

INFRATIL LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2016

	Notes	6 months ended 30 September 2016  Unaudited \$000	6 months ended 30 September 2015  Unaudited \$000	Year Ended 31 March 2016  Audited \$000
Subvention Income		-	22,000	22,000
Operating Revenue		18,702	12,841	31,396
<b>Total revenue</b>		<b>18,702</b>	<b>34,841</b>	<b>53,396</b>
Directors' fees		331	344	665
Other operating expenses		14,283	13,672	31,456
<b>Total operating expenditure</b>	4	<b>14,614</b>	<b>14,016</b>	<b>32,121</b>
<b>Operating profit before derivatives, realisations and impairments</b>		<b>4,088</b>	<b>20,825</b>	<b>21,275</b>
Net (loss)/gain on foreign exchange & financial derivatives		798	(2,388)	(3,444)
Net investment realisations and (impairments)		7	-	450
<b>Results from operating activities</b>		<b>4,893</b>	<b>18,437</b>	<b>18,281</b>
Financial income		30,084	35,037	60,108
Financial expenses		(35,245)	(37,867)	(75,220)
<b>Net financing expense</b>		<b>(5,161)</b>	<b>(2,830)</b>	<b>(15,112)</b>
<b>Surplus/(loss) before taxation</b>		<b>(268)</b>	<b>15,607</b>	<b>3,169</b>
Taxation (expense)/credit	6	(86)	1,715	(8,476)
<b>Net surplus/(loss) for the period</b>		<b>(354)</b>	<b>17,323</b>	<b>(5,307)</b>
<b>Other comprehensive income after tax</b>				
Fair value movements in relation to executive share scheme		-	-	(88)
<b>Other comprehensive income for the period net of income tax</b>		<b>-</b>	<b>-</b>	<b>(88)</b>
<b>Total comprehensive income for the period</b>		<b>(354)</b>	<b>17,323</b>	<b>(5,395)</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2016**  
Unaudited

6 months ended 30 September 2016	Capital \$000	Other reserves \$000	Retained earnings \$000	Total \$000
Balance as at 1 April 2016	363,433	533	80,160	444,126
<b>Total comprehensive income for the period</b>				
Net surplus for the period	-	-	(354)	(354)
<b>Other comprehensive income after tax</b>				
Fair value movements in relation to executive share scheme	-	-	-	-
Total other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	(354)	(354)
<b>Contributions by and distributions to owners</b>				
Conversion of executive redeemable shares	-	-	-	-
Dividends to equity holders 3	-	-	(50,608)	(50,608)
Total contributions by and distributions to owners	-	-	(50,608)	(50,608)
	363,433	533	29,198	393,164
<b>Balance at 30 September 2016</b>	363,433	533	29,198	393,164

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE period ENDED 30 September 2015**  
Unaudited

Balance as at 1 April 2015	362,387	621	195,878	558,886
<b>Total comprehensive income for the period</b>				
Net surplus for the period	-	-	17,323	17,323
<b>Other comprehensive income after tax</b>				
Fair value movements in relation to executive share scheme	-	-	-	-
Total other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	17,323	17,323
<b>Contributions by and distributions to owners</b>				
Conversion of executive redeemable shares	-	-	-	-
Dividends to equity holders 3	-	-	(80,910)	(80,910)
Total contributions by and distributions to owners	-	-	(80,910)	(80,910)
	362,387	621	132,291	495,299
<b>Balance at 30 September 2015</b>	362,387	621	132,291	495,299

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2016**  
Audited

Balance as at 1 April 2015	362,387	621	195,878	558,886
<b>Total comprehensive income for the year</b>				
Net surplus for the year	-	-	(5,307)	(5,307)
<b>Other comprehensive income after tax</b>				
Fair value movements in relation to executive share scheme	-	(88)	-	(88)
Total other comprehensive income	-	(88)	-	(88)
<b>Total comprehensive income for the year</b>	-	(88)	(5,307)	(5,395)
<b>Contributions by and distributions to owners</b>				
Conversion of executive redeemable shares	1,046	-	-	1,046
Dividends to equity holders 3	-	-	(110,411)	(110,411)
Total contributions by and distributions to owners	1,046	-	(110,411)	(109,365)
	363,433	533	80,160	444,126
<b>Balance at 31 March 2016</b>	363,433	533	80,160	444,126

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2016**

	Notes	6 months ended 30 September 2016 Unaudited \$000	6 months ended 30 September 2015 Unaudited \$000	Year Ended 31 March 2016 Audited \$000
Cash and cash equivalents		-	-	-
Prepayments and sundry receivables		932	1,248	787
Income tax receivable		521	3,789	521
Advances to subsidiary companies	12	971,117	1,300,282	1,225,004
<b>Current assets</b>		<b>972,570</b>	<b>1,305,319</b>	<b>1,226,312</b>
Deferred tax		18,606	22,244	16,589
Investments	12	585,529	337,528	337,528
<b>Non current assets</b>		<b>604,135</b>	<b>359,772</b>	<b>354,117</b>
<b>Total assets</b>		<b>1,576,705</b>	<b>1,665,091</b>	<b>1,580,429</b>
Bond interest payable		6,653	8,242	6,718
Accounts payable		73	2,402	2,475
Accrual and other liabilities		2,105	629	668
Infrastructure Bonds	7	66,146	152,836	100,000
Loans from group companies	12	153,897	153,897	153,897
<b>Total current liabilities</b>		<b>228,874</b>	<b>318,006</b>	<b>263,758</b>
Infrastructure Bonds	7	700,217	596,933	616,863
Perpetual Infratil Infrastructure bonds	7	232,473	233,136	232,908
Derivative financial instruments	8	21,977	21,718	22,774
<b>Non current liabilities</b>		<b>954,667</b>	<b>851,787</b>	<b>872,545</b>
Attributable to shareholders of the Company		393,164	495,299	444,126
<b>Total equity</b>		<b>393,164</b>	<b>495,299</b>	<b>444,126</b>
<b>Total equity and liabilities</b>		<b>1,576,705</b>	<b>1,665,091</b>	<b>1,580,429</b>

Approved on behalf of the Board on 10 November 2016



Director



Director

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2016**

	Notes	6 months ended 30 September 2016  Unaudited \$000	6 months ended 30 September 2015  Unaudited \$000	Year Ended 31 March 2016  Audited \$000
<b>Cash flows from operating activities</b>				
<i>Cash was provided from:</i>				
Dividends received from subsidiary companies		-	-	-
Subvention receipt		-	22,000	22,000
Interest received		30,084	35,037	60,108
Taxation received		-	5,438	5,570
Operating revenue receipts		18,703	12,842	31,717
		<b>48,787</b>	<b>75,317</b>	<b>119,395</b>
<i>Cash was dispersed to:</i>				
Interest paid		(33,786)	(37,669)	(74,430)
Payments to suppliers		(15,840)	(12,944)	(31,957)
Taxation (paid) / refunded		(2,268)	(3,741)	(5,003)
		<b>(51,894)</b>	<b>(54,354)</b>	<b>(111,390)</b>
<b>Net cash flows from operating activities</b>	<b>9</b>	<b>(3,107)</b>	<b>20,963</b>	<b>8,005</b>
<b>Cash flows from investing activities</b>				
<i>Cash was provided from:</i>				
Net movement in subsidiary company loan		253,887	59,950	135,149
		<b>253,887</b>	<b>59,950</b>	<b>135,149</b>
<i>Cash was dispersed to:</i>				
Acquisition of shares in subsidiary		(247,994)	-	-
Cash outflow for group company loan		-	-	-
		<b>(247,994)</b>	<b>-</b>	<b>-</b>
<b>Net cash flows from investing activities</b>		<b>5,893</b>	<b>59,950</b>	<b>135,149</b>
<b>Cash flows from financing activities</b>				
<i>Cash was provided from:</i>				
Proceeds from issue of shares		5	-	1,042
Issue of bonds		150,000	-	122,104
		<b>150,005</b>	<b>-</b>	<b>123,146</b>
<i>Cash was dispersed to:</i>				
Repayment of bonds		(100,000)	-	(153,837)
Infrastructure bond issue expenses		(2,183)	(7)	(2,056)
Dividends paid	<b>3</b>	(50,608)	(80,910)	(110,411)
		<b>(152,791)</b>	<b>(80,917)</b>	<b>(266,304)</b>
<b>Net cash flows from financing activities</b>		<b>(2,786)</b>	<b>(80,917)</b>	<b>(143,158)</b>
Net cash movement		-	(4)	(4)
Cash balances at beginning of period		-	4	4
<b>Cash balances at period end</b>		<b>-</b>	<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2016**

**(1) Accounting policies**

**Basis of preparation**

Infratil Limited ('the Company') is a company domiciled in New Zealand and registered under the Companies Act 1993. The Company is listed on the NZX Main Board ('NZX') and Australian Securities Exchange ('ASX'), and is an FMC Reporting Entity in terms of Part 7 of the Financial Markets Conduct Act 2013. These unaudited condensed consolidated half year financial statements ('half year statements') of Infratil Limited have been prepared in accordance with NZ IAS 34 Interim Financial Reporting and comply with IAS 34 Interim Financial Reporting. The half year statements for the six months to 30 September 2016 have been prepared in accordance with the accounting policies stated in the published financial statements for the year ended 31 March 2016 and should be read in conjunction with the previous annual report. No changes have been made from the accounting policies used in the most recent annual report which can be obtained from Infratil's registered office or [www.infratil.com](http://www.infratil.com).

The presentation currency used in the preparation of these financial statements is New Zealand dollars, which is also the Group's functional currency. Comparative figures have been restated where appropriate to ensure consistency with the current period.

New standards and amendments to standards came into effect for interim periods ending on 30 September 2016. None of these has had a material effect on the financial statements of the Company.

**(2) Nature of business**

The Company is the parent company of the Infratil Group which owns infrastructure & utility businesses and investments in New Zealand and Australia. The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 5 Market Lane, Wellington, New Zealand.

**(3) Infratil shares**

	6 months ended 30 September 2016 Unaudited	6 months ended 30 September 2015 Unaudited	Year Ended 31 March 2016 Audited
Total issued capital at the beginning of the period	562,325,645	561,875,237	561,875,237
<i>Movements in issued and fully paid ordinary shares during the period:</i>			
Share buyback (held as treasury stock)	-	-	-
Treasury Stock reissued under dividend reinvestment plan	-	-	-
Conversion of executive redeemable shares	-	-	450,408
Total issued capital at the end of the period	562,325,645	561,875,237	562,325,645

All fully paid ordinary shares have equal voting rights and share equally in dividends and equity. At 30 September 2016 the Company held 4,500,000 shares as Treasury Stock (30 September 2015: 4,500,000, 31 March 2016: 4,500,000).

**Dividends paid on ordinary shares**

	6 months ended 30 September 2016 Unaudited cps	6 months ended 30 September 2015 Unaudited cps	Year Ended 31 March 2016 Audited cps	6 months ended 30 September 2016 Unaudited \$000	6 months ended 30 September 2015 Unaudited \$000	Year Ended 31 March 2016 Audited \$000
<i>Dividends declared and paid by the Company for the period were as follows:</i>						
Final dividend prior year	9.00	8.00	8.00	50,608	44,950	44,954
Interim dividend paid	-	-	5.25	-	-	29,497
Special dividend paid	-	6.40	6.40	-	35,960	35,960
	9.00	14.40	19.65	50,608	80,910	110,411

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2016**

**(4) Other operating expenses**

		6 months ended 30 September 2016	6 months ended 30 September 2015	Year Ended 31 March 2016
				Audited
Fees paid to the Company auditor		95	106	174
Directors' fees	12	331	344	665
Administration and other corporate costs		3,439	3,542	11,175
Management fee (to related party Morrison & Co Infrastructure Management)	12	10,749	10,024	20,107
<b>Total other operating expenses</b>		<b>14,614</b>	<b>14,016</b>	<b>32,121</b>

		6 months ended 30 September 2016 Unaudited \$000	6 months ended 30 September 2015 Unaudited \$000	Year Ended 31 March 2016 Audited \$000
<i>Fees paid to the Company auditor</i>				
Audit and review of financial statements		95	102	170
Taxation services		-	4	-
<b>Total fees paid to the Company auditor</b>		<b>95</b>	<b>106</b>	<b>170</b>

The audit fee includes the fees for both the annual audit of the financial statements and the review of the interim financial statements. Other assurance services comprise of agreed upon procedures, audit of compliance reports and verification of incentive fee paid. Tax services relate to tax compliance work.

**(5) Net investment realisations and (impairments)**

At 30 September 2016 the Company reviewed the carrying amounts of loans to Infratil Group companies to determine whether there is any indication that those assets have suffered an impairment loss. The recoverable amount of the asset was estimated by reference to the counterparties' net asset position and ability to repay loans out of operating cash flows in order to determine the extent of any impairment loss. As a result the Company did not impair any loans to Infratil Group companies in 2016 (September 2015: nil, March 2016: nil).

**(6) Taxation**

	6 months ended 30 September 2016 Unaudited \$000	6 months ended 30 September 2015 Unaudited \$000	Year Ended 31 March 2016 Audited \$000
<b>(Loss)/surplus before taxation</b>	<b>(268)</b>	<b>15,607</b>	<b>3,169</b>
Taxation on the (loss)/surplus for the period @ 28% tax rate	(75)	4,370	887
<i>Plus/(less) taxation adjustments:</i>			
Impairment of investments/realisations	-	-	(126)
Subvention payment	-	-	(6,160)
Loss offset to/(from) group company	-	(6,160)	-
(Under)/over provision in prior periods	-	1	12,966
Other permanent differences	161	73	909
<b>Taxation expense/(credit)</b>	<b>86</b>	<b>(1,715)</b>	<b>8,476</b>
Current taxation	-	(2,192)	5,004
Deferred taxation	86	477	3,472
	<b>86</b>	<b>(1,715)</b>	<b>8,476</b>

There was no income tax recognised in other comprehensive income during the period (30 September 2015: nil, 31 March 2016: nil)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2016**

**(7) Infrastructure Bonds**

	6 months ended 30 September 2016 Unaudited \$000	6 months ended 30 September 2015 Unaudited \$000	Year Ended 31 March 2016  Audited \$000
Balance at the beginning of the period	949,771	981,897	981,897
Issued during the period	150,000	-	122,104
Exchanged during the period	(49,517)	-	(21,514)
Matured during the period	(50,483)	-	(131,322)
Purchased by Infratil during the period	-	-	(1,452)
Bond issue costs capitalised during the period	(2,182)	-	(2,056)
Bond issue costs amortised during the period	1,247	1,007	2,114
<b>Balance at the end of the period</b>	<b>998,836</b>	<b>982,904</b>	<b>949,771</b>
Current	66,146	152,836	100,000
Non current fixed coupon	700,217	596,932	616,863
Non current perpetual variable coupon	232,473	233,136	232,908
<b>Balance at the end of the period</b>	<b>998,836</b>	<b>982,904</b>	<b>949,771</b>
<i>Repayment terms and interest rates:</i>			
IFT070 Maturing in November 2015, 8.50% p.a. fixed coupon rate	-	152,836	-
IFT150 Maturing in June 2016, 8.50% p.a. fixed coupon rate	-	100,000	100,000
IFT160 Maturing in June 2017, 8.50% p.a. fixed coupon rate	66,285	66,285	66,285
IFT170 Maturing in November 2017, 8.00% p.a. fixed coupon rate	81,112	81,112	81,112
IFT180 Maturing in November 2018, 6.85% p.a. fixed coupon rate	111,418	111,418	111,418
IFT200 Maturing in November 2019, 6.75% p.a. fixed coupon rate	68,500	68,500	68,500
IFT090 Maturing in February 2020, 8.50% p.a. fixed coupon rate	80,498	80,498	80,498
IFT190 Maturing in June 2022, 6.85% p.a. fixed coupon rate	93,696	93,696	93,696
IFT 210 Maturing in September 2023, 5.25% p.a. fixed coupon rate	122,104	-	122,104
IFT 220 Maturing in June 2021, 4.90% per annum	93,883	-	-
IFT 230 Maturing in June 2024, 5.50% per annum fixed coupon rate	56,117	-	-
IFTHA Perpetual Infratil infrastructure bonds	233,406	234,857	233,406
less: Bond issue costs capitalised and amortised over term	(8,183)	(6,296)	(7,248)
<b>Balance at the end of the period</b>	<b>998,836</b>	<b>982,904</b>	<b>949,771</b>

**Fixed coupon**

The fixed coupon bonds the Company has on issue are at a face value of \$1.00 per bond. Interest is payable quarterly on the bonds. 25 days prior to the maturity date of the IFT090 and IFT160 series, Infratil can elect to redeem those infrastructure bonds at their \$1.00 face value payable in cash, or convert all the infrastructure bonds in the relevant series by issuing the number of shares equivalent to 98% of the face value of the bonds multiplied by the market price of the shares. The market price is the average price weighted by volume of all trades of ordinary shares over the 10 business days up to the fifth business day before the maturity date.

**Perpetual Infratil infrastructure bonds ('PIIBs')**

The Company has 233,405,600 (30 September 2015: 234,857,200, 31 March 2016: 233,405,600) PIIBs on issue at a face value of \$1.00 per bond. Interest is payable quarterly on the bonds. For the period to 15 November 2016 the coupon is fixed at 4.26% per annum (September 2015: 5.26%, March 2016: 4.26%). Thereafter the rate will be reset annually at 1.5% per annum over the then one year bank rate (quarterly), unless Infratil's gearing ratio exceeds certain thresholds, in which case the margin increases. These infrastructure bonds have no fixed maturity date. No PIIBs (September 2015: nil, March 2016: nil) were repurchased by Infratil Limited during the period.

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

At 30 September 2016 the Infrastructure bonds (including PIIBs) had a fair value of \$968.9 million (30 September 2015: \$967.1 million, 31 March 2016: \$924.6 million).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2016**

**(8) Financial instruments**

**Risk Management**

**Interest rates**

Interest rate risk is the risk of interest rate volatility negatively affecting the Company's interest expense cash flow and earnings. The Company mitigates this risk by issuing borrowings at fixed interest rates or entering into Interest Rate Swaps to convert floating rate exposures to fixed rate exposure. Borrowings issued at fixed rates expose the Company to fair value interest rate risk which is managed by the interest rate profile and hedging.

- 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 Company has interest rate swap derivatives that are classified as Level 2 and have a fair value liability of \$22.0 million at 30 September 2016 (30 September 2015: \$21.7 million, 31 March 2016:\$22.8m).

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

	6 months ended 30 September 2016 Unaudited \$000	6 months ended 30 September 2015 Unaudited \$000	Year Ended 31 March 2016 Audited \$000
Net surplus	(354)	17,323	(5,307)
<i>Less items classified as investing activity</i>			
Loss/(profit) on investment realisations and impairments	(7)	-	(450)
<i>Add items not involving cash flows</i>			
Movement in financial derivatives taken to the profit or loss	(798)	2,388	3,444
Other	1,246	1,010	2,115
<i>Movements in working capital</i>			
Change in receivables	(144)	5,438	5,891
Change in trade payables	(2,402)	253	326
Change in accruals and other liabilities	1,379	(2)	(1,487)
Change in taxation and deferred tax	(2,027)	(5,447)	3,473
<b>Net cash inflow from operating activities</b>	<b>(3,107)</b>	<b>20,963</b>	<b>8,005</b>

**(10) Commitments**

There are no outstanding commitments (30 September 2015: nil, 31 March 2016: nil).

**(11) Contingent liabilities**

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

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2016**

**(12) 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'). M Bogoievski is a director of Infratil and is also a director and Chief Executive Officer of MCO. D Saville (retired 24 August 2016) was a director of Infratil, and A Muh (stepped down from 24 August 2016) was an alternate director of Infratil. Mr Muh is an executive director of MCO, and Mr Saville is a non-executive director of MCO. Entities associated with Mr Bogoievski, Mr Saville and Mr Muh also have beneficial interests in MCO.

The Company has the following significant loans and investments to/(from)/in its subsidiaries:

Related Party	Interest income/(expense)			Intercompany (loan)/advance/investment at carrying value		
	6 months ended 30 September 2016 Unaudited \$000	6 months ended 30 September 2015 Unaudited \$000	Year Ended 31 March 2016 Audited \$000	6 months ended 30 September 2016 Unaudited \$000	6 months ended 30 September 2015 Unaudited \$000	Year Ended 31 March 2016 Audited \$000
<i>Advances</i>						
Infratil Finance	30,000	35,000	60,000	971,117	1,300,283	1,224,480
Aotea Energy Holdings Limited	-	-	-	(153,897)	(153,897)	(153,897)
<i>Investments in</i>						
Infratil Investments Limited				87,665	87,665	87,665
Infratil 1998 Limited				12,000	12,000	12,000
Infratil Finance Limited				153,897	153,897	153,897
Infratil No. 1 Limited				78,023	78,023	78,023
Infratil PPP Limited				5,942	5,942	5,942
Infratil No. 5 Limited				248,002	-	-

The significant investments of the Company and their activities are summarised below:

Subsidiaries	Holding 6 months ended 30 September 2016	Holding 6 months ended 30 September 2015	Holding Year Ended 31 March 2016	Principal activity	Country of incorporation
Infratil Finance Limited	100%	100%	100%	Finance	New Zealand
Swift Transport Limited	100%	100%	100%	Investment	New Zealand
Infratil Ventures Limited	100%	100%	100%	Investment	New Zealand
Infratil Infrastructure Property Limited	100%	100%	100%	Investment	New Zealand
NZ Airports Limited	100%	100%	100%	Investment	New Zealand
Infratil Energy Limited	100%	100%	100%	Investment	New Zealand
Infratil Investments Limited	100%	100%	100%	Investment	New Zealand
Infratil 1998 Limited	100%	100%	100%	Investment	New Zealand
Infratil Gas Limited	100%	100%	100%	Investment	New Zealand
Infratil RV Limited	100%	100%	100%	Investment	New Zealand
Infratil No 1 Limited	100%	100%	100%	Investment	New Zealand
Infratil Outdoor Media Limited	100%	100%	100%	Investment	New Zealand
Infratil No 5 Limited	100%	100%	100%	Investment	New Zealand
Infratil Australia Limited	100%	100%	100%	Investment	New Zealand
Infratil PPP Limited	100%	100%	100%	Investment	New Zealand
Infratil Ventures II Limited	100%	-	100%	Investment	New Zealand
Infratil 2016 Limited	100%	-	-	Investment	New Zealand

**(13) Segment analysis**

During the year, the Company operated in predominantly one business segment, that of investments.

*Geographical segments*

The Company operated in one geographical area, that of New Zealand. Certain subsidiaries of the Company invest in Australia.

**(14) Events after balance date**

**Dividend**

On 10 November 2016, the Directors approved a fully imputed interim dividend of 5.75 cents per share to holders of fully paid ordinary shares to be paid on 15 December 2016.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2016**

**Directory**

***Directors***

M Tume (Chairman)  
M Bogoievski  
A Gerry  
P Gough  
H J D Rolleston  
D P Saville (retired 24 August 2016)  
P Springford (appointed 11 October 2016, with effect from 1 November 2016)  
A Y Muh (alternate to D P Saville, and stepped down as an alternate from 24 August 2016)

***Company Secretary***

P Harford

***Registered Office - New Zealand***

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***Manager***

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***Auditor***

KPMG  
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10 Customhouse Quay  
PO Box 996  
Wellington

***Bankers***

Bank of New Zealand  
Level 4  
80 Queen Street  
Auckland

***Registered Office - Australia***

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# Independent review report

## To the shareholders of Infratil Limited

### Report on the Interim Financial Statements

We have completed a review of the interim financial statements of Infratil Limited (“the Company”) on pages 1 to 9 which comprise the statement of financial position as at 30 September 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the shareholders as a body. Our review work has been undertaken so that we might state to the Company’s 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 Company’s shareholders as a body, for our review work, this report or any of the conclusions we have formed.

#### Directors’ responsibilities

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

#### Our responsibilities

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

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

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on those financial statements.



Other than in our capacity as auditors we have no relationship with or interests in the Company.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that these interim financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 September 2016, and of its financial performance and its cash flows for the period ended on that date, in accordance with NZ IAS 34 *Interim Financial Reporting*.

A handwritten signature in blue ink, appearing to read 'KPMG', is written over a light blue, textured rectangular background.

10 November 2016  
Wellington