

**Infratil Limited**  
**Consolidated Statement of Comprehensive Income**  
**For the 6 months ended 30 September 2017**

	Notes	6 months ended 30 September 2017  \$Millions Unaudited	6 months ended 30 September 2016  \$Millions Unaudited	Year ended 31 March 2017  \$Millions Audited
Operating revenue		905.6	940.7	1,823.8
Dividends		0.7	1.4	1.9
<b>Total revenue</b>		<b>906.3</b>	<b>942.1</b>	<b>1,825.7</b>
Share of earnings of associate companies	5	29.4	29.1	88.1
<b>Total income</b>		<b>935.7</b>	<b>971.2</b>	<b>1,913.8</b>
Depreciation		87.2	80.5	169.6
Amortisation of intangibles		9.5	8.0	16.9
Employee benefits		103.9	104.5	206.3
Other operating expenses	7	544.7	613.4	1,174.1
<b>Total operating expenditure</b>		<b>745.3</b>	<b>806.4</b>	<b>1,566.9</b>
Operating surplus before financing, derivatives, realisations and impairments		190.4	164.8	346.9
Net gain/(loss) on foreign exchange and derivatives		1.4	(0.4)	29.0
Net realisations, revaluations and (impairments)		8.8	0.5	(55.2)
Interest income		6.3	9.4	16.5
Interest expense		86.2	89.0	182.2
Net financing expense		79.9	79.6	165.7
<b>Net surplus before taxation</b>		<b>120.7</b>	<b>85.3</b>	<b>155.0</b>
Taxation expense	8	35.4	22.4	24.6
<b>Net surplus for the period</b>		<b>85.3</b>	<b>62.9</b>	<b>130.4</b>
Net surplus attributable to owners of the Company		33.4	28.9	66.1
Net surplus attributable to non-controlling interest		51.9	34.0	64.3
<b>Other comprehensive income, after tax</b>				
<b>Items that will not be reclassified to profit and loss</b>				
Net change in fair value of property, plant & equipment recognised in equity		-	(17.6)	150.6
Share of associates other comprehensive income		-	0.1	(0.2)
Fair value movements in relation to the executive share scheme		-	-	-
Income tax effect of the above items		-	0.1	(39.5)
<b>Items that may subsequently be reclassified to profit and loss</b>				
Differences arising on translation of foreign operations		(10.2)	(28.8)	(0.5)
Realisations on disposal of subsidiary, reclassified to profit and loss		-	-	-
Net change in fair value of available for sale financial assets		6.9	0.1	0.2
Ineffective portion of hedges taken to profit and loss		-	0.3	0.1
Effective portion of changes in fair value of cash flow hedges		(0.4)	0.6	(2.4)
Income tax effect of the above items		0.3	(9.0)	0.9
<b>Total other comprehensive income after tax</b>		<b>(3.4)</b>	<b>(54.2)</b>	<b>109.2</b>
<b>Total comprehensive income for the period</b>		<b>81.9</b>	<b>8.7</b>	<b>239.6</b>
Total comprehensive income for the period attributable to owners of the Company		29.8	(9.7)	123.0
Total comprehensive income for the period attributable to non-controlling interests		52.1	18.4	116.6
<b>Earnings per share</b>				
Basic and diluted (cents per share)		6.0	5.1	11.8

The accompanying notes form part of these financial statements

**Infratil Limited**  
**Consolidated Statement of Financial Position**  
**As at 30 September 2017**

	Notes	30 September 2017 \$Millions Unaudited	30 September 2016 \$Millions Unaudited	31 March 2017 \$Millions Audited
Cash and cash equivalents		586.8	319.1	268.8
Trade and other accounts receivable and prepayments		242.3	230.2	220.0
Derivative financial instruments		2.8	3.0	4.6
Inventories		3.5	4.9	2.7
Income tax receivable		1.3	1.2	0.8
Land, buildings and investment properties held for sale		10.0	-	8.6
Investments held for sale		-	-	237.9
<b>Current assets</b>		<b>846.7</b>	<b>558.4</b>	<b>743.4</b>
Trade and other accounts receivable and prepayments		15.6	2.4	15.7
Property, plant and equipment		4,878.7	4,759.0	4,900.5
Investment properties		74.1	70.5	72.9
Derivative financial instruments		5.3	4.6	8.3
Intangible assets		52.2	60.7	55.6
Goodwill		117.4	117.4	117.4
Investments in associates	5	863.5	1,002.2	831.1
Other investments	6	59.8	38.8	51.8
<b>Non-current assets</b>		<b>6,066.6</b>	<b>6,055.6</b>	<b>6,053.3</b>
<b>Total assets</b>		<b>6,913.3</b>	<b>6,614.0</b>	<b>6,796.7</b>
Accounts payable, accruals and other liabilities		218.6	226.8	214.2
Interest bearing loans and borrowings	9	58.1	260.5	134.5
Derivative financial instruments		9.2	9.1	9.5
Income tax payable		14.3	5.8	25.3
Infrastructure bonds	10	81.1	66.1	147.2
Trustpower bonds		52.0	65.0	52.0
Wellington International Airport bonds		-	-	90.0
<b>Total current liabilities</b>		<b>433.3</b>	<b>633.3</b>	<b>672.7</b>
Interest bearing loans and borrowings	9	1,023.2	782.4	885.4
Other liabilities		6.3	8.6	8.1
Deferred tax liability		537.2	535.9	536.7
Derivative financial instruments		48.4	73.2	53.2
Infrastructure bonds	10	762.4	700.2	620.3
Perpetual Infratil Infrastructure bonds	10	231.0	232.5	230.8
Trustpower bonds		321.8	318.2	321.2
Wellington International Airport bonds and senior notes		426.7	347.9	327.4
<b>Non-current liabilities</b>		<b>3,357.0</b>	<b>2,998.9</b>	<b>2,983.1</b>
Attributable to owners of the Company		1,932.1	1,864.4	1,958.3
Non-controlling interest in subsidiaries		1,190.9	1,117.4	1,182.6
<b>Total equity</b>		<b>3,123.0</b>	<b>2,981.8</b>	<b>3,140.9</b>
<b>Total equity and liabilities</b>		<b>6,913.3</b>	<b>6,614.0</b>	<b>6,796.7</b>
Net tangible assets per share (\$ per share)		3.15	3.00	3.19

Approved on behalf of the Board on 9 November 2017



Director



Director

The accompanying notes form part of these financial statements.

**Infratil Limited**  
**Consolidated Statement of Cash Flows**  
**For the 6 months ended 30 September 2017**

	Notes	6 months ended 30 September 2017 \$Millions Unaudited	6 months ended 30 September 2016 \$Millions Unaudited	Year ended 31 March 2017 \$Millions Audited
<b>Cash flows from operating activities</b>				
<i>Cash was provided from:</i>				
Receipts from customers		868.6	895.5	1,848.1
Distributions received from associates		11.4	2.8	6.1
Other dividends		0.6	0.3	0.7
Interest received		6.3	9.4	16.5
		<b>886.9</b>	<b>908.0</b>	<b>1,871.4</b>
<i>Cash was disbursed to:</i>				
Payments to suppliers and employees		(628.8)	(683.4)	(1,405.8)
Interest paid		(82.3)	(84.9)	(172.9)
Taxation paid		(45.0)	(28.8)	(47.7)
		<b>(756.1)</b>	<b>(797.1)</b>	<b>(1,626.4)</b>
<b>Net cash inflow from operating activities</b>	<b>13</b>	<b>130.8</b>	<b>110.9</b>	<b>245.0</b>
<b>Cash flows from investing activities</b>				
<i>Cash was provided from:</i>				
Proceeds from sale of associates		-	-	-
Proceeds from sale of subsidiaries (net of cash sold)		-	0.4	0.4
Proceeds from sale of property, plant and equipment		10.0	8.4	8.2
Proceeds from sale of investments		237.9	-	-
Return of security deposits		0.7	9.6	3.5
		<b>248.6</b>	<b>18.4</b>	<b>12.1</b>
<i>Cash was disbursed to:</i>				
Purchase of investments		(23.6)	(498.8)	(546.1)
Lodgement of security deposits		(0.2)	(5.7)	(13.3)
Purchase of intangible assets		(5.3)	(4.6)	(7.1)
Interest capitalised on construction of fixed assets		-	-	-
Capitalisation of customer acquisition costs		-	-	-
Purchase of property, plant and equipment		(81.1)	(79.8)	(119.8)
		<b>(110.2)</b>	<b>(588.9)</b>	<b>(686.3)</b>
<b>Net cash inflow / (outflow) from investing activities</b>		<b>138.4</b>	<b>(570.5)</b>	<b>(674.2)</b>
<b>Cash flows from financing activities</b>				
<i>Cash was provided from:</i>				
Proceeds from issue of shares		-	-	0.5
Proceeds from issue of shares to Non-controlling Interests		-	-	-
Bank borrowings		227.3	118.7	304.7
Issue of bonds		243.2	285.0	455.0
		<b>470.5</b>	<b>403.7</b>	<b>760.2</b>
<i>Cash was disbursed to:</i>				
Repayment of bank debt		(163.8)	(135.4)	(381.2)
Loan establishment costs		(0.1)	(1.7)	(9.4)
Repayment of bonds/Perpetual Infratil Infrastructure bonds buyback		(156.3)	(160.0)	(269.0)
Infrastructure bond issue expenses		(2.9)	(3.7)	(7.3)
Share buyback		-	-	(7.0)
Share buyback of non-wholly owned subsidiary		(0.2)	(0.7)	(0.7)
Dividends paid to non-controlling shareholders in subsidiary companies		(43.6)	(45.6)	(78.6)
Dividends paid to owners of the Company		(56.0)	(50.6)	(82.9)
		<b>(422.9)</b>	<b>(397.7)</b>	<b>(836.1)</b>
<b>Net cash inflow / (outflow) from financing activities</b>		<b>47.6</b>	<b>6.0</b>	<b>(75.9)</b>
Net increase/ (decrease) in cash and cash equivalents		316.8	(453.6)	(505.1)
Foreign exchange gains / (losses) on cash and cash equivalents		1.2	(2.8)	(1.6)
Cash and cash equivalents at beginning of the period		268.8	775.5	775.5
Adjustment for cash acquired with new subsidiary		-	-	-
<b>Cash and cash equivalents at end of the period</b>		<b>586.8</b>	<b>319.1</b>	<b>268.8</b>

The accompanying notes form part of these financial statements.

**Infratil Limited**  
**Consolidated Statement of Changes in Equity**  
**For the 6 months ended 30 September 2017**  
**Attributable to equity holders of the Company - Unaudited**

	Capital	Revaluation reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non- controlling	Total equity
	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions
Balance as at 1 April 2017	364.2	810.1	(0.2)	(4.9)	789.1	1,958.3	1,182.6	3,140.9
<b>Total comprehensive income for the period</b>								
Net surplus for the period	-	-	-	-	33.4	33.4	51.9	85.3
<b>Other comprehensive income, after tax</b>								
Differences arising on translation of foreign operations	-	-	(10.4)	-	-	(10.4)	0.2	(10.2)
Realisations on disposal of subsidiary, reclassified to profit and loss	-	-	-	-	-	-	-	-
Net change in fair value of available for sale financial assets	-	-	-	6.9	-	6.9	-	6.9
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	(0.1)	-	(0.1)	-	(0.1)
Fair value movements in relation to the executive share scheme	-	-	-	-	-	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	-	-	-	-	-	-	-	-
Share of associates other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	(10.4)	6.8	-	(3.6)	0.2	(3.4)
<b>Total comprehensive income for the period</b>	-	-	<b>(10.4)</b>	<b>6.8</b>	<b>33.4</b>	<b>29.8</b>	<b>52.1</b>	<b>81.9</b>
<b>Contributions by and distributions to non-controlling interest</b>								
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	-	-	-	-
Issue/(acquisition) of shares held by outside equity interest	-	-	-	-	-	-	(0.2)	(0.2)
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	(0.2)	(0.2)
<b>Contributions by and distributions to owners</b>								
Share buyback	-	-	-	-	-	-	-	-
Treasury Stock reissued under dividend reinvestment plan	-	-	-	-	-	-	-	-
Conversion of executive redeemable shares	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(56.0)	(56.0)	(43.6)	(99.6)
Total contributions by and distributions to owners	-	-	-	-	(56.0)	(56.0)	(43.6)	(99.6)
<b>Balance as at 30 September 2017</b>	<b>364.2</b>	<b>810.1</b>	<b>(10.6)</b>	<b>1.9</b>	<b>766.5</b>	<b>1,932.1</b>	<b>1,190.9</b>	<b>3,123.0</b>

The accompanying notes form part of these financial statements.

**Infratil Limited**  
**Consolidated Statement of Changes in Equity**  
**For the 6 months ended 30 September 2016**  
**Attributable to equity holders of the Company - Unaudited**

	Capital	Revaluation reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non- controlling	Total equity
	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions
Balance as at 1 April 2016	370.7	749.8	2.8	(4.7)	806.1	1,924.7	1,145.3	3,070.0
<b>Total comprehensive income for the period</b>								
Net surplus for the period	-	-	-	-	28.9	28.9	34.0	62.9
<b>Other comprehensive income, after tax</b>								
Differences arising on translation of foreign operations	-	-	(30.6)	-	-	(30.6)	(6.9)	(37.5)
Realisations on disposal of subsidiary, reclassified to profit and loss	-	-	-	-	-	-	-	-
Net change in fair value of available for sale financial assets	-	-	-	0.1	-	0.1	-	0.1
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	1.0	-	1.0	(0.4)	0.6
Fair value movements in relation to the executive share scheme	-	-	-	-	-	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	-	(9.2)	-	-	-	(9.2)	(8.3)	(17.5)
Share of associates other comprehensive income	-	-	-	-	0.1	0.1	-	0.1
Total other comprehensive income	-	(9.2)	(30.6)	1.1	0.1	(38.6)	(15.6)	(54.2)
<b>Total comprehensive income for the period</b>	-	(9.2)	(30.6)	1.1	29.0	(9.7)	18.4	8.7
<b>Contributions by and distributions to non-controlling interest</b>								
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	-	-	(1.3)	(1.3)
Issue/(acquisition) of shares held by outside equity interest	-	-	-	-	-	-	(0.7)	(0.7)
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	(2.0)	(2.0)
<b>Contributions by and distributions to owners</b>								
Share buyback	-	-	-	-	-	-	-	-
Treasury Stock reissued under dividend reinvestment plan	-	-	-	-	-	-	-	-
Conversion of executive redeemable shares	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(50.6)	(50.6)	(44.3)	(94.9)
Total contributions by and distributions to owners	-	-	-	-	(50.6)	(50.6)	(44.3)	(94.9)
<b>Balance as at 30 September 2016</b>	<b>370.7</b>	<b>740.6</b>	<b>(27.8)</b>	<b>(3.6)</b>	<b>784.5</b>	<b>1,864.4</b>	<b>1,117.4</b>	<b>2,981.8</b>

The accompanying notes form part of these financial statements.

**Infratil Limited**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 March 2017**  
**Attributable to equity holders of the Company - Audited**

	Capital	Revaluation reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non- controlling	Total equity
	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions	\$Millions
Balance as at 1 April 2016	370.7	749.8	2.8	(4.7)	806.1	1,924.7	1,145.3	3,070.0
<b>Total comprehensive income for the year</b>								
Net surplus for the year	-	-	-	-	66.1	66.1	64.3	130.4
<b>Other comprehensive income, after tax</b>								
Differences arising on translation of foreign operations	-	-	(3.0)	-	-	(3.0)	3.2	0.2
Realisations on disposal of subsidiary, reclassified to profit and loss	-	-	-	-	-	-	-	-
Net change in fair value of available for sale financial assets	-	-	-	0.2	-	0.2	-	0.2
Ineffective portion of hedges taken to profit and loss	-	-	-	0.1	-	0.1	-	0.1
Effective portion of changes in fair value of cash flow hedges	-	-	-	(0.5)	-	(0.5)	(1.7)	(2.2)
Fair value movements in relation to the executive share scheme	-	-	-	-	-	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	-	60.3	-	-	-	60.3	50.8	111.1
Share of associates other comprehensive income	-	-	-	-	(0.2)	(0.2)	-	(0.2)
Total other comprehensive income	-	60.3	(3.0)	(0.2)	(0.2)	56.9	52.3	109.2
<b>Total comprehensive income for the period</b>	-	<b>60.3</b>	<b>(3.0)</b>	<b>(0.2)</b>	<b>65.9</b>	<b>123.0</b>	<b>116.6</b>	<b>239.6</b>
<b>Contributions by and distributions to non-controlling interest</b>								
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	-	-	-	-
Issue/(acquisition) of shares held by outside equity interest	-	-	-	-	-	-	(0.7)	(0.7)
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	(0.7)	(0.7)
<b>Contributions by and distributions to owners</b>								
Share buyback	(7.1)	-	-	-	-	(7.1)	-	(7.1)
Treasury Stock reissued under dividend reinvestment plan	-	-	-	-	-	-	-	-
Conversion of executive redeemable shares	0.6	-	-	-	-	0.6	-	0.6
Dividends to equity holders	-	-	-	-	(82.9)	(82.9)	(78.6)	(161.5)
Total contributions by and distributions to owners	(6.5)	-	-	-	(82.9)	(89.4)	(78.6)	(168.0)
<b>Balance at 31 March 2017</b>	<b>364.2</b>	<b>810.1</b>	<b>(0.2)</b>	<b>(4.9)</b>	<b>789.1</b>	<b>1,958.3</b>	<b>1,182.6</b>	<b>3,140.9</b>

The accompanying notes form part of these financial statements.

**Notes to the Financial Statements**  
**For the 6 months ended 30 September 2017**

**(1) Accounting policies**

*Reporting Entity*

Infratil Limited ('the Company') is a company domiciled in New Zealand and registered under the Companies Act 1993. The Company is listed on the NZX Main Board ('NZX') and Australian Securities Exchange ('ASX'), and is an FMC Reporting Entity in terms of Part 7 of the Financial Markets Conduct Act 2013.

*Basis of preparation*

These unaudited condensed consolidated half year financial statements ('half year statements') of Infratil Limited together with its subsidiaries and associates ('the Group') have been prepared in accordance with NZ IAS 34 Interim Financial Reporting and comply with IAS 34 Interim Financial Reporting. These half year statements have been prepared in accordance with the accounting policies stated in the published financial statements for the year ended 31 March 2017 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 Parent's functional currency. Comparative figures have been restated where appropriate to ensure consistency with the current period.

*Adoption status of relevant new financial reporting standards and interpretations*

The following new standards, amendments to standards and interpretations are issued but not yet effective and have not been applied in preparation of these consolidated financial statements.

*NZ IFRS 9 Financial Instruments*, published in July 2014, replaces the existing guidance in *NZ IAS 39 Financial Instruments: Recognition and Measurement*. *NZ IFRS 9* includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from *NZ IAS 39*. *NZ IFRS 9* is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group has commenced a project to review the impact of *NZ IFRS 9* and will indicate the likely qualitative impact, if any, in its 31 March 2018 Annual Report.

*NZ IFRS 15 Revenue from Contracts with Customers*, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including *NZ IAS 18 Revenue*, *NZ IAS 11 Construction Contracts* and *IFRIC 13 Customer Loyalty Programmes*. *NZ IFRS 15* is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group has commenced a project to review the impact of *NZ IFRS 15* and will indicate the likely quantitative impact, if any, in its 31 March 2018 Annual Report.

*NZ IFRS 16 Leases*, removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. Lessor accounting remains similar to current practice – i.e. lessors continue to classify leases as finance and operating. The standard is effective for annual reporting periods beginning on or after 1 January 2019. The Group has commenced a project to review the impact of *NZ IFRS 16* and will indicate the likely qualitative impact, if any, in its 31 March 2018 Annual Report.

**(2) Nature of business**

The Group owns and operates infrastructure and utility businesses and investments in New Zealand, Australia and the United States. 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 and dividends**

	6 months ended 30 September 2017 Unaudited	6 months ended 30 September 2016 Unaudited	Year ended 31 March 2017 Audited
<i>Ordinary shares (fully paid)</i>			
Total issued capital at the beginning of the period	560,053,166	562,325,645	562,325,645
<i>Movements in issued and fully paid ordinary shares during the period:</i>			
Share buyback	-	-	(2,510,000)
Treasury Stock reissued under dividend reinvestment plan	-	-	-
Conversion of executive redeemable shares	-	-	237,521
Total issued capital at the end of the period	560,053,166	562,325,645	560,053,166

All fully paid ordinary shares have equal voting rights and share equally in dividends and equity. At 30 September 2017 the Group held no Treasury Stock (30 September 2016: 4,500,000, 31 March 2017: nil). 7,010,000 shares held as Treasury stock were cancelled on 29 March 2017.

	6 months ended 30 September 2017 cps Unaudited	6 months ended 30 September 2016 cps Unaudited	Year ended 31 March 2017 cps Audited	6 months ended 30 September 2017 \$Millions Unaudited	6 months ended 30 September 2016 \$Millions Unaudited	Year ended 31 March 2017 \$Millions Audited
<i>Dividends paid on ordinary shares</i>						
Final dividend prior year	10.00	9.00	9.00	56.0	50.6	50.6
Interim dividend paid current year	-	-	5.75	-	-	32.3
Dividends paid on ordinary shares	10.00	9.00	14.75	56.0	50.6	82.9

**Notes to the Financial Statements**  
**For the 6 months ended 30 September 2017**

**(4) Operating segments**

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

Trustpower and Tilt Renewables are renewable generation investments, Wellington International Airport is our Wellington airport investment, NZ Bus is our transportation investment and Perth Energy is our non renewable generation investment in Western Australia. Associates comprises Infratil's investments that aren't consolidated for financial reporting purposes including Canberra Data Centres, RetireAustralia, ANU Student Accommodation and Longroad Energy. Further information on these investments is outlined in Note 5. All other segments and corporate includes predominately the activities of the Parent Company level. The group has no significant reliance on any one customer.

<i>For the period ended 30 September 2017</i>	Trustpower Australasia \$Millions Unaudited	Tilt Renewables Australasia \$Millions Unaudited	Wellington Airport New Zealand \$Millions Unaudited	NZ Bus New Zealand \$Millions Unaudited	Perth Energy Australia \$Millions Unaudited	Associates \$Millions Unaudited	All other segments and corporate New Zealand \$Millions Unaudited	Eliminations & discontinued operations \$Millions Unaudited	Total from Continuing Operations \$Millions Unaudited
Segment revenue	520.1	81.0	63.8	111.3	147.4	-	75.1	(1.6)	997.1
Share of earnings of associate companies	-	-	-	-	-	29.4	-	-	29.4
Inter-segment revenue	-	-	-	-	-	-	(72.1)	(18.7)	(90.8)
Segment revenue - external	520.1	81.0	63.8	111.3	147.4	29.4	3.0	(20.3)	935.7
Operating expenses (excluding Depreciation and amortisation)	(361.0)	(28.2)	(16.5)	(93.4)	(153.6)	-	(14.5)	18.7	(648.5)
Interest income	0.5	0.7	0.6	-	0.2	-	7.4	(3.1)	6.3
Interest expense	(18.6)	(16.8)	(10.1)	(2.9)	(3.5)	-	(39.0)	4.7	(86.2)
Depreciation and amortisation	(24.0)	(41.7)	(11.5)	(16.1)	(3.2)	-	(0.2)	-	(96.7)
Net gain/(loss) on foreign exchange and derivatives	(2.5)	0.9	-	-	-	-	3.0	-	1.4
Net realisations, revaluations and (impairments)	-	-	3.9	(2.1)	-	-	6.9	-	8.7
Taxation expense	(32.2)	1.4	(7.5)	1.0	(1.3)	-	3.2	-	(35.4)
Segment profit/(loss)	82.3	(2.7)	22.7	(2.2)	(14.0)	29.4	(30.2)	-	85.3
Investments in associates	-	-	-	-	-	863.5	-	-	863.5
Total non-current assets (excluding derivatives and deferred tax)	2,429.2	1,330.8	1,032.9	191.8	122.1	863.5	91.0	-	6,061.3
Total assets	2,582.4	1,479.7	1,075.4	207.9	169.9	863.5	534.7	-	6,913.5
Total liabilities	1,059.0	923.8	589.5	46.0	92.6	-	1,079.6	-	3,790.5
Capital expenditure and investments	15.9	21.1	40.3	11.4	0.5	22.0	2.3	-	113.5



**Notes to the Financial Statements**  
**For the 6 months ended 30 September 2017**

*For the period ended 30 September 2016*

	Trustpower Australasia \$Millions Unaudited	Tilt Renewables Australasia \$Millions Unaudited	Wellington Airport New Zealand \$Millions Unaudited	NZ Bus New Zealand \$Millions Unaudited	Perth Energy Australia \$Millions Unaudited	Associates \$Millions Unaudited	All other segments and corporate New Zealand \$Millions Unaudited	Eliminations & discontinued operations \$Millions Unaudited	Total from Continuing Operations \$Millions Unaudited
Segment revenue	501.6	95.0	58.4	120.1	187.9	-	83.1	-	1,046.1
Share of earnings of associate companies	-	-	-	-	-	29.1	-	-	29.1
Inter-segment revenue	-	-	-	-	-	-	(77.5)	(26.5)	(104.0)
Segment revenue - external	501.6	95.0	58.4	120.1	187.9	29.1	5.6	(26.5)	971.2
Operating expenses (excluding Depreciation and amortisation)	(390.9)	(29.8)	(14.4)	(95.1)	(197.6)	-	(16.5)	26.5	(717.8)
Interest income	0.1	0.1	0.2	-	0.2	-	10.5	(1.7)	9.4
Interest expense	(18.3)	(17.1)	(12.3)	(1.3)	(2.3)	-	(39.4)	1.7	(89.0)
Depreciation and amortisation	(22.6)	(36.9)	(10.0)	(15.9)	(2.8)	-	(0.3)	-	(88.5)
Net gain/(loss) on foreign exchange and derivatives	(3.3)	(2.2)	4.5	-	0.1	-	0.5	-	(0.4)
Net realisations, revaluations and (impairments)	-	-	(0.3)	-	-	-	0.8	-	0.5
Taxation expense	(21.1)	2.2	(7.3)	(1.5)	4.4	-	0.9	-	(22.4)
Segment profit/(loss)	45.8	76.4	18.6	6.3	(10.1)	29.1	(37.9)	-	62.9
Investments in associates	-	-	-	-	-	1,002.2	-	-	1,002.2
Total non-current assets (excluding derivatives and deferred tax)	2,308.2	1,357.7	977.0	218.9	109.6	1,002.2	77.4	-	6,051.0
Total assets	2,493.7	1,362.6	996.9	240.1	180.4	1,002.2	338.1	-	6,614.0
Total liabilities	1,086.7	815.2	520.4	45.4	109.9	-	1,054.6	-	3,632.2
Capital expenditure and investments	20.2	6.0	44.0	12.3	0.4	513.7	4.0	-	600.6

**Notes to the Financial Statements**  
**For the 6 months ended 30 September 2017**

*For the year ended 31 March 2017*

	Trustpower Australasia \$Millions Audited	Tilt Renewables Australasia \$Millions Audited	Wellington Airport New Zealand \$Millions Audited	NZ Bus New Zealand \$Millions Audited	Perth Energy Australia \$Millions Audited	Associates \$Millions	All other segments and corporate New Zealand \$Millions Audited	Eliminations & discontinued operations \$Millions Audited	Total from Continuing Operations \$Millions Audited
Segment revenue	939.9	185.2	119.6	227.8	364.6	-	120.4	-	1,957.5
Share of earnings of associate companies	-	-	-	-	-	88.1	-	-	88.1
Inter-segment revenue	-	-	-	-	-	-	(86.4)	(45.4)	(131.8)
Segment revenue - external	939.9	185.2	119.6	227.8	364.6	88.1	34.0	(45.4)	1,913.8
Operating expenses (excluding Depreciation and amortisation)	(722.1)	(53.5)	(29.0)	(184.1)	(378.7)	-	(58.4)	45.4	(1,380.4)
Interest income	3.9	0.3	0.8	0.1	0.3	-	15.9	(4.8)	16.5
Interest expense	(44.5)	(34.1)	(22.3)	(7.4)	(5.4)	-	(73.3)	4.8	(182.2)
Depreciation and amortisation	(47.5)	(78.6)	(21.7)	(32.3)	(5.6)	-	(0.8)	-	(186.5)
Net gain/(loss) on foreign exchange and derivatives	4.7	8.2	8.3	-	0.1	-	7.7	-	29.0
Net realisations, revaluations and (impairments)	(3.5)	-	0.1	(0.2)	-	(54.5)	2.9	-	(55.2)
Taxation expense	(36.9)	(10.1)	(1.0)	(1.2)	7.4	-	17.2	-	(24.6)
Segment profit/(loss)	94.0	17.4	54.8	2.7	(17.3)	33.6	(54.8)	-	130.4
Investments in associates (including those held for sale)	-	-	-	-	-	1,069.0	-	-	1,069.0
Total non-current assets (excluding derivatives and deferred tax)	2,441.5	1,358.1	1,000.2	205.9	125.2	831.1	83.0	-	6,045.0
Total assets	2,576.9	1,414.4	1,085.6	225.1	180.9	1,069.0	244.8	-	6,796.7
Total liabilities	1,078.5	846.2	572.9	53.1	89.1	-	1,016.0	-	3,655.8
Capital expenditure and investments	23.1	6.0	79.3	16.2	0.9	561.0	7.5	-	694.0

**Notes to the Financial Statements**  
For the 6 months ended 30 September 2017

**Entity wide disclosure - geographical**

The Group operates in two principal areas, New Zealand and Australia, as well as having certain investments in the United States. The Group's geographical segments are based on the location of both customers and assets.

	New Zealand \$Millions Unaudited	Australia \$Millions Unaudited	United States \$Millions Unaudited	Eliminations & discontinued operations \$Millions Unaudited	Total from Continuing Operations \$Millions Unaudited
<b>For the period ended 30 September 2017</b>					
Segment revenue	781.5	217.2	-	(1.6)	997.1
Share of earnings of associate companies	-	35.3	(5.9)	-	29.4
Inter-segment revenue	(72.1)	-	-	(18.7)	(90.8)
Segment revenue - external	709.4	252.5	(5.9)	(20.3)	935.7
Operating expenses (excluding Depreciation and amortisation)	(515.1)	(152.1)	-	18.7	(648.5)
Interest income	8.4	1.0	-	(3.1)	6.3
Interest expense	(72.4)	(18.5)	-	4.7	(86.2)
Depreciation and amortisation	(62.1)	(34.6)	-	-	(96.7)
Net gain/(loss) on foreign exchange and derivatives	(0.2)	1.6	-	-	1.4
Net realisations, revaluations and (impairments)	8.7	-	-	-	8.7
Taxation expense	(33.3)	(2.1)	-	-	(35.4)
Segment profit/(loss)	43.4	47.8	(5.9)	-	85.3
Investments in associates	0.3	814.9	48.3	-	863.5
Total non-current assets (excluding derivatives and deferred tax)	3,876.1	2,127.6	57.6	-	6,061.3
Total assets	4,543.2	2,312.7	57.6	-	6,913.5
Total liabilities	3,069.8	720.7	-	-	3,790.5
Capital expenditure and investments	70.9	20.6	22.0	-	113.5
<b>For the period ended 30 September 2016</b>					
	New Zealand \$Millions Unaudited	Australia \$Millions Unaudited	United States \$Millions Unaudited	Eliminations & discontinued operations \$Millions Unaudited	Total from Continuing Operations \$Millions Unaudited
Segment revenue	780.5	265.6	-	-	1,046.1
Share of earnings of associate companies	20.4	8.7	-	-	29.1
Inter-segment revenue	(77.5)	-	-	(26.5)	(104.0)
Segment revenue - external	723.4	274.3	-	(26.5)	971.2
Operating expenses (excluding Depreciation and amortisation)	(517.3)	(227.0)	-	26.5	(717.8)
Interest income	10.8	0.3	-	(1.7)	9.4
Interest expense	(71.4)	(19.3)	-	1.7	(89.0)
Depreciation and amortisation	(57.6)	(30.9)	-	-	(88.5)
Net gain/(loss) on foreign exchange and derivatives	1.7	(2.1)	-	-	(0.4)
Net realisations, revaluations and (impairments)	0.5	-	-	-	0.5
Taxation expense	(23.9)	1.5	-	-	(22.4)
Segment profit/(loss)	66.1	(3.2)	-	-	62.9
Investments in associates	262.8	739.4	-	-	1,002.2
Total non-current assets (excluding derivatives and deferred tax)	4,084.9	1,966.1	-	-	6,051.0
Total assets	4,518.5	2,095.5	-	-	6,614.0
Total liabilities	2,830.8	801.4	-	-	3,632.2
Capital expenditure and investments	82.2	518.4	-	-	600.6

**Notes to the Financial Statements**  
**For the 6 months ended 30 September 2017**

**For the year ended 31 March 2017**

	New Zealand \$Millions Audited	Australia \$Millions Audited	United States \$Millions Audited	Eliminations & discontinued operations \$Millions Audited	Total from Continuing Operations \$Millions Audited
Segment revenue	1,417.4	540.1	-	-	1,957.5
Share of earnings of associate companies	53.2	37.8	(2.9)	-	88.1
Inter-segment revenue	(86.4)	-	-	(45.4)	(131.8)
Segment revenue - external	1,384.2	577.9	(2.9)	(45.4)	1,913.8
Operating expenses (excluding Depreciation and amortisation)	(1,025.1)	(400.7)	-	45.4	(1,380.4)
Interest income	20.6	0.7	-	(4.8)	16.5
Interest expense	(148.1)	(38.9)	-	4.8	(182.2)
Depreciation and amortisation	(123.4)	(63.1)	-	-	(186.5)
Net gain/(loss) on foreign exchange and derivatives	21.8	7.2	-	-	29.0
Net realisations, revaluations and (impairments)	(55.2)	-	-	-	(55.2)
Taxation expense	(13.9)	(10.7)	-	-	(24.6)
Segment profit/(loss)	79.5	53.8	(2.9)	-	130.4
Investments in associates (including those held for sale)	240.1	795.7	33.2	-	1,069.0
Total non-current assets (excluding derivatives and deferred tax)	3,848.3	2,153.8	42.9	-	6,045.0
Total assets	4,496.9	2,256.9	42.9	-	6,796.7
Total liabilities	2,780.0	875.8	-	-	3,655.8
Capital expenditure and investments	128.0	529.8	36.2	-	694.0

**(5) Investments in associates**

	Note	6 months ended 30 September 2017 \$Millions Unaudited	6 months ended 30 September 2016 \$Millions Unaudited	Year ended 31 March 2017 \$Millions Audited
<i>Investments in associates are as follows:</i>				
Canberra Data Centres	5.1	435.2	401.4	426.3
RetireAustralia	5.2	287.1	255.3	278.2
Metlifecare		-	260.7	-
ANU Student Accommodation	5.3	92.6	82.6	91.2
Longroad Energy		48.3	-	33.2
Mana Coach Holdings		0.3	2.2	2.2
<b>Investments in associates</b>		<b>863.5</b>	<b>1,002.2</b>	<b>831.1</b>
<i>Equity accounted earnings of associates are as follows:</i>				
Canberra Data Centres	5.1	18.9	(5.0)	5.0
RetireAustralia	5.2	10.5	15.8	29.3
Metlifecare		-	20.4	53.2
ANU Student Accommodation	5.3	6.0	(2.1)	3.5
Longroad Energy		(6.0)	-	(2.9)
Mana Coach Holdings		-	-	-
<b>Share of earnings of associate companies</b>		<b>29.4</b>	<b>29.1</b>	<b>88.1</b>

**Metlifecare**

On 7 April 2017 Infratil advised the NZX that it had entered into a block trade agreement for the off-market sale of its 19.9% stake (42.4 million shares) in Metlifecare at a price of \$5.61 per share. Settlement occurred on 11 April 2017. As at 31 March 2017 the Group's investment in Metlifecare was reclassified from investments in associates to investments held for sale and had been revalued to fair value less costs to sell which was the equivalent of \$5.61 a share. As at 30 September 2016 the fair value of the Group's investment in MET was \$265.1 million based on the quoted market price of MET shares on the NZX at that date of \$6.25.

**Notes to the Financial Statements**  
For the 6 months ended 30 September 2017

**(5.1) Canberra Data Centres**

On 14 September 2016 the Group completed the acquisition of 48% of Canberra Data Centres ('CDC'), with consortium partner the Commonwealth Superannuation Corporation acquiring 48% and CDC Executives 4%. CDC operates two carrier-neutral co-location data centre precincts in Canberra. Infratil's initial A\$385.7 million (NZ\$396.4 million) equity investment is made by way of an A\$144.4 million (NZ\$148.4 million) shareholder loan and A\$241.3 million (NZ\$248.0 million) of equity. The Group equity accounts for its investment in CDC. The Group's share of associate's earnings in the prior periods included Infratil's share of transaction costs that were incurred at the holding structure level.

	6 months ended 30 September 2017 \$Millions Unaudited	6 months ended 30 September 2016 \$Millions Unaudited	Year ended 31 March 2017 \$Millions Audited
<i>Movement in the carrying amount of investment in Canberra Data Centres:</i>			
Carrying value at 1 April	426.3	-	-
Acquisition of shares	-	248.0	248.0
Capitalised transaction costs	-	15.1	15.1
Shareholder loan	-	148.4	148.4
<b>Total cost of investment</b>	<b>426.3</b>	<b>411.5</b>	<b>411.5</b>
Interest on shareholder loan (including accruals)	7.0	0.7	7.5
Share of associate's surplus/(loss) before income tax	10.7	(5.6)	(3.7)
Share of associate's income tax (expense)	1.2	(0.1)	1.2
<b>Total share of associate's earnings in the period</b>	<b>18.9</b>	<b>(5.0)</b>	<b>5.0</b>
Share of associate's other comprehensive income	-	-	-
less: distributions received	(7.3)	-	-
Foreign exchange movements recognised in other comprehensive income	(2.7)	(5.1)	9.8
<b>Carrying value of investment in associate</b>	<b>435.2</b>	<b>401.4</b>	<b>426.3</b>

	30 September 2017 A\$Millions Unaudited	30 September 2016 A\$Millions Unaudited	31 March 2017 A\$Millions Audited
<i>Summary financial information</i>			
<i>Summary information for CDC is not adjusted for the percentage ownership held by the Group</i>			
Current assets	40.7	28.5	45.4
Non-current assets	1,145.8	1,009.6	1,101.9
<b>Total Assets</b>	<b>1,186.5</b>	<b>1,038.1</b>	<b>1,147.3</b>
Current liabilities	25.6	15.5	28.6
Non-current liabilities	641.4	600.3	622.2
<b>Total liabilities</b>	<b>667.0</b>	<b>615.8</b>	<b>650.8</b>
Revenues	30.2	2.6	41.2
Net profit/(loss) after tax	2.9	(4.2)	(4.9)

CDC's functional currency is Australian Dollars (A\$) and the summary financial information shown is presented in this currency.

**Notes to the Financial Statements**  
For the 6 months ended 30 September 2017

**(5.2) RetireAustralia**

On 31 December 2014, the Group acquired a 50% shareholding of RetireAustralia, with consortium partner the NZ Super Fund acquiring the other 50%. RetireAustralia operates 28 retirement villages across three states in Australia – New South Wales, Queensland and South Australia. The total equity consideration was A\$407.8 million with Infratil and the NZ Super Fund each providing total cash equity of A\$203.9 million (NZ\$213.0 million). The total cost of the acquisition included transaction costs of A\$15.9 million (primarily landholder duty). The Group equity accounts for its investment in RetireAustralia.

	6 months ended 30 September 2017 \$Millions Unaudited	6 months ended 30 September 2016 \$Millions Unaudited	Year ended 31 March 2017 \$Millions Audited
<i>Movement in the carrying amount of investment in RetireAustralia:</i>			
Carrying value at 1 April	278.2	252.9	252.9
Acquisition of shares	-	17.4	29.5
Total cost of investment	278.2	270.3	282.4
Share of associate's surplus/(loss) before income tax	15.0	15.8	38.8
Share of associate's income tax (expense)	(4.5)	-	(9.5)
Total share of associate's earnings in the period	10.5	15.8	29.3
Share of associate's other comprehensive income	-	-	-
less: distributions received	-	(18.3)	(31.1)
Foreign exchange movements recognised in other comprehensive income	(1.6)	(12.5)	(2.4)
Carrying value of investment in associate	287.1	255.3	278.2

**Summary financial information**

*Summary information for RetireAustralia is not adjusted for the percentage ownership held by the Group*

	30 September 2017 A\$Millions Unaudited	30 September 2016 A\$Millions Unaudited	31 March 2017 A\$Millions Audited
Current assets	178.2	139.1	177.9
Non-current assets	2,337.6	2,084.2	2,226.0
Total Assets	2,515.8	2,223.3	2,403.9
Current liabilities	1,719.7	1,511.1	1,639.0
Non-current liabilities	269.7	241.4	258.3
Total liabilities	1,989.4	1,752.5	1,897.3
Revenues	47.1	35.0	91.8
Net profit/(loss) after tax	19.6	29.9	55.2

RetireAustralia's functional currency is Australian Dollars (A\$) and the summary financial information shown is presented in this currency.

**Notes to the Financial Statements**  
**For the 6 months ended 30 September 2017**

**(5.3) ANU Student Accommodation**

On 4 August 2016 the Group completed the acquisition of 50% of the concession for the net rental revenue from nine on-campus Purpose Built Student Accommodation ('ANU Student Accommodation') residences at the Australian National University, with consortium partner the Commonwealth Superannuation Corporation acquiring the other 50%. Infratil's A\$80.4 million (NZ\$84.8 million) equity investment is made by way of an A\$45.0 million (NZ\$47.5 million) shareholder loan and A\$35.4 million (NZ\$37.3 million) of equity. The Group's share of associate's earnings in the prior periods included Infratil's share of transaction costs that were incurred at the holding structure level.

	6 months ended 30 September 2017 \$Millions Unaudited	6 months ended 30 September 2016 \$Millions Unaudited	Year ended 31 March 2017 \$Millions Audited
<i>Movement in the carrying amount of investment in ANU Student Accommodation:</i>			
Carrying value at 1 April	91.2	-	-
Acquisition of shares	-	37.3	37.3
Shareholder loan	-	47.5	47.5
<b>Total cost of investment</b>	<b>91.2</b>	<b>84.8</b>	<b>84.8</b>
Interest on shareholder loan (including accruals)	1.8	0.6	2.3
Share of associate's surplus/(loss) before income tax	4.2	(2.7)	1.2
Share of associate's income tax (expense)	-	-	-
<b>Total share of associate's earnings in the period</b>	<b>6.0</b>	<b>(2.1)</b>	<b>3.5</b>
Share of associate's other comprehensive income	-	-	-
<i>less: distributions received</i>	<i>(4.1)</i>	<i>-</i>	<i>-</i>
Foreign exchange movements recognised in other comprehensive income	(0.5)	(0.1)	2.9
<b>Carrying value of investment in associate</b>	<b>92.6</b>	<b>82.6</b>	<b>91.2</b>

	30 September 2017 A\$Millions Unaudited	30 September 2016 A\$Millions Unaudited	31 March 2017 A\$Millions Audited
<b>Summary financial information</b>			
<i>Summary information for ANU Student Accommodation is not adjusted for the percentage ownership held by the Group</i>			
Current assets	10.6	24.3	19.0
Non-current assets	534.3	499.6	524.3
<b>Total Assets</b>	<b>544.9</b>	<b>523.9</b>	<b>543.3</b>
Current liabilities	1.0	1.3	7.3
Non-current liabilities	469.3	456.9	463.0
<b>Total liabilities</b>	<b>470.3</b>	<b>458.2</b>	<b>470.3</b>
Revenues	22.1	5.6	31.8
<b>Net profit/(loss) after tax</b>	<b>7.8</b>	<b>(5.0)</b>	<b>2.3</b>

The Investment Entity's functional currency is Australian Dollars (A\$) and the summary financial information shown is presented in this currency.

**(6) Other investments**

	30 September 2017 \$Millions Unaudited	30 September 2016 \$Millions Unaudited	31 March 2017 \$Millions Audited
Australian Social Infrastructure Partners	41.6	32.2	34.0
Envision Ventures	9.3	6.6	9.7
Other	8.9	-	8.1
<b>Total other investments</b>	<b>59.8</b>	<b>38.8</b>	<b>51.8</b>

**Australian Social Infrastructure Partners**

Infratil has made a commitment of A\$100 million to pursue greenfield availability based public-private partnership ('PPP') opportunities in Australia via Australian Social Infrastructure Partners ('ASIP'). ASIP has currently invested in 9.95% and 49.0% respectively of the equity in the New Royal Adelaide Hospital PPP and the South East Queensland Schools PPP. As at 30 September 2017 Infratil has made total contributions of A\$30.2 million (30 September 2016: A\$28.9 million; 31 March 2017: A\$29.3 million), with the remaining A\$69.8 million commitment uncalled at that date.

**Envision Ventures**

In February 2016 Infratil made a commitment of US\$25 million to the California based Envision Ventures Fund 2. The strategic objective is to help Infratil's businesses identify and engage with technology changes that will impact their activities. As at 30 September 2017 Infratil has made total contributions of US\$6.8 million (30 September 2016: US\$4.8 million, 31 March 2017: US\$5.3 million), with the remaining US\$18.2 million commitment uncalled at that date.

**Notes to the Financial Statements**  
**For the 6 months ended 30 September 2017**

**(7) Other operating expenses**

	Note	6 months ended 30 September 2017 \$Millions Unaudited	6 months ended 30 September 2016 \$Millions Unaudited	Year ended 31 March 2017 \$Millions Audited
Fees paid to the Group auditor	7.1	0.4	0.3	0.9
Audit fees paid to other auditors		0.1	0.2	0.7
Bad debts written off		0.9	1.0	1.6
Increase in provision for doubtful debts		0.2	0.9	0.1
Directors' fees		1.0	1.1	2.8
Administration and other corporate costs		2.9	3.5	7.1
Donations		-	0.5	0.5
Management fee (to related party Morrison & Co Infrastructure Management)	14	10.7	11.2	21.4
<i>Trading operations</i>				
Energy and wholesale costs		189.3	214.8	433.3
Line, distribution and network costs		201.4	219.8	413.0
Generation production & development costs		26.3	29.3	68.3
Other energy business costs		39.1	63.9	92.1
Telecommunications cost of sales		26.3	23.7	47.9
Transportation business costs		35.2	34.0	66.1
Airport business costs		10.9	9.2	18.3
<b>Total other operating expenses</b>		<b>544.7</b>	<b>613.4</b>	<b>1,174.1</b>

**(7.1) Fees paid to the Group auditor**

	6 months ended 30 September 2017 \$'000's Unaudited	6 months ended 30 September 2016 \$'000's Unaudited	Year ended 31 March 2017 \$'000's Audited
Audit and review of financial statements	234.4	212.8	440.3
Regulatory audit work	18.4	16.0	33.0
Other assurance services	-	7.2	14.2
Taxation services	173.3	105.5	417.7
Other services	8.3	-	-
<b>Total fees paid to the Group auditor</b>	<b>434.4</b>	<b>341.5</b>	<b>905.2</b>

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, tax advisory services provided to a subsidiary of the group, and advisory services relating to the Trustpower demerger.

**(8) Taxation**

	6 months ended 30 September 2017 \$Millions Unaudited	6 months ended 30 September 2016 \$Millions Unaudited	Year ended 31 March 2017 \$Millions Audited
Net surplus before taxation	120.7	85.3	155.0
Taxation on the surplus for the period @ 28%	33.8	23.9	43.4
<i>Plus/(less) taxation adjustments:</i>			
Effect of tax rates in foreign jurisdictions	(0.2)	(0.1)	0.6
Net benefit of imputation credits	-	(0.3)	(0.3)
Timing differences not recognised	-	-	(20.4)
Tax losses not recognised/(utilised)	0.7	-	(2.9)
Effect of equity accounted earnings of associates	(4.6)	(1.3)	1.5
(Over)/Under provision in prior periods	(0.1)	-	1.5
Net investment (realisations)/impairment	-	(0.2)	0.4
Other permanent differences	5.8	0.4	0.8
<b>Taxation expense</b>	<b>35.4</b>	<b>22.4</b>	<b>24.6</b>
Current taxation	41.9	30.7	77.7
Deferred taxation	(6.5)	(8.3)	(53.1)



**Notes to the Financial Statements**  
For the 6 months ended 30 September 2017

**(9) Loans and borrowings**

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

	30 September 2017	30 September 2016	31 March 2017
	\$Millions Unaudited	\$Millions Unaudited	\$Millions Audited
<i>Current liabilities</i>			
Unsecured bank loans	12.7	258.5	92.7
Secured bank facilities	46.2	4.4	44.5
<i>less: Capitalised loan establishment costs</i>	(0.8)	(2.4)	(2.7)
	58.1	260.5	134.5
<i>Non-current liabilities</i>			
Unsecured bank loans	311.0	741.1	257.9
Secured bank facilities	713.7	43.8	634.4
<i>less: Capitalised loan establishment costs</i>	(1.5)	(2.5)	(6.9)
	1,023.2	782.4	885.4
<i>Facilities utilised at reporting date</i>			
Unsecured bank loans	323.7	999.6	350.6
Unsecured guarantees	-	0.4	-
Secured bank loans	759.9	48.2	678.9
Secured guarantees	26.6	26.6	26.8
<i>Facilities not utilised at reporting date</i>			
Unsecured bank loans	528.7	937.2	463.5
Unsecured guarantees	-	-	-
Secured bank loans	42.5	25.4	152.2
Secured guarantees	98.6	0.3	0.3
Interest bearing loans and borrowings - <i>current</i>	58.1	260.5	134.5
Interest bearing loans and borrowings - <i>non-current</i>	1,023.2	782.4	885.4
<b>Total interest bearing loans and borrowings</b>	<b>1,081.3</b>	<b>1,042.9</b>	<b>1,019.9</b>

**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 year the Group has complied with all debt covenant requirements as imposed by lenders.

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 2.2% to 4.2% (30 September 2016: 1.9% to 5.0%, 31 March 2017: 1.9% to 5.0%).

On 7 September 2016, Tilt Renewables signed financing documents in order to enable the funding of the demerger from Trustpower. These financing documents included a new syndicated bank debt facility along with the continuation of the EKF Facilities which were historically used to fund a number of the Tilt Renewables operating wind farms. These facilities were drawn down at implementation of the demerger on 31 October 2016 for the purpose of refinancing Trustpower debt and are now classified as secured bank facilities.

During the period the A\$41.6 million secured bank facility of Perth Energy has been refinanced with an expiry date of 21 May 2020. This facility and certain other indebtedness between the Perth Energy Holdings Group and financiers has been guaranteed by Infratil Finance Limited.

**Notes to the Financial Statements**  
For the 6 months ended 30 September 2017

**(10) Infrastructure bonds**

	30 September 2017 \$Millions Unaudited	30 September 2016 \$Millions Unaudited	31 March 2017 \$Millions Audited
Balance at the beginning of the period	998.3	949.8	949.8
Issued during the period	143.4	150.0	150.0
Exchanged during the year	(32.7)	(49.5)	(49.5)
Matured during the period	(33.6)	(50.5)	(50.5)
Purchased by Infratil during the period	-	-	(1.5)
Bond issue costs capitalised during the period	(2.0)	(2.2)	(2.2)
Bond issue costs amortised during the period	1.1	1.2	2.2
<b>Balance at the end of the period</b>	<b>1,074.5</b>	<b>998.8</b>	<b>998.3</b>
Current	81.1	66.1	147.2
Non-current fixed coupon	762.4	700.2	620.3
Non-current perpetual variable coupon	231.0	232.5	230.8
<b>Balance at the end of the year</b>	<b>1,074.5</b>	<b>998.8</b>	<b>998.3</b>
<i>Repayment terms and interest rates:</i>			
IFT160 Maturing in June 2017, 8.50% per annum fixed coupon rate	-	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	68.5
IFT090 Maturing in February 2020, 8.50% per annum fixed coupon rate	80.5	80.5	80.5
IFT220 Maturing in June 2021, 4.90% per annum	93.9	93.9	93.9
IFT190 Maturing in June 2022, 6.85% per annum fixed coupon rate	93.7	93.7	93.7
IFT240 Maturing in December 2022, 5.65% per annum fixed coupon rate	100.0	-	-
IFT210 Maturing in September 2023, 5.25% per annum fixed coupon rate	122.1	122.1	122.1
IFT230 Maturing in June 2024, 5.50% per annum fixed coupon rate	56.1	56.1	56.1
IFT250 Maturing in June 2025, 6.15% per annum fixed coupon rate	43.4	-	-
IFTHA Perpetual Infratil infrastructure bonds	231.9	233.4	231.9
<i>less: Bond issue costs capitalised and amortised over term</i>	<i>(8.2)</i>	<i>(8.2)</i>	<i>(7.2)</i>
<b>Balance at the end of the period</b>	<b>1,074.5</b>	<b>998.8</b>	<b>998.3</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 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 231,916,000 (30 September 2016: 233,405,600, 31 March 2017: 231,916,000) 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 2017 the coupon is fixed at 3.63% per annum (September 2016: 4.26%, March 2017: 3.63%). Thereafter the rate will be reset annually at 1.5% per annum over the then one year bank rate for quarterly payments, unless Infratil's gearing ratio exceeds certain thresholds, in which case the margin increases. These infrastructure bonds have no fixed maturity date. No PIIBs (September 2016: nil, March 2017: 1,489,000) were repurchased by Infratil Limited during the period.

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

At 30 September 2017 the Infrastructure bonds (including PIIBs) had a fair value of \$1,031.4 million (30 September 2016: \$968.9 million, 31 March 2017: \$943.8 million).

## (11) Financial instruments

### (11.1) 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 and senior notes held at amortised cost which have a fair value at 30 September 2017 of \$1,857.7 million (30 September 2016: \$1,742.5 million, 31 March 2017: \$1,756.7 million) compared to a carrying value of \$1,875.0 million (30 September 2016: \$1,729.9 million, 31 March 2017: \$1,788.9 million).

### (11.2) Estimation of fair values

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and liabilities are calculated using market-quoted rates based on discounted cash flow analysis.
- The fair value of derivative financial instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve or available forward price data for the duration of the instruments.

Where the fair value of a derivative is calculated as the present value of the estimated future cash flows of the instrument, the two key types of variables used by the valuation techniques are:

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

Valuation Input	Source
Interest rate forward price curve	Published market swap rates
Foreign exchange forward prices	Published spot foreign exchange rates
Electricity forward price curve	Market quoted prices where available and management's best estimate based on its view of the long run marginal cost of new generation where no market quoted prices are available.
Discount rate for valuing interest rate derivatives	Published market interest rates as applicable to the remaining life of the instrument.
Discount rate for valuing forward foreign exchange contracts	Published market rates as applicable to the remaining life of the instrument.
Discount rate for valuing electricity price derivatives	Assumed counterparty cost of funds ranging from 3.3% to 3.5% (30 September 2016: 3.2% to 3.5%, 31 March 2017: 3.1% to 3.5%)

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.

### (11.3) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (**level 1**)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (**level 2**)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (**level 3**).

The following tables present the Group's financial assets and liabilities that are measured at fair value.

30 September 2017	Level 1 \$Millions Unaudited	Level 2 \$Millions Unaudited	Level 3 \$Millions Unaudited	Total \$Millions Unaudited
<b>Assets per the statement of financial position</b>				
Derivative financial instruments - energy	-	-	3.1	3.1
Derivative financial instruments - foreign exchange	-	-	-	-
Derivative financial instruments - interest rate	-	5.0	-	5.0
<b>Total</b>	-	5.0	3.1	8.1
<b>Liabilities per the statement of financial position</b>				
Derivative financial instruments - energy	-	-	17.0	17.0
Derivative financial instruments - foreign exchange	-	0.2	-	0.2
Derivative financial instruments - interest rate	-	40.4	-	40.4
<b>Total</b>	-	40.6	17.0	57.6

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**For the 6 months ended 30 September 2017**

**30 September 2016**

	Level 1 \$Millions Unaudited	Level 2 \$Millions Unaudited	Level 3 \$Millions Unaudited	Total \$Millions Unaudited
<b>Assets per the statement of financial position</b>				
Derivative financial instruments - energy	-	0.2	7.0	7.2
Derivative financial instruments - foreign exchange	-	-	-	-
Derivative financial instruments - interest rate	-	0.4	-	0.4
<b>Total</b>	-	0.6	7.0	7.6
<b>Liabilities per the statement of financial position</b>				
Derivative financial instruments - energy	-	-	14.0	14.0
Derivative financial instruments - foreign exchange	-	-	-	-
Derivative financial instruments - interest rate	-	68.3	-	68.3
<b>Total</b>	-	68.3	14.0	82.3

**31 March 2017**

	Level 1 \$Millions Audited	Level 2 \$Millions Audited	Level 3 \$Millions Audited	Total \$Millions Audited
<b>Assets per the statement of financial position</b>				
Derivative financial instruments - energy	-	-	5.9	5.9
Derivative financial instruments - foreign exchange	-	0.2	-	0.2
Derivative financial instruments - interest rate	-	6.8	-	6.8
<b>Total</b>	-	7.0	5.9	12.9
<b>Liabilities per the statement of financial position</b>				
Derivative financial instruments - energy	-	-	16.7	16.7
Derivative financial instruments - foreign exchange	-	-	-	-
Derivative financial instruments - interest rate	-	46.0	-	46.0
<b>Total</b>	-	46.0	16.7	62.7

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 2017 (30 September 2016: none, 31 March 2017: none).

**(11.4) Energy derivatives**

The Group meets its energy sales demand by purchasing energy on spot markets, physical deliveries and financial derivative contracts. This exposes the Group to fluctuations in the spot and forward price of energy. The Group has entered into a number of energy hedge contracts to reduce the energy price risk from price fluctuations. These hedge contracts establish the price at which future specified quantities of energy are purchased and settled. Any resulting differential to be paid or received is recognised as a component of energy costs through the term of the contract.

**Energy price sensitivity analysis**

The following table shows the impact on post-tax profit and equity of an increase/decrease in the relevant forward electricity prices with all other variables held constant:

	6 months ended 30 September 2017 \$Millions Unaudited	6 months ended 30 September 2016 \$Millions Unaudited	Year ended 31 March 2017 \$Millions Audited
<b>Profit and loss</b>			
10% increase in energy forward prices	(0.8)	1.8	1.0
10% decrease in energy forward prices	0.8	(1.8)	(1.0)
<b>Other comprehensive income</b>			
10% increase in energy forward prices	7.6	7.3	5.1
10% decrease in energy forward prices	(7.6)	(7.3)	(5.1)

**Notes to the Financial Statements**  
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The Group's 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 reconciles the movements in level 3 Energy derivatives.

	6 months ended 30 September 2017 \$Millions Unaudited	6 months ended 30 September 2016 \$Millions Unaudited	Year ended 31 March 2017 \$Millions Audited
<b>Assets per the statement of financial position</b>			
Opening balance	5.9	6.4	6.4
Foreign exchange movement on opening balance	-	-	-
Acquired as part of business combination	-	-	-
Gains and (losses) recognised in profit or loss	(3.1)	0.1	(0.2)
Gains and (losses) recognised in other comprehensive income	0.3	0.5	(0.3)
Closing balance	3.1	7.0	5.9
Total gains/(losses) for the period included in profit or loss for assets held at the end of the reporting period	1.1	1.1	1.4
<b>Liabilities per the statement of financial position</b>			
Opening balance	16.7	11.9	11.9
Foreign exchange movement on opening balance	-	-	-
Acquired as part of business combination	-	-	-
(Gains) and losses recognised in profit or loss	(1.1)	1.0	0.2
(Gains) and losses recognised in other comprehensive income	1.5	1.1	4.6
Sold as part of the disposal of a subsidiary	-	-	-
Closing balance	17.0	14.0	16.7
Total gains/(losses) for the period included in profit or loss for liabilities held at the end of the reporting period	(0.2)	0.5	6.5
Settlements during the period	0.3	(7.3)	(13.2)

**(12) Capital commitments**

	6 months ended 30 September 2017 \$Millions Unaudited	6 months ended 30 September 2016 \$Millions Unaudited	Year ended 31 March 2017 \$Millions Audited
<i>Capital commitments</i>			
Committed but not contracted for	94.9	-	-
Contracted but not provided for	116.2	42.6	42.5
	211.1	42.6	42.5

The capital commitments include Tilt Renewable's 54MW Salt Creek wind farm development, the hotel development and multi level car park works at Wellington International Airport and the purchase of buses by NZ Bus. See note 6 for Infratil's commitments to ASIP and Envision.

**Notes to the Financial Statements**  
**For the 6 months ended 30 September 2017**

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

	6 months ended 30 September 2017 \$Millions Unaudited	6 months ended 30 September 2016 \$Millions Unaudited	Year ended 31 March 2017 \$Millions Audited
Net surplus for the period	85.3	62.9	130.4
<i>(Add) / Less items classified as investing activity:</i>			
(Gain) / Loss on investment realisations and impairments	1.9	(0.5)	56.0
<i>Add items not involving cash flows:</i>			
Movement in financial derivatives taken to the profit or loss	(1.4)	0.4	(28.7)
Decrease in deferred tax liability excluding transfers to reserves	(6.6)	(8.3)	(53.1)
Changes in fair value of investment properties	(10.7)	-	(0.8)
Equity accounted earnings of associate net of distributions received	(18.1)	(27.4)	(83.3)
Depreciation	87.2	80.5	169.6
Movement in provision for bad debts	1.2	1.8	1.6
Amortisation of intangibles	9.5	8.0	16.9
Other	2.4	4.1	11.1
<i>Movements in working capital:</i>			
Change in receivables	(16.1)	(20.9)	(5.0)
Change in inventories	(0.8)	(1.9)	0.4
Change in trade payables	(20.9)	82.4	7.2
Change in accruals and other liabilities	20.9	(72.5)	(6.7)
Change in current and deferred taxation	(3.0)	2.3	29.4
<b>Net cash flow from operating activities</b>	<b>130.8</b>	<b>110.9</b>	<b>245.0</b>

**(14) Related parties**

Certain Infratil Directors have relevant interests in a number of companies with which Infratil has transactions in the normal course of business. A number of key management personnel are also Directors of Group subsidiary companies and associates.

Morrison & Co Infrastructure Management Limited ('MCIM') is the management company for the Company and receives management fees in accordance with the applicable management agreement. MCIM is owned by H.R.L. Morrison & Co Group Limited Partnership ('MCO'). Mr Bogoievski is a director of Infratil and is a director and Chief Executive Officer of MCO. Entities associated with Mr Bogoievski also have beneficial interests in MCO.

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

	6 months ended 30 September 2017 \$Millions Unaudited	6 months ended 30 September 2016 \$Millions Unaudited	Year ended 31 March 2017 \$Millions Audited
Management fees	10.7	11.2	21.4
Incentive fees on realisations of international assets	-	-	-
Executive secondment and consulting	-	0.5	0.1
Directors fees	1.0	0.6	1.7
Financial management, accounting, treasury, compliance and administrative services	0.7	0.8	1.3
Investment banking services	1.1	0.4	1.3
<b>Total management and other fees</b>	<b>13.5</b>	<b>13.5</b>	<b>25.8</b>

At 30 September 2017 amounts owing to MCIM of \$2.2 million (excluding GST) are included in trade creditors (30 September 2016: \$2.6 million, 31 March 2017: \$2.3 million).

On 8 May 2017 the Company obtained a standing waiver from NZSX Listing Rule 9.2.1. The effect of the waiver is to waive the requirement for Infratil to obtain an Ordinary Resolution from shareholders to enter into a Material Transaction with a Related Party to the extent required to allow Infratil to enter into transactions with co-investors that have also engaged an entity related to H.R.L. Morrison & Co Group LP for investment management or advisory services. The waiver is provided on the conditions specified in paragraph 2 of the waiver decision, which is available on Infratil's website: [www.infratil.com/for-investors/announcements](http://www.infratil.com/for-investors/announcements). As yet, no transaction has been entered into in reliance on this waiver.

**(15) 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 Perth Energy group has issued bank guarantees of A\$24.5 million to satisfy the prudential requirements from suppliers and the Australian Energy Market Operator.

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 international fund 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). Lübeck is one of several airports in Germany in relation to which the European Commission opened formal state aid investigations. One of the matters being investigated with regard to Lübeck airport related to Infratil Airports Europe Limited ('IAEL'), specifically the price IAEL paid when it purchased 90% of Flughafen Lübeck GmbH. In February 2012, the investigation was formally extended to include the put option arrangements (including the 2009 exercise of a put option by Infratil, by which it sold its interest in Lübeck airport back to the City of Lübeck) and the postponement of the put option period. Since that time, Infratil and others (including Flughafen Lübeck GmbH, the Hanseatic City of Lübeck, and the government of the Federal Republic of Germany) have worked to refute the allegations of state aid.

On 7 February 2017, the European Commission released a decision that there was no state aid in respect of any of the Lübeck airport transactions involving Infratil. The decision becomes final and non-appealable if no interested party challenges it before the General Court of the European Union. The deadline for challenging the Commission decision expires approximately 2.5 months after the later of the decision being served or published in the Official Journal of the EU. The decision has not yet been published in the Official Journal, meaning the deadline for challenges cannot yet be determined. However, we consider it highly unlikely that any third party with standing will challenge the matters involving Infratil.

To the extent any appeal is brought, Infratil maintains its position that the purchase of Flughafen Lübeck GmbH, including the put option arrangements, was the result of an open, unconditional and transparent tender process in 2005, and that the put option arrangements, cannot, by their very nature and the circumstances they were agreed on, involve state aid. Infratil continues to be confident that it will be able to demonstrate this, if necessary, to the General Court of the EU.

If IAEL was found to have received state aid, it would be required to refund the state aid received, together with computed interest. As the directors cannot predict with any degree of certainty the outcome of the above matter, it is not possible to assess accurately the quantum of any financial cost to the Group.

**(16) Events after balance date**

***Dividend***

On 9 November 2017, the Directors approved a fully imputed interim dividend of 6.00 cents per share to holders of fully paid ordinary shares to be paid on 15 December 2017.

### **Directors**

Mark Tume (Chairman)  
Marko Bogoievski  
Alison Gerry  
Paul Gough  
Humphry Rolleston  
Peter Springford

### **Company Secretary**

Nick Lough

### **Registered Office - New Zealand**

5 Market Lane  
PO Box 320  
Wellington  
Telephone: +64 4 473 3663  
Internet address: [www.infratil.com](http://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](http://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](mailto:enquiries@linkmarketservices.co.nz)  
Internet address: [www.linkmarketservices.co.nz](http://www.linkmarketservices.co.nz)

### **Auditor**

KPMG  
Maritime Tower  
10 Customhouse Quay  
PO Box 996  
Wellington

### **Bankers**

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

Bank of New Zealand  
Level 4  
80 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  
Level 37  
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](mailto:registrars@linkmarketservices.com.au)  
Internet address: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

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

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





# Independent Review Report

To the shareholders of Infratil Limited

**Report on the condensed consolidated half year financial statements**

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated half year financial statements of Infratil Limited (the company) and its subsidiaries (the group) on pages 1 to 23 do not:

- i. present fairly in all material respects the group's financial position as at 30 September 2017 and its financial performance and cash flows for the 6 month period ended on that date; and
- ii. comply with NZ IAS 34 Interim Financial Reporting.

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

- the consolidated statement of financial position as at 30 September 2017;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the 6 month period then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



## Basis for conclusion

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

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

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



## Use of this Independent Review Report

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



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

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

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



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

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

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

This description forms part of our Independent Review Report.



KPMG  
Wellington

9 November 2017