

Infratil Interim Financial Statements

For the 6 months ended
30 September 2021

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Consolidated Statement of Comprehensive Income

	Notes	6 months ended 30 September 2021 \$Millions Unaudited	6 months ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
Operating revenue	9	425.4	160.3	408.2
Dividends		1.6	-	-
Total revenue		427.0	160.3	408.2
Share of earnings of associate companies	5	114.1	83.8	182.6
Total income		541.1	244.1	590.8
Depreciation		40.9	22.4	55.2
Amortisation of intangibles		2.3	1.8	5.2
Employee benefits		64.1	22.7	81.1
Other operating expenses	10	235.1	111.7	399.1
Total operating expenditure		342.4	158.6	540.6
Operating surplus before financing, derivatives, realisations and impairments		198.7	85.5	50.2
Net gain/(loss) on foreign exchange and derivatives		73.6	(19.1)	(56.4)
Net realisations, revaluations and impairments		2.2	13.7	31.8
Interest income		1.7	0.8	1.6
Interest expense		81.7	66.7	138.8
Net financing expense		80.0	65.9	137.2
Net surplus before taxation		194.5	14.2	(111.6)
Taxation expense/(credit)	11	58.1	(9.4)	(9.7)
Net surplus for the period from continuing operations		136.4	23.6	(101.9)
Net surplus from discontinued operations after tax	8	993.9	33.4	85.9
Net surplus for the period		1,130.3	57.0	(16.0)
Net surplus attributable to owners of the Company		1,080.6	27.8	(49.2)
Net surplus attributable to non-controlling interest		49.7	29.2	33.2
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		60.6	(1.7)	260.9
Share of associates other comprehensive income		(3.2)	28.9	8.0
Net change in fair value of equity investments at fair value through other comprehensive income		6.8	0.7	46.1
Hedges taken to profit and loss		-	-	-
Income tax effect of the above items		(10.9)	0.2	(90.4)
Items that may subsequently be reclassified to profit and loss:				
Differences arising on translation of foreign operations		(59.9)	67.5	90.0
Items reclassified to profit and loss on disposal of subsidiary		(444.2)	-	-
Effective portion of changes in fair value of cash flow hedges		(79.0)	43.2	218.5
Income tax effect of the above items		20.6	(5.5)	(28.1)
Total other comprehensive income after tax		(509.2)	133.3	505.0
Total comprehensive income for the period		621.1	190.3	489.0
Total comprehensive income for the period attributable to owners of the Company		1,010.9	159.1	335.4
Total comprehensive income for the period attributable to non-controlling interests		(389.8)	31.2	153.6
Earnings per share				
Basic and diluted (cents per share) from continuing operations		12.1	(0.8)	(18.6)
Basic and diluted (cents per share)		149.5	4.0	(6.8)

Consolidated Statement of Financial Position

	Notes	30 September 2021 \$Millions Unaudited	30 September 2020 \$Millions Unaudited	31 March 2021 \$Millions Audited
Cash and cash equivalents		1,213.8	435.2	133.8
Trade and other accounts receivable and prepayments		120.2	222.7	315.4
Derivative financial instruments		11.3	31.9	76.2
Inventories		2.0	-	1.9
Income tax receivable		10.2	22.6	17.6
Assets held for sale	8.2	187.9	34.8	2,253.4
Current assets		1,545.4	747.2	2,798.3
Trade and other accounts receivable and prepayments		-	14.4	13.5
Property, plant and equipment		3,335.1	4,271.7	3,238.7
Investment properties		262.4	260.1	260.1
Right of use assets		127.0	171.8	115.5
Derivative financial instruments		53.2	163.7	92.0
Intangible assets		10.7	34.6	40.6
Goodwill		1,523.3	113.1	770.7
Investments in associates	5	2,233.7	2,082.7	2,126.9
Other investments	6	79.9	78.2	80.9
Non-current assets		7,625.3	7,190.3	6,738.8
Total assets		9,170.7	7,937.5	9,537.2
Accounts payable, accruals and other liabilities		414.8	200.7	305.8
Interest bearing loans and borrowings	12	92.3	86.3	94.1
Lease liabilities		14.4	24.2	20.3
Derivative financial instruments		6.1	22.8	89.2
Income tax payable		40.6	-	4.1
Infrastructure bonds	13	93.4	93.7	93.8
Trustpower bonds		83.0	-	83.0
Wellington International Airport bonds		-	75.0	75.0
Liabilities directly associated with the assets held for sale	8.2	35.0	-	906.7
Current liabilities		779.6	502.7	1,672.0
Interest bearing loans and borrowings	12	697.2	826.4	916.2
Other liabilities		88.9	83.3	195.4
Lease liabilities		199.0	235.3	182.3
Deferred tax liability		248.2	307.7	269.4
Derivative financial instruments		25.5	199.5	66.9
Infrastructure bonds	13	1,062.0	968.6	1,053.2
Perpetual Infracore Infrastructure bonds	13	231.9	231.9	231.9
Trustpower bonds		350.3	432.5	350.0
Wellington International Airport bonds and senior notes		635.4	526.7	510.7
Non-current liabilities		3,538.4	3,811.9	3,776.0
Attributable to owners of the Company		3,571.9	2,513.0	2,644.0
Non-controlling interest in subsidiaries		1,280.8	1,109.9	1,445.2
Total equity		4,852.7	3,622.9	4,089.2
Total equity and liabilities		9,170.7	7,937.5	9,537.2
Net tangible assets per share (\$ per share)		3.65	3.15	2.97

Approved on behalf of the Board on 11 November 2021


Alison Gerry
Director

Mark Tume
Director

Consolidated Statement of Cash Flows

	Notes	6 months ended 30 September 2021 \$Millions Unaudited	6 months ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
Cash flows from operating activities				
<i>Cash was provided from:</i>				
Receipts from customers		599.4	551.6	1,175.0
Distributions received from associates		31.9	16.7	73.6
Other dividends		1.6	-	-
Interest received		2.2	4.3	6.1
		635.1	572.6	1,254.7
<i>Cash was disbursed to:</i>				
Payments to suppliers and employees		(546.8)	(495.5)	(953.1)
Interest paid		(84.5)	(77.5)	(159.9)
Taxation paid		(21.2)	(43.9)	(50.3)
		(652.5)	(616.9)	(1,163.3)
Net cash inflow/(outflow) from operating activities	15	(17.4)	(44.3)	91.4
Cash flows from investing activities				
<i>Cash was provided from:</i>				
Capital returned from associates		43.3	44.6	78.3
Proceeds from sale of investment property		-	-	34.8
Proceeds from sale of subsidiaries, net of cash sold		1,654.6	-	-
Proceeds from sale of investments		51.6	-	0.7
Return of security deposits		82.0	78.3	127.6
		1,831.5	122.9	241.4
<i>Cash was disbursed to:</i>				
Purchase of investments		(119.2)	(16.5)	(65.0)
Lodgement of security deposits		(33.8)	(109.0)	(219.4)
Purchase of intangible assets		(0.5)	(5.1)	(9.4)
Purchase of shares in subsidiaries, net of cash acquired		(824.1)	-	(821.2)
Purchase of investment properties		-	(13.9)	(16.0)
Purchase of property, plant and equipment		(37.7)	(342.0)	(459.9)
		(1,015.3)	(486.5)	(1,590.9)
Net cash inflow/(outflow) from investing activities		816.2	(363.6)	(1,349.5)
Cash flows from financing activities				
<i>Cash was provided from:</i>				
Proceeds from issue of shares		-	294.2	294.1
Proceeds from issue of shares to non-controlling interest		246.3	-	241.8
Bank borrowings		885.5	404.7	852.9
Issue of bonds		227.4	100.0	184.6
		1,359.2	798.9	1,573.4
<i>Cash was disbursed to:</i>				
Repayment of bank debt		(1,091.0)	(476.8)	(295.0)
Repayment of lease liabilities		(5.6)	(7.5)	(12.9)
Loan establishment costs		(15.5)	(3.1)	(18.4)
Repayment of bonds		(168.9)	(25.0)	(25.0)
Infrastructure bond issue expenses		(1.2)	(1.3)	(2.6)
Share buyback		-	-	-
Capital return to non-controlling shareholders in subsidiary companies		-	(94.0)	(96.2)
Dividends paid to non-controlling shareholders in subsidiary companies		(38.4)	(37.4)	(65.3)
Dividends paid to owners of the Company	3	(83.1)	(72.5)	(117.7)
		(1,403.7)	(717.6)	(633.1)
Net cash inflow/(outflow) from financing activities		(44.5)	81.3	940.3
Net increase/(decrease) in cash and cash equivalents		754.3	(326.6)	(317.8)
Foreign exchange gains/(losses) on cash and cash equivalents		(7.6)	31.5	36.9
Cash and cash equivalents at beginning of the period		133.8	730.3	730.3
Cash balances on acquisition		5.2	-	26.0
Adjustment for cash classified as assets held for sale		328.1	-	(341.6)
Cash and cash equivalents at end of the period		1,213.8	435.2	133.8

Consolidated Statement of Changes in Equity

Attributable to equity holders of the Company – Unaudited

	Capital \$Millions	Revaluation reserve \$Millions	Foreign currency translation reserve \$Millions	Other reserves \$Millions	Retained earnings \$Millions	Total \$Millions	Non- controlling \$Millions	Total equity \$Millions
Balance as at 1 April 2021	1,049.0	767.3	28.2	64.0	735.5	2,644.0	1,445.2	4,089.2
Total comprehensive income for the period								
Net surplus for the period	-	-	-	-	1,080.6	1,080.6	49.7	1,130.3
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	(65.1)	-	-	(65.1)	5.2	(59.9)
Items reclassified to profit and loss on disposal of subsidiary	-	(232.3)	-	(14.4)	232.3	(14.4)	(429.8)	(444.2)
Net change in fair value of equity investments at FVOCI	-	-	-	1.5	-	1.5	-	1.5
Realisations on disposal of equity investments at FVOCI	-	-	-	(14.7)	20.0	5.3	-	5.3
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	(26.6)	-	(26.6)	(31.8)	(58.4)
Fair value change of property, plant and equipment recognised in equity	-	32.8	-	-	-	32.8	16.9	49.7
Share of associates other comprehensive income	-	-	-	(3.2)	-	(3.2)	-	(3.2)
Total other comprehensive income	-	(199.5)	(65.1)	(57.4)	252.3	(69.7)	(439.5)	(509.2)
Total comprehensive income for the period	-	(199.5)	(65.1)	(57.4)	1,332.9	1,010.9	(389.8)	621.1
Contributions by and distributions to non-controlling interests								
Non-controlling interests arising on acquisition of subsidiary	-	-	-	-	-	-	246.8	246.8
Issue of shares to non-controlling interests	-	-	-	-	-	-	17.3	17.3
Issue/(acquisition) of shares held by outside equity interests	-	-	-	-	-	-	-	-
Total contributions by and distributions to non-controlling interests	-	-	-	-	-	-	264.1	264.1
Contributions by and distributions to owners								
Shares issued	-	-	-	-	-	-	-	-
Share buyback	-	-	-	-	-	-	-	-
Shares issued under dividend reinvestment plan	-	-	-	-	-	-	-	-
Conversion of executive redeemable shares	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(83.1)	(83.1)	(38.7)	(121.8)
Total contributions by and distributions to owners	-	-	-	-	(83.1)	(83.1)	(38.7)	(121.8)
Balance as at 30 September 2021	1,049.0	567.8	(36.9)	6.6	1,985.3	3,571.9	1,280.8	4,852.7

Consolidated Statement of Changes in Equity

Attributable to equity holders of the Company – Unaudited

	Capital \$Millions	Revaluation reserve \$Millions	Foreign currency translation reserve \$Millions	Other reserves \$Millions	Retained earnings \$Millions	Total \$Millions	Non- controlling \$Millions	Total equity \$Millions
Balance as at 1 April 2020	754.9	655.1	(71.8)	(108.4)	902.4	2,132.2	1,207.7	3,339.9
Total comprehensive income for the period								
Net surplus for the period	-	-	-	-	27.8	27.8	29.2	57.0
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	79.9	-	-	79.9	(12.3)	67.6
Items reclassified to profit and loss on disposal of subsidiary	-	-	-	-	-	-	-	-
Net change in fair value of equity investments at FVOCI	-	-	-	0.7	-	0.7	-	0.7
Realisations on disposal of equity investments FVOCI	-	-	-	-	-	-	-	-
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	22.8	-	22.8	14.8	37.6
Fair value movements in relation to the executive share scheme	-	-	-	-	-	-	-	-
Fair value change of property, plant and equipment recognised in equity	-	(1.0)	-	-	-	(1.0)	(0.5)	(1.5)
Share of associates other comprehensive income	-	-	-	28.9	-	28.9	-	28.9
Total other comprehensive income	-	(1.0)	79.9	52.4	-	131.3	2.0	133.3
Total comprehensive income for the period	-	(1.0)	79.9	52.4	27.8	159.1	31.2	190.3
Contributions by and distributions to non-controlling interests								
Non-controlling interests arising on acquisition of subsidiary	-	-	-	-	-	-	-	-
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-
Issue/(acquisition) of shares held by outside equity interests	-	-	-	-	-	-	(91.6)	(91.6)
Total contributions by and distributions to non-controlling interests	-	-	-	-	-	-	(91.6)	(91.6)
Contributions by and distributions to owners								
Shares issued	294.2	-	-	-	-	294.2	-	294.2
Share buyback	-	-	-	-	-	-	-	-
Shares issued under dividend reinvestment plan	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(72.5)	(72.5)	(37.4)	(109.9)
Total contributions by and distributions to owners	294.2	-	-	-	(72.5)	221.7	(37.4)	184.3
Balance as at 30 September 2020	1,049.1	654.1	8.1	(56.0)	857.7	2,513.0	1,109.9	3,622.9

Consolidated Statement of Changes in Equity

Attributable to equity holders of the Company – Audited

	Capital \$Millions	Revaluation reserve \$Millions	Foreign currency translation reserve \$Millions	Other reserves \$Millions	Retained earnings \$Millions	Total \$Millions	Non- controlling \$Millions	Total equity \$Millions
Balance as at 1 April 2020	754.9	655.1	(71.8)	(108.4)	902.4	2,132.2	1,207.7	3,339.9
Total comprehensive income for the year								
Net surplus for the year	-	-	-	-	(49.2)	(49.2)	33.2	(16.0)
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	100.0	-	-	100.0	(13.5)	86.5
Items reclassified to profit and loss on disposal of subsidiary	-	-	-	-	-	-	-	-
Net change in fair value of equity investments at FVOCI	-	-	-	46.1	-	46.1	-	46.1
Realisations on disposal of equity investments at FVOCI	-	-	-	-	-	-	-	-
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	118.3	-	118.3	75.6	193.9
Fair value movements in relation to the executive share scheme	-	-	-	-	-	-	-	-
Fair value change of property, plant and equipment recognised in equity	-	112.2	-	-	-	112.2	58.3	170.5
Share of associates other comprehensive income	-	-	-	8.0	-	8.0	-	8.0
Total other comprehensive income	-	112.2	100.0	172.4	-	384.6	120.4	505.0
Total comprehensive income for the year	-	112.2	100.0	172.4	(49.2)	335.4	153.6	489.0
Contributions by and distributions to non-controlling interests								
Non-controlling interests arising on acquisition of subsidiary	-	-	-	-	-	-	240.9	240.9
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-
Issue/(acquisition) of shares held by outside equity interests	-	-	-	-	-	-	(91.6)	(91.6)
Total contributions by and distributions to non-controlling interests	-	-	-	-	-	-	149.3	149.3
Contributions by and distributions to owners								
Shares issued	294.1	-	-	-	-	294.1	-	294.1
Share buyback	-	-	-	-	-	-	-	-
Shares issued under dividend reinvestment plan	-	-	-	-	-	-	-	-
Conversion of executive redeemable shares	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(117.7)	(117.7)	(65.4)	(183.1)
Total contributions by and distributions to owners	294.1	-	-	-	(117.7)	176.4	(65.4)	111.0
Balance at 31 March 2021	1,049.0	767.3	28.2	64.0	735.5	2,644.0	1,445.2	4,089.2

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1 Accounting policies

Reporting Entity

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.

Basis of preparation

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 2021 and should be read in conjunction with the previous annual report.

No changes have been made from the accounting policies used in the 31 March 2021 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 Company's functional currency. Comparative figures have been restated where appropriate to ensure consistency with the current period.

Covid-19 pandemic

The Group's financial statements for the year ended 31 March 2021 included a summary of the primary impacts of Covid-19 on the Group as at the year ended 31 March 2021. The Group has continued to perform strongly despite the ongoing challenges posed by the pandemic. Many of Infratil's portfolio companies provide essential services and continue to demonstrate their resilience. There has been no material change to those factors outlined as at 31 March 2021, and there are no other known material impacts of Covid-19 on the Group's financial performance for the period ended 30 September 2021, or balance sheet as at 30 September 2021.

Consideration of the IFRS Interpretations Committee ('IFRIC') agenda decision, 'Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)'

In April 2021, the IFRS Interpretations Committee ('IFRIC') issued an agenda decision clarifying its interpretation on how current accounting standards apply to configuration and customisation costs incurred in implementing Software-as-a-Service ('SaaS') cloud computing arrangements. The decision discusses whether configuration and customisation costs relating to cloud computing arrangements are able to be recognised as intangible assets, and if not, over what period the expenditure is expensed.

The Group's current accounting policy is to record these configuration and customisation costs as part of the cost of an intangible asset and amortise these costs over the useful life of the software assets.

The Group is currently in the process of quantifying the impact of this clarification on the financial statements, however, given the timeframe and the complexity involved, this has not yet been completed at 30 September 2021. It is likely that the outcome from this exercise will see a range of expenditure previously capitalised and amortised over the useful life reclassified as operating expenditure. This quantification will be completed and reported in the 31 March 2022 financial statements.

2 Nature of business

The Group owns and operates infrastructure businesses and investments in New Zealand, Australia, the United States, Europe and Asia. 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.

More information on the individual businesses is contained in Note 4 (Operating segments) and Note 5 (Investments in associates) including the relative contributions to total revenue and expenses of the Group.

3 Infratil shares and dividends

Ordinary shares (fully paid)	6 months ended 30 September 2021 Unaudited	6 months ended 30 September 2020 Unaudited	Year ended 31 March 2021 Audited
Total authorised and issued capital shares at the beginning of the period	722,952,533	659,678,837	659,678,837
<i>Movements during the period:</i>			
New shares issued	-	63,273,696	63,273,696
New shares issued under dividend reinvestment plan	-	-	-
Conversion of executive redeemable shares	-	-	-
Share buyback	-	-	-
Total authorised and issued capital shares at the end of the period	722,952,533	722,952,533	722,952,533

During the comparative period the Company issued new shares to provide additional balance sheet flexibility and to fund growth investments across Infratil's existing portfolio companies, as well as providing the opportunity to take advantage of any new investment opportunities that may arise. In total, net proceeds after issue costs of \$294.2 million were raised via an institutional placement and share purchase plan for existing shareholders. All fully paid ordinary shares have equal voting rights and share equally in dividends and equity. At 30 September 2021 the Group held 1,662,617 shares as Treasury Stock (30 September 2020: 1,662,617, 31 March 2021: 1,662,617).

Dividends paid on ordinary shares	6 months ended 30 September 2021 cps Unaudited	6 months ended 30 September 2020 cps Unaudited	Year ended 31 March 2021 cps Audited	6 months ended 30 September 2021 \$Millions Unaudited	6 months ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
Final dividend prior year	11.50	11.00	11.00	83.1	72.5	72.6
Interim dividend paid current year	-	-	6.25	-	-	45.2
Dividends paid on ordinary shares	11.50	11.00	17.25	83.1	72.5	117.8

4 Operating segments

Trustpower and Tilt Renewables are renewable generation investments, Wellington International Airport is an airport investment and Qscan Group and Pacific Radiology make up the Group's diagnostic imaging platform. Associates comprises Infratil's investments that are not consolidated for financial reporting purposes, including CDC Data Centres, Vodafone New Zealand, RetireAustralia, Longroad Energy, Kao Data and Galileo Green Energy. Further information on these investments is outlined in Note 5. The Group's investment in Tilt Renewables and Trustpower's retail business are classified as Held for Sale and treated as Discontinued Operations as at 30 September 2021 and 31 March 2021 for the investment in Tilt Renewables. Further information on these investments are outlined in Note 8.1 and 8.2. All other segments and corporate predominately includes the activities of the Parent Company. The group has no significant reliance on any one customer. Inter-segment revenue primarily comprises dividends from Trustpower and subvention income from Wellington International Airport.

	Trustpower New Zealand \$Millions Unaudited	Tilt Renewables Australasia \$Millions Unaudited	Wellington International Airport New Zealand \$Millions Unaudited	Diagnostic Imaging Australasia \$Millions Unaudited	Associates \$Millions Unaudited	All other segments & corporate New Zealand \$Millions Unaudited	Eliminations & discontinued operations \$Millions Unaudited	Total from continuing operations \$Millions Unaudited
For the period ended								
30 September 2021								
Total revenue	571.8	60.0	50.7	190.1	-	55.0	(444.0)	483.6
Share of earnings of associate companies	-	-	-	-	114.1	-	-	114.1
Inter-segment revenue	-	-	-	-	-	(46.0)	(10.6)	(56.6)
Total income	571.8	60.0	50.7	190.1	114.1	9.0	(454.6)	541.1
Operating expenses (excluding depreciation and amortisation)	(449.6)	(479)	(19.2)	(157.1)	-	(52.1)	426.7	(299.2)
Interest income	0.3	0.4	0.2	-	-	1.3	(0.5)	1.7
Interest expense	(15.3)	(6.7)	(12.7)	(14.9)	-	(39.5)	7.4	(81.7)
Depreciation and amortisation	(24.5)	(19.5)	(14.4)	(17.0)	-	-	32.2	(43.2)
Net gain/(loss) on foreign exchange and derivatives	78.5	(12.7)	(0.3)	1.4	-	(5.5)	12.2	73.6
Net realisations, revaluations and impairments	-	-	2.4	-	-	972.6	(972.8)	2.2
Taxation expense	(46.1)	3.7	(3.6)	(6.8)	-	(2.3)	(3.0)	(58.1)
Net surplus/(loss) for the year	115.1	(22.7)	3.1	(4.3)	114.1	883.5	(952.4)	136.4
Net surplus/(loss) attributable to owners of the company	56.5	(14.8)	2.0	(2.1)	114.1	883.5	13.8	1,053.0
Net surplus/(loss) attributable to non-controlling interests	58.6	(79)	1.1	(2.2)	-	-	7.0	56.6
Current assets	202.6	-	57.0	81.2	-	1,128.4	76.2	1,545.4
Non-current assets	1,933.1	-	1,456.0	1,760.8	2,233.8	336.3	(94.7)	7,625.3
Current liabilities	283.0	-	13.2	87.3	-	373.6	22.5	779.6
Non-current liabilities	767.1	-	770.2	672.3	-	1,441.3	(112.5)	3,538.4
Net assets	1,085.6	-	729.6	1,082.4	2,233.8	(350.2)	71.5	4,852.7
Non-controlling interest percentage	49.0%	34.9%	34.0%	87.7%	-	-	-	-
Capital expenditure and investments	15.3	33.7	7.2	318.7	119.7	2.3	(33.7)	463.2

4 Operating segments (continued)

	Trustpower New Zealand \$Millions Unaudited	Tilt Renewables Australasia \$Millions Unaudited	Wellington International Airport New Zealand \$Millions Unaudited	Associates \$Millions Unaudited	All other segments & corporate New Zealand \$Millions Unaudited	Eliminations & discontinued operations \$Millions Unaudited	Total from continuing operations \$Millions Unaudited
For the period ended 30 September 2020							
Total revenue	506.3	60.0	25.8	-	66.2	(417.9)	240.4
Share of earnings of associate companies	-	-	-	83.8	-	-	83.8
Inter-segment revenue	-	-	-	-	(62.3)	(17.8)	(80.1)
Total income	506.3	60.0	25.8	83.8	3.9	(435.7)	244.1
Operating expenses (excluding depreciation and amortisation)	(395.9)	(25.9)	(14.9)	-	(80.9)	383.2	(134.4)
Interest income	0.3	2.3	0.2	-	0.3	(2.3)	0.8
Interest expense	(15.4)	(7.8)	(13.1)	-	(38.9)	8.5	(66.7)
Depreciation and amortisation	(21.9)	(21.8)	(13.5)	-	-	33.0	(24.2)
Net gain/(loss) on foreign exchange and derivatives	(26.5)	34.4	0.6	-	6.8	(34.4)	(19.1)
Net realisations, revaluations and impairments	-	-	3.9	-	9.8	-	13.7
Taxation expense	(13.3)	(12.5)	8.2	-	12.7	14.3	9.4
Net surplus/(loss) for the year	33.6	28.7	(2.8)	83.8	(86.3)	(33.4)	23.6
Net surplus/(loss) attributable to owners of the company	16.9	18.8	(5.4)	83.8	(86.3)	(21.2)	6.6
Net surplus/(loss) attributable to non-controlling interests	16.7	9.9	2.6	-	-	(12.2)	17.0
Current assets	210.9	377.3	100.5	-	58.5	-	747.2
Non-current assets	1,959.8	1,479.1	1,325.4	2,082.7	343.3	-	7,190.3
Current liabilities	128.4	72.7	127.3	-	174.3	-	502.7
Non-current liabilities	946.3	760.8	713.4	-	1,391.4	-	3,811.9
Net assets	1,096.0	1,022.9	585.2	2,082.7	(1,163.9)	-	3,622.9
Non-controlling interest percentage	49.0%	34.4%	34.0%	-	-	-	-
Capital expenditure and investments	15.6	305.7	11.5	15.8	16.4	(305.7)	59.3

4 Operating segments (continued)

	Trustpower New Zealand \$Millions Audited	Tilt Renewables Australasia \$Millions Audited	Wellington International Airport New Zealand \$Millions Audited	Diagnostic Imaging Australia \$Millions Audited	Associates \$Millions Audited	All other segments & corporate New Zealand \$Millions Audited	Eliminations & discontinued operations \$Millions Audited	Total from continuing operations \$Millions Audited
For the year ended 31 March 2021								
Total revenue	952.8	137.4	68.8	65.5	-	100.2	(788.2)	536.5
Share of earnings of associate companies	-	-	-	-	182.6	-	-	182.6
Inter-segment revenue	-	-	-	-	-	(90.0)	(38.3)	(128.3)
Total income	952.8	137.4	68.8	65.5	182.6	10.2	(826.5)	590.8
Operating expenses (excluding depreciation and amortisation)	(752.5)	(57.2)	(32.8)	(62.9)	-	(187.5)	612.7	(480.2)
Interest income	0.5	3.2	0.7	-	-	0.3	(3.1)	1.6
Interest expense	(30.8)	(15.0)	(27.2)	(5.1)	-	(76.9)	16.2	(138.8)
Depreciation and amortisation	(45.4)	(43.8)	(29.6)	(7.9)	-	-	66.3	(60.4)
Net gain/(loss) on foreign exchange and derivatives	(83.5)	78.5	1.4	-	-	25.6	(78.4)	(56.4)
Net realisations, revaluations and impairments	-	-	8.7	-	-	23.1	-	31.8
Taxation expense	(10.3)	(31.5)	12.4	(2.0)	-	4.2	36.9	9.7
Net surplus/(loss) for the year	30.8	71.6	2.4	(12.4)	182.6	(201.0)	(175.9)	(101.9)
Net surplus/(loss) attributable to owners of the company	17.4	47.1	1.8	(7.0)	182.6	(201.0)	(54.2)	(13.3)
Net surplus/(loss) attributable to non-controlling interests	13.4	24.5	0.6	(5.4)	-	-	(31.7)	1.4
Current assets	340.9	404.6	96.8	43.6	-	63.6	1,848.8	2,798.3
Non-current assets	2,001.5	1,803.2	1,399.1	897.2	2,126.9	359.8	(1,848.8)	6,738.9
Current liabilities	317.6	65.4	117.9	41.9	-	288.0	841.2	1,672.0
Non-current liabilities	937.9	841.3	705.3	350.7	-	1,782.0	(841.2)	3,776.0
Net assets	1,086.9	1,301.1	672.7	548.2	2,126.9	(1,646.6)	-	4,089.2
Non-controlling interest percentage	49.0%	34.4%	34.0%	43.7%	-	-	-	-
Capital expenditure and investments	36.4	377.4	35.0	309.6	55.1	23.5	(377.4)	459.6

Entity wide disclosure – geographical

The Group operates in two principal areas, New Zealand and Australia, as well as having certain investments in the United States, Asia and Europe. The Group's geographical segments are based on the location of both customers and assets. The Group's investment in Tilt Renewables and Trustpower's retail business was classified as Held for Sale and treated as Discontinued Operations as at 30 September 2021 and 31 March 2021 for the investment in Tilt Renewables.

	New Zealand \$Millions Unaudited	Australia \$Millions Unaudited	Asia \$Millions Unaudited	United States \$Millions Unaudited	Europe \$Millions Unaudited	Eliminations & discontinued operations \$Millions Unaudited	Total from continuing operations \$Millions Unaudited
For the period ended							
30 September 2021							
Total revenue	790.6	137.0	-	-	-	(444.0)	483.6
Share of earnings of associate companies	9.1	83.4	-	24.5	(2.9)	-	114.1
Inter-segment revenue	(46.0)	-	-	-	-	(10.6)	(56.6)
Total income	753.7	220.4	-	24.5	(2.9)	(454.6)	541.1
Operating expenses (excluding depreciation and amortisation)	(605.1)	(119.8)	(1.0)	-	-	426.7	(299.2)
Interest income	4.1	(1.9)	-	-	-	(0.5)	1.7
Interest expense	(75.4)	(13.7)	-	-	-	7.4	(81.7)
Depreciation and amortisation	(56.8)	(18.6)	-	-	-	32.2	(43.2)
Net gain/(loss) on foreign exchange and derivatives	74.8	(13.4)	-	-	-	12.2	73.6
Net realisations, revaluations and impairments	1,000.9	(25.9)	-	-	-	(972.8)	2.2
Taxation expense	(65.1)	10.0	-	-	-	(3.0)	(58.1)
Net surplus/(loss) for the year	1,031.1	37.1	(1.0)	24.5	(2.9)	(952.4)	136.4
Current assets	1,441.4	25.3	2.3	-	-	76.4	1,545.4
Non-current assets	5,837.1	1,656.1	0.1	127.8	80.6	(76.4)	7,625.3
Current liabilities	732.4	18.0	3.5	-	-	25.7	779.6
Non-current liabilities	3,599.8	51.1	-	-	-	(112.5)	3,538.4
Net assets	2,946.3	1,612.3	(1.1)	127.8	80.6	86.8	4,852.7
Capital expenditure and investments	336.1	49.9	2.3	35.0	73.6	(33.7)	463.2
For the period ended 30 September 2020							
Total revenue		622.6	35.7	-	-	(417.9)	240.4
Share of earnings of associate companies		(15.6)	114.9	(13.8)	(1.7)	-	83.8
Inter-segment revenue		(62.3)	-	-	-	(17.8)	(80.1)
Total income		544.7	150.6	(13.8)	(1.7)	(435.7)	244.1
Operating expenses (excluding depreciation and amortisation)		(500.9)	(16.7)	-	-	383.2	(134.4)
Interest income		1.3	1.8	-	-	(2.3)	0.8
Interest expense		(68.5)	(6.7)	-	-	8.5	(66.7)
Depreciation and amortisation		(42.4)	(14.8)	-	-	33.0	(24.2)
Net gain/(loss) on foreign exchange and derivatives		5.8	9.5	-	-	(34.4)	(19.1)
Net realisations, revaluations and impairments		13.7	-	-	-	-	13.7
Taxation expense		(2.3)	(2.6)	-	-	14.3	9.4
Net surplus/(loss) for the year		(48.6)	121.1	(13.8)	(1.7)	(33.4)	23.6
Current assets		603.2	144.0	-	-	-	747.2
Non-current assets		4,931.9	2,217.9	34.4	6.1	-	7,190.3
Current liabilities		466.5	36.2	-	-	-	502.7
Non-current liabilities		3,281.6	530.3	-	-	-	3,811.9
Net assets		1,787.0	1,795.4	34.4	6.1	-	3,622.9
Capital expenditure and investments		195.8	158.6	5.6	5.0	(305.7)	59.3

Entity wide disclosure – geographical (continued)

	New Zealand \$Millions Audited	Australia \$Millions Audited	United States \$Millions Audited	Europe \$Millions Audited	Eliminations & discontinued operations \$Millions Audited	Total from continuing operations \$Millions Audited
For the period ended 31 March 2021						
Total revenue	1,169.1	155.6	-	-	(788.2)	536.5
Share of earnings of associate companies	(27.2)	165.4	479	(3.6)	-	182.6
Inter-segment revenue	(90.0)	-	-	-	(38.3)	(128.3)
Total income	1,051.9	321.0	479	(3.6)	(826.5)	590.8
Operating expenses (excluding depreciation and amortisation)	(1,120.3)	(62.7)	-	-	702.8	(480.2)
Interest income	3.9	0.8	-	-	(3.1)	1.6
Interest expense	(137.4)	(17.6)	-	-	16.2	(138.8)
Depreciation and amortisation	(90.4)	(36.3)	-	-	66.3	(60.4)
Net gain/(loss) on foreign exchange and derivatives	(55.8)	77.8	-	-	(78.4)	(56.4)
Net realisations, revaluations and impairments	57.9	(26.1)	-	-	-	31.8
Taxation expense	(3.7)	(23.5)	-	-	36.9	9.7
Net surplus/(loss) for the year	(293.9)	233.4	479	(3.6)	(85.8)	(101.9)
Current assets	522.0	427.5	-	-	1,848.8	2,798.3
Non-current assets	5,015.3	3,397.6	118.4	10.8	(1,803.2)	6,738.8
Current liabilities	749.7	81.1	-	-	841.2	1,672.0
Non-current liabilities	3,775.0	909.2	-	-	(908.2)	3,776.0
Net assets	1,012.6	2,834.8	118.4	10.8	112.6	4,089.2
Capital expenditure and investments	238.3	541.2	45.7	11.8	(377.4)	459.6

5 Investments in associates

	Note	6 months ended 30 September 2021 \$Millions Unaudited	6 months ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
<i>Investments in associates are as follows:</i>				
Vodafone New Zealand	5.1	846.7	917.5	857.3
CDC Data Centres	5.2	899.2	845.8	873.0
RetireAustralia	5.3	355.9	313.3	340.9
Longroad Energy	5.4	51.4	-	44.9
Kao Data	5.5	72.6	-	-
Galileo Green Energy		79	6.1	10.8
Investments in associates		2,233.7	2,082.7	2,126.9
<i>Equity accounted earnings of associates are as follows:</i>				
Vodafone New Zealand	5.1	9.0	(15.6)	(27.2)
CDC Data Centres	5.2	55.0	108.5	134.3
RetireAustralia	5.3	28.8	6.4	31.2
Longroad Energy	5.4	24.5	(13.8)	47.9
Kao Data	5.5	(0.4)	-	-
Galileo Green Energy		(2.8)	(1.7)	(3.6)
Share of earnings of associate companies		114.1	83.8	182.6

5.1 Vodafone New Zealand

Vodafone New Zealand ('Vodafone') is one of New Zealand's leading digital services and connectivity companies. Infratil holds a 49.93% shareholding (30 September 2020: 49.89%, 31 March 2021: 49.89%) in ICN JV Investments Limited (the ultimate parent company of Vodafone New Zealand), alongside investment partners Brookfield Asset Management Inc. (49.93%) and Vodafone management (0.14%).

	6 months ended 30 September 2021 \$Millions Unaudited	6 months ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
Movement in the carrying amount of the Group's investment in Vodafone:			
Carrying value at 1 April	857.3	974.0	974.0
Acquisition of shares	-	-	-
Capitalised transaction costs	-	-	-
Shareholder loan	-	-	-
Total capital contributions during the period	-	-	-
Interest on shareholder loan	4.5	5.2	9.7
Share of associate's surplus/(loss) before income tax	6.1	(27.6)	(47.2)
Share of associate's income tax (expense)	(1.6)	6.8	10.3
Total share of associate's earnings during the period	9.0	(15.6)	(27.2)
Share of associate's other comprehensive income	4.9	1.3	7.2
less: Distributions received	(20.0)	-	(26.4)
less: Shareholder loan repayments including interest	(4.5)	(42.2)	(70.3)
Carrying value of investment in associate	846.7	917.5	857.3
Summary financial information			
<i>Summary information for Vodafone is not adjusted for the percentage ownership held by the Group (unless stated)</i>			
Current assets	450.0	540.6	487.7
Non-current assets	3,636.0	3,679.0	3,613.4
Total assets	4,086.0	4,219.6	4,101.1
Current liabilities	990.5	552.0	563.7
Non-current liabilities	1,965.7	2,442.2	2,385.2
Total liabilities	2,956.2	2,994.2	2,948.9
Net assets (100%)	1,129.8	1,225.4	1,152.2
Group's share of net assets	564.1	611.4	574.8
Revenues	954.4	939.6	1,950.4
Net surplus/(loss) after tax	8.2	(37.1)	(69.4)
Total other comprehensive income	9.8	1.2	6.4

5.1 Vodafone New Zealand (continued)

	30 September 2021 \$Millions Unaudited	30 September 2020 \$Millions Unaudited	31 March 2021 \$Millions Audited
<i>Reconciliation of the carrying amount of the Group's investment in Vodafone:</i>			
Group's share of net assets	564.1	611.4	574.8
<i>add:</i> Shareholder loan	282.4	305.9	282.3
<i>add:</i> Capitalised transaction costs	0.2	0.2	0.2
Carrying value of investment in associate	846.7	917.5	857.3

5.2 CDC Data Centres

CDC Data Centres ('CDC') is an owner, operator and developer of data centres, with operations in Canberra, Sydney and Auckland. Infratil holds a 48.00% shareholding (30 September 2020: 48.08%, 31 March 2021: 48.08%) in CDC Group Holdings Pty Ltd (the ultimate parent company of CDC Data Centres), alongside investment partners the Commonwealth Superannuation Corporation (24.00%), Future Fund (24.00%) and CDC Data Centres management (4.00%).

	6 months ended 30 September 2021 \$Millions Unaudited	6 months ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
Movement in the carrying amount of the Group's investment in CDC:			
Carrying value at 1 April	873.0	693.4	693.4
Acquisition of shares	11.1	7.5	8.3
Capitalised transaction costs	-	-	-
Shareholder loan	-	-	-
Total capital contributions during the period	11.1	7.5	8.3
Interest on shareholder loan	4.3	6.3	10.6
Share of associate's surplus/(loss) before income tax	70.0	147.7	178.6
Share of associate's income tax (expense)	(23.0)	(48.6)	(58.0)
<i>add:</i> share of associate's share capital issued, net of dilution	3.7	3.1	3.1
Total share of associate's earnings during the period	55.0	108.5	134.3
Share of associate's other comprehensive income	1.5	(0.4)	(0.6)
<i>less:</i> Distributions received	(2.0)	-	-
<i>less:</i> Shareholder loan repayments including interest	(3.8)	-	(5.8)
Foreign exchange movements	(35.6)	36.8	43.4
Carrying value of investment in associate	899.2	845.8	873.0

5.2 CDC Data Centres (continued)

	30 September 2021 A\$Millions Unaudited	30 September 2020 A\$Millions Unaudited	31 March 2021 A\$Millions Audited
Summary financial information			
<i>Summary information for CDC is not adjusted for the percentage ownership held by the Group (unless stated)</i>			
Current assets	79.0	148.3	152.3
Non-current assets	3,579.4	3,118.6	3,202.6
Total assets	3,658.4	3,266.9	3,354.9
Current liabilities	70.3	79.4	72.2
Non-current liabilities	2,147.4	1,910.0	1,963.1
Total liabilities	2,217.7	1,989.4	2,035.3
Net assets (100%)	1,440.7	1,277.5	1,319.6
Group's share of net assets	691.5	614.2	634.5
Revenues	121.8	114.3	227.2
Net surplus/(loss) after tax	92.8	191.7	234.2
Other comprehensive income	3.0	(0.8)	(1.3)
	30 September 2021 \$Millions Unaudited	30 September 2020 \$Millions Unaudited	31 March 2021 \$Millions Audited
<i>Reconciliation of the carrying amount of the Group's investment in CDC:</i>			
Group's share of net assets in NZ\$	723.5	663.8	690.9
add: Shareholder loan	175.7	182.0	182.1
Carrying value of investment in associate	899.2	845.8	873.0

CDC's functional currency is Australian Dollars (A\$) and the summary financial information shown is presented in this currency. The NZD/AUD exchange rates used to convert the summary financial information to the Group's functional currency (NZ\$) were 0.9558 (Spot rate) and 0.9416 (Average rate) (30 September 2020: Spot rate 0.9253, Average rate 0.9329, 31 March 2021: Spot rate 0.9182, Average rate 0.9338).

5.3 RetireAustralia

RetireAustralia is an owner, operator and developer of retirement villages, with villages in New South Wales, Queensland and South Australia. Infratil holds a 50% shareholding in RA (Holdings) 2014 Pty Limited (the ultimate parent company of RetireAustralia), with investment partner the New Zealand Superannuation Fund holding the other 50%.

	6 months ended 30 September 2021 \$Millions Unaudited	6 months ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
Movement in the carrying amount of the Group's investment in RetireAustralia:			
Carrying value at 1 April	340.9	291.5	291.5
Acquisition of shares	-	-	-
Total capital contributions during the period	-	-	-
Share of associate's surplus/(loss) before income tax	28.8	6.4	31.2
Share of associate's income tax (expense)	-	-	-
Total share of associate's earnings during the period	28.8	6.4	31.2
Share of associate's other comprehensive income	-	-	-
less: Distributions received	-	-	-
Foreign exchange movements	(13.8)	15.4	18.2
Carrying value of investment in associate	355.9	313.3	340.9

	30 September 2021 A\$Millions Unaudited	30 September 2020 A\$Millions Unaudited	31 March 2021 A\$Millions Audited
Summary financial information			
<i>Summary information for RetireAustralia is not adjusted for the percentage ownership held by the Group (unless stated)</i>			
Current assets	204.3	216.4	204.6
Non-current assets	2,476.5	2,300.9	2,389.3
Total assets	2,680.8	2,517.3	2,593.9
Current liabilities	1,843.7	1,753.6	1,777.0
Non-current liabilities	156.8	183.8	190.7
Total liabilities	2,000.5	1,937.4	1,967.7
Net assets (100%)	680.3	579.9	626.2
Group's share of net assets	340.1	290.0	313.1
Group's share of net assets and carrying value of investment in associate (NZ\$)	355.9	313.3	340.9
Revenues	53.2	47.1	99.0
Net surplus/(loss) after tax	54.2	9.3	55.6
Other comprehensive income	-	-	-

RetireAustralia's functional currency is Australian Dollars (A\$) and the summary financial information shown is presented in this currency. The NZD/AUD exchange rates used to convert the summary financial information to the Group's functional currency (NZ\$) were 0.9558 (Spot rate) and 0.9416 (Average rate) (30 September 2020: Spot rate 0.9253, Average rate 0.9329, 31 March 2021: Spot rate 0.9182, Average rate 0.9338).

RetireAustralia's net current asset deficiency has primarily arisen due to the requirement under Accounting Standards to classify resident obligations as current liabilities as RetireAustralia does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months (residents may give notice of their intention to vacate their unit with immediate effect). In contrast, the corresponding assets are classified as non-current under Accounting Standards.

5.4 Longroad Energy

Longroad Energy Holdings, LLC ('Longroad Energy'), is a Boston, MA, headquartered renewable energy developer focused on the development, ownership, and operation of utility-scale wind and solar energy projects throughout North America. Infratil holds a 40% shareholding in Longroad Energy, alongside investment partners the New Zealand Superannuation Fund (40%) and Longroad Energy management (20%).

	6 months ended 30 September 2021	6 months ended 30 September 2020	Year ended 31 March 2021
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Movement in the carrying amount of the Group's investment in Longroad Energy:			
Carrying value at 1 April	44.9	-	-
Capital contributions	35.0	3.3	35.0
Shareholder loan	-	-	-
Total capital contributions during the period	35.0	3.3	35.0
Share of associate's surplus/(loss) before income tax	24.5	(13.8)	479
Share of associate's income tax (expense)	-	-	-
Total share of associate's earnings during the period	24.5	(13.8)	479
Share of associate's other comprehensive income	(9.5)	28.0	1.5
less: Distributions received	(1.5)	(8.0)	(28.2)
less: Capital returned	(43.3)	(11.1)	(11.3)
Foreign exchange movements	1.3	1.6	-
Carrying value of investment in associate	51.4	-	44.9

An adjustment to the carrying value of the investment in Longroad Energy was recorded at 30 September 2020 as under NZ IAS 28 the carrying amount of the investment is not permitted to reduce below zero. This adjustment is included in Share of associate's other comprehensive income.

5.4 Longroad Energy (continued)

Summary financial information	31 December 2020	31 December 2019
	US\$Millions	US\$Millions
	Unaudited	Unaudited
<i>Summary information for Longroad Energy is not adjusted for the percentage ownership held by the Group (unless stated)</i>		
Current assets	111.0	153.0
Non-current assets	1,817.3	1,247.3
Total assets	1,928.3	1,400.3
Current liabilities	78.2	270.0
Non-current liabilities	1,059.6	1,059.8
Total liabilities	1,137.8	1,329.8
Net assets (100%)	790.5	70.5
Revenues	263.4	94.3
Net surplus/(loss) after tax	899	6.8
Other comprehensive income	-	(10.2)

Longroad's functional currency is United States Dollars (\$US) and the summary financial information shown is presented in this currency. The NZD/USD exchange rates used to convert the summary financial information to the Group's functional currency (NZ\$) were 0.6874 (Spot rate) and 0.7076 (Average rate) (30 September 2020: Spot rate 0.6603, Average rate 0.6408, 31 March 2021: Spot rate 0.6989, Average rate 0.6711).

The summary information provided is taken from the most recent audited annual financial statements of Longroad Energy Holdings, LLC which have a balance date of 31 December and are reported as at that date.

Letter of credit facility

Longroad has obtained an uncommitted secured letter of credit facility of up to US\$150 million (30 September 2020: US\$150 million, 31 March 2021: US\$150 million) and also has a US\$50 million committed facility, of which US\$45.0 million was drawn at 30 September 2021. Infratil and the New Zealand Superannuation Fund have collectively agreed to meet up to US\$200 million of capital calls (i.e. subscribe for additional units) equal to Longroad's reimbursement obligation in the event that a Letter of Credit is called and Longroad cannot fund the call or the committed facility needs to be repaid, taking into account immediately available working capital. As at 30 September 2021, US\$33.4 million (Infratil share: US\$16.7 million) (30 September 2020: US\$91.8 million, 31 March 2021: US\$121.4 million) in Letters of Credit are on issue under the Longroad Letter of Credit facility.

5.5 Kao Data

On 20 August 2021 the Group acquired an initial stake in Kao Data from current owners Legal & General Group and Goldacre. The Group has agreed to an initial commitment of £120-130 million through a target shareholding of 40.0% with the current owners each retaining a target stake of 30.0%. Kao Data develops and operates advanced data centres in the United Kingdom. At 30 September 2021 Infratil has committed an initial £34.9 million (NZ\$68.2 million) of equity investment to acquire a 19.92% shareholding. The Group has determined that its investment in Kao Data is an investment in associate, and equity accounting has been applied below. The Group's share of acquisition costs directly incurred by Infratil were capitalised.

The fair value of assets acquired and liabilities assumed has been measured on a provisional basis. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised. The total consideration transferred, including completion cash adjustments, exceeded the fair value of the net assets acquired and the incremental amount paid of \$25.2 million has been recognised as goodwill.

	6 months ended 30 September 2021 \$Millions Unaudited
Movement in the carrying amount of the Group's investment in Kao Data:	
Carrying value at 1 April	-
Cost of equity	68.2
Capitalised transaction costs	5.4
Shareholder loan	-
Total capital contributions during the period	73.6
Interest on shareholder loan (including accruals)	-
Share of associate's surplus/(loss) before income tax	(0.4)
Share of associate's income tax (expense)	-
Total share of associate's earnings in the period	(0.4)
Share of associate's other comprehensive income	-
less: Distributions received	-
less: Shareholder loan repayments including interest	-
Foreign exchange movements	(0.6)
Carrying value of investment in associate	72.6

5.5 Kao Data (continued)

	30 September 2021 £Millions Unaudited
Summary information for Kao Data is not adjusted for the percentage ownership held by the Group (unless stated)	
Current assets	33.1
Non-current assets	108.2
Total assets	141.3
Current liabilities	30.4
Non-current liabilities	3.1
Total liabilities	33.5
Net assets (100%)	107.8
	30 September 2021 \$Millions Unaudited
Reconciliation of the carrying amount of the Group's investment in Kao Data:	
Group's share of net assets in NZ\$	42.0
Goodwill	25.2
<i>add:</i> capitalised transaction costs	5.4
Carrying value of investment in associate	72.6

Kao Data's functional currency is the Pound Sterling (GB£) and the summary financial information shown is presented in this currency. The NZD/GBP exchange rates used to convert the summary financial information to the Group's functional currency (NZ\$) were 0.5114 (Spot rate) and 0.5098 (Average rate) (30 September 2020: N/A, 31 March 2021: N/A).

6 Other investments

	30 September 2021 \$Millions Unaudited	30 September 2020 \$Millions Unaudited	31 March 2021 \$Millions Audited
Clearvision Ventures	76.4	34.4	73.6
Other	3.5	7.8	7.3
Other investments	79.9	78.2	80.9

Clearvision Ventures

In February 2016 Infratil made an initial commitment of US\$25 million to the California based Clearvision Ventures. An additional commitment of US\$25 million was made in May 2020 bringing Infratil's total commitment to US\$50 million. The strategic objective is to help Infratil's businesses identify and engage with technology changes that will impact their activities. As at 30 September 2021 Infratil has made total contributions of US\$28.1 million (30 September 2020: US\$25.7 million, 31 March 2021: US\$28.1 million), with the remaining US\$21.9 million commitment uncalled at that date.

7 Acquisition of subsidiary

7.1 Pacific Radiology

On 31 May 2021, Infratil acquired 56.0% of Pacific Radiology Group Limited, ('Pacific Radiology Group'), a comprehensive diagnostic imaging practice in New Zealand, from existing doctor shareholders. Infratil invested in conjunction with existing doctor shareholders and management (44.0%). Infratil has determined that Pacific Radiology Group is a subsidiary based on its voting equity interest and has therefore consolidated Pacific Radiology Group from the acquisition date.

The transaction was settled in cash through a combination of equity contributions and external debt funding, inclusive of transaction costs relating to the acquisition. Infratil's cash consideration transferred was NZ\$313.6 million. The non-controlling interest is determined by the cash consideration transferred of NZ\$246.4 million from doctor and management shareholders.

The nature of the holding structure under which Infratil acquired Pacific Radiology Group meant that RHC Bidco NZ Limited ultimately acquired 100% of the shares in Pacific Radiology Group. As a result, NZ IFRS 3 Business Combinations ('NZ IFRS 3') is required to be applied on acquisition. NZ IFRS 3 requires that the identifiable assets and liabilities acquired as part of the business combination are measured at fair value at the date of acquisition, with any gain recognised through the profit and loss and any deficit recognised as goodwill. Acquisition related costs are recognised in the consolidated statement of comprehensive income as incurred.

The valuation of any intangible assets identified as part of this process will be finalised post completion of the 30 September 2021 interim financial statements and therefore any amounts in the interim financial statements will be reported as provisional. If new information obtained within one year of the date of acquisition, about facts and circumstances that existed at the date of acquisition identify adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Goodwill has been provisionally recognised based on the carrying value of the identifiable assets and liabilities acquired, including intangible assets. The total consideration transferred, including completion cash adjustments, exceeded the carrying values of the net assets acquired and the incremental amount paid of NZ \$776.0 million has been recognised as goodwill. The initial recognition exemption in NZ IAS 12 has been applied to goodwill and therefore, no deferred tax deduction has been recognised.

Consideration Transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

	31 May 2021 NZ\$Millions
Purchase consideration (100%)	
Cash consideration paid	817.2
Completion cash adjustment	4.0
Total Consideration	821.2

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition:

	Fair Value (Provisional) NZ\$Millions
Assets (100%)	
Cash and cash equivalents	5.2
Trade and other accounts receivable and prepayments	27.6
Right of use assets	51.8
Intangible assets and investments	10.8
Property, plant and equipment	56.5
Deferred tax asset	2.3
Total assets at fair value	154.2
Liabilities (100%)	
Accounts payable, accruals and other liabilities	37.7
Lease liabilities	54.3
Interest bearing loans and borrowings	17.0
Total liabilities at fair value	109.0
Total identifiable assets at fair value (100%)	45.2
Goodwill arising on acquisition (provisional)	776.0
Infratil cash consideration	313.6
External debt funding	257.2
Non-controlling interest	246.4
Completion cash adjustment	4.0
Total cash consideration	821.2

7.2 Gurin Energy

On 21 July 2021, Infratil acquired 95% of a newly formed entity, Gurin Energy Pte Limited, a renewable energy development platform headquartered in Singapore which will focus on greenfield renewable projects across Asia. Infratil has committed US\$233 million through equity of US\$133 million (NZ\$189 million) and US \$100 million (NZ \$142 million) in the form of support for letters of credit provided by third party banks. The balance of the shares (5%) is reserved for Management (US\$7 million, NZ\$10 million), financed by a loan from Infratil. At 30 September 2021 funding of \$2.8 million has been called.

Infratil has determined that Gurin is a subsidiary based on its voting equity interest and has therefore consolidated Gurin from the acquisition date.

As the newly formed entity has no material assets on establishment, no fair value exercise was performed.

8 Discontinued operations and assets held for sale

Summary of results of discontinued operations		6 months ended	6 months ended	Year ended
		30 September 2021	30 September 2020	31 March 2021
		\$Millions	\$Millions	\$Millions
Tilt Renewables	8.1	992.0	28.7	71.6
Trustpower Retail Business	8.2	1.9	4.7	14.3
Net surplus from discontinued operations after tax		993.9	33.4	85.9

8.1 Tilt Renewables

On 3 August 2021, the Group completed the sale of its 65.15% stake in Tilt Renewables for gross proceeds of \$1,984.1 million to a consortium comprising Powering Australian Renewables and Mercury NZ Limited. After sales costs, the proceeds from the sale of Infratil's 65.15% interest were \$1,837.1 million, resulting in a gain on sale of the 65.15% interest of \$1,014.7 million.

As the carrying amount of the Group's investment in Tilt Renewables has been recovered through the sale transaction, the investment in Tilt Renewables has been classified as a discontinued operation at 30 September 2021 and 31 March 2021. The comparative consolidated statement of comprehensive income and respective notes have been re-presented to show the discontinued operation separately from continuing operations. The results from discontinued operations are presented separately below.

Results of discontinued operation	6 months ended	6 months ended	Year ended 31
	30 September 2021	30 September 2020	March 2021
	\$Millions	\$Millions	\$Millions
Revenue	60.0	60.0	137.4
Operating expenses	47.9	25.9	57.3
Results from operating activities	12.1	34.1	80.1
Depreciation	(19.5)	(21.8)	(43.9)
Net realisations, revaluations, impairments	(12.7)	34.4	78.5
Net financing expense	(6.3)	(5.5)	(12.0)
Net surplus/(loss) before tax	(26.3)	41.2	102.7
Taxation (expense)/credit	3.7	(12.5)	(31.1)
Net surplus/(loss) from discontinued operation after tax	(22.7)	28.7	71.6
Basic and diluted earnings per share (cents per share)	(6.0)	7.6	17.9
<i>The net gain on the sale is calculated as follows:</i>			
Gross sale proceeds	1,984.1	-	-
Less: Carrying amount of net assets sold	(822.4)	-	-
Gain on sale	1,161.7	-	-
Less: Transaction costs	(24.9)	-	-
Less: Incentive fee paid to MCIM	(122.1)	-	-
Net gain on sale	1,014.7	-	-
Net surplus from discontinued operation after tax	992.0	28.7	71.6
The net surplus/(loss) from the discontinued operation is 65.15% attributable to the owners of the Company in line with Infratil's ownership percentage of Tilt Renewables. The gain on sale is entirely attributable to owners of the company.			
<i>Cash flows from/(used in) discontinued operation</i>			
Net cash from/(used in) operating activities	26.9	(7.4)	34.8
Net cash from/(used in) investing activities	(338.5)	(319.7)	(391.3)
Net cash from/(used in) financing activities	(26.2)	(80.9)	(34.9)
Net cash flows for the year	(337.8)	(408.0)	(391.4)

There was (\$3.5 million) of cumulative income/(loss) recognised in other comprehensive income relating to Tilt Renewables at 30 September 2021 (30 September 2020: \$38.4 million loss, 31 March 2021: \$129.4 million).

8.2 Trustpower Retail Business

On 21 June 2021, Trustpower, in which Infratil has a stake of 51.04%, announced the sale of its gas, telecommunications and retail electricity supply business (excluding the supply of electricity to commercial and industrial customers) to Mercury NZ Limited for \$441.0 million. Trustpower's retail business has been classified as an asset held for sale and a discontinued operation at 30 September 2021. The comparative consolidated statement of comprehensive income and respective notes have been re-presented to show the discontinued operation separately from continuing operations. As at 30 September 2021 the expected sales proceeds less costs to sell are higher than the carrying amount and as a result no adjustment has been made to the carrying value of Infratil's investment.

	6 months ended 30 September 2021 \$Millions	6 months ended 30 September 2020 \$Millions	Year ended 31 March 2021 \$Millions
Results of discontinued operation			
Revenue	384.0	357.9	650.8
Operating expenses	368.2	339.5	607.3
Results from operating activities	15.8	18.4	43.5
Depreciation and amortisation	(12.6)	(11.2)	(22.4)
Net realisations, revaluations, impairments	-	-	-
Net financing expense	(0.6)	(0.7)	(1.3)
Net surplus/(loss) before tax	2.6	6.5	19.8
Taxation (expense)/credit	(0.7)	(1.8)	(5.5)
Net surplus/(loss) from discontinued operation after tax	1.9	4.7	14.3
Assets held for sale	187.9		
Liabilities directly associated with assets held for sale	35.0		
Net assets of discontinued operation	152.9		
<i>Effect of reclassification of the disposal group on the financial position of the Group</i>			
Property, plant and equipment	17.5		
Intangible assets	27.9		
Capitalised customer acquisition costs	49.4		
Right of use assets	31.0		
Accounts receivable and prepayment	62.1		
Accounts payable and accruals	(2.7)		
Lease liabilities	(32.3)		
Net reclassification of assets and (liabilities)	152.9		
<i>Cash flows from/(used in) discounted operations</i>			
Net cash from/(used in) operating activities	3.7	5.8	
Net cash from/(used in) investing activities	(12.8)	(10.7)	
Net cash from/(used in) financing activities	(4.4)	(4.3)	
Net cash flows for the year	(13.5)	(9.2)	

8.3 Australian Social Infrastructure Partners

As at 31 March 2021, Infratil owned 56.5% of Australian Social Infrastructure Partners ('ASIP'), which in turn held a 99.5% share of the equity in the New Royal Adelaide Hospital public-private partnership ('PPP'). On 23 July 2021, the 99.5% share of equity in the New Royal Adelaide Hospital public-private partnership was sold for A\$41.8 million.

9 Revenue

	6 months ended 30 September 2021 \$Millions Unaudited	6 months ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
Electricity	167.2	125.9	245.2
Revenue allocated to customer incentives	-	-	0.7
Aircraft movement and terminal charges	27.4	11.3	34.0
Transport, hotel and other trading activities	17.0	14.5	20.9
Radiology practice services	70.9	-	36.5
Radiology services	118.2	-	28.6
Other	24.7	8.6	42.3
Total operating revenue	425.4	160.3	408.2

10 Other operating expenses

	Note	6 months ended 30 September 2021 \$Millions Unaudited	6 months ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
<i>Trading operations</i>				
Energy and wholesale costs		2.0	2.6	2.2
Line, distribution and network costs		26.8	6.3	41.7
Generation production & development costs		12.4	4.3	21.8
Other energy business costs		11.2	6.2	1.9
Telecommunications cost of sales		-	-	-
Radiology business costs		115.8	-	29.3
Airport business costs		13.9	10.0	21.4
Other operating business costs		0.8	-	0.7
Bad debts written off		-	-	-
Increase/(Decrease) in provision for expected credit loss		0.4	-	-
Directors' fees		1.6	1.0	2.2
Administration and other corporate costs		12.7	3.2	7.8
Management fee (to related party Morrison & Co Infrastructure Management)	17	27.9	19.6	45.7
International Portfolio Incentive fee	17	9.3	57.7	223.1
Donations		0.3	0.8	1.3
Total other operating expenses		235.1	111.7	399.1

11 Taxation

	6 months ended 30 September 2021 \$Millions Unaudited	6 monthded ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
Net surplus before taxation from continuing operations	194.5	14.2	(111.6)
Taxation on the surplus for the period @ 28%	54.5	4.0	(31.2)
<i>Plus/(less) taxation adjustments:</i>			
Effect of tax rates in foreign jurisdictions	(1.5)	0.9	(3.7)
Net benefit of imputation credits	-	-	-
Timing differences not recognised	0.8	-	-
Tax losses not recognised/(utilised)	(2.1)	(11.0)	-
Effect of equity accounted earnings of associates	(22.5)	(24.7)	(33.0)
Recognition of previously unrecognised deferred tax	-	-	-
(Over)/under provision in prior periods	(9.5)	(6.5)	(6.9)
Net investment realisations	-	-	5.1
Other permanent differences	38.4	27.9	60.0
Taxation expense	58.1	(9.4)	(9.7)
Current taxation	47.2	6.7	(0.6)
Deferred taxation	10.9	(16.1)	(9.1)
Tax on discontinued operations	(3.0)	14.2	36.9

12 Loans and borrowings

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

	30 September 2021 \$Millions Unaudited	30 September 2020 \$Millions Unaudited	31 March 2021 \$Millions Audited
Current liabilities			
Unsecured bank loans	90.2	57.0	95.1
Secured bank facilities	5.8	32.4	-
less: Loan establishment costs capitalised and amortised over term	(3.7)	(3.1)	(1.0)
	92.3	86.3	94.1
Non-current liabilities			
Unsecured bank loans	155.0	328.9	650.2
Secured bank facilities	561.6	506.4	278.2
less: Loan establishment costs capitalised and amortised over term	(19.4)	(8.9)	(12.2)
	697.2	826.4	916.2
Facilities utilised at reporting date			
Unsecured bank loans	245.2	385.9	745.3
Unsecured guarantees	-	-	-
Secured bank loans	567.4	538.8	278.2
Secured guarantees	4.2	128.1	3.0
Facilities not utilised at reporting date			
Unsecured bank loans	1,035.0	759.1	554.8
Unsecured guarantees	-	-	-
Secured bank loans	158.0	174.9	86.2
Secured guarantees	-	58.3	-
Interest bearing loans and borrowings – <i>current</i>	92.3	86.3	94.1
Interest bearing loans and borrowings – <i>non-current</i>	697.2	826.4	916.2
Total interest bearing loans and borrowings	789.5	912.7	1,010.3
	30 September 2021 \$Millions Unaudited	30 September 2020 \$Millions Unaudited	31 March 2021 \$Millions Audited
Maturity profile for bank facilities (excluding secured guarantees):			
Between 0 to 1 year	383.1	179.9	175.1
Between 1 to 2 years	600.0	532.2	596.9
Between 2 to 5 years	922.5	926.3	892.5
Over 5 years	100.0	220.3	-
Total bank facilities	2,005.6	1,858.7	1,664.5

Financing arrangements

Infratil Finance Limited, a wholly owned subsidiary of the Company, has entered into bank facility arrangements with a negative pledge agreement, which, with limited exceptions does not permit the Infratil Guaranteeing Group ('IGG') to grant any security over its assets. The IGG comprises entities subject to a cross guarantee and comprises Infratil Limited, Infratil Finance Limited and certain other wholly owned subsidiaries. The IGG does not incorporate the underlying assets of the Company's non-wholly owned subsidiaries and associates. The IGG bank facilities also include restrictions over the sale or disposal of certain assets without bank agreement. Liability under the cross guarantee is limited to the amount of debt drawn under the IGG facilities, plus any unpaid interest and costs of recovery. At 30 September 2021 drawn debt and accrued interest under the IGG facilities was nil (30 September 2020: \$52.0 million, 31 March 2021: \$21.73 million) and undrawn IGG facilities totalled \$570.0 million (30 September 2020: \$518.0 million, 31 March 2021: \$353.0 million).

Infratil Energy New Zealand Limited ('IENZ'), a wholly owned subsidiary of the Company, is not a member of the IGG and has granted a security interest over assets with a carrying amount of \$354.3 million (30 September 2020: \$346.6 million, 31 March 2021: \$342.3 million) as part of its bank facility arrangements. IENZ has total facilities of \$125.0 million, of which none was drawn as at 30 September 2021 (30 September 2020: \$50.0 million, 31 March 2021: \$125.0 million).

The Group's non-wholly owned subsidiaries also enter into bank facilities arrangements. Amounts outstanding under these facilities are included within loans and borrowings in the table above. Wellington International Airport and Trustpower facilities are both subject to negative pledge arrangements, which with limited exceptions does not permit those entities to grant security over their respective assets. Qscan Group and Pacific Radiology borrow under syndicated bank debt facilities and has granted security over their assets. All non-wholly owned subsidiary facilities are subject to restrictions over the sale or disposal of certain assets without bank agreement. The various bank facilities across the Group require the relevant borrowing group to maintain certain levels of shareholder funds and operate within defined performance and gearing ratios. Throughout the period the Group has complied with all debt covenant requirements as imposed by the respective lenders. WIAL has secured a temporary waiver of certain covenants with its banking group and USPP lender until the first compliance date which is no later than 31 March 2022.

Interest rates payable on bank loan facilities are floating rate 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 0.75% to 4.32% (30 September 2020: 0.62% to 2.93%, 31 March 2021: 0.57% to 4.32%).

13 Infrastructure bonds

	30 September 2021 \$Millions Unaudited	30 September 2020 \$Millions Unaudited	31 March 2021 \$Millions Audited
Balance at the beginning of the period	1,378.9	1,293.2	1,293.2
Issued during the period	102.4	-	84.7
Exchanged during the period	(54.8)	-	-
Matured during the period	(39.1)	-	-
Bond issue costs capitalised during the period	(1.2)	-	(1.0)
Bond issue costs amortised during the period	1.1	1.0	2.0
Balance at the end of the period	1,387.3	1,294.2	1,378.9
Current	93.4	93.7	93.8
Non-current fixed coupon	940.1	846.9	931.4
Non-current variable coupon	121.9	121.7	121.8
Non-current perpetual variable coupon	231.9	231.9	231.9
Balance at the end of the period	1,387.3	1,294.2	1,378.9
<i>Repayment terms and interest rates:</i>			
IFT220 maturing in June 2021, 4.90% p.a. fixed coupon rate	-	93.9	93.9
IFT190 maturing in June 2022, 6.85% p.a. fixed coupon rate	93.7	93.7	93.7
IFT240 maturing in December 2022, 5.65% p.a. fixed coupon rate	100.0	100.0	100.0
IFT210 maturing in September 2023, 5.25% p.a. fixed coupon rate	122.1	122.1	122.1
IFT230 maturing in June 2024, 5.50% p.a. fixed coupon rate	56.1	56.1	56.1
IFT260 maturing in December 2024, 4.75% p.a. fixed coupon rate	100.0	100.0	100.0
IFT250 maturing in June 2025, 6.15% p.a. fixed coupon rate	43.4	43.4	43.4
IFT300 maturing in March 2026, 3.35% p.a. fixed coupon rate	120.3	37.0	120.3
IFT280 maturing in December 2026, 3.35% p.a. fixed coupon rate	156.3	156.3	156.3
IFT270 maturing in December 2028, 4.85% p.a. fixed coupon rate until 15 December 2023	146.2	146.2	146.2
IFT310 maturing in December 2027, 3.60% p.a. fixed coupon rate	102.4	-	-
IFTHC maturing in December 2029, 2.75% p.a. variable coupon rate	123.2	123.2	123.2
IFTHA Perpetual Infratil infrastructure bonds	231.9	231.9	231.9
less: issue costs capitalised and amortised over term	(9.6)	(9.6)	(9.5)
add: issue premium capitalised and amortised over term	1.3	-	1.3
Balance at the end of the period	1,387.3	1,294.2	1,378.9

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.

IFTHC bonds

The IFTHC bonds the Company has on issue are at a face value of \$1.00 per bond. Interest is payable quarterly on the bonds. For the period to 15 December 2021 the coupon is fixed at 2.75% per annum (for the period to 15 December 2020 the coupon was 3.50%). Thereafter the rate will be reset annually at 2.50% per annum over the then one year swap rate for quarterly payments.

IFT270 bonds

The interest rate of the IFT270 bonds is fixed for the first five years and then will reset on 15 December 2023 for a further five years. The interest rate for the IFT270 bonds for the period from (but excluding) 15 December 2023 until the maturity date will be the sum of the five year swap rate on 15 December 2023 plus a margin of 2.50% per annum.

Perpetual Infratil infrastructure bonds ('PIIBs')

The Company has 231,916,000 (30 September 2020: 231,916,000, 31 March 2021: 231,916,000) PIIBs on issue at a face value of \$1.00 per bond. Interest is payable quarterly on the bonds. On 15 November 2020 the coupon was set at 1.71% per annum until the next reset date, being 15 November 2021 (September 2020: 2.67%, March 2021: 1.71%). Thereafter the rate will be reset annually at 1.50% per annum over the then one year swap rate for quarterly payments, 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 2020: nil, March 2021: nil) were repurchased by Infratil Limited during the period.

Throughout the period the Company complied with all debt covenants relating to its bonds on issue.

At 30 September 2021 Infratil Infrastructure bonds (including PIIBs) had a fair value of \$1,378.3 million (30 September 2020: \$1,250.2 million, 31 March 2021: \$1,336.5 million).

14 Financial instruments

14.1 Fair values

Financial assets and financial liabilities are measured at their fair value, with the exception of bond debt and senior notes which are measured at amortised cost. The bond debt and senior notes have a fair value at 30 September 2021 of \$2,438.5 million (30 September 2020: \$2,355.1 million, 31 March 2021: \$2,382.7 million) compared to an amortised cost value of \$2,456.0 million (30 September 2020: \$2,328.4 million, 31 March 2021: \$2,397.6 million).

14.2 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 in 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 3.3% to 3.5% (30 September 2020: 3.3% to 3.5%, 31 March 2021: 3.1% to 3.8%)

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.

14.3 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.

	Level 1 \$Millions Unaudited	Level 2 \$Millions Unaudited	Level 3 \$Millions Unaudited	Total \$Millions Unaudited
30 September 2021				
Assets per the statement of financial position				
Derivative financial instruments – energy	-	-	40.9	40.9
Derivative financial instruments – cross currency interest rate swaps	-	9.6	-	9.6
Derivative financial instruments – foreign exchange	-	-	-	-
Derivative financial instruments – interest rate	-	14.0	-	14.0
Total	-	23.6	40.9	64.5
Liabilities per the statement of financial position				
Derivative financial instruments – energy	-	-	9.7	9.7
Derivative financial instruments – cross currency interest rate swaps	-	-	-	-
Derivative financial instruments – foreign exchange	-	0.2	-	0.2
Derivative financial instruments – interest rate	-	21.7	-	21.7
Total	-	21.9	9.7	31.6
30 September 2020				
Assets per the statement of financial position				
Derivative financial instruments – energy	-	2.0	155.3	157.3
Derivative financial instruments – cross currency interest rate swaps	-	21.2	-	21.2
Derivative financial instruments – foreign exchange	-	0.1	-	0.1
Derivative financial instruments – interest rate	-	17.0	-	17.0
Total	-	40.3	155.3	195.6
Liabilities per the statement of financial position				
Derivative financial instruments – energy	-	-	91.1	91.1
Derivative financial instruments – cross currency interest rate swaps	-	-	-	-
Derivative financial instruments – foreign exchange	-	-	-	-
Derivative financial instruments – interest rate	-	130.1	1.1	131.2
Total	-	130.1	92.2	222.3

31 March 2021	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	-	-	145.6	145.6
Derivative financial instruments – cross currency interest rate swaps	-	7.1	-	7.1
Derivative financial instruments – foreign exchange	-	0.2	-	0.2
Derivative financial instruments – interest rate	-	15.3	-	15.3
Total	-	22.6	145.6	168.2
Liabilities per the statement of financial position				
Derivative financial instruments – energy	-	-	121.7	121.7
Derivative financial instruments – cross currency interest rate swaps	-	-	-	-
Derivative financial instruments – foreign exchange	-	0.2	-	0.2
Derivative financial instruments – interest rate	-	34.2	-	34.2
Total	-	34.4	121.7	156.1

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 2021 (30 September 2020: none, 31 March 2021: none).

14.4 Energy derivatives

Energy Price Risk is the risk that financial performance will be impacted by fluctuations in spot energy prices. The Group meets its energy sales demand by purchasing energy on spot markets, physical deliveries and financial derivative contracts. This exposes the Group to fluctuations in the spot and forward price of energy. The Group has entered into a number of energy hedge contracts to reduce the energy price risk from price fluctuations. These hedge contracts establish the price at which future specified quantities of energy are purchased and settled. Any resulting differential to be paid or received is recognised as a component of energy costs through the term of the contract. The Group has elected to apply cash flow hedge accounting to those instruments it deems material and which qualify as cash flow hedges.

Disclosures at 30 September 2021 exclude amounts relating to Tilt Renewables as it is an asset held for sale.

Energy price sensitivity analysis

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:

	6 months ended 30 September 2021 \$Millions Unaudited	6 months ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
Profit and loss			
10% increase in energy forward prices	(0.6)	(4.7)	(7.3)
10% decrease in energy forward prices	0.6	4.7	7.5
Other comprehensive income			
10% increase in energy forward prices	(9.7)	(59.4)	(12.3)
10% decrease in energy forward prices	9.7	56.1	14.2

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 2021 \$Millions Unaudited	6 months ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
Assets per the statement of financial position			
Opening balance	145.6	32.6	32.6
Foreign exchange movement on opening balance	-	1.1	4.1
Acquired as part of business combination	-	-	-
Gains and (losses) recognised in profit or loss	9.2	(21.9)	341.9
Gains and (losses) recognised in other comprehensive income	(113.9)	143.5	-
Transfer to assets held for sale	-	-	(233.0)
Closing balance	40.9	155.3	145.6
Total gains or (losses) for the period included in profit or loss for assets held at the end of the reporting period	(58.4)	61.1	131.5
Liabilities per the statement of financial position			
Opening balance	121.7	14.9	14.9
Foreign exchange movement on opening balance	-	1.0	1.0
Acquired as part of business combination	-	-	-
(Gains) and losses recognised in profit or loss	(111.8)	(13.8)	134.7
(Gains) and losses recognised in other comprehensive income	(0.2)	89.0	-
Transfer to liabilities held for sale	-	-	(28.9)
Closing balance	9.7	91.1	121.7
Total gains or (losses) for the period included in profit or loss for liabilities held at the end of the reporting period	(13.5)	(30.3)	92.2
Settlements during the period	(17.6)	(3.8)	(18.8)

15 Reconciliation of net surplus with cash flow from operating activities

	6 months ended 30 September 2021 \$Millions Unaudited	6 months ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
Net surplus for the period	1,130.3	57.0	(16.0)
<i>Items classified as investing activity:</i>			
(Gain)/Loss on investment realisations, impairments and disposals of discontinued operations	(1,014.5)	0.8	(46.5)
Transaction costs payable relating to investing activities	2.8	-	-
<i>Items not involving cash flows:</i>			
Movement in financial derivatives taken to the profit or loss	(67.7)	8.7	4.1
Decrease in deferred tax liability excluding transfers to reserves	15.0	10.1	6.1
Changes in fair value of investment properties	(2.5)	(14.5)	(12.0)
Equity accounted earnings of associate net of distributions received	(82.5)	(67.1)	(109.0)
Depreciation	67.7	51.6	114.0
Movement in provision for bad debts	0.2	0.1	-
Amortisation of intangibles	7.9	5.6	13.2
Other	0.7	(6.1)	31.0
<i>Movements in working capital:</i>			
Change in receivables	64.4	(20.1)	(64.5)
Change in inventories	-	-	-
Change in trade payables	(27.6)	(0.8)	(1.3)
Change in accruals and other liabilities	(135.1)	(39.4)	208.4
Change in current and deferred taxation	23.5	(30.2)	(36.1)
Net cash flow from operating activities	(17.4)	(44.3)	91.4

16 Capital commitments

	30 September 2021 \$Millions Unaudited	30 September 2020 \$Millions Unaudited	31 March 2021 \$Millions Audited
Committed but not contracted for	46.2	3.6	-
Contracted but not provided for	38.5	198.2	51.3
Capital commitments	84.7	201.8	51.3

There were no individually material commitments as at 30 September 2021. As at 30 September 2020 capital commitments are primarily associated with the Dundonnell and Waipipi Wind Farms which total A\$159.7 million. See Note 6 for Infratil's commitments to Clearvision Ventures.

17 Related parties

Certain Infratil Directors have relevant interests in a number of companies with which Infratil has transactions in the normal course of business. A number of key management personnel are also Directors of Group subsidiary companies 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'). Mr Bogoevski was a director of Infratil until 31 March 2021 and is a director and Chief Executive Officer of MCO. Mr Boyes assumed the role of Infratil Chief Executive Officer from 1 April 2021. Entities associated with Mr Bogoevski and Mr Boyes also have a beneficial interest in MCO.

<i>Management and other fees paid by the Group (including associates) to MCIM, MCO or its related parties during the period were:</i>	Note	6 months ended 30 September 2021 \$Millions Unaudited	6 months ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
Management fees		27.9	19.6	45.7
International Portfolio incentive fee	18	131.4	57.7	223.1
Executive secondment and consulting		-	0.1	9.8
Directors' fees		0.9	1.0	1.8
Financial management, accounting, treasury, compliance and administrative services		0.8	0.8	1.6
Risk management reporting		-	0.3	-
Total management and other fees		161.0	79.5	282.0

The above table includes the accrual for the realised incentive fee in relation to discontinued operations in the period ended 30 September 2021 (30 September 2020: none, 31 March 2021: \$0.4 million).

At 30 September 2021 amounts owing to MCIM of \$6.0 million (excluding GST) are included in trade creditors (30 September 2020: \$3.3 million, 31 March 2021: \$4.5 million).

18 International Portfolio Incentive Fee

International Investments are eligible for International Portfolio incentive fees ('Incentive Fees') under the Management Agreement between MCIM and Infratil. The Agreement allows for incentives to be payable for performance in excess of a minimum hurdle of 12% per annum in three separate categories:

- Initial Incentive Fees;
- Annual Incentive Fees; and,
- Realised Incentive Fees.

To the extent that there are assets that meet these criterion, independent valuations are performed on the respective International Investments to determine whether any Incentive Fees are payable.

International Portfolio Initial Incentive Fee

International Investments become eligible for the Initial Incentive Fee assessment on the third balance date (31 March) that they have been held continuously by the Company. All International Investments that are acquired in any one financial year are grouped together for the purposes of the Initial Incentive Fee, and an Initial Incentive Fee is payable at 20% of the outperformance of those assets against a benchmark of 12% per annum after tax, compounding.

International Portfolio Annual Incentive Fee

Thereafter International Investments are grouped together, and an Annual Incentive Fee is payable at 20% of the outperformance of those assets against the higher of, a benchmark of 12% per annum after tax, relative to the most recent 31 March valuation, or cost.

The Company's investments in CDC Data Centres, Longroad Energy and RetireAustralia are eligible for the International Portfolio Annual Incentive fee assessment as at 31 March 2022 (31 March 2021: CDC Data Centres, Longroad Energy, RetireAustralia, Tilt Renewables and ASIP).

As at 30 September 2021, it is probable that Infratil will have an International Portfolio Annual Incentive Fee (for the year to 31 March 2022) due to MCIM based on the performance of the above portfolio of assets, and as a result an amount of \$9.3 million has been provided for as at 30 September 2021 (30 September 2020: \$57.7 million, 31 March 2021: \$223.1 million).

International Portfolio Realised Incentive Fee

Realised Incentive Fees are payable on the realised gains from the sale or other realisation of International Investments at 20% of the outperformance (since the last valuation date) against the higher of, a benchmark of 12% p.a. after tax, relative to the most recent 31 March valuation, or cost. A Realised Incentive Fee of \$122.1 million in relation to the sale of Tilt Renewables is expected to be payable at 31 March 2022 (30 September 2020: nil, 31 March 2021: nil).

	6 months ended 30 September 2021 \$Millions Unaudited	6 months ended 30 September 2020 \$Millions Unaudited	Year ended 31 March 2021 \$Millions Audited
<i>International Portfolio Incentive Fees</i>			
ASIP	(0.7)	-	1.6
CDC Data Centres	3.5	43.5	140.2
Longroad Energy	4.5	-	(8.0)
RetireAustralia	2.0	(2.5)	3.2
Tilt Renewables	122.1	16.7	86.1
	131.4	57.7	223.1

All Incentive Fees accrued at 30 September 2021 relate to the Annual and Realised Incentive Fee assessment.

Payment of Annual Incentive Fees

Any Annual Incentive Fee calculated in respect of a Financial Year is earned and paid in three annual instalments, with the second and third instalments only being earned and payable if, at each relevant assessment date, the fair value of the relevant assets (including distributions, if any) exceeds or is equal to the fair value as at the date for which the Incentive Fee was first calculated.

19 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.

Shareholder support for Wellington International Airport

On 20 May 2020 Infratil and Wellington City Council entered into a shareholder support agreement with Wellington International Airport to enable the airport to access to up to \$75.0 million of additional funding by way of non-participating redeemable preference shares, if required. Infratil's contribution to this funding is proportional to its 66% ownership interest.

Shareholder support for RetireAustralia

On 12 May 2020 Infratil and consortium partner the New Zealand Superannuation Fund entered into a shareholder support agreement with RetireAustralia to enable RetireAustralia to access to up to A\$20.0 million of additional equity funding, if required. Infratil's contribution to this funding is proportional to its 50% ownership interest.

20 Events after balance date

Acquisition of Auckland Radiology Group

On 4 October 2021 Infratil and Pacific Radiology executed an agreement to partner with Auckland Radiology Group. Following the acquisition Infratil will own at least 50.1% of the combined entity which owns both Pacific Radiology and Auckland Radiology Group. The transaction was completed on 30 October 2021 and involved an equity contribution from Infratil of \$62.7 million.

Dividend

On 11 November 2021, the Directors approved a partially imputed interim dividend of 6.50 cents per share to holders of fully paid ordinary shares to be paid on 23 December 2021.

Independent Review Report

To the shareholders of Infratil Limited

Report on the condensed consolidated half year financial statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated half year financial statements on pages 2 to 40 do not:

- i. present fairly in all material respects the Group's financial position as at 30 September 2021 and its financial performance and cash flows for the six-month period ended on that date; and
- ii. comply with NZ IAS 34 Interim Financial Reporting.

We have completed a review of the accompanying condensed consolidated half year financial statements which comprise:

- the consolidated statement of financial position as at 30 September 2021;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for conclusion

A review of condensed consolidated half year financial statements in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410") is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

As the auditor of Infratil Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

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



Use of this Independent Review Report

This report is made solely to the shareholders as a body. Our review work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the Independent Review Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our review work, this report, or any of the opinions we have formed.



Responsibilities of the Directors for the condensed consolidated half year financial statements

The Directors, on behalf of the group, are responsible for:

- the preparation and fair presentation of the condensed consolidated half year financial statements in accordance with NZ IAS 34 Interim Financial Reporting;
- implementing necessary internal control to enable the preparation of condensed consolidated half year financial statements that are fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the review of the condensed consolidated half year financial statements

Our responsibility is to express a conclusion on the condensed consolidated half year financial statements based on our review. We conducted our review in accordance with NZ SRE 2410. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated half year financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 Interim Financial Reporting.

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 these condensed consolidated half year financial statements.

This description forms part of our Independent Review Report.



KPMG
Wellington

11 November 2021

Directory

Directors

Mark Tume (Chairman)
Jason Boyes
Alison Gerry
Paul Gough
Kirsty Mactaggart
Catherine Savage
Peter Springford

Company Secretary

Nick Lough

Registered Office - New Zealand

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

Registered Office - Australia

C/- H.R.L. Morrison & Co Private Markets Pty Ltd
Level 31
60 Martin Place
Sydney NSW 2000
Telephone: +64 4 473 3663

Manager

Morrison & Co Infrastructure Management Limited
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 30, PwC Tower
15 Customs Street West
PO Box 91976
Auckland
Telephone: +64 9 375 5998
Email: enquiries@linkmarketservices.co.nz
Internet address: www.linkmarketservices.co.nz

Share Registrar - Australia

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

Auditor

KPMG
10 Customhouse Quay
PO Box 996
Wellington