

INFRATIL LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2014

	Notes	Consolidated		
		6 months ended 30 September 2014	6 months ended 30 September 2013	Year ended 31 March 2014
		\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Operating revenue		839.4	772.6	1,514.9
Dividends		0.1	-	0.9
Total revenue		839.5	772.6	1,515.8
Share of earnings of associate companies	10	12.7	21.8	70.8
Total income		852.2	794.4	1,586.6
Depreciation		64.5	52.5	110.6
Amortisation of intangibles		7.6	7.8	15.6
Employee benefits		90.5	82.7	167.9
Other operating expenses	5	519.2	480.5	948.2
Total operating expenditure		681.8	623.5	1,242.3
Operating surplus before financing, derivatives, realisations and impairments		170.4	170.9	344.3
Net (loss)/gain on foreign exchange and derivatives		(4.7)	65.5	70.7
Net gain on Z Energy Limited IPO	10	-	182.5	182.5
Net realisations, revaluations and (impairments)		29.9	3.2	6.6
Interest income		1.8	2.5	5.0
Interest expense		94.2	93.6	185.1
Net financing expense		92.4	91.1	180.1
Net surplus before taxation		103.2	331.0	424.0
Taxation expense	7	21.8	32.3	58.8
Net surplus for the period from continuing operations		81.4	298.7	365.2
Net surplus/(loss) from discontinued operations after tax	4	367.0	(21.4)	(90.6)
Net surplus for the period		448.4	277.3	274.6
Net surplus attributable to owners of the Company		398.8	230.0	198.9
Net surplus attributable to non-controlling interest		49.6	47.3	75.7
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		3.3	(10.9)	(22.9)
Share of associates other comprehensive income		-	9.0	7.2
Fair value movements in relation to the executive share scheme		-	-	0.1
Income tax effect of the above items		-	-	4.1
Items that may subsequently be reclassified to profit and loss				
Differences arising on translation of foreign operations		7.4	(51.6)	(49.7)
Realisations on disposal of subsidiary, reclassified to profit and loss		6.7	40.5	80.1
Net change in fair value of available for sale financial assets		0.4	-	-
Ineffective portion of hedges taken to profit and loss		-	0.2	-
Effective portion of changes in fair value of cash flow hedges		(10.4)	8.8	30.2
Income tax effect of the above items		4.9	(14.7)	(32.8)
Total other comprehensive income after tax		12.3	(18.7)	16.3
Total comprehensive income for the period		460.7	258.6	290.9
Total comprehensive income for the period attributable to owners of the Company		410.1	216.2	223.9
Total comprehensive income for the period attributable to non-controlling interest		50.6	42.4	67.0
Earnings per share				
Basic (cents per share)		71.0	39.3	34.4
Diluted (cents per share)		71.0	39.3	34.4

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

	Notes	Consolidated		
		30 September 2014 \$Millions Unaudited	30 September 2013 \$Millions Unaudited	31 March 2014 \$Millions Audited
Cash and cash equivalents		832.1	237.5	144.2
Trade and other accounts receivable and prepayments		225.8	410.2	356.5
Derivative financial instruments		2.9	24.8	6.1
Inventories		3.9	6.2	9.9
Income tax receivable		12.1	7.5	10.1
Investment properties		-	29.2	15.6
Current assets		1,076.8	715.4	542.4
Trade and other accounts receivable and prepayments		9.8	11.6	9.7
Property, plant and equipment		4,195.4	4,104.8	4,175.6
Investment properties		61.7	54.8	60.0
Derivative financial instruments		2.5	13.1	16.0
Intangible assets		78.1	98.2	100.3
Goodwill		179.7	247.5	251.7
Investments in associates	10	293.5	258.8	292.2
Other investments		18.7	2.1	1.9
Non-current assets		4,839.4	4,790.9	4,907.4
Total assets		5,916.2	5,506.3	5,449.8
Accounts payable		155.7	208.1	196.1
Accruals and other liabilities		99.7	124.7	108.4
Interest bearing loans and borrowings	11	85.5	206.3	217.6
Derivative financial instruments		10.2	6.7	15.5
Income tax payable		0.3	15.3	11.0
Wellington International Airport bonds		-	99.9	-
Trustpower bonds		75.0	54.7	75.0
Total current liabilities		426.4	715.7	623.6
Interest bearing loans and borrowings	11	956.0	617.7	684.5
Other liabilities		13.0	7.3	19.2
Deferred tax liability		425.2	395.6	413.7
Derivative financial instruments		50.2	84.5	42.6
Infrastructure bonds	12	748.1	679.2	747.3
Perpetual Infratil Infrastructure bonds	12	232.8	232.4	232.6
Wellington International Airport bonds		273.8	199.3	273.7
Trustpower bonds		377.3	451.1	376.7
Non-current liabilities		3,076.4	2,667.1	2,790.3
Attributable to owners of the Company		1,490.0	1,192.2	1,119.3
Non-controlling interest in subsidiaries		923.4	931.3	916.6
Total equity		2,413.4	2,123.5	2,035.9
Total equity and liabilities		5,916.2	5,506.3	5,449.8
Net tangible assets per share (\$ per share)		2.19	1.44	1.37

Approved on behalf of the Board on 10 November 2014



Director



Director

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2014**

	Notes	Consolidated		
		6 months ended 30 September 2014 \$Millions Unaudited	6 months ended 30 September 2013 \$Millions Unaudited	Year ended 31 March 2014 \$Millions Audited
Cash flows from operating activities				
<i>Cash was provided from:</i>				
Receipts from customers		1,247.3	1,296.3	2,395.7
Distributions received from associates		12.0	100.9	107.4
Other dividends		-	-	0.8
Interest received		2.0	2.9	5.7
		1,261.3	1,400.1	2,509.6
<i>Cash was disbursed to:</i>				
Payments to suppliers and employees		(1,009.6)	(1,008.7)	(1,886.5)
Interest paid		(89.3)	(87.2)	(173.2)
Taxation paid		(40.2)	(29.6)	(42.7)
		(1,139.1)	(1,125.5)	(2,102.4)
Net cash inflow from operating activities	13	122.2	274.6	407.2
Cash flows from investing activities				
<i>Cash was provided from:</i>				
Proceeds from repayment of associate financing		-	179.8	179.8
Proceeds from sale of subsidiaries (net of cash sold)		702.5	-	-
Proceeds from sale of property, plant and equipment		19.8	9.5	26.1
Cash arising on obtaining control of subsidiaries		-	6.1	160.2
Return of security deposits		10.2	3.0	9.3
		732.5	198.4	375.4
<i>Cash was disbursed to:</i>				
Purchase of investments		(15.6)	-	(147.9)
Lodgement of security deposits		(10.6)	(3.8)	(11.0)
Purchase of intangible assets		(18.5)	(12.4)	(31.5)
Interest capitalised on construction of fixed assets		(2.4)	(7.3)	(15.5)
Capitalisation of customer acquisition costs		(3.7)	(17.9)	(19.9)
Purchase of property, plant and equipment		(138.9)	(220.3)	(407.4)
		(189.7)	(261.7)	(633.2)
Net cash inflow / (outflow) from investing activities		542.8	(63.3)	(257.8)
Cash flows from financing activities				
<i>Cash was provided from:</i>				
Proceeds from issue of shares		-	6.6	9.7
Proceeds from issue of shares to non-controlling shareholders		-	-	-
Bank borrowings		252.3	325.1	867.3
Issue of bonds		-	143.7	287.2
		252.3	475.4	1,164.2
<i>Cash was disbursed to:</i>				
Repayment of bank debt		(147.2)	(412.0)	(844.5)
Loan establishment costs		(2.5)	(6.0)	(9.9)
Repayment of bonds/Perpetual Infracore Infrastructure bonds buyback		-	(85.3)	(240.0)
Infrastructure bond issue expenses		(0.2)	(2.1)	(4.1)
Share buyback		-	-	(61.7)
Share buyback of non-wholly owned subsidiary		(0.6)	(1.9)	(7.1)
Dividends paid to non-controlling shareholders in subsidiary companies		(43.3)	(41.9)	(72.5)
Dividends paid to owners of the Company		(39.3)	(35.0)	(57.0)
		(233.1)	(584.2)	(1,296.8)
Net cash inflow / (outflow) from financing activities		19.2	(108.8)	(132.6)
Net increase in cash and cash equivalents		684.2	102.5	16.8
Foreign exchange gains / (losses) on cash and cash equivalents		3.7	(10.2)	(15.7)
Cash and cash equivalents at beginning of the period		144.2	144.3	144.3
Adjustment for cash reclassified to disposal group assets held for sale		-	0.9	(1.2)
Cash and cash equivalents at end of the period		832.1	237.5	144.2

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2014
Attributable to equity holders of the Company - Unaudited

Consolidated	Capital \$Millions	Revaluation reserve \$Millions	Foreign currency translation reserve \$Millions	Hedge/other reserve \$Millions	Retained earnings \$Millions	Total \$Millions	Non- controlling \$Millions	Total equity \$Millions
Balance as at 1 April 2014	369.3	540.1	(46.0)	9.5	246.4	1,119.3	916.6	2,035.9
Total comprehensive income for the period					398.8	398.8	49.6	448.4
Net surplus for the period	-	-	-	-	-	-	-	-
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	8.2	-	-	8.2	3.8	12.0
Realisations on disposal of subsidiary, reclassified to profit and loss	-	(9.2)	28.0	(12.6)	(1.6)	4.6	(0.6)	4.0
Net change in fair value of available for sale financial assets	-	-	-	0.4	-	0.4	-	0.4
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	(3.7)	-	(3.7)	(3.7)	(7.4)
Fair value movements in relation to the executive share scheme	-	-	-	-	-	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	-	1.7	-	-	-	1.7	1.6	3.3
Share of associates other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	(7.5)	36.2	(15.9)	(1.6)	11.2	1.1	12.3
Total comprehensive income for the period	-	(7.5)	36.2	(15.9)	397.2	410.0	50.7	460.7
Contributions by and distributions to non-controlling interest								
Minority interest arising on acquisition of subsidiary	-	-	-	-	-	-	-	-
Repurchase/acquisition of shares held by outside equity interest	-	-	-	-	-	-	(0.6)	(0.6)
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	(0.6)	(0.6)
Contributions by and distributions to owners								
Share buyback	-	-	-	-	-	-	-	-
Treasury Stock reissued under dividend reinvestment plan	-	-	-	-	-	-	-	-
Conversion of executive redeemable shares	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(39.3)	(39.3)	(43.3)	(82.6)
Total contributions by and distributions to owners	-	-	-	-	(39.3)	(39.3)	(43.3)	(82.6)
Balance as at 30 September 2014	369.3	532.6	(9.8)	(6.4)	604.3	1,490.0	923.4	2,413.4

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2013
Attributable to equity holders of the Company - Unaudited

Consolidated	Capital	Revaluation reserve	Foreign currency translation reserve	Hedge/other reserve	Retained earnings	Total	Non-controlling	Total equity
	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions
Balance as at 1 April 2013	421.3	551.7	(62.1)	(3.8)	97.3	1,004.4	931.1	1,935.5
Total comprehensive income for the period					230.0	230.0	47.3	277.3
Net surplus for the period								
Other comprehensive income, after tax								
Differences arising on translation of foreign operations			(47.6)			(47.6)	(4.6)	(52.2)
Realisations on disposal of subsidiary, reclassified to profit and loss			29.2			29.2		29.2
Net change in fair value of available for sale financial assets								
Ineffective portion of hedges taken to profit and loss				0.1		0.1	0.1	0.2
Effective portion of changes in fair value of cash flow hedges				2.7		2.7	3.3	6.0
Fair value movements in relation to the executive share scheme								
Net change in fair value of property, plant & equipment recognised in equity		(7.2)				(7.2)	(3.7)	(10.9)
Share of associates other comprehensive income					9.0	9.0		9.0
Total other comprehensive income		(7.2)	(18.4)	2.8	9.0	(13.8)	(4.9)	(18.7)
Total comprehensive income for the period		(7.2)	(18.4)	2.8	239.0	216.2	42.4	258.6
Contributions by and distributions to non-controlling interest								
Minority interest arising on acquisition of subsidiary							1.6	1.6
Repurchase/acquisition of shares held by outside equity interest							(1.9)	(1.9)
Total contributions by and distributions to non-controlling interest							(0.3)	(0.3)
Contributions by and distributions to owners								
Share buyback								
Treasury Stock reissued under dividend reinvestment plan	6.6					6.6		6.6
Conversion of executive redeemable shares								
Dividends to equity holders					(35.0)	(35.0)	(41.9)	(76.9)
Total contributions by and distributions to owners	6.6				(35.0)	(28.4)	(41.9)	(70.3)
Balance as at 30 September 2013	427.9	544.5	(80.5)	(1.0)	301.3	1,192.2	931.3	2,123.5

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014
Attributable to equity holders of the Company - Audited

Consolidated	Capital	Revaluation reserve	Foreign currency translation reserve	Hedge/other reserve	Retained earnings	Total	Non-controlling	Total equity
	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions
Balance as at 1 April 2013	421.3	551.7	(62.1)	(3.8)	97.3	1,004.4	931.1	1,935.5
Total comprehensive income for the year					198.9	198.9	75.7	274.6
Net surplus for the year								
Other comprehensive income, after tax								
Differences arising on translation of foreign operations			(52.7)	(3.1)		(55.8)	(7.2)	(63.0)
Realisations on disposal of subsidiary, reclassified to profit and loss			68.8			68.8		68.8
Net change in fair value of available for sale financial assets								
Ineffective portion of hedges taken to profit and loss								
Effective portion of changes in fair value of cash flow hedges				16.3		16.3	5.7	22.0
Fair value movements in relation to the executive share scheme				0.1		0.1		0.1
Net change in fair value of property, plant & equipment recognised in equity		(11.6)				(11.6)	(7.2)	(18.8)
Share of associates other comprehensive income					7.2	7.2		7.2
Total other comprehensive income		(11.6)	16.1	13.3	7.2	25.0	(8.7)	16.3
Total comprehensive income for the year		(11.6)	16.1	13.3	206.1	223.9	67.0	290.9
Contributions by and distributions to non-controlling interest								
Minority interest arising on acquisition of subsidiary							1.6	1.6
Repurchase/acquisition of shares held by outside equity interest							(10.6)	(10.6)
Total contributions by and distributions to non-controlling interest							(9.0)	(9.0)
Contributions by and distributions to owners								
Share buyback	(61.7)					(61.7)		(61.7)
Treasury Stock reissued under dividend reinvestment plan	9.4					9.4		9.4
Conversion of executive redeemable shares	0.3					0.3		0.3
Dividends to equity holders					(57.0)	(57.0)	(72.5)	(129.5)
Total contributions by and distributions to owners	(52.0)				(57.0)	(109.0)	(72.5)	(181.5)
Balance at 31 March 2014	369.3	540.1	(46.0)	9.5	246.4	1,119.3	916.6	2,035.9

The accompanying notes form part of these financial statements.

(1) Accounting policies

Basis of preparation

These unaudited condensed consolidated half year financial statements ('half year statements') of Infratil Limited ('the Company') 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. The half year statements for the six months to 30 September 2014 have been prepared in accordance with the accounting policies stated in the published financial statements for the year ended 31 March 2014 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.

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 that came into effect for interim periods ending on 30 September 2014 have been applied in preparing these financial statements. None of these has had a material effect on the financial statements of the Group.

(2) Nature of business

The Group owns and operates infrastructure and 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) Reconciliation of earnings from continuing operations before interest, taxation, depreciation, amortisation, fair value movements, realisations and impairments ('EBITDAF')

EBITDAF is presented to provide further information on the operating performance of the Group. It is calculated by adjusting net surplus for the period from continuing operations for interest, taxation, depreciation, amortisation, fair value movements, realisations and impairments. EBITDAF is a non-GAAP measure presented to show management's view of underlying business performance.

	Note	Consolidated		
		6 months ended 30 September 2014 \$Millions Unaudited	6 months ended 30 September 2013 \$Millions Unaudited	Year ended 31 March 2014 \$Millions Audited
Net surplus for the period from continuing operations		81.4	298.7	365.2
Net financing expense		92.4	91.1	180.1
Taxation expense	7	21.8	32.3	58.8
Depreciation		64.5	52.5	110.6
Amortisation of intangibles		7.6	7.8	15.6
Net loss/(gain) on foreign exchange and derivatives		4.7	(65.5)	(70.7)
Fair value gain on acquisition of associate (included within equity accounted earnings of associates)		-	-	(33.1)
Net realisations, revaluations and impairments		(29.9)	(185.7)	(189.1)
EBITDAF		242.5	231.2	437.4

(4) Discontinued operations

During the period the Group sold two components of the Consolidated Group, which are now reported as discontinued operations.

On the 31st of August the Group completed the sale of its 54% shareholding in PayGlobal Limited to MYOB Finance NZ Limited for cash consideration of \$8.5 million. Of the total cash proceeds, \$0.4 million and \$1.1 million are held in escrow until 14 November 2014 and 31 August 2016, respectively, to satisfy any warranty claims received.

On the 30th of September the Group completed the sale of its 100% shareholdings in Infratil Energy Australia, Lumo Energy and Direct Connect Australia to Snowy Hydro Limited for cash consideration of A\$648.1 million. The transaction settled on the 30 September 2014, with an adjustment for final working capital amounts to be settled in November 2014.

These businesses were not discontinued operations or classified as held for sale as at 30 September 2013 or 31 March 2014, and the comparative statement of comprehensive income has been re-presented to show the discontinued operation separately from continuing operations. The results from discontinued operations are presented separately below.

	6 months ended 30 September 2014 \$Millions Unaudited	6 months ended 30 September 2013 \$Millions Unaudited	Year ended 31 March 2014 \$Millions Audited
PayGlobal Limited			
Results of PayGlobal (classified as discontinued)			
Revenue	8.1	6.4	16.3
Operating expenses	6.9	6.4	14.6
Results from operating activities	1.2	-	1.7
Depreciation & amortisation of intangibles	(0.1)	(0.1)	(0.3)
Net realisations, revaluations, (impairments) and net (gain)/loss on foreign exchange and derivatives	-	(0.1)	(0.1)
Net interest expense	0.1	0.1	0.1
Profit before tax of PayGlobal	1.2	(0.1)	1.4
Taxation expense	-	-	(0.5)
Net surplus/(loss) of PayGlobal after tax	1.2	(0.1)	0.9
<i>The Group's share of the net gain on the sale is calculated as follows:</i>			
Net sales proceeds	8.5	-	-
Carrying value of PayGlobal net assets sold	(5.4)	-	-
Taxation expense on sale	(0.9)	-	-
Net gain on sale	2.2	-	-
Net surplus/(loss) from discontinued operation after tax	3.4	(0.1)	0.9
Basic earnings per share (cents per share)	0.6	(0.0)	0.2
Diluted earnings per share (cents per share)	0.6	(0.0)	0.2
(\$0.6 million) of the net surplus from the discontinued operation was attributable to the non-controlling interest of PayGlobal.			
<i>Cash flows from (used in) discontinued operation</i>			
Net cash used in operating activities	(0.0)	(1.4)	(0.1)
Net cash from investing activities	(0.2)	(0.1)	(0.3)
Net cash from financing activities	(1.4)	-	-
Net cash flows for the period	(1.6)	(1.5)	(0.4)

There is no cumulative income recognised in other comprehensive income relating to PayGlobal at 30 September 2014 (September 2013: \$0.2 million, March 2014: \$0.2 million)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2014**

<i>Infratil Energy Australia (including Lumo Energy and Direct Connect Australia)</i>	6 months ended 30 September 2014 \$Millions Unaudited	6 months ended 30 September 2013 \$Millions Unaudited	Year ended 31 March 2014 \$Millions Audited
Results of Infratil Energy Australia (classified as discontinued)			
Revenue	444.6	486.7	814.2
Operating expenses	403.8	432.8	753.0
Results from operating activities	40.8	53.9	61.2
Depreciation & amortisation of intangibles	(9.4)	(13.0)	(25.3)
Net realisations, revaluations, (impairments) and net (gain)/loss on foreign exchange and derivatives	4.9	1.2	(21.6)
Net interest expense	(0.3)	(0.2)	(1.0)
Profit before tax of Infratil Energy Australia	36.0	41.9	13.3
Taxation expense	(9.1)	(12.5)	(3.9)
Net surplus of Infratil Energy Australia after tax	26.9	29.4	9.4
<i>The net gain on the sale is calculated as follows:</i>			
Gross sale proceeds	726.3	-	-
less: Sale costs	(10.7)	-	-
less: Incentive fee payable to MCIM	(45.2)	-	-
Net sales proceeds	670.4	-	-
Carrying value of Infratil Energy Australia net assets sold	(325.9)	-	-
Realised foreign exchange losses reclassified to profit and loss on disposal and derivative gains and losses	(7.8)	-	-
Net gain on sale	336.7	-	-
Net surplus from discontinued operation after tax	363.6	29.4	9.4
Basic earnings per share (cents per share)	64.7	5.0	1.6
Diluted earnings per share (cents per share)	64.7	5.0	1.6
The profit from the discontinued operation is attributable entirely to the owners of the Company.			
<i>Cash flows from (used in) discontinued operation</i>			
Net cash used in operating activities	13.7	35.6	82.2
Net cash from investing activities	(14.9)	(8.9)	(21.9)
Net cash from financing activities	(4.4)	(8.2)	(19.3)
Net cash flows for the period	(5.6)	18.5	41.0

The above gross sale proceeds, sales costs, incentive fee and net gain on sale are provisional pending completion of final working capital amounts.

There is no cumulative income recognised in other comprehensive income relating to the Infratil Energy Australia at 30 September 2014 (September 2013: (\$2.4 million), March 2014: \$0.8 million).

Infratil Airports Europe

The Infratil Airports Europe segment comprising Glasgow Prestwick and Manston Airports is presented as a discontinued operation of the Group as the sale of these businesses was completed on 25 November 2013 and 29 November 2013 respectively. These businesses were discontinued operations/classified as held for sale as at 31 March 2014 and 30 September 2013 respectively.

<i>Infratil Airports Europe (classified as discontinued)</i>	6 months ended 30 September \$Millions Unaudited	6 months ended 30 September \$Millions Unaudited	Year ended 31 March 2014 \$Millions Audited
Results of Infratil Airports Europe (classified as discontinued)			
Revenue	-	20.3	27.3
Operating expenses	-	(26.7)	(36.6)
Results from operating activities	-	(6.4)	(9.3)
Depreciation & amortisation of intangibles	-	(1.8)	(2.5)
Net realisations, revaluations, (impairments) and net (gain)/loss on foreign exchange and derivatives	-	(20.5)	(20.2)
Net interest expense	-	(0.1)	(0.1)
Loss before tax of Infratil Airports Europe	-	(28.8)	(32.1)
Taxation (expense)/credit	-	8.5	11.3
Net surplus loss of Infratil Airports Europe	-	(20.3)	(20.8)
Realised foreign exchange losses reclassified to profit and loss on disposal	-	(30.4)	(80.1)
Net surplus loss from discontinued operation after tax	-	(50.7)	(100.9)
Basic earnings per share (cents per share)	-	(8.7)	(17.4)
Diluted earnings per share (cents per share)	-	(8.7)	(17.4)
The loss from discontinued operation is attributable entirely to the owners of the Company.			
<i>Cash flows from (used in) discontinued operation</i>			
Net cash used in operating activities	-	(8.8)	(13.9)
Net cash from investing activities	-	(2.5)	(2.5)
Net cash from financing activities	-	-	-
Net cash flows for the period	-	(11.3)	(16.4)

There is no cumulative income recognised in other comprehensive income relating to the Infratil Airports Europe at 30 September 2014 (September 2013: nil, March 2014: nil)

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(5) Other operating expenses

	Note	Consolidated		
		6 months ended 30 September 2014 \$Millions Unaudited	6 months ended 30 September 2013 \$Millions Unaudited	Year ended 31 March 2014 \$Millions Audited
Fees paid to the Group auditor		0.4	0.3	0.6
Audit fees paid to other auditors		0.2	0.2	0.4
Bad debts written off		0.1	0.0	1.8
Increase in provision for doubtful debts		0.8	0.9	-
Directors' fees		1.0	1.1	2.0
Administration and other corporate costs		4.6	4.2	10.8
Management fee (to related party Morrison & Co Infrastructure Management)	18	8.7	9.6	17.2
<i>Trading operations</i>				
Energy and wholesale costs		188.2	190.7	375.2
Line, distribution and network costs		182.0	158.0	307.2
Other energy business costs		76.4	59.0	123.9
Transportation business costs		37.4	39.4	75.0
Airport business costs		8.4	8.0	15.7
Other operating business costs		11.0	9.0	18.4
Total other operating expenses		519.2	480.5	948.2

	6 months ended 30 September 2014 \$000's Unaudited	6 months ended 30 September 2013 \$000's Unaudited	Year ended 31 March 2014 \$000's Audited
<i>Fees paid to the Group auditor</i>			
Audit and review of financial statements	256.1	205.2	418.8
Regulatory audit work	35.0	24.0	25.0
Other assurance services	15.0	6.8	27.1
Taxation services	67.5	31.8	43.7
Other services	-	39.3	41.7
Total fees paid to the Group auditor	373.6	307.1	556.3

The audit fee includes the fees for both the annual audit of the financial statements and the review of the interim financial statements. Regulatory audit work consists of the audit of regulatory disclosures. Other assurance services comprise of agreed upon procedures, audit of compliance reports and verification in relation to gas trading licence. Tax services relate to tax compliance work. Other services related to tax advisory services provided to a subsidiary of the group and investment due diligence work.

No Donations were made during the period (September 2013: \$0.2 million, March 2014: \$0.7 million).

(6) Seasonality

Trustpower

The retail sale of electricity is subject to seasonal fluctuations, with peak demand in the second quarter, and to a lesser extent the first quarter, of each financial year. This is due to higher demand for electricity in colder weather. For the six months ended 30 September 2013, the volume of customer sales was 9% higher than for the six months ended 31 March 2014.

Infratil Energy Australia (discontinued)

Wholesale electricity prices (and the cost of the hedge contracts used to cover these prices) in Australia can vary throughout a financial year depending on the period these purchases cover. These prices are generally higher during warmer months. This seasonality can result in higher margins in the first six months of the year, than in the second six months of the year.

(7) Taxation

	Consolidated		
	6 months ended 30 September 2014 \$Millions Unaudited	6 months ended 30 September 2013 \$Millions Unaudited	Year ended 31 March 2014 \$Millions Audited
Net surplus before taxation	103.2	331.0	424.0
Taxation on the surplus for the period @ 28%	28.9	92.7	118.7
<i>Plus/(less) taxation adjustments:</i>			
Effect of tax rates in foreign jurisdictions	0.6	(0.1)	0.1
Net benefit of imputation credits	(3.2)	(27.4)	(29.4)
Exempt dividends	(0.1)	-	-
Tax losses not recognised/(utilised)	-	-	(3.4)
Equity accounted earnings of associates	(0.2)	22.2	20.8
Temporary differences not recognised	-	0.1	-
(Over)/Under provision in prior periods	2.6	0.1	1.2
Net investment realisations	-	(51.8)	(51.3)
Other permanent differences	(6.8)	(3.5)	2.1
Taxation expense	21.8	32.3	58.8
Current taxation	21.7	18.9	29.8
Deferred taxation	0.1	13.4	29.0
Tax on discontinued operations	9.3	1.9	(11.0)

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<i>Income tax recognised in other comprehensive income</i>	6 months ended 30 September 2014		
	Before tax	Tax (expense) /benefit	Net of tax
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Differences arising on translation of foreign operations	7.4	4.6	12.0
Realisations on disposal of subsidiary, reclassified to profit and loss	6.7	(2.7)	4.0
Net change in fair value of available for sale financial assets	0.4	-	0.4
Effective portion of changes in fair value of cash flow hedges	(10.4)	3.0	(7.4)
<u>Net change in fair value of property, plant & equipment recognised in equity</u>	<u>3.3</u>	<u>-</u>	<u>3.3</u>
Balance at the end of the period	7.4	4.9	12.3

	6 months ended 30 September 2013		
	Before tax	Tax (expense) /benefit	Net of tax
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Differences arising on translation of foreign operations	(51.6)	(0.6)	(52.2)
Realisations on disposal of subsidiary, reclassified to profit and loss	40.5	(11.3)	29.2
Ineffective portion of hedges taken to profit and loss	0.2	-	0.2
Effective portion of changes in fair value of cash flow hedges	8.8	(2.8)	6.0
Net change in fair value of property, plant & equipment recognised in equity	(10.9)	-	(10.9)
Share of associates other comprehensive income	9.0	-	9.0
Balance at the end of the period	(4.0)	(14.7)	(18.7)

	Year ended 31 March 2014		
	Before tax	Tax (expense) /benefit	Net of tax
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Differences arising on translation of foreign operations	(49.7)	(13.3)	(63.0)
Realisations on disposal of subsidiary, reclassified to profit and loss	80.1	(11.3)	68.8
Effective portion of changes in fair value of cash flow hedges	30.2	(8.2)	22.0
Fair value movements in relation to executive share scheme	0.1	-	0.1
Net change in fair value of property, plant & equipment recognised in equity	(22.9)	4.1	(18.8)
Share of associates other comprehensive income	7.2	-	7.2
Balance at the end of the year	45.0	(28.7)	16.3

(8) Infratil shares

Ordinary shares (fully paid)

	6 months ended 30 September 2014 Unaudited	6 months ended 30 September 2013 Unaudited	Year ended 31 March 2014 Audited
Total issued capital at the beginning of the period	561,617,737	583,321,349	583,321,349
<i>Movements in issued and fully paid ordinary shares during the period:</i>			
Share buyback (held as treasury stock)	-	-	(25,983,615)
Treasury Stock reissued under dividend reinvestment plan	-	2,913,162	4,096,777
Conversion of executive redeemable shares	-	-	183,226
Total issued capital at the end of the period	561,617,737	586,234,511	561,617,737

All fully paid ordinary shares have equal voting rights and share equally in dividends and equity.

Dividends paid on ordinary shares
cents per share

	6 months ended 30 September 2014 Unaudited	6 months ended 30 September 2013 Unaudited	Year ended 31 March 2014 Audited
Final dividend prior year	7.00	6.00	6.00
<u>Interim dividend paid current year</u>	<u>-</u>	<u>-</u>	<u>3.75</u>
Dividends paid on ordinary shares	7.00	6.00	9.75

Dividends paid on ordinary shares
\$Millions

	6 months ended 30 September 2014 Unaudited	6 months ended 30 September 2013 Unaudited	Year ended 31 March 2014 Audited
Final dividend prior year	39.3	35.0	35.0
<u>Interim dividend paid current year</u>	<u>-</u>	<u>-</u>	<u>22.0</u>
Dividends paid on ordinary shares	39.3	35.0	57.0

(9) Business combinations

On 18 July 2014 Trustpower purchased the majority of the assets and liabilities of Green State Power Pty Limited, an Australian electricity generator, for a cash consideration of NZ\$81.3 million. Primarily, the assets acquired were hydro and wind generation assets in New South Wales.

The following table sets out the consideration paid and the fair value of the assets and liabilities acquired at the acquisition date:

	\$Millions Unaudited
Cash consideration paid	79.5
<u>Accrued estimated settlement adjustment</u>	<u>1.8</u>
Total consideration	81.3
<i>Recognised amounts of identifiable assets and liabilities acquired:</i>	
Trade and other accounts receivable and prepayments	0.5
Generation assets	124.7
Other property, plant and equipment	0.3
Accounts payable and accruals	(0.5)
<u>Deferred tax liability</u>	<u>(18.7)</u>
Net assets acquired	106.3
Discount on acquisition	(25.0)
<u>Total acquisition cost</u>	<u>81.3</u>

The fair values set out in the table above are provisional pending the receipt of final information relating to the generation assets and the agreement of the working capital settlement adjustment. The revenue included in the consolidated income statement since 18 July 2014 contributed by the acquired assets was \$2.2 million and the loss before tax was \$0.9 million. Had the assets and liabilities been consolidated from 1 April 2014, the consolidated income statement would show pro-forma revenue of \$5.7 million and a loss before tax of \$0.8 million.

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(10) Investments in associates

	Consolidated		
	30 September 2014 \$Millions Unaudited	30 September 2013 \$Millions Unaudited	31 March 2014 \$Millions Audited
<i>Investments in associates are as follows:</i>			
Z Energy Limited	97.1	256.6	104.1
Metlifecare Limited	194.3	-	186.0
Mana Coach Holdings Limited	2.1	2.2	2.1
Investments in associates	293.5	258.8	292.2

Equity accounted earnings of associates are as follows:

	30 September 2014 \$Millions Unaudited	30 September 2013 \$Millions Unaudited	31 March 2014 \$Millions Audited
Z Energy Limited	4.4	21.8	32.7
Metlifecare Limited	8.3	-	38.1
Mana Coach Holdings Limited	-	-	-
Share of earnings of associate companies	12.7	21.8	70.8

Z Energy Limited

Z Energy Limited ('ZEL') operates within the downstream oil industry. On 21 August 2013, ZEL was listed on the New Zealand and Australian Stock Exchanges with opening share prices of \$3.50 and A\$3.26 respectively. The shareholders in ZEL (Infratil Limited and The Guardians of New Zealand Superannuation ('GNZS')) sold 60% of their holding in ZEL, recognising a net gain on IPO after costs and asset revaluations of \$365.0 million, of which the Group's 50% share was \$182.5 million.

On acquisition, the Group's interest in ZEL was held through a 50% owned associate Aotea Energy Holdings Limited and its subsidiaries ('AEHL'), with the remaining 50% owned by GNZS. Subsequent to the IPO of ZEL, 50% of the investment in ZEL was sold to GNZS, and the Group acquired the remaining 50% shareholding in AEHL. Following this restructure of AEHL, the Group continues to equity account for its investment in ZEL.

Movement in the carrying amount of investment in ZEL:

	Consolidated		
	6 months ended 30 September 2014 \$Millions Unaudited	6 months ended 30 September 2013 \$Millions Unaudited	Year ended 31 March 2014 \$Millions Audited
Carrying value at 1 April	104.1	324.0	324.0
Share of associate's surplus before income tax	5.8	23.4	38.4
Share of associate's income tax (expense)	(1.4)	(6.9)	(11.0)
Share of associate's net profit after tax	4.4	16.5	27.4
Interest on shareholder loan (including accruals)	-	3.3	3.3
Dividend on redeemable preference shares (including accruals)	-	2.0	2.0
Total share of associate's earnings in the period	4.4	21.8	32.7
Share of associate's other comprehensive income	-	9.0	7.2
Share of net gain on IPO of ZEL	-	182.5	182.5
less: repayment of redeemable preference shares	-	(57.5)	(57.5)
less: repayment of shareholder loan	-	(122.3)	(122.3)
less: distributions received	(11.4)	(100.9)	(107.2)
less: assets acquired on the restructure of AEHL	-	-	(155.3)
Carrying value of investment in associate	97.1	256.6	104.1

The Group's share of the net gain on IPO is calculated as follows:

	6 months ended 30 September 2014 \$Millions Unaudited	6 months ended 30 September 2013 \$Millions Unaudited	Year ended 31 March 2014 \$Millions Audited
Gross sale proceeds	-	840.0	840.0
less: IPO costs	-	(43.9)	(43.9)
Net sales proceeds	-	796.1	796.1
Z Energy Limited carrying value of net assets sold	-	(393.6)	(393.6)
<i>Impairment of assets associated with Z Energy IPO</i>			
Associate investment in NZR previously carried at ZEL valuation	-	(33.4)	(33.4)
Other assets previously carried at ZEL valuations	-	(4.1)	(4.1)
Net gain on IPO	-	365.0	365.0
Infratil Group 50% share of gain on IPO	-	182.5	182.5

Summary financial information for Z Energy Limited, not adjusted for the percentage ownership held by the Group:

	Consolidated		
	30 September 2014 \$Millions Unaudited	30 September 2013 \$Millions Unaudited	31 March 2014 \$Millions Audited
Current assets	754.0	812.0	885.0
Non-current assets	653.0	642.0	655.0
Total Assets	1,407.0	1,454.0	1,540.0
Current liabilities	359.0	360.0	449.0
Non-current liabilities	494.0	506.0	500.0
Total liabilities	853.0	866.0	949.0
Revenues	1,380.0	1,393.0	2,825.0
Net profit after tax	22.0	56.0	95.0
Total other comprehensive income	-	149.0	144.0

At 30 September 2014 the Group's investment in ZEL had a fair value of \$316.8 million based on the quoted market price of ZEL shares on the NZX at that date (30 September 2013: \$307.2 million, 31 March 2014: \$312.0 million).

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Metlifecare Limited

On 28 November 2013, the Group acquired a 19.9% shareholding in Metlifecare Limited for \$147.9 million. The fair value of the shares on the acquisition date determined by reference to the listed share price was \$181.0 million, resulting in a gain on acquisition of \$33.1 million. Metlifecare is a NZX and ASX listed retirement village and aged care provider in New Zealand.

	6 months ended 30 September 2014 \$Millions Unaudited	6 months ended 30 September 2013 \$Millions Unaudited	Year ended 31 March 2014 \$Millions Audited
<i>Movement in the carrying amount of investment in Metlifecare Limited:</i>			
Carrying value at 1 April	186.0	-	-
Cost of investment in Metlifecare - <i>Shares acquired</i>	0.5	-	147.9
Share of associate's surplus before income tax	9.4	-	5.0
Fair value gain on acquisition of associate	-	-	33.1
Share of associate's income tax (expense)	(1.1)	-	-
Total share of associate's earnings in the period	8.3	-	38.1
Share of associate's other comprehensive income	-	-	-
<i>less: distributions received</i>	(0.5)	-	-
Carrying value of investment in associate	194.3	-	186.0

Summary financial information for Metlifecare Limited, not adjusted for the percentage ownership held by the Group:

The summary information provided is taken from the most recent NZ IFRS audited annual financial statements of Metlifecare Limited which have a balance date of 30 June 2014 and is reported as at that date.

	30 June 2014 \$Millions Audited	30 June 2013 \$Millions Audited	31 December 2013 \$Millions Unaudited
Current assets	13.5	14.0	17.6
Non-current assets	1,996.1	1,879.3	1,927.0
Total Assets	2,009.6	1,893.3	1,944.6
Current liabilities	18.2	16.8	16.0
Non-current liabilities	1,199.7	1,158.7	1,177.8
Total liabilities	1,217.9	1,175.5	1,193.8
Revenues	94.8	92.8	46.2
Net profit after tax	68.8	120.3	26.8
Total other comprehensive income	0.2	(0.3)	-

At 30 September 2014 the Group's investment in MET had a fair value of \$193.4 million based on the quoted market price of MET shares on the NZX at that date (30 September 2013: n/a, 31 March 2014: \$170.6 million).

(11) Loans and borrowings

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

	Consolidated		
	30 September 2014 \$Millions Unaudited	30 September 2013 \$Millions Unaudited	31 March 2014 \$Millions Audited
<i>Current liabilities</i>			
Unsecured loans	82.4	185.7	210.2
Secured bank facilities	4.2	11.4	6.2
<i>less: Capitalised loan establishment costs</i>	(1.1)	(0.3)	(0.1)
	85.5	196.8	216.3
<i>Non-current liabilities</i>			
Unsecured loans	906.7	560.7	638.0
Secured bank facilities	56.0	70.3	55.3
<i>less: Capitalised loan establishment costs</i>	(6.7)	(13.3)	(8.8)
	956.0	617.7	684.5
<i>Facilities utilised at reporting date</i>			
Unsecured bank loans	989.1	746.4	848.2
Unsecured guarantees	11.2	33.0	47.7
Secured bank loans	60.2	81.7	61.5
Secured guarantees	0.2	0.2	0.2
<i>Facilities not utilised at reporting date</i>			
Unsecured bank loans	486.8	1,060.7	754.9
Unsecured guarantees	-	24.4	2.7
Secured bank loans	157.3	136.0	140.0
Secured guarantees	0.6	0.6	-
<i>Vendor financing</i>			
Vendor financing - <i>current</i>	-	9.5	1.3
Vendor financing - <i>non-current</i>	-	-	-
	-	9.5	1.3
Interest bearing loans and borrowings - <i>current</i>	85.5	206.3	217.6
Interest bearing loans and borrowings - <i>non-current</i>	956.0	617.7	684.5
Total interest bearing loans and borrowings	1,041.5	824.0	902.1

Financing arrangements

The Group's debt includes bank facilities with negative pledge arrangements, which with limited exceptions do not permit the borrower to grant any security over its assets. The bank facilities require the borrower to maintain certain levels of shareholder funds and operate within defined performance and gearing ratios. The banking arrangements also include restrictions over the sale or disposal of certain assets without bank agreement. Throughout the period the Group has complied with all debt covenant requirements as imposed by lenders.

The secured and unsecured debt facilities are able to be drawn-down as required subject to the borrower being in compliance with undertakings in respect of those facilities. Interest rates are 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 3.6% to 7.4% (September 2013: 3.0% to 7.4%, March 2014: 3.0% to 7.4%).

Secured bank facilities of a non-wholly owned subsidiary are non-recourse to the assets of Infracore and its other subsidiary and associate companies.

A non-wholly owned subsidiary company had a unsecured A\$1 million loan facility, maturing in August 2014, from one of its minority shareholders. The interest rate on this loan was fixed at 12%.

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(12) Infrastructure bonds

	Consolidated		
	30 September 2014 \$Millions Unaudited	30 September 2013 \$Millions Unaudited	31 March 2014 \$Millions Audited
Balance at the beginning of the period	979.9	904.3	904.3
Issued during the period	-	93.7	162.2
Matured during the period	-	(85.3)	(85.3)
Purchased by Infratil during the period	-	(0.1)	(0.1)
Bond issue costs capitalised during the period	-	(1.8)	(3.1)
Bond issue costs amortised during the period	1.0	0.8	1.9
Balance at the end of the period	980.9	911.6	979.9
Current	-	-	-
Non-current fixed coupon	748.1	679.2	747.3
Non-current perpetual variable coupon	232.8	232.4	232.6
Balance at the end of the period	980.9	911.6	979.9
<i>Repayment terms and interest rates:</i>			
Maturing in September 2013, 8.50% per annum fixed coupon rate	-	-	-
IFT070 Maturing in November 2015, 8.50% per annum fixed coupon rate	152.8	152.8	152.8
IFT150 Maturing in June 2016, 8.50% per annum fixed coupon rate	100.0	100.0	100.0
IFT160 Maturing in June 2017, 8.50% per annum fixed coupon rate	66.3	66.3	66.3
IFT170 Maturing in November 2017, 8.0% per annum fixed coupon rate	81.1	81.1	81.1
IFT180 Maturing in November 2018, 6.85% per annum fixed coupon rate	111.4	111.4	111.4
IFT200 Maturing in November 2019, 6.75% per annum fixed coupon rate	68.5	-	68.5
IFT090 Maturing in February 2020, 8.50% per annum fixed coupon rate	80.5	80.5	80.5
IFT190 Maturing in June 2022, 6.85% per annum fixed coupon rate	93.7	93.7	93.7
IFTHA Perpetual Infratil infrastructure bonds	234.9	234.9	234.9
<i>less: Bond issue costs capitalised and amortised over term</i>	<i>(8.3)</i>	<i>(9.1)</i>	<i>(9.3)</i>
Balance at the end of the period	980.9	911.6	979.9

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. 25 days prior to the maturity date of bonds issued prior to November 2011, Infratil can elect to redeem all infrastructure bonds in that series 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 234,857,200 (September 2013: 234,857,200, March 2014: 234,857,200) 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 2014 the coupon is fixed at 4.53% per annum (September 2013: 3.97%, March 2014: 4.53%). 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 2013: 86,000, March 2014: 86,000) were repurchased by Infratil Limited during the period.

At 30 September 2014 the Infrastructure bonds (including PIIBs) had a fair value of \$963.4 million (30 September 2013: \$872.7 million, 31 March 2014: \$955.3 million).

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

	Consolidated		
	6 months ended 30 September 2014 \$Millions Unaudited	6 months ended 30 September 2013 \$Millions Unaudited	Year ended 31 March 2014 \$Millions Audited
Net surplus for the period	448.4	277.3	274.6
<i>(Add) / Less items classified as investing activity</i>			
(Gain) / Loss on investment realisations and impairments	(372.3)	(165.6)	(164.3)
<i>Add items not involving cash flows</i>			
Movement in financial derivatives taken to the profit or loss	2.7	(36.3)	27.0
Decrease in deferred tax liability excluding transfers to reserves	6.6	16.2	6.3
Changes in fair value of investment properties	(0.3)	-	(0.5)
Equity accounted earnings of associate net of distributions received	(0.7)	79.2	36.6
Depreciation	67.3	58.2	120.4
Movement in provision for bad debts	8.9	11.0	19.6
Amortisation of intangibles	14.3	17.0	33.9
Other	5.8	6.5	9.3
<i>Movements in working capital</i>			
Change in receivables	(33.5)	7.4	32.3
Change in inventories	5.8	5.3	1.0
Change in trade payables	36.7	(14.9)	(4.3)
Change in accruals and other liabilities	(52.5)	22.8	12.4
Change in current and deferred taxation	(15.0)	(9.5)	2.9
Net cash flow from operating activities	122.2	274.6	407.2

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(14) Segment analysis

Reportable segments of the Group are analysed by significant businesses. The Group has six reportable segments, as described below:

Trustpower is our renewable generation investment, Wellington International Airport is our Wellington airport investment, NZ Bus is our transportation investment, Infratil Energy Australia (including Perth Energy) is our non renewable generation investment and Infratil Airports Europe was our UK airport investment. Other comprises investment activity not included in the specific categories. The principal investments in Other are the Group's interest in Z Energy and Metlifecare.

	Trustpower New Zealand \$Millions Unaudited	Wellington Airport New Zealand \$Millions Unaudited	NZ Bus New Zealand \$Millions Unaudited	Infratil Energy Australia Australia \$Millions Unaudited	Infratil Airports Europe UK \$Millions Unaudited	All other segments and corporate New Zealand \$Millions Unaudited	Eliminations and reclassification to discontinued operations \$Millions Unaudited	Total
Segment revenue	504.9	53.6	117.1	593.2	-	104.0	(452.7)	920.1
Share of earnings and income of associate companies	-	-	-	-	-	12.7	-	12.7
Inter-segment revenue	-	(0.8)	(1.8)	-	-	(78.0)	-	(80.6)
Segment revenue - external	504.9	52.8	115.3	593.2	-	38.7	(452.7)	852.2
EBITDAF	173.3	40.4	20.0	45.7	-	5.1	(42.0)	242.5
Interest revenue	0.5	0.3	-	0.4	-	5.1	(4.5)	1.8
Interest expense	(38.2)	(9.4)	(2.2)	(5.8)	-	(43.3)	4.7	(94.2)
Depreciation and amortisation	(46.2)	(8.1)	(13.2)	(12.4)	-	(1.7)	9.5	(72.1)
Net gain/(loss) on foreign exchange and derivatives	(4.4)	0.3	(0.1)	4.9	-	(0.6)	(4.9)	(4.7)
Net realisations, revaluations and (impairments)	25.0	(0.3)	(0.1)	336.7	-	8.4	(339.8)	29.9
Fair value gain on acquisition of associate	-	-	-	-	-	-	-	-
Taxation expense	(20.8)	(6.5)	-	(9.9)	-	-	9.9	(21.8)
Segment result	89.2	16.7	4.5	359.6	-	(21.5)	(367.1)	81.4
Investments in associates	-	-	-	-	-	293.5	-	293.5
Total non-current assets (excluding financial instruments and deferred tax)	3,226.6	797.9	307.5	144.3	-	360.6	-	4,836.9
Total assets	3,446.9	814.8	328.2	199.8	-	1,126.5	-	5,916.2
Total liabilities	1,794.4	408.0	47.3	105.2	-	1,147.9	-	3,502.8
Capital expenditure/investment (including accruals)	143.9	7.3	10.3	16.5	-	18.0	-	196.0

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For the period ended 30 September 2013

	Trustpower New Zealand \$Millions Unaudited	Wellington Airport New Zealand \$Millions Unaudited	NZ Bus New Zealand \$Millions Unaudited	Infratil Energy Australia Australia \$Millions Unaudited	Infratil Airports Europe UK \$Millions Unaudited	All other segments and corporate New Zealand \$Millions Unaudited	Eliminations and reclassification to discontinued operations \$Millions Unaudited	Total
Segment revenue	418.7	55.0	113.0	658.0	20.3	97.1	(513.4)	848.7
Share of earnings and income of associate companies	-	-	-	-	-	21.8	-	(76.1)
Inter-segment revenue	-	(0.9)	(1.7)	-	-	(73.5)	-	-
Segment revenue - external	418.7	54.1	111.3	658.0	20.3	45.4	(513.4)	794.4
EBITDAF	153.2	42.4	21.5	57.4	(6.3)	10.6	(47.6)	231.2
Interest revenue	0.8	0.6	-	0.8	-	12.1	(11.8)	2.5
Interest expense	(30.9)	(10.4)	(1.8)	(12.2)	(1.8)	(48.4)	11.9	(93.6)
Depreciation and amortisation	(34.0)	(7.7)	(13.1)	(16.4)	(1.8)	(2.2)	14.9	(60.3)
Net gain/(loss) on foreign exchange and derivatives	10.1	6.7	-	1.2	(30.4)	48.7	29.2	65.5
Net realisations, revaluations and (impairments)	-	(0.6)	1.7	-	(20.5)	184.5	20.6	185.7
Fair value gain on acquisition of associate	-	-	-	-	-	-	-	-
Taxation expense	(21.9)	(8.8)	(0.8)	(9.4)	8.5	(3.9)	4.0	(32.3)
Segment result	77.3	22.2	7.5	21.4	(52.3)	201.4	21.2	298.7
Investments in associates	-	-	-	-	-	258.8	-	258.8
Total non-current assets (excluding financial instruments and deferred tax)	2,994.7	797.5	287.0	387.3	-	311.3	-	4,777.8
Total assets	3,223.4	865.3	301.6	727.7	-	388.3	-	5,506.3
Total liabilities	1,561.7	461.2	38.0	284.2	3.2	1,034.5	-	3,382.8
Capital expenditure/investment (including accruals)	193.3	12.0	39.4	8.9	2.5	1.3	-	257.4

For the year ended 31 March 2014

	Trustpower New Zealand \$Millions Audited	Wellington Airport New Zealand \$Millions Audited	NZ Bus New Zealand \$Millions Audited	Infratil Energy Australia Australia \$Millions Audited	Infratil Airports Europe UK \$Millions Audited	All other segments and corporate New Zealand \$Millions Audited	Eliminations and reclassification to discontinued operations \$Millions Audited	Total
Segment revenue	811.7	110.9	222.9	1,154.3	27.3	225.8	(1,037.1)	1,515.8
Share of earnings and income of associate companies	-	-	-	-	-	37.7	-	37.7
Inter-segment revenue	-	(1.9)	(3.4)	-	-	(174.0)	-	-
Segment revenue - external	811.7	109.0	219.5	1,154.3	27.3	89.5	(857.8)	1,553.5
EBITDAF	277.4	86.0	40.0	78.0	(9.3)	18.9	(53.6)	437.4
Interest revenue	1.5	1.3	0.1	1.5	-	21.6	(21.0)	5.0
Interest expense	(63.2)	(20.0)	(4.0)	(23.0)	(2.1)	(94.7)	21.9	(185.1)
Depreciation and amortisation	(72.0)	(15.8)	(27.2)	(32.4)	(2.5)	(4.4)	28.1	(126.2)
Net gain/(loss) on foreign exchange and derivatives	9.4	10.2	-	(17.9)	(80.1)	51.4	97.7	70.7
Net realisations, revaluations and (impairments)	(0.2)	(0.3)	3.4	(4.1)	(20.2)	186.2	24.3	189.1
Fair value gain on acquisition of associate	-	-	-	-	-	33.1	-	33.1
Taxation expense	(37.8)	(2.6)	(1.3)	(0.9)	11.3	(20.6)	(6.9)	(58.8)
Segment result	115.1	58.8	11.0	1.2	(102.9)	191.5	90.5	365.2
Investments in associates	-	-	-	-	-	292.2	-	292.2
Total non-current assets (excluding financial instruments and deferred tax)	3,070.4	799.0	310.2	365.1	-	346.7	-	4,891.4
Total assets	3,255.8	842.3	329.1	598.1	-	424.5	-	5,449.8
Total liabilities	1,632.3	402.0	46.7	223.2	-	1,109.7	-	3,413.9
Capital expenditure/investment (including accruals)	349.7	20.3	68.1	22.0	2.5	5.6	-	468.2

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Entity wide disclosure - geographical

The Group operated in three principal areas New Zealand, Australia and the United Kingdom. The groups geographical segments are based on the location of both customers and assets.

	New Zealand	Australia	United Kingdom	Eliminations and reclassification to discontinued operations	Total
For the period ended 30 September 2014	\$Millions Unaudited	\$Millions Unaudited	\$Millions Unaudited	\$Millions Unaudited	\$Millions Unaudited
Segment revenue	722.3	650.5	-	(452.7)	920.1
Share of earnings and income of associate companies	12.7	-	-	-	12.7
Inter-segment revenue	(80.6)	-	-	-	(80.6)
Segment revenue - external	654.4	650.5	-	(452.7)	852.2
EBITDAF	196.1	88.3	-	(41.9)	242.5
Interest revenue	5.7	0.6	-	(4.5)	1.8
Interest expense	(76.0)	(22.9)	-	4.7	(94.2)
Depreciation and amortisation	(53.4)	(28.2)	-	9.5	(72.1)
Net gain/(loss) on foreign exchange and derivatives	(4.1)	1.4	-	(2.0)	(4.7)
Net realisations, revaluations and (impairments)	8.0	361.7	-	(339.8)	29.9
Taxation expense	(18.1)	(13.6)	-	9.9	(21.8)
Segment result	58.2	387.3	-	(364.1)	81.4
Investments in associates	293.5	-	-	-	293.5
Total non-current assets (excluding financial instruments and deferred tax)	3,834.0	1,002.9	-	-	4,836.9
Total assets	4,775.3	1,140.9	-	-	5,916.2
Total liabilities	2,614.5	888.3	-	-	3,502.8
Capital expenditure/investment (including accruals)	63.9	132.1	-	-	196.0
For the period ended 30 September 2013	New Zealand	Australia	United Kingdom	Eliminations and reclassification to discontinued operations	Total
For the period ended 30 September 2013	\$Millions Unaudited	\$Millions Unaudited	\$Millions Unaudited	\$Millions Unaudited	\$Millions Unaudited
Segment revenue	665.4	676.4	20.3	(513.4)	848.7
Share of earnings and income of associate companies	21.8	-	-	-	21.8
Inter-segment revenue	(76.1)	-	-	-	(76.1)
Segment revenue - external	611.1	676.4	20.3	(513.4)	794.4
EBITDAF	217.3	67.8	(6.3)	(47.6)	231.2
Interest revenue	13.3	1.0	-	(11.8)	2.5
Interest expense	(83.2)	(20.5)	(1.8)	11.9	(93.6)
Depreciation and amortisation	(49.9)	(23.5)	(1.8)	14.9	(60.3)
Net gain/(loss) on foreign exchange and derivatives	63.6	3.1	(30.4)	29.2	65.5
Net realisations, revaluations and (impairments)	185.6	-	(20.5)	20.6	185.7
Taxation expense	(37.4)	(7.4)	8.5	4.0	(32.3)
Segment result	309.3	20.5	(52.3)	21.2	298.7
Investments in associates	258.8	-	-	-	258.8
Total non-current assets (excluding financial instruments and deferred tax)	3,793.8	984.0	-	-	4,777.8
Total assets	4,119.6	1,386.7	-	-	5,506.3
Total liabilities	2,555.8	823.8	3.2	-	3,382.8
Capital expenditure/investment (including accruals)	96.2	158.7	2.5	-	257.4
For the year ended 31 March 2014	New Zealand	Australia	United Kingdom	Eliminations and reclassification to discontinued operations	Total
For the year ended 31 March 2014	\$Millions Audited	\$Millions Audited	\$Millions Audited	\$Millions Audited	\$Millions Audited
Segment revenue	1,319.9	1,205.7	27.3	(1,037.1)	1,515.8
Share of earnings and income of associate companies	37.7	-	-	-	37.7
Inter-segment revenue	(179.3)	-	-	179.3	-
Segment revenue - external	1,178.3	1,205.7	27.3	(857.8)	1,553.5
EBITDAF	390.0	110.3	(9.3)	(53.6)	437.4
Interest revenue	24.1	1.9	-	(21.0)	5.0
Interest expense	(163.2)	(41.7)	(2.1)	21.9	(185.1)
Depreciation and amortisation	(102.7)	(49.1)	(2.5)	28.1	(126.2)
Net gain/(loss) on foreign exchange and derivatives	67.3	(14.2)	(80.1)	97.7	70.7
Net realisations, revaluations and (impairments)	189.1	(4.1)	(20.2)	24.3	189.1
Fair value gain on acquisition of associate	33.1	-	-	-	33.1
Taxation expense	(68.3)	5.1	11.3	(6.9)	(58.8)
Segment result	369.4	8.2	(102.9)	90.5	365.2
Investments in associates	292.2	-	-	-	292.2
Total non-current assets (excluding financial instruments and deferred tax)	3,842.8	1,048.6	-	-	4,891.4
Total assets	4,126.5	1,323.3	-	-	5,449.8
Total liabilities	2,570.9	843.0	-	-	3,413.9
Capital expenditure/investment (including accruals)	147.8	317.9	2.5	-	468.2

The group has no significant reliance on any one customer.

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(15) Financial Instruments

Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements is their fair value, with the exception of bond debt held at amortised cost which has a fair value at 30 September 2014 of \$1,712.7 million compared to a carrying value of \$1,707.0 million (30 September 2013: Fair value of \$1,709.9 million compared to a carrying value of \$1,716.6 million, 31 March 2014: Fair value of \$1,707.2 million compared to a carrying value of \$1,705.3 million).

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 by the valuation techniques are:

- forward price curve (for the relevant underlying interest rates, foreign exchange rates or commodity prices); and
- discount rates.

<i>Valuation Input</i>	<i>Source</i>
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 5.0% to 5.3% (September 2013: 4.1% to 4.7%, March 2014: 4.1% to 5.2%)

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.

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.

30 September 2014	Level 1 \$Millions Unaudited	Level 2 \$Millions Unaudited	Level 3 \$Millions Unaudited	Total \$Millions Unaudited
Assets per the statement of financial position				
Derivative financial instruments - energy	-	-	1.9	1.9
Derivative financial instruments - foreign exchange	-	0.8	-	0.8
Derivative financial instruments - interest rate	-	2.7	-	2.7
Total	-	3.5	1.9	5.4
Liabilities per the statement of financial position				
Derivative financial instruments - energy	-	0.3	14.0	14.3
Derivative financial instruments - foreign exchange	-	3.2	-	3.2
Derivative financial instruments - interest rate	-	42.9	-	42.9
Total	-	46.4	14.0	60.4
30 September 2013				
Assets per the statement of financial position				
Derivative financial instruments - energy	-	12.5	7.0	19.5
Derivative financial instruments - foreign exchange	-	13.1	-	13.1
Derivative financial instruments - interest rate	-	5.3	-	5.3
Total	-	30.9	7.0	37.9
Liabilities per the statement of financial position				
Derivative financial instruments - energy	2.4	8.3	20.0	30.7
Derivative financial instruments - foreign exchange	-	1.9	-	1.9
Derivative financial instruments - interest rate	-	58.6	-	58.6
Total	2.4	68.8	20.0	91.2
31 March 2014				
Assets per the statement of financial position				
Derivative financial instruments - energy	12.0	-	2.6	14.6
Derivative financial instruments - foreign exchange	-	2.8	-	2.8
Derivative financial instruments - interest rate	-	4.7	-	4.7
Total	12.0	7.5	2.6	22.1
Liabilities per the statement of financial position				
Derivative financial instruments - energy	3.1	7.0	9.3	19.4
Derivative financial instruments - foreign exchange	-	1.0	-	1.0
Derivative financial instruments - interest rate	-	37.7	-	37.7
Total	3.1	45.7	9.3	58.1

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 2014 (September 2013: none, March 2014: none).

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The following table reconciles the movements in level 3 for measurement of the fair value hierarchy

	6 months ended 30 September 2014 \$Millions Unaudited Energy derivatives	6 months ended 30 September 2013 \$Millions Unaudited Energy derivatives	Year ended 31 March 2014 \$Millions Audited Energy derivatives
Assets per the statement of financial position			
Opening balance	2.6	5.9	5.9
Foreign exchange movement on opening balance	-	(0.6)	(0.4)
Gains and (losses) recognised in profit or loss	(0.7)	1.7	(2.9)
Gains and (losses) recognised in other comprehensive income	-	-	-
Closing balance	1.9	7.0	2.6
Total gains or (losses) for the period included in profit or loss for assets held at the end of the reporting period	0.5	2.5	(2.3)
Liabilities per the statement of financial position			
Opening balance	9.3	14.9	14.9
Foreign exchange movement on opening balance	0.1	-	(0.1)
(Gains) and losses recognised in profit or loss	(1.4)	0.2	5.7
(Gains) and losses recognised in other comprehensive income	7.8	4.9	(11.2)
Sold as part of the disposal of a subsidiary	(1.8)	-	-
Closing balance	14.0	20.0	9.3
Total losses for the period included in profit or loss for liabilities held at the end of the reporting period	0.3	14.4	6.2
Settlements during the period	(6.5)	5.8	(2.1)

Energy derivatives

Energy derivatives 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.

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:

Energy price sensitivity analysis

	6 months ended 30 September 2014 \$Millions Unaudited	6 months ended 30 September 2013 \$Millions Unaudited	Year ended 31 March 2014 \$Millions Audited
Profit and loss			
10% increase in energy forward prices	1.2	11.2	7.5
10% decrease in energy forward prices	(1.2)	(13.5)	(7.1)
Other comprehensive income			
10% increase in energy forward prices	5.0	7.9	12.7
10% decrease in energy forward prices	(5.0)	(7.9)	(12.7)

(16) Commitments

Capital commitments

	6 months ended 30 September 2014 \$Millions Unaudited	Consolidated 6 months ended 30 September 2013 \$Millions Unaudited	Year ended 31 March 2014 \$Millions Audited
Committed but not contracted for	2.9	5.7	3.1
Contracted but not provided for	4.7	214.0	65.1
	7.6	219.7	68.2

The prior period capital commitments comprise the contracts for the construction of stage 2 of Trustpower's Snowtown Wind Farm.

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(17) 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.

The Company has a contingent liability under the 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.

During 2007 the European Commission opened formal investigations into alleged state aid in relation to Lübeck airport (owned and operated by Flughafen Lübeck GmbH, one of the Group's subsidiaries at that time). In 2009 Infratil exercised a put option and sold its interest in Lübeck airport back to the City of Lübeck. Lübeck is one of several airports in Germany in relation to which the European Commission has opened formal state aid investigations. Infratil understands a significant number of airports elsewhere in the European Union are also under investigation. Three of the four matters being investigated since 2007 do not relate to Infratil Airports Europe Limited ('IAEL'), but to the financing of the airport by the City of Lübeck and to arrangements with Ryanair which were entered into prior to the sale of the airport to IAEL. The fourth relates to the price IAEL paid when it purchased Flughafen Lübeck GmbH. The European Commission appears to have prioritized the long running German airport investigations. In February 2012, the investigation was formally extended to include the put option arrangements. IAEL, Flughafen Lübeck GmbH, Ryanair, the Hanseatic City of Lübeck, and the government of the Federal Republic of Germany continue to work to refute the allegations of state aid. IAEL maintains its position that the purchase of 90 % in Flughafen Lübeck GmbH which was the result of an open, unconditional and transparent tender process in 2005, and the put option arrangements, cannot, by their very nature and the circumstances they were agreed on, involve state aid. IAEL continues to be confident that it will be able to demonstrate this to the Commission and, if necessary, the European Court of Justice. If IAEL was found to have received state aid, it would be required to refund the state aid received, together with interest. The European Commission had previously indicated that it would close all pending cases by September 2014. However, it is not anticipated that a decision will be made before the end of the year.

Trustpower was successful in its High Court case against Inland Revenue. The Court ruled that Trustpower's existing tax treatment of feasibility expenditure incurred in the 2006 to 2008 financial years was appropriate and disagreed with Inland Revenue's view that the resource consents acquired were capital assets. Inland Revenue has appealed this decision. The appeal will be heard by the Appeal Court in March 2015. Should Inland Revenue be completely successful in its claim for all three years, the resulting liability would give rise to a tax payment of \$5,924,000 and interest expense of \$2,951,000. Following the statutory disputes process, Inland Revenue has now begun the reassessment of the 2009 and 2010 years, proposing tax payments of \$2,632,000 and interest expense of \$1,198,000. Based on the principle of the assessment and the proposed reassessments, the Group would need to revise its policy for capitalising the costs of resource consents for tax purposes in the 2011 and future years. This would give rise to a further estimated tax payment of \$2,029,000 and interest expense of \$398,000 in respect of the 2011 to 2015 years. This would primarily result in a balance sheet adjustment in the financial statements as most resource consents are depreciable intangible property. The impact of these adjustments on the tax expense in the income statement is difficult to estimate but is unlikely to exceed \$2,500,000 for all years up to September 2015.

Trustpower has been awarded costs in relation to the High Court case. The parties are unable to agree on the amount and the matter has been referred back to the Court for a decision. This hearing has been held but to date no judgment has been received. The award is likely to be between \$639,000 and \$1,400,000. The Inland Revenue has paid the undisputed \$639,000 portion of the costs. The awarding of costs has also been appealed and is therefore contingent on the outcome of the Appeal Court case noted above.

(18) 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. Transactions undertaken with Group companies, including associates, have been entered into on an arm's length commercial basis.

Morrison & Co Infrastructure Management Limited ('MCIM') is the management company for the Company and receives management fees in accordance with the management agreement.

MCIM is owned by H.R.L. Morrison & Co Group Limited Partnership ('MCO'). Messrs M Bogoievski and D P Saville are directors of the Company, and Mr Muh (an alternate director) is also a Director and executive of MCO. Mr Bogoievski is Chief Executive Officer of MCO. Entities associated with Mr Bogoievski, Mr Saville and Mr Muh have a beneficial interest in MCO.

Management and other fees paid by the Group (including associates) to MCIM, MCO or its related parties during the period were:

	Consolidated		
	6 months ended 30 September 2014	6 months ended 30 September 2013	Year ended 31 March 2014
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
Management fees	9.1	10.7	19.0
Incentive fees	45.2	-	-
Executive secondment and consulting	0.1	0.2	0.6
Directors fees	0.8	0.8	1.6
Financial management, accounting, treasury, compliance and administrative services	0.6	0.6	1.2
Investment banking services	3.7	0.2	0.8
Total management and other fees	59.5	12.5	23.2

At 30 September 2014 an amount owing to MCIM of \$1.9 million (excluding GST) is included in trade creditors (30 September 2013: \$2.0 million, 31 March 2014: \$1.9 million).

The incentive fee payable to Morrison & Co International Limited at 30 September 2014 of \$45.2 million has been accrued pending the final proceeds from the sale of Infratil Energy Australia and is calculated in accordance with the international portfolio management agreement. The sales fee payable to Morrison & Co International Limited of \$3.3 million is included within Investment banking services and has been accrued pending the final proceeds from the sale of Infratil Energy Australia.

\$4.2 million of total management and other fees, and \$45.2m of incentive fees during the period were paid or are payable by Infratil Energy Australia, and are included within the result from discontinued operations (Infratil Airports Europe Limited and Infratil Energy Australia: September 2013: \$1.4 million, March 2014: \$2.6 million).

(19) Events after balance date

Dividend

On 10 November 2014, the Directors approved a fully imputed interim dividend of 4.5 cents per share to holders of fully paid ordinary shares to be paid on 15 December 2014.

Special Dividend

On 10 November 2014, the Directors approved a fully imputed special dividend of 15.0 cents per share to holders of fully paid ordinary shares to be paid on 15 December 2014.

Share Buyback

On 10 November 2014, the Directors approved an on-market share buyback of up to \$35.8 million with the intention to complete the buyback in the 4th quarter of FY2015.

Directory

Directors

M Tume (Chairman)
M Bogoievski
A Gerry (appointed 11 July 2014)
P Gough
H J D Rolleston
D P Saville
A Y Muh (alternate to D P Saville)

Company Secretary

P Harford

Registered Office - New Zealand

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

Manager

Morrison & Co Infrastructure Management
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 7, Zurich House
21 Queen Street
PO Box 91976
Auckland
Telephone: +64 9 375 5998
E-mail: enquiries@linkmarketservices.co.nz
Internet address: www.linkmarketservices.co.nz

Auditor

KPMG
Maritime Tower
10 Customhouse Quay
PO Box 996
Wellington

Bankers

ANZ New Zealand Bank Limited
Level 14
215-229 Lambton Quay
Wellington

Bank of New Zealand
Level 4
80 Queen Street
Auckland

The Bank of Tokyo-Mitsubishi UFJ Limited
Level 22
151 Queen Street
Auckland

Commonwealth Bank of Australia
Level 2
ASB North Wharf
12 Jellicoe Street
Auckland

Registered Office - Australia

C/- H.R.L. Morrison & Co Private Markets
Suite 40C
Level 40
Governor Phillip Tower
1 Farrer Place
Sydney
NSW, 2000
Telephone: +64 4 473 3663

Share Registrar - Australia

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

The Hong Kong and Shanghai Banking Corporation Limited
Level 25
HSBC Tower
195 Lambton Quay
Wellington

Kiwibank Limited
Level 12
New Zealand Post House
7 Waterloo Quay
Wellington

Westpac New Zealand Limited
Westpac On Takutai Square
16 Takutai Square
Auckland



Auditors' review report

To the shareholders of Infratil Limited

We have completed a review of the interim financial statements on pages 1 to 19 in accordance with the Review Engagement Standard RS-1 issued by the External Reporting Board. The financial statements provide information about the past financial performance of Infratil Limited and its subsidiaries ("the Group") and its financial position as at 30 September 2014.

Directors' responsibilities

The Directors of Infratil Limited are responsible for the preparation of interim financial statements which give a true and fair view of the financial position of the Group as at 30 September 2014 and the results of its operations and cash flows for the six month period ended on that date.

Reviewers' responsibilities

It is our responsibility to express an independent opinion on the interim financial statements presented by the Directors and report our opinion to you.

Basis of opinion

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Our firm has also provided other services to the Group in relation to taxation, regulatory disclosures, advisory and other assurance engagements. Subject to certain restrictions, partners and employees of our firm may also deal with the company on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditors of the Group. The firm has no other relationship with, or interest in, the Group.

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements on pages 1 to 19 do not give a true and fair view of the financial position of the Group as at 30 September 2014 and the results of its operations and cash flows for the six month period ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting*.

Our review was completed on 10 November 2014 and our opinion is expressed as at that date.

A handwritten signature in blue ink that reads 'KPMG'. The signature is stylized and appears to be written over a light blue grid background.

Wellington