farron
Chief Executive Officer

Business performance in 1H FY18

The September 2017 quarter generation production results were released to the market on 18 October 2017 and the half year results should be read in conjunction with this report.

Tilt Renewables' wind assets produced 869 GWh in 1H FY18, 16% lower than the prior period and 84 GWh below long term expectation. This lower production was a combination of both the current year to date being below long term expectation by 9% and the prior period being above long term expectation by 9%.

In addition to lower than expected wind speeds during the current period, the generation from the Snowtown Wind Farms in South Australia was reduced by around 20 GWh as a result of an AEMO imposed constraint from early July 2017. This constraint operates at times of high wind in South Australia and when it is also determined by AEMO that there is insufficient synchronous generation available for system security.

Group revenue was 15% lower than the prior period due primarily to weaker generation as noted above. EBITDAF was \$49.3 million, 20% lower than the prior period and approximately \$3.5 million behind management expectation. Net Profit After Tax was a loss of \$2.6 million versus prior period profit of \$10.5 million, driven primarily by lower earnings as explained above and higher depreciation following the revaluation of the carrying value of the generation assets at 31 March 2017.

At 30 September 2017 the Group had net debt of \$555 million and unutilised committed funding lines of \$15 million. There was an increase in the net debt of the Group as a result of drawing the \$100 million Expansion Facility to fund the Salt Creek development. Balance sheet gearing of 52% at 30 September 2017 is considered appropriate at this time given the existing portfolio of operational assets and the current high level of contracted revenue produced by those assets, with more than 95% of electricity and LGC production currently contracted.

Currently Tilt Renewables has 1,235 MW of fully consented wind projects and 390 MW of fully consented solar projects.

Strategic Focus and Outlook

Tilt Renewables is focused on delivering the construction of the 54 MW Salt Creek Wind Farm on time and on budget by July 2018.

The Group's development activity is being prioritised on progressing the Dundonnell Wind Farm (~ 300 MW) for an investment decision in early CY18. Now that the Victorian Renewable Energy Target legislation has passed through the Victorian State Parliament, the Victorian Renewable Energy Auction Scheme to contract for 650 MW of renewable energy has commenced and final bids are due on 14 February 2018. It is expected that Dundonnell Wind Farm will be a competitive project in this process but it is acknowledged that the competition for contracts is likely to be strong.

In addition, the Group is working towards ensuring that as many of its early stage development projects are progressed through to full development approval. Currently Tilt Renewables has 1,235 MW of fully consented wind projects and 390 MW of fully consented solar projects.

Tilt Renewables is actively investigating a number of long term contracting opportunities for both the Snowtown 1 and Salt Creek Wind Farms.

With a growing focus in the market on energy storage and firming requirements for renewable energy generation into the future, Tilt Renewables is actively investigating opportunities to be able to meet these requirements. Options being considered include not only new large scale battery storage technology but also more traditional forms of energy firming such as peaking generation, pumped hydro storage and firming contracts.

The Australian Federal Government recently announced its National Energy Guarantee as part of its proposed long term policy to address energy reliability, consumer prices and progress to emissions reduction targets. There is not a lot of detail on this change in policy direction and it is therefore too early to make any comment on how it may impact on the business. Bipartisan support will be critical for consumers to benefit from investor confidence to invest in projects with market earnings exposure. It will be important that the detailed design features can be efficiently implemented to ensure market price transparency, support competition and innovation in the type of generation necessary to deliver positive long-term outcomes for energy consumers.

Dividend

The Directors have approved an interim unfranked and unimputed dividend of AUD 1.25 cents per share which was paid on 8 December 2017.

The dividend has been within the Group's target dividend payout range, with the reduced amount considered prudent by the Board based on the impact of lower production over the last 6 months and given the opportunities which are currently being investigated by the business.



Robert Farron
Chief Executive Officer

Business performance

1H FY18 result	Units	1H FY18	1H FY17	Change
Safety – Lost Time Injury frequency rate	Incidents per million hours	0	n/a	n/a
Revenue	AUD \$M	75.5	89.3	(15%)
EBITDAF	AUD \$M	49.3	61.3	(20%)
Net profit/(loss) after tax	AUD \$M	(2.6)	10.5	(124%)
Earnings per share	AUD cps	(0.8)	3.4	(124%)
Interim dividends per share	AUD cps	1.25	3.00	(58%)

Renewables wind assets

GWh	1H FY18			1H FY17			Change		
	Aust	NZ	Group	Aust	NZ	Group	Aust	NZ	Group
Electricity production	591	278	869	673	361	1,034	(12%)	(23%)	(16%)

Notes

- EBITDAF is a non GAAP financial measure but is commonly used within the energy and infrastructure sectors as a measure of performance as it shows the level of earnings before impact of gearing levels and non-cash charges such as depreciation and amortisation. Market analysts use this measure as an input into company valuation and valuation metrics used to assess relative value and performance of companies across the sector.
- Net debt is a measure of indebtedness to external funding providers net of deposits held with those providers and is defined as bank loans less cash at bank.
- Balance sheet gearing is defined as Net Debt over the sum of Net Debt plus Equity.
- All numbers referred to are in AUD.

Results for Announcement to the Market

Report period: 6 months to 30 September 2017

Previous reporting period: 6 months to 30 September 2016

	Amount \$000's	Percentage change
Revenue from ordinary activities	75,505	(15%)
Profit from ordinary activities after tax attributable to shareholders	(2,555)	(124%)
Total comprehensive income attributable to shareholders	(1,699)	21%

	Amount per share	Imputed amount per share	Foreign tax credit per share
Dividend payable	1.25 cents	N/A	N/A
Dividend payment date	8 December 2017		

Key Metrics

For the 6 months ending 30 September

	2017	2016
Earnings before interest, tax, depreciation, amortisation, fair value movements of financial instruments, asset impairments and discount on acquisition (EBITDAF) (\$M)	49.3	61.3
Profit after tax (\$M)	(2.6)	10.5
Underlying earnings after tax (\$M)	(3.2)	12.0
Basic earnings per share (cents per share)	(0.82)	3.36
Dividends paid during the period (cents per share)	3.50	6.60
Net tangible assets per security (cents per share)	163.21	N/A
Gearing ratio	52%	51%
Generation production		
Australian generation production (GWh)	591	673
New Zealand generation production (GWh)	278	361
	869	1,034
Other information		
Employee numbers (full time equivalents)	30.4	6.0#

represents Australian employees working directly for the operating asset sites prior to demerger.



Independent Auditor's Report

Report on the half-year financial statements



We have reviewed the accompanying financial statements of Tilt Renewables Limited (the Company), which comprises the consolidated statement of financial position as at 30 September 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and consolidated income statement for the half-year ended on that date, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 Review of Financial Statements Performed by the Independent Auditor of the Entity (NA SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects, in accordance with NZ IAS 34. As the auditors of the Company, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of 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 than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

We are independent of the Group. Our firm carries out other services for the Group in the areas of tax compliance and other assurance services. The provision of these other services has not impaired our independence.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements of the Company are not prepared, in all material respects, in accordance with NZ IAS 34.

Who we report to

This report is made solely to the members of Tilt Renewables Limited, as a body. Our review work has been undertaken so that we might state to the Company's members those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, do not accept or assume responsibility to anyone other than the members, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Charles Christie.

For and on behalf of:

Chartered Accountants, Melbourne

1 November 2017

I, Charles Christie am currently a member of the Institute of Chartered Accountants in Australia and my membership number is 77665.

PricewaterhouseCoopers was the audit firm appointed to undertake the review of Tilt Renewables Limited for the half-year ended 30 September 2017. I was responsible for the execution of the review and delivery of our firm's auditor's review report. The review work was completed on 1 November 2017 and an unqualified review conclusion was issued.

Charles Christie

Partner

Director Report

Financial Statements 2017

The Directors are pleased to present the financial statements of Tilt Renewables Limited and subsidiaries for the six months ended 30 September 2017.

The Directors are responsible for ensuring that the financial statements give a true and fair view of the financial position of the Group as at 30 September 2017 and the financial performance and cash flows for the year ended on that date.

The Directors consider that the financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept that enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

Bruce Harker

Chair

Fiona Oliver

Director

Company Registration Number 1212113

Dated: 1 November 2017

Consolidated Income Statement

For the 6 months ended 30 September 2017

	Note	6 months ended 30 September 2017 \$000	6 months ended 30 September 2016 \$000
Operating revenue			
Electricity revenue		75,502	89,333
Other operating revenue		3	-
		75,505	89,333
Operating expenses			
Generation costs		14,920	18,931
Employee benefits		4,471	876
Other operating expenses		6,863	8,224
		26,254	28,031
Earnings before interest, tax, depreciation, amortisation, fair value movements of financial instruments, asset impairments and discount on acquisition (EBITDAF)		49,251	61,302
Net fair value (gains)/losses on financial instruments		(860)	2,109
Amortisation of intangible assets		385	5
Depreciation		38,502	34,698
Operating profit		11,224	24,490
Interest paid		15,675	16,092
Interest received		(614)	(91)
Net finance costs		15,061	16,001
(Loss)/profit before income tax		(3,837)	8,489
Income tax income	9	(1,282)	(2,031)
(Loss)/profit after tax		(2,555)	10,520
(Loss)/profit after tax attributable to the shareholders of the Company		(2,555)	10,520
Basic earnings per share (cents per share)		(0.82)	3.36
Diluted earnings per share (cents per share)		(0.82)	3.36

The Board of Tilt Renewables Limited authorised these interim financial statements for issue on 1 November 2017.
The accompanying notes form part of these interim financial statements.

Consolidated Statement of Comprehensive Income

For the 6 months ended 30 September 2017

	6 months ended 30 September 2017 \$000	6 months ended 30 September 2016 \$000
(Loss)/profit after tax	(2,555)	10,520
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Other currency translation differences	616	(4,328)
Tax effect of the following:		
Other currency translation differences	240	(8,334)
Total other comprehensive income/(expense)	856	(12,662)
Total comprehensive expense	(1,699)	(2,142)
Attributable to shareholders of the Company		

The accompanying notes form part of these interim financial statements.

Consolidated Statement of Financial Position

For the 6 months ended 30 September 2017

	Note	30 September 2017 \$000	31 March 2017 \$000
Equity			
<i>Capital and reserves attributable to shareholders of the Company</i>			
Share capital	6	-	-
Invested capital		-	-
Revaluation reserve		450,148	450,148
Retained earnings		69,457	79,047
Foreign currency translation reserve		(8,911)	(9,767)
Other reserves		690	-
Total equity		511,384	519,428
<i>Represented by:</i>			
Current assets			
Cash at bank		102,422	27,008
Accounts receivable and prepayments		30,195	19,830
Taxation receivable		490	-
		133,107	46,838
Non-current assets			
Property, plant and equipment	7	1,223,662	1,241,025
Derivative financial instruments		3,666	4,654
Intangible assets		573	569
		1,227,901	1,246,248
Total assets		1,361,008	1,293,086
Current liabilities			
Accounts payable and accruals		17,547	15,601
Borrowings	4	38,654	35,086
Derivative financial instruments		864	1,448
Taxation payable		-	7,297
		57,065	59,432
Non-current liabilities			
Borrowings	4	618,779	535,675
Derivative financial instruments		6,378	7,666
Accounts payable and accruals		2,876	2,952
Deferred tax liability	10	164,526	167,933
		792,559	714,226
Total liabilities		849,624	773,658
Net assets		511,384	519,428

The accompanying notes form part of these interim financial statements.

Consolidated Cash Flow Statement

For the 6 months ended 30 September 2017

	Note	6 months ended 30 September 2017 \$000	6 months ended 30 September 2016 \$000
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Receipts from customers (inclusive of GST)		77,606	90,082
		77,606	90,082
<i>Cash was applied to:</i>			
Payments to suppliers and employees (inclusive of GST)		35,612	18,773
Taxation paid		9,913	2,637
		45,525	21,410
Net cash from operating activities		32,081	68,672
Cash flows from investing activities			
<i>Cash was provided from:</i>			
Interest received		614	91
		614	91
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment		19,744	6,530
Purchase of intangible assets		-	13
		19,744	6,543
Net cash used in investing activities		(19,130)	(6,452)
Cash flows from financing activities			
<i>Cash was provided from:</i>			
Secured loan proceeds		100,000	8,000
		100,000	8,000
<i>Cash was applied to:</i>			
Repayment of loans		15,321	20,691
Interest paid		16,149	16,020
Dividends paid		7,034	11,134
		38,504	47,845
Net cash used in financing activities		61,496	(39,845)
Net increase/(decrease) in cash and cash equivalents		74,447	22,375
Cash and cash equivalents at beginning of the period		27,008	5,137
Exchange (losses)/gains on cash and cash equivalents		967	(504)
Cash and cash equivalents at end of the period		102,422	27,008

The accompanying notes form part of these interim financial statements.

Consolidated Statement of Changes in Equity

For the 6 months ended 30 September 2017

	Note	Share capital \$000	Invested capital \$000	Revaluation reserve \$000	Foreign currency translation reserve \$000	Retained earnings \$000	Other reserves \$000	Total equity \$000
Opening balance as at 1 April 2016		-	87,675	356,083	(18,444)	-	-	425,314
Total comprehensive income for the period		-	10,520	-	-	-	-	10,520
<i>Other comprehensive income – items that may be reclassified to the profit or loss:</i>								
Other currency translation differences		-	-	-	(4,328)	-	-	(4,328)
Tax effect of the following:								
Other currency translation differences		-	-	-	(8,334)	-	-	(8,334)
<i>Transactions with owners recorded directly in equity</i>								
Dividends paid	5	-	(11,134)	-	-	-	-	(11,134)
Total transactions with owners recorded directly in equity		-	(11,134)	-	-	-	-	(11,134)
Closing balance as at 30 September 2016		-	87,061	356,083	(31,106)	-	-	412,038
Opening balance as at 1 April 2017		-	-	450,148	(9,767)	79,047	-	519,428
Total comprehensive income for the period		-	-	-	-	(2,555)	-	(2,555)
<i>Other comprehensive income – items that may be reclassified to the profit or loss:</i>								
Other currency translation differences		-	-	-	616	-	-	616
Tax effect of the following:								
Other currency translation differences		-	-	-	240	-	-	240
<i>Transactions with owners recorded directly in equity</i>								
Dividends paid	5	-	-	-	-	(7,034)	-	(7,034)
Share based payment expenses		-	-	-	-	-	690	690
Total transactions with owners recorded directly in equity		-	-	-	-	(7,034)	690	(6,344)
Closing balance as at 30 September 2017		-	-	450,148	(8,911)	69,457	690	511,384

The accompanying notes form part of these interim financial statements.

Notes to the Interim Financial Statements

For the 6 months ended 30 September 2017

Note 1: Basis of preparation

The reporting entity is the consolidated group comprising Tilt Renewables Limited and its subsidiaries together referred to as Tilt Renewables. Tilt Renewables Limited is a limited liability company incorporated and domiciled in New Zealand. The principal activities of Tilt Renewables are the development, ownership and operating of electricity generation facilities from renewable energy sources.

Tilt Renewables Limited is registered under the Companies Act 1993, and is listed on the New Zealand Stock Exchange (NZX) and the Australian Stock Exchange (ASX). It is an FMC Reporting Entity under the Financial Markets Conducts Act 2013.

On 31 October 2016, the demerger of Scarlett Limited (previously known as Trustpower Limited, “Old Trustpower”) became effective. At this date, all of the assets and liabilities directly related to the development and operation of wind and solar generation assets were transferred to Tilt Renewables. The remaining assets and liabilities, related to the ownership and operation of hydro generation assets and the retail sale of energy and telecommunications services, were transferred to Trustpower Limited.

The financial information presented in these interim consolidated financial statements is based on actual figures as an independent group after the demerger and carve-out figures prior to the demerger. The carve-out financial information presented in these interim consolidated financial statements reflects the financial performance of the business units responsible for the development, ownership and operation of wind and solar generation assets (Tilt Renewables). Accordingly, the interim consolidated statement of financial position as at 31 March 2017 and 30 September 2017, interim consolidated income statement, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the period April 2017– September 2017 and the related key figures are based on actual figures as an independent group. The financial information for the periods before 31 October 2016 are a carve-out of the financials for Tilt Renewables from information provided by Old Trustpower.

Basis of preparation

These unaudited condensed interim financial statements have been prepared for the six months ended 30 September 2017. These financial statements provide an update on the interim performance of Tilt Renewables, and should be read in conjunction with the full year financial statements presented for the year ended 31 March 2017 from which the same accounting policies and methods of computation have been followed.

The interim financial statements are prepared in accordance with:

- NZ IAS 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting
- The accounting policies and methods of computation in the most recent annual financial statements
- The Financial Markets Conduct Act 2013, and NZX equity listing rules
- New Zealand Generally Accepted Accounting Practice (NZGAAP)
- New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), International Financial Reporting Standards (IFRS)
- Other applicable New Zealand Financial Reporting Standards, as appropriate for profit oriented entities.

The financial statements have been prepared as follows:

- All transactions at the actual amount incurred (historical cost convention), except for generation assets and derivatives which have been revalued to fair value
- All figures have been reported in Australian Dollars (AUD) and reported to the nearest thousand.

Basis of accounting for the carve-out financial information

The carve-out financial information of Tilt Renewables for the half year ended 30 September 2016 and for the seven month period ended 31 October 2016 has been prepared on a carve-out basis from Old Trustpower’s consolidated financial statements, which comply with NZ IFRS, comprising the historical income and expenses, assets and liabilities and cash flows attributable to Tilt Renewables. Tilt Renewables carve-out financial information includes all those legal entities that have historically comprised the Tilt Renewables aspects of Old Trustpower.

Note 1: Basis of preparation (continued)

Where the operations of Old Trustpower entities transferred in their entirety to Trustpower Limited or Tilt Renewables the financial information of those entities have been assigned wholly to Trustpower Limited or Tilt Renewables respectively. Where the operations of an Old Trustpower entity comprised both the operations of Trustpower Limited and Tilt Renewables the income and expenses have been allocated based on the business units that generated the income and expenditure. Assets and liabilities have been allocated based on methods specific to each line item. Where a line item has required additional adjustments or recalculations an explanation is given below.

The carve-out financial information may not be indicative of Tilt Renewables future performance and it does not necessarily reflect what its combined results of operations, financial position and cash flows would have been have Trustpower operated as an independent group and had it presented standalone financial statements during the periods presented.

The following summarises the main carve-out adjustments and allocations made in preparing the carve-out financial information. The Directors of Tilt Renewables consider that the allocations described below have been made on a reasonable basis but are not necessarily indicative of the costs that would have been incurred if Tilt Renewables had been a standalone entity.

Intercompany transactions and related party transactions

Intercompany transactions and assets and liabilities between Tilt Renewables entities have been eliminated in the carve-out financial information. Transactions with other Old Trustpower companies transferred to Trustpower Limited have been treated as related party transactions. Accounts receivable from and payable to other group companies as at 30 September 2016 reflect the accounts receivable and payable between Tilt Renewables entities and Trustpower Limited entities. Some carve-out adjustments have been applied to these balances reflecting the fact that the operations of some Old Trustpower entities were split between Tilt Renewables and Trustpower Limited.

Invested capital

The net assets of Tilt Renewables are represented by revaluation reserve, foreign currency translation reserve and other reserves where these components of equity relate directly to the entities comprising of Tilt Renewables.

Financing

Treasury management was centralised within Old Trustpower so that all external debt was held within one New Zealand entity and one Australian entity. Upon demerger all debt facilities of Old Trustpower were refinanced and new debt facilities were implemented by Tilt Renewables and Old Trustpower.

The external debt financing and related interest expenses of the demerging Old Trustpower group that were directly attributable to the operations of Tilt Renewables, were included in the carve-out financial information. This carve-out allocation was also consistent with the debt allocations that occurred upon the implementation of the demerger.

Income Tax

Where 100% of the operations of an Old Trustpower entity were transferred to Tilt Renewables or Trustpower Limited, the tax expenses and tax liabilities and receivables in the carve-out financial information is based on actual taxation.

Where the operations of an entity were split between Tilt Renewables and Trustpower Limited the taxes allocated to Tilt Renewables have been recalculated as if it had been a separate taxpayer. The remaining taxes have been allocated to Trustpower.

Dividends

Dividends were allocated to Tilt Renewables based on the dividend policy articulated prior to the demerger. All remaining dividends have been allocated to Trustpower.

Note 2: Segment information

For internal reporting purposes, Tilt Renewables is organised into two segments. The main activities of each segment are:

Australian Generation	New Zealand Generation
The generation of renewable electricity by wind power schemes across Australia.	The generation of renewable electricity by wind power schemes across New Zealand.

The segment results for the six months ended 30 September 2017 are as follows:

	Generation New Zealand \$000	Generation Australia \$000	Total \$000
Revenue from external customers	19,189	56,316	75,505
EBITDAF	11,212	38,039	49,251
Amortisation of intangible assets	379	6	385
Depreciation	10,727	27,775	38,502
Capital expenditure	1,523	18,221	19,744

The segment results for the six months ended 30 September 2016 are as follows:

	Generation New Zealand \$000	Generation Australia \$000	Total \$000
Revenue from external customers	25,877	63,456	89,333
EBITDAF	15,272	46,030	61,302
Amortisation of intangible assets	-	5	5
Depreciation	9,754	24,944	34,698
Capital expenditure	2,614	3,916	6,530

Note 3: Profitability analysis

Tilt Renewables owns 386 MW of wind generation assets throughout Australia as well as 196 MW of wind generation assets in New Zealand.

	6 months ended 30 September 2017 \$000	6 months ended 30 September 2016 \$000
Australia		
Operating revenue		
Electricity revenue	56,316	63,456
Other revenue	-	-
	56,316	63,456
Operating expenses		
Generation production costs	9,776	12,330
Employee benefits	3,724	674
Other operating expenses	4,777	4,422
	18,277	17,426
EBITDAF	38,039	46,030
New Zealand		
Operating revenue		
Electricity revenue	19,186	25,877
Other revenue	3	-
	19,189	25,877
Operating expenses		
Generation production costs	5,144	6,601
Employee benefits	747	202
Other operating expenses	2,086	3,802
	7,977	10,605
EBITDAF	11,212	15,272

Note 4: Borrowings

Debt

Tilt Renewables borrows under a syndicated bank debt facility. The facility requires Tilt Renewables to operate within defined performance and debt gearing ratios. The borrowing arrangements may also create restrictions over the sale or disposal of certain assets unless the bank loans are repaid or renegotiated. Throughout the period Tilt Renewables has complied with all debt covenant requirements in these agreements.

	30 September 2017 Secured Loans		
	New Zealand dollar facilities # \$000	Australian dollar facilities \$000	Total facilities \$000
<i>Repayment terms:</i>			
Less than one year	14,750	25,805	40,555
One to two years	14,719	25,678	40,397
Two to five years	86,263	373,627	459,890
Over five years	12,264	109,643	121,907
Facility establishment costs	(912)	(4,404)	(5,316)
	127,084	530,349	657,433
Current portion	14,424	24,230	38,654
Non-current portion	112,660	506,119	618,779
	127,084	530,349	657,433

An additional \$100 million of the debt funding facility was drawn down in the period to fund the construction of the Salt Creek Wind Farm development.

	31 March 2017 Secured Loans		
	New Zealand dollar facilities # \$000	Australian dollar facilities \$000	Total facilities \$000
<i>Repayment terms:</i>			
Less than one year	13,957	23,030	36,987
One to two years	14,216	24,065	38,281
Two to five years	91,557	282,707	374,264
Over five years	13,703	113,793	127,496
Facility establishment costs	(1,075)	(5,192)	(6,267)
	132,358	438,403	570,761
Current portion	13,631	21,455	35,086
Non-current portion	118,727	416,948	535,675
	132,358	438,402	570,761

New Zealand dollar facilities are drawn down and repaid in NZD and presented in the financial statements in AUD.

Note 5: Dividends

	6 months ended 30 September 2017 \$000	12 months ended March 2017 \$000
Final dividend prior year	7,034	11,134
Interim dividend current year - declared subsequent to the of the reporting period	3,912	8,959
Total dividend	10,946	20,093

	Cents per share	Cents per share
Final dividend prior year	2.25	3.60
Interim dividend current year - declared subsequent to the end of the reporting period	1.25	3.00
Total dividend	3.50	6.60

Note 6: Capital share

	6 months ended 30 September 2017 \$000	12 months ended March 2017 \$000
Authorised and issued ordinary share capital at beginning of the period	-	-
Shares issued on demerger	-	-
	-	-

	000's of shares	000's of shares
Authorised and issued ordinary share capital at beginning of the period	312,973	-
Shares issued on demerger	-	312,973
	312,973	312,973

All shares rank equally with one vote per share, have no par value and are fully paid.

On 31 October 2016 a Court Approved Scheme of Arrangement was implemented to effect the demerger of Trustpower Limited whereby Trustpower Limited was liquidated and the shareholders of Trustpower Limited received an in specie distribution of one Tilt Renewables Limited and one New Trustpower share for every share that they held in Old Trustpower.

Note 7. Property, plant and equipment

On 30 June 2017 a financial investment decision was announced regarding the Salt Creek Wind Farm project. To date \$17.2 million has been spent on capitalised construction costs.

Expected development costs for the Salt Creek Wind Farm project will be approximately \$105 million.

Note 8. Cash at bank

The cash and cash equivalents disclosed in the Balance Sheet and in the statement of cash flows include \$13,093,000 which is classified as restricted and are not available for general use by the other entities within the group.

Note 9. Income tax expense

	6 months ended 30 September 2017 \$000	6 months ended 30 September 2016 \$000
Profit before income tax	(3,837)	8,489
Tax on profit (30%)	(1,151)	2,547
Tax effect of non-assessable revenue	(203)	(4,578)
Reconciliation difference between tax jurisdictions	72	-
	(1,282)	(2,031)
<i>Represented by:</i>		
Current tax	2,349	(215)
Deferred tax	(3,631)	(1,816)
	(1,282)	(2,031)

Note 10: Deferred tax

	6 months ended 30 September 2017 \$000	12 months ended March 2017 \$000
Balance at beginning of period	167,933	134,357
Current year changes in temporary differences recognised in profit or loss	(3,631)	(4,373)
Current year changes in temporary differences recognised in other comprehensive income	-	38,538
Exchange rate movements on foreign denominated deferred tax	224	(589)
Total deferred tax liabilities	164,526	167,933

Directory

Note 11. Underlying earnings after tax

Underlying earnings is a non-GAAP (Generally Accepted Accounting Principles) financial measure. Tilt Renewables believes that this measure is an important additional financial measure to disclose as it excludes movements in the fair value of financial instruments which can be volatile year to year depending on movement in long term interest rate and or electricity future prices. Also excluded in this measure are items considered to be one off and not related to core business such as changes to the company tax rate or gain/impairment of generation assets.

	6 months ended 30 September 2017 \$000	6 months ended 30 September 2016 \$000
Profit after tax attributable to the shareholders of the Company	(2,555)	10,520
	(2,555)	10,520
Fair value losses/(gains) on financial instruments	(860)	2,106
Adjustments before income tax	(860)	2,106
Adjustments after income tax	258	(632)
	258	(632)
Underlying earnings after tax	(3,157)	11,994

Note 12: Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of Tilt Renewables Limited by the weighted average number of ordinary shares on issue during the year.

	6 months ended 30 September 2017 \$000	6 months ended 30 September 2016 \$000
Profit after tax attributable to the shareholders of the Company (\$000)	(2,555)	10,520
Weighted average number of ordinary shares in issue ('000s)	312,973	312,973
Basic and diluted earnings per share (cents per share)	(0.82)	3.36
Underlying earnings after tax (\$000)	(3,157)	11,994
Weighted average number of ordinary shares in issue ('000s)	312,973	312,973
Underlying earnings per share (cents per share)	(1.01)	3.83

Note 13. Contingent assets and liabilities

There were no contingent assets or liabilities as at 30 September 2017 (31 March 2017: nil).

Note 14. Subsequent events

Other than those disclosed in elsewhere in these financial statements there have been no material events subsequent to 30 September 2017 (31 March 2017: nil).

Board of Directors

Bruce Harker
Fiona Oliver
Geoffrey Swier
Paul Newfield
Phillip Strachan
Vimal Vallabh

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Share Registrar

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Services Limited
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Shareholders with enquiries about transactions, change of address or dividend payments should contact the Share Registrar.

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