Infratil Half Year Results to 30 September 2017

10 November 2017

The first half of FY2018 was good for Infratil. The Company is well resourced and well positioned to progress many growth initiatives and to continue to deliver value and earning gains for Infratil's shareholders.

Net parent surplus from continuing operations for the period was $33.4 million compared with $28.9 million for the same period last year.

Consolidated underlying EBITDAF from continuing operations[1] was $291.3 million (+$45.3 million from the same period last year).

- The 18% uplift was largely due to positive generation and market circumstances for Trustpower
- Canberra Data Centres achieved a notable milestone and progressed a material growth initiative
- Wellington Airport saw solid traffic growth and continues to upgrade its facilities
- Longroad progress in its establishment phase is materially exceeding expectations

As previously announced Infratil has lifted its full year EBITDAF guidance to $485-525 million from the $460-500 million range originally indicated.

Net debt of Infratil and wholly owned subsidiaries as at 30 September 2017 was $705.6 million, down from $913.3 million as at 31 March 2017. Net debt was reduced by $237.9 million during the period following receipt of proceeds following the sale of Metlifecare.

- Over the period $143.4 million in Infrastructure Bonds was raised, replacing $66.3 million of maturing bonds and largely pre-funding Infratil's November maturity ($81.1 million)
- Over $670 million of cash and undrawn bank facilities remain available

$139.5 million of capital was invested over the period. Investment initiatives included the commencement of Tilt Renewables' 54MW Salt Creek wind farm, ongoing investment by Wellington Airport in the transport hub and on-site hotel, and investment in wind and solar generation via Longroad Energy.

The investments now underway reflect long lead times of planning, consenting and negotiating satisfactory terms for the relevant construction and utilisation agreements.

The interim dividend for FY2018 is to be 6.00 cents per share, fully imputed, payable on 15 December 2017 to shareholders of record as at 28 November 2017.

- This is the seventh year in a row in which Infratil has increased the dividend. Last year the interim dividend was 5.75 cps. In the 2016 calendar year total dividends paid amounted to 14.75 cps. In the 2017 calendar year 16.00 cps will have been paid, including this interim dividend
- The dividend reinvestment plan continues to be on hold

Marko Bogoievski
Chief Executive Officer

Further information is available on www.infratil.com, or by contacting Tim Brown on +64 4 473 3663

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[1] Underlying EBITDAF is a non-GAAP measure of financial performance, presented to show management's view of the underlying business performance. Underlying EBITDAF represents consolidated net earnings before interest, tax, depreciation, amortisation, financial derivative movements, revaluations, gains or losses on the sales of investments, and includes Infratil's share of RetireAustralia's underlying profits. Underlying profit for RetireAustralia removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, excludes one-off gains and deferred taxation, and includes realised resale gains and realised development margins.

NZX Appendix 1 Disclosures

Results for announcement to the market

Reporting Entity	Infratil Limited
Reporting Period	Six months to 30 September 2017
Previous Reporting Period	Six months to 30 September 2016

Results	Six months to 30 September 2017 ($Millions)	Percentage change
Revenues from ordinary activities	935.7	-3.7%
Profit (loss) from ordinary activities after tax attributable to security holders	33.4	+15.6%
Net profit (loss) attributable to security holders	33.4	+15.6%

	Amount per security (cents per share)	Imputed amount per security (cents per share)
Interim Dividend	6.00	2.33
Record date		28 November 2017
Payment date		15 December 2017

	30 September 2017 ($ per share)	30 September 2017 ($ per share)
Net tangible assets per share	3.15	3.00

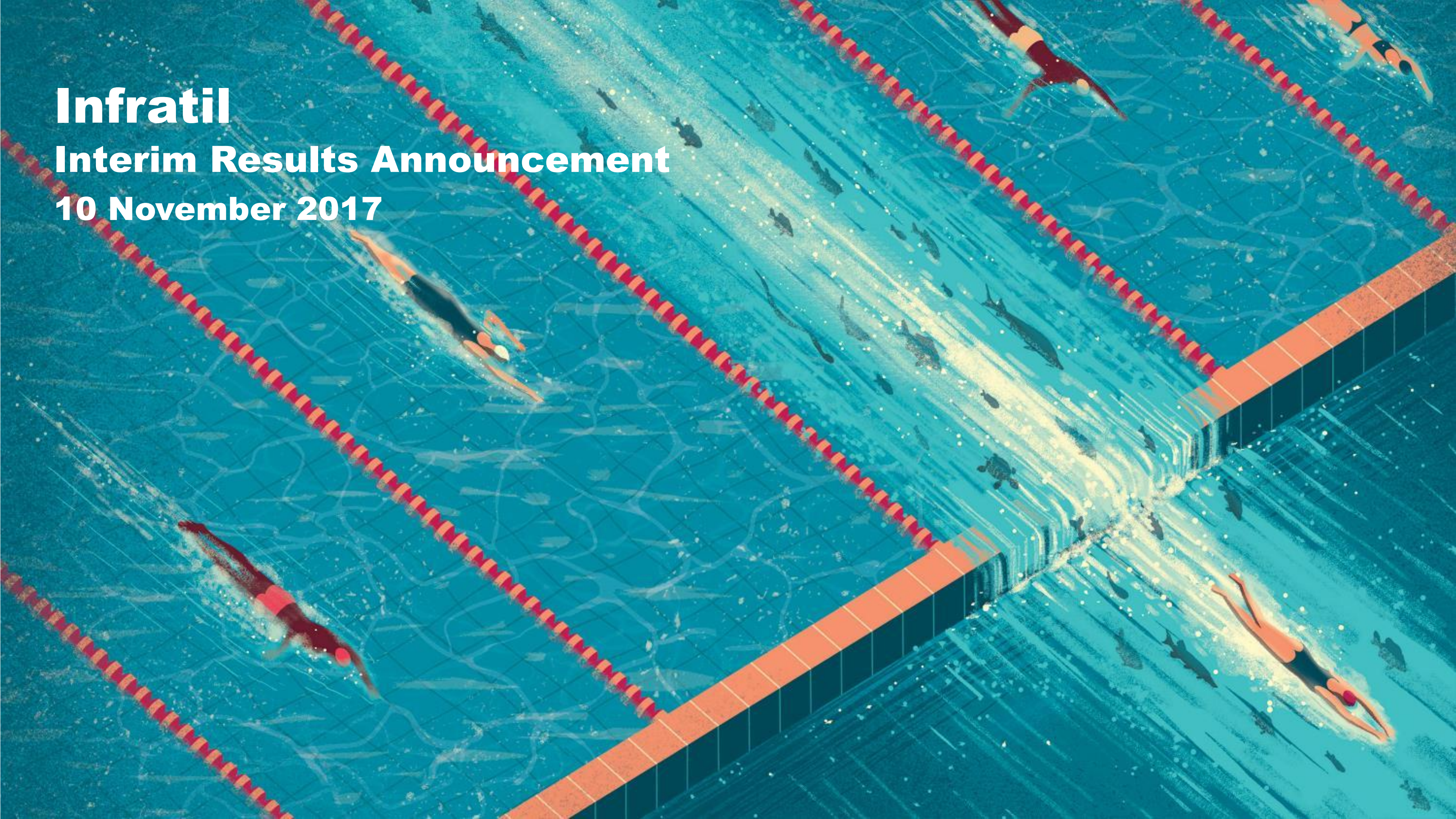
Financial information and commentary

The Appendix 1 disclosures should be read in conjunction with the Infratil Group Unaudited Interim Financial Statements for the six months ended 30 September 2017 and Infratil's most recent Annual Report. More detailed commentary on the operations of the Group over the period has been provided in the form of the Infratil Interim Results Presentation and Infratil Interim Report which have been released alongside the Interim Financial Statements.

Infratil

Interim Results Announcement

10 November 2017



Half Year Overview

Strong operating performance and progress in new platforms

- Underlying EBITDAF of $291.3 million, up $45.3 million (+18.4%) from the comparative prior half year of $246.0 million
- Operating cash flow of $130.8 million, up $19.9 million (+17.9%) from the comparative half year
- Result reflects strong operating performance and solid progress in new platforms:
  - Trustpower delivered a very strong result, with EBITDAF of $159.1 million, $40.2 million (34%) up from comparative half year
  - Wellington International Airport performing well while also investing in transport hub, terminal expansion and hotel facilities
  - Canberra Data Centres secured a significant contract with Microsoft and has committed to developing a further data centre
  - RetireAustralia benefitted from higher new sales/resales values and is showing expanding development opportunities
  - Longroad Energy well established with operational assets and a ‘services’ line of business to complement its development activity
  - Over $670 million of cash and undrawn bank facilities available
- Fully imputed interim dividend of 6.00cps, up 4.4% on the prior year interim dividend
- FY18 Underlying EBITDAF guidance range remains unchanged at $485-$525 million

Financial Highlights

18.4% growth in Underlying EBITDAF drives a strong half-year result

Infratil

Half Year ended 30 September ($Millions)	2017	2016	Variance	% Change
Underlying EBITDAF[1]	**291.3**	246.0	45.3	18.4%
Net Parent Surplus	**33.4**	28.9	4.5	15.6%
Net Operating Cash Flow	**130.8**	110.9	19.9	17.9%
Capital Expenditure	**117.5**	103.5	14.0	13.5%
Investment	**22.0**	496.3	(474.3)	(95.6%)
Earnings per share (cps)	**6.0**	5.1	0.9	17.6%

[1] Underlying EBITDAF is a non-GAAP measure of financial performance, presented to show management's view of the underlying business performance. A reconciliation from net parent surplus to underlying EBITDAF is provided as an appendix to this presentation.

Results Summary

Higher NPAT and net parent surplus from slightly lower consolidated revenues

30 September ($Millions)	2017	2016
Operating revenue	935.7	971.2
Operating expenses	(648.6)	(717.9)
Depreciation & amortisation	(96.7)	(88.5)
Net interest	(79.9)	(79.6)
Tax expense	(35.4)	(22.4)
Revaluations	10.2	0.1
Net profit after tax	**85.3**	**62.9**
Minority earnings	(51.9)	(34.0)
Net parent surplus	**33.4**	**28.9**

- Operating revenue reduced by 3.7%, reflecting declines within NZ Bus and Perth Energy following contract losses and changing retail mix respectively
- Operating expenses reduced by 9.7% due to a strong performance by Trustpower's New Zealand generation assets leading to less electricity being purchased from third parties and Perth Energy reducing overall contracted volume to focus primarily on higher margin segments of the market
- Increase in depreciation and amortisation reflects growth in asset base
- Net interest has remained steady with net cash at the corporate level having decreased following investments at the end of the prior period. This is offset by maturing bonds across the Group being replaced with coupon rates up to 285 basis points lower

Underlying EBITDAF

Trustpower and Canberra Data Centres contribution drives half-year result

30 September ($Millions)	2017	2016
Trustpower[1]	159.1	118.9
Tilt Renewables[1]	52.8	65.9
Wellington Airport	47.3	43.7
NZ Bus	17.9	25.0
Perth Energy	(6.2)	(9.7)
CDC	18.9	0.6
Longroad	(5.9)	-
Metlifecare	-	7.4
RetireAustralia[2]	14.7	7.1
ANU Student Accommodation	5.9	1.5
Other	(13.2)	(14.4)
Underlying EBITDAF	**291.3**	**246.0**

- **Trustpower's** higher average wholesale prices, favourable hydrology and an uplift in retail EBITDAF delivered a material increase in operating result
- Unfavourable wind conditions in both Australia and NZ resulted in a reduction in **Tilt Renewables'** earnings
- **WIAL** increasing passenger numbers and commercial revenue driving continued earnings growth
- **NZ Bus** reflects the loss of South Auckland services and costs incurred in transitioning to the new operating model
- **Perth Energy** improved performance of retail business but market conditions in Western Australia remain challenging
- **RetireAustralia** underlying profit of A$27 million (100%) up A$13 million from the prior period reflecting strong unit prices
- **CDC** result reflects a full period contribution and change to the accounting treatment of Data Centre assets (A$9.7 million)

[1] Trustpower and Tilt 2016 comparatives relate to the respective performance of the two entities pre-demerger.
[2] Underlying EBITDAF for RetireAustralia includes Infratil's share of its underlying profits. Underlying profit is a common performance measure used by retirement companies and removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, one-off gains and deferred taxation, and includes realised resale gains and realised development margins.

Group Capital Expenditure and Investment

Continuing to capture value in existing assets and platforms

30 September ($Millions)	2017	2016
Trustpower	15.9	20.2
Tilt Renewables	21.1	6.0
Wellington Airport	40.3	44.0
NZ Bus	11.4	12.3
RetireAustralia	20.6	16.6
CDC	5.3	-
Other	2.9	4.4
Capital Expenditure	117.5	103.5
CDC	-	411.5
ANU Student Accommodation	-	84.8
Longroad	22.0	-
Investment	22.0	496.3
Total	139.5	599.8

- **Trustpower** capex reflects its operational and maintenance programme
- **Tilt** capex includes the commencement of construction of the Salt Creek wind farm
- **Wellington Airport** ongoing land-transport hub, commencement of the onsite hotel and the south terminal extension
- **NZ Bus** purchased a further 14 double decker buses for operation in Auckland. Period of low investment as new contracts are negotiated prior to investment commitment
- **RetireAustralia** spend includes 50% share of new units built during the period. RetireAustralia has delivered 36 new villas in the first half of 2018
- An additional $22 million of capital was called by **Longroad** during the period to fund the acquisition of a 270MWh portfolio of operational distributed generation solar PV projects and two operating wind farms totalling 80MWh

Asset Values

Conservative asset values relative to current infrastructure market

30 September ($Millions)	2017	2016
Trustpower	877.0	734.8
Tilt Renewables	329.1	341.8
Wellington Airport	397.5	414.5
NZ Bus	179.0	191.2
Perth Energy	61.8	73.4
CDC	435.2	426.3
Metlifecare	-	237.9
RetireAustralia	287.1	278.2
ANU	92.6	91.2
Longroad Energy	48.3	33.2
Other	86.9	84.8
Total	**2,794.5**	**2,907.5**

- **Trustpower** movement in listed market share price ($5.49 vs $4.60)
- **Tilt Renewables** movement in listed market share price ($2.06 vs $2.14)
- **Wellington Airport** book value implies an EV/EBITDA multiple of 8.4x, compared to Auckland Airport >20x
- **NZ Bus** reflects the movement in capital expenditure less asset depreciation
- **CDC**, **RetireAustralia, ANU** and **Longroad** reflect the acquisition cost plus share of trading result adjusted for AUD and USD movements
- **Perth Energy** is Infratil's share of net assets
- Other investments include **ASIP**, **Snapper** and **Infratil Infrastructure Property**

Debt Position

Current gearing headroom provides opportunity for further investment

- Cash position of $425 million and wholly owned subsidiaries' bank facilities drawn of $48 million
- Senior debt facilities have maturities up to 3 years and 4.5 years (for bus finance export credit facility)
- $143 million in Infrastructure Bonds was raised in June, replacing $66 million of maturing bonds and largely pre-funding the November maturity ($81.1 million)
- Infratil gearing 28.8% (net debt / net debt + equity capitalisation)
- Infratil continues to target duration of its borrowings consistent with the profile of its assets and long-term ownership

Maturities in period to 31 March ($Millions)	2018	2019	2020	>4 yrs	>10 yrs
Bonds	81.1	111.4	149.0	509.2	231.9
Infratil bank facilities[1]	57.0	71.0	33.0	85.0	-
100% subsidiaries' bank facilities[2]	6.3	12.7	12.7	16.7	-

[1] Infratil and wholly-owned subsidiaries exclude Trustpower, Tilt, WIAL, Perth Energy, CDC, Longroad Energy, RetireAustralia and ANU

[2] NZ Bus export credit guarantee fleet procurement facility

Funds Available for Investment

Significant capacity remains to support further investment

- Over $670 million of cash and undrawn bank facilities available

30 September ($Millions)	2015	2016	2017
Net bank debt (cash on hand)	(682)	(194)	(425)
Infratil bonds (incl. PiiBs)	989	1,007	1,083
Market value of equity	1,719	1,822	1,747
Total capital	2,026	2,635	2,405
Gearing (net debt / total capital)	**15%**	**31%**	**29%**
Infratil undrawn bank facilities	276	246	246
100% subsidiaries cash	755	255	425
Funds Available	**1,031**	**501**	**671**

Portfolio Composition and Outlook

Newer platforms supported by core and poised for strong investment cycle

Core Cash Generation

- Trustpower
- Wild at Heart Wellington Airport
- NZBUS
- Australian National University

Catalysts for Growth

- tilt renewables
- retire australia
- cdc
- longroad ENERGY

Trustpower

Positive hydrological conditions drive substantial lift in earnings

EBITDAF for 1H18 was $159.1 million, $48.9 million (44%) above 1H17

- Trustpower's diverse and flexible fleet of generation assets, together with sound operating decisions, has allowed for above average prices and a strong result
- Increased Retail EBITDAF of $29.6 million up $15.4 million from comparative period, indicating that the investment in customers is starting to pay off

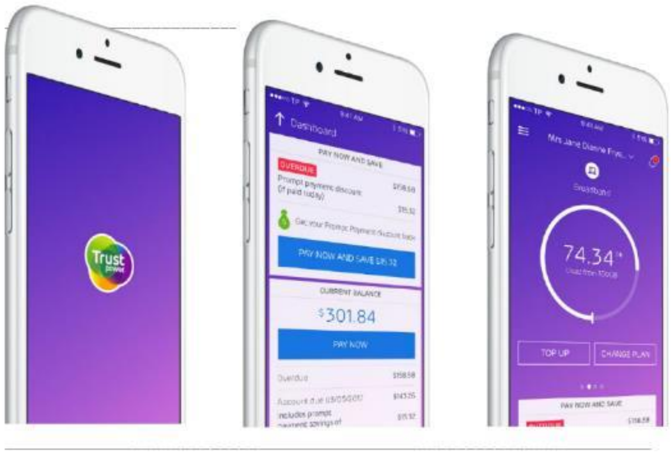
Customers

Customer growth was modest as retail acquisition campaigning was put on hold during the period while the company realised high wholesale electricity prices

- Total accounts up 1% since 31 March 2017 to 390,000 accounts (up 3% since September 2016)
- Total accounts with two or more utilities up 4% since 31 March 2017 to 94,000 accounts (up 12% since September 2016)

Generation

- New Zealand generation production of 1,325GWh was 266GWh above the prior period due to favourable hydrological conditions
- The weighted average wholesale price received for New Zealand generation was $91/MWh up from $58/MWh in 1H17



Tilt Renewables

Below average wind offset by good progress within the development pipeline

Infratil

EBITDAF for 1H FY18 was A$49.3 million, A$12.0 million below 1H FY17

Generation

- Unfavourable wind conditions in the June quarter saw Australian production end 6% below expectations despite a strong second quarter
- New Zealand wind production was 15% below long-term expectations
- All assets had lower production than the comparative half year, which benefited from above average wind conditions
- Lower generation production costs as a result of production-linked maintenance and landowner costs and higher level of capitalised asset replacements
- Market volatility continues in South Australia with higher levels of ancillary service costs and the impact of curtailment (20GWh since 1 July 2017)

Construction and development

- Construction remains on schedule at Salt Creek Wind Farm (54MW in southwest VIC) to achieve commercial operations by July 2018
- Development activity is focused on preparing Dundonnell Wind Farm (~300MW in southwest VIC) for investment decision in mid CY18
- Secured approvals for two Queensland solar projects (combined 350MW potential)

Longroad investment

Significant progress in the development of renewables in the U.S.

Development business on track

- Final approval for ~488MW of development projects scheduled for consideration prior to 31 March 2018
- Substantial progress on a further ~600MW of near term solar projects expected to reach financial close during 2018/19
- Further 6.7GW pipeline of greenfield utility-scale wind and solar development options
- Construction, financing and equipment markets remain active

Acquisition of accretive operational assets with further optionality

- Acquired 378MW of operating wind and distributed solar generation plants with further MW under agreement and expected to close in 2017/2018
- Strong services cashflow with options to refinance, repower and/or extend revenue contracts

Establishment of Longroad Energy Services and 24hr Network Operations Centre

- Currently 1200MW of owned and 3rd party assets under management with ~50 employees in the NOC, field technicians and operations/asset management

Continued political headwinds at the Federal level

- Proposed solar panel importation tariff and policies which favour coal
- Individual U.S. States modifying local renewable schemes to continue decarbonisation push and fill leadership gap left by the Federal administration

Canberra Data Centres

Investment thesis continues to gain momentum

Current EBITDAF is forecast to improve to a A$70 million run rate by 31 March 2018

- Announcement of partnership with Microsoft is leading to incremental new customer interest in the CDC facilities
  - Strong endorsement of CDC's offering and a significant enhancement of the ecosystem
  - Increases CDC's utilisation of existing facilities from 56% to 74%
- The delivery of CDC's contract with Microsoft to host hyper-scale cloud services from CDC's two Canberra based data centre campuses is progressing well (footprint is being progressively handed over in October and November)
- In September CDC started construction works on the new 21MW Fyshwick 2 data centre which will take total capacity to 59MW, up from 30MW at the time of acquisition
- The sector continues to be boosted by a range of positive developments, with data centres squarely in the sighs of infra investors and increasing valuations of comparative companies in the period since the CDC acquisition

Wellington International Airport

Half year earnings growth as aero and commercial activities perform well

EBITDAF for 1H FY18 was $47.3 million, $3.6 million (8.2%) above 1H FY17

Passengers

- Total passengers over 3.0 million, +3.1% or 90,000 increase on prior period
- International passenger growth +4.4% from the prior period with one year anniversary of the Singapore Airlines service
- Commercial revenues +8.8% up on last year driven by passenger growth and strong vehicle and retail performance

Capital Expenditure

- $40 million capital investment for the period:
  - Transport hub construction progressing with the elevated concourse opened in August 2017 (expected completion mid 2018)
  - Hotel construction on the 134 room, 4.5 star hotel is well underway (expected completion late 2018)
  - Main terminal optimisation works commenced – a multi-phased project to improve layout and customer offerings and experience
- Runway extension – NZ Airports Association and Wellington Airport appealed to Supreme Court in September. Decision is pending and Environment Court application remains on hold
- Revenue and EBITDAF are expected to increase as a result of capital expenditure and investment in route development

Perth Energy

Retail portfolio undergoing renewal and recontracting

EBITDAF loss for 1H FY18 was A$5.8 million, A$3.3 million improvement from 1H FY17

Retail

- Perth Energy's retail business has made significant progress to stem losses as customer contracts are renewed, and new business is secured, based on prevailing wholesale prices
- With customer contracts typically having a two year term, previous loss making contracts continued to impact performance for FY18
- New sales are focused on higher margin segments of the market

Generation

- Generation continues to provide valuable peaking capacity to the market and will benefit from the announced removal of excess capacity
- One of the few fast-start turbines in Western Australia expected to play an increasingly important role in supporting deployment of intermittent renewables

NZ Bus

Transitioning to the new operating model and new contract structures

EBITDAF for 1H FY18 was $17.8 million, $7.1 million behind 1H FY17

Operating Performance

- Variance to prior year due to cessation of South Auckland services from October 2016 and costs incurred as the business transitions to the new operating model (PTOM)

Contracting market update (PTOM)

- All contracts with Auckland Transport have now been confirmed, either through negotiation or tender, with NZ Bus securing 20 “unit” contracts with revenue of ~$1 billion over the average contract term of nine years
- Negotiations continue with Greater Wellington Regional Council for 5 directly appointed units
- Capital expenditure commitments for new fleet to meet contracts will be progressively delivered over the next 12 months.
- Continuing to monitor and assess electric vehicle technologies with key partners
- Smaller regions, including Bay of Plenty and Canterbury are likely to go to tender in the near future

RetireAustralia
Momentum growing as growth platform rolls out

Underlying profit for 1H FY18 was A$27 million, A$14 million above 1H FY17

Operating Performance

- Underlying profit increase driven by unit price rises
- Soft H1 resales substantially offset by higher average collect
- Lower than average enquiry rates indicate that current lower resales rate is likely to continue into H2
- Embedded value up 10% on FY17 to A$146,000 per unit due to strong price growth
- 39 new sales realised development margin of A$7 million (28% margin)
- 31 newly completed units on hand as at 30 September

Development pipeline

- Development pipeline has expanded to ~1,000 units including ~335 Care Apartments (CA)
- Premium Central Coast sites - construction underway on 69 Independent Living Units (ILU) development at Wood Glen, with 195 CAs in various planning stages
- Greenfield projects - final development agreement received for Lutwyche (183 ILU / 35 CA); Development Approval processes well advanced for further 351 ILUs and 66 CAs
- New site acquired in Lane Cove, Sydney expected to yield at least 85 apartments

Care strategy progressing well

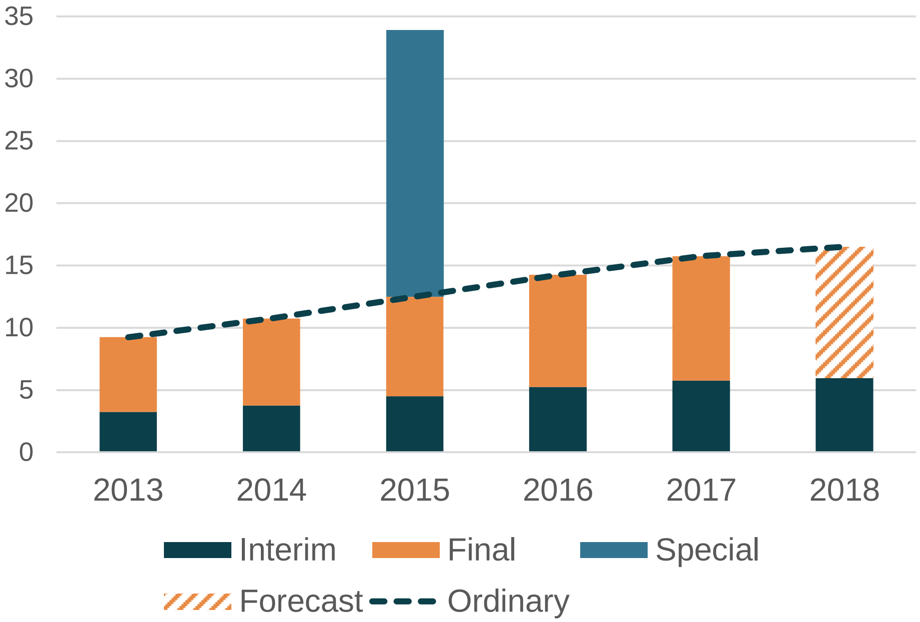
- Surveys support strong demand from residents for additional services
- Opportunity to provide those services in a way that is value enhancing for RetireAustralia

Distributions

Growth in dividend per share maintained

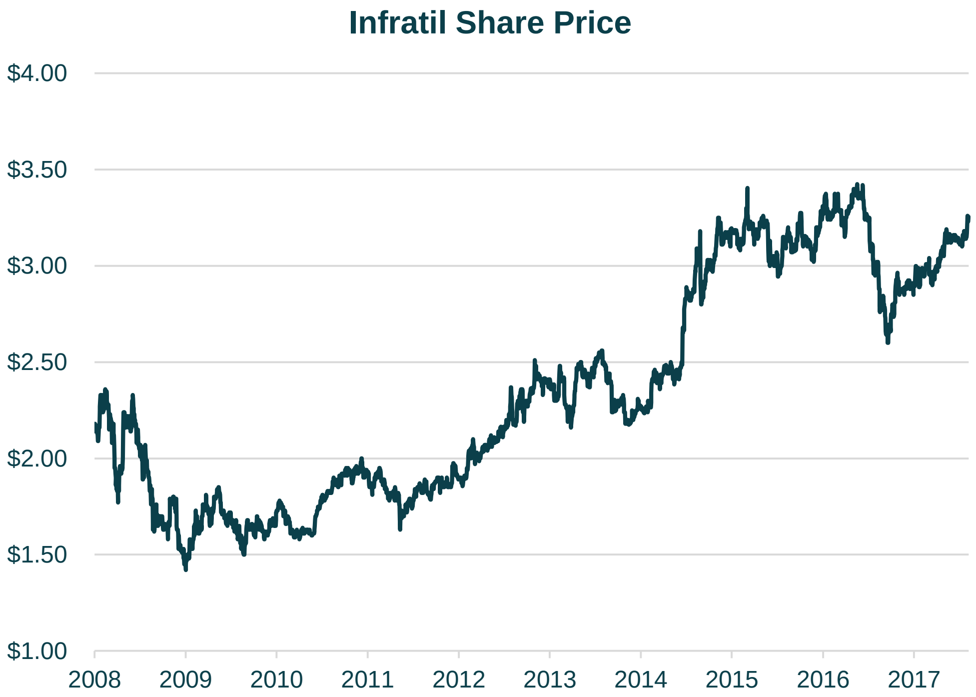
- Fully imputed interim ordinary dividend of 6.00 cps up 4.4% on the comparative of 5.75 cps
- Payable on 15 December 2017 to shareholders recorded as owners by the registry as at 28 November 2017
- Forecast dividend range for the FY18 final dividend is 10.5-11.0 cps
- Earnings growth in the forecast period is largely from foreign group activities and will not generate imputation credits. Absent any change in portfolio composition it is forecast that dividends will move towards partial imputation from FY19

Dividend Per Share Profile FY 2013-2018



Infratil Share Price

Near term catalysts should force re-rating of development pipelines in key sectors



- The total shareholder return for the year to date (6 November) is 15.3%
- A range of near to mid-term catalysts are evident within the portfolio which, if executed, will drive earnings and capital growth. These include:
  - Completion of Salt Creek
  - Final Investment Decision on Dundonnell
  - RetireAustralia's targeted development of 300+ new units per annum by FY21
  - Near term development opportunities and adjacent business at Longroad
  - CDC customer and facilities growth
  - Significant financial capacity for further investment

2017/18 Outlook

Underlying EBITDAF guidance range reaffirmed at $485-$525 million

- Initial guidance issued in May 2017 indicated Underlying EBITDAF of $460-$500 million
- Underlying EBITDAF guidance was revised upwards in October to $485-$525 million and performance is currently tracking towards the middle of that range
- Guidance reflects current trajectory and changes in the portfolio including:
  - first half performance of TPW and Tilt Renewables and a return to long run average wind and hydrology for the balance of the year
  - a full period of contribution from CDC and ANU
  - continued growth from Wellington Airport
  - return to long run house price inflation for RetireAustralia for the balance of the year
  - stabilised retail operating conditions for Perth Energy
- Capital structure and confidence in outlook are positive for continued growth in dividends per share

Outlook ($Millions)	FY2017 Actual	FY2018 Outlook
Underlying EBITDAF	519.5	485-525
Operating Cashflow	245.0	210-250
Net Interest	165.7	155-165
Depreciation & Amortisation	186.5	180-190
Capital Expenditure & Investment	168.1	350-400

2018 guidance is based on management's current expectations and assumptions about the trading performance of Infratil's investments and is subject to risks and uncertainties, is dependent on prevailing market conditions continuing throughout the outlook period and assumes no major changes in the composition of the Infratil investment portfolio. Trading performance and market conditions can and will change, which may materially affect the guidance set out above.

Underlying EBITDAF is a non-GAAP measure of financial performance, presented to show management's view of the underlying business performance. Underlying EBITDAF represents consolidated net earnings before interest, tax, depreciation, amortisation, financial derivative movements, revaluations, gains or losses on the sales of investments, and includes Infratil's share of RetireAustralia's underlying profits. Underlying profit for RetireAustralia removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, excludes one-off gains and deferred taxation, and includes realised resale gains and realised development margins.

Summary
Preconditions in place for sustained NAV growth

Core assets and new proprietary platforms combining to enable sustained NAV growth

- Multiple near-term catalysts across new and established platforms
- Repositioning of the portfolio during the last five years starting to reap real benefits

Equity exposed to favourable long-term trends and supportive policy positions

- Focus on growth infrastructure addressing “ideas that matter”
- Favourable operating leverage in newer renewables, retirement and data platforms
- Strong policy support for lowering healthcare and energy costs, and positioning early around supporting data as a future essential service

Diversification benefits operating across multiple jurisdictions and sectors

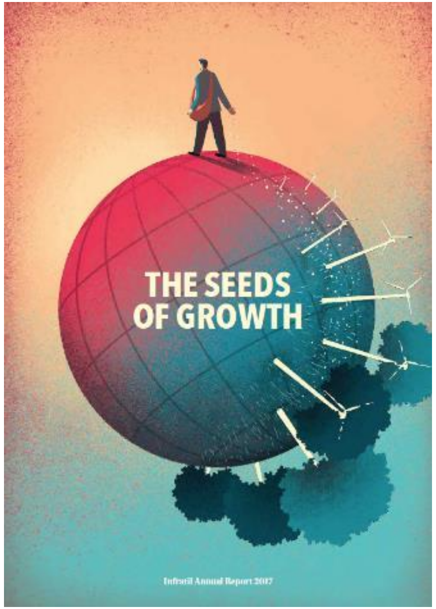
- Effective risk management feature given the uncertain macro backdrop
- Regulatory and macroeconomic diversification with inflation protection

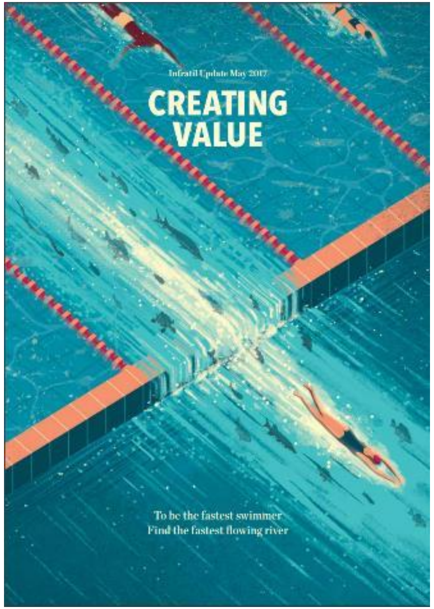
Partnerships with sophisticated regional investors with equivalent patience and commitment

- Co-investment position is difficult to replicate in Australasian markets
- Effective expansion of scale and scope of Infratil’s business through association with key sovereign wealth funds and other long-term capital

For more information

www.infratil.com





Results Summary

Appendix I – Reconciliation of NPAT to Underlying EBITDAF

Infratil

30 September ($Millions)	2017	2016
Net profit after tax	85.3	62.9
less: share of MET & RA investment property revaluations	(6.9)	(35.1)
plus: share of MET & RA realised resale gains	2.9	7.9
plus: share of MET & RA development margin	3.7	3.5
plus: share of MET & RA deferred tax expense and non-recurring items	4.5	2.1
Trustpower demerger costs	-	8.7
CDC transaction costs	-	5.6
Net loss/(gain) on foreign exchange and derivatives	(1.4)	0.4
Net realisations, revaluations and (impairments)	(8.8)	(0.5)
Underlying Earnings	79.3	55.5
Depreciation & amortisation	96.7	88.5
Net interest	79.9	79.6
Tax	35.4	22.4
Underlying EBITDAF	291.3	246.0

- Underlying EBITDAF is a non-GAAP measure of financial performance, presented to show management's view of the underlying business performance
- Underlying EBITDAF represents consolidated net earnings before interest, tax, depreciation, amortisation, financial derivative movements, revaluations, gains or losses on the sales of investments, and includes Infratil's share of RetireAustralia and Metlifecare underlying profits
- Underlying profit for RetireAustralia and Metlifecare removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, excludes one-off gains and deferred taxation, and includes realised resale gains and realised development margins
- Underlying profit provides a better benchmark to measure business performance
- The Group's investment in Metlifecare was sold on 7 April 2017 but has no impact on the current period result

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
Total revenue		**906.3**	**942.1**	**1,825.7**
Share of earnings of associate companies	5	29.4	29.1	88.1
Total income		**935.7**	**971.2**	**1,913.8**
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
Total operating expenditure		**745.3**	**806.4**	**1,566.9**
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
Net surplus before taxation		**120.7**	**85.3**	**155.0**
Taxation expense	8	35.4	22.4	24.6
Net surplus for the period		**85.3**	**62.9**	**130.4**
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
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		-	(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)
Items that may subsequently be reclassified to profit and loss				
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
Total other comprehensive income after tax		(3.4)	**(54.2)**	**109.2**
Total comprehensive income for the period		**81.9**	**8.7**	**239.6**
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
Earnings per share				
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 $Millions Audited
Cash and cash equivalents		586.8	319.1	268.8
Trade and other accounts receivable and prepayments		242.3	230.2	220.0
Derivative financial instruments		2.8	3.0	4.6
Inventories		3.5	4.9	2.7
Income tax receivable		1.3	1.2	0.8
Land, buildings and investment properties held for sale		10.0	-	8.6
Investments held for sale		-	-	237.9
Current assets		**846.7**	**558.4**	**743.4**
Trade and other accounts receivable and prepayments		15.6	2.4	15.7
Property, plant and equipment		4,878.7	4,759.0	4,900.5
Investment properties		74.1	70.5	72.9
Derivative financial instruments		5.3	4.6	8.3
Intangible assets		52.2	60.7	55.6
Goodwill		117.4	117.4	117.4
Investments in associates	5	863.5	1,002.2	831.1
Other investments	6	59.8	38.8	51.8
Non-current assets		**6,066.6**	**6,055.6**	**6,053.3**
Total assets		**6,913.3**	**6,614.0**	**6,796.7**
Accounts payable, accruals and other liabilities		218.6	226.8	214.2
Interest bearing loans and borrowings	9	58.1	260.5	134.5
Derivative financial instruments		9.2	9.1	9.5
Income tax payable		14.3	5.8	25.3
Infrastructure bonds	10	81.1	66.1	147.2
Trustpower bonds		52.0	65.0	52.0
Wellington International Airport bonds		-	-	90.0
Total current liabilities		**433.3**	**633.3**	**672.7**
Interest bearing loans and borrowings	9	1,023.2	782.4	885.4
Other liabilities		6.3	8.6	8.1
Deferred tax liability		537.2	535.9	536.7
Derivative financial instruments		48.4	73.2	53.2
Infrastructure bonds	10	762.4	700.2	620.3
Perpetual Infratil Infrastructure bonds	10	231.0	232.5	230.8
Trustpower bonds		321.8	318.2	321.2
Wellington International Airport bonds and senior notes		426.7	347.9	327.4
Non-current liabilities		**3,357.0**	**2,998.9**	**2,983.1**
Attributable to owners of the Company		1,932.1	1,864.4	1,958.3
Non-controlling interest in subsidiaries		1,190.9	1,117.4	1,182.6
Total equity		**3,123.0**	**2,981.8**	**3,140.9**
Total equity and liabilities		**6,913.3**	**6,614.0**	**6,796.7**
Net tangible assets per share ($ 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
Cash flows from operating activities				
Cash was provided from:				
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
		886.9	908.0	1,871.4
Cash was disbursed to:				
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)
		(756.1)	(797.1)	(1,626.4)
Net cash inflow from operating activities	13	**130.8**	**110.9**	**245.0**
Cash flows from investing activities				
Cash was provided from:				
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
		248.6	18.4	12.1
Cash was disbursed to:				
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)
		(110.2)	(588.9)	(686.3)
Net cash inflow / (outflow) from investing activities		**138.4**	**(570.5)**	**(674.2)**
Cash flows from financing activities				
Cash was provided from:				
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
		470.5	403.7	760.2
Cash was disbursed to:				
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)
		(422.9)	(397.7)	(836.1)
Net cash inflow / (outflow) from financing activities		**47.6**	**6.0**	**(75.9)**
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		-	-	-
Cash and cash equivalents at end of the period		**586.8**	**319.1**	**268.8**

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
Total comprehensive income for the period								
Net surplus for the period	-	-	-	-	33.4	33.4	51.9	85.3
Other comprehensive income, after tax								
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)
Total comprehensive income for the period	**-**	**-**	**(10.4)**	**6.8**	**33.4**	**29.8**	**52.1**	**81.9**
Contributions by and distributions to non-controlling interest								
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)
Contributions by and distributions to owners								
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)
Balance as at 30 September 2017	**364.2**	**810.1**	**(10.6)**	**1.9**	**766.5**	**1,932.1**	**1,190.9**	**3,123.0**

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
Total comprehensive income for the period								
Net surplus for the period	-	-	-	-	28.9	28.9	34.0	62.9
Other comprehensive income, after tax								
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)
Total comprehensive income for the period	**-**	**(9.2)**	**(30.6)**	**1.1**	**29.0**	**(9.7)**	**18.4**	**8.7**
Contributions by and distributions to non-controlling interest								
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)
Contributions by and distributions to owners								
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)
Balance as at 30 September 2016	**370.7**	**740.6**	**(27.8)**	**(3.6)**	**784.5**	**1,864.4**	**1,117.4**	**2,981.8**

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
Total comprehensive income for the year								
Net surplus for the year	-	-	-	-	66.1	66.1	64.3	130.4
Other comprehensive income, after tax								
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
Total comprehensive income for the period	**-**	**60.3**	**(3.0)**	**(0.2)**	**65.9**	**123.0**	**116.6**	**239.6**
Contributions by and distributions to non-controlling interest								
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)
Contributions by and distributions to owners								
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)
Balance at 31 March 2017	**364.2**	**810.1**	**(0.2)**	**(4.9)**	**789.1**	**1,958.3**	**1,182.6**	**3,140.9**

The accompanying notes form part of these financial statements.

(1) Accounting policies

Reporting Entity

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

Basis of preparation

These unaudited condensed consolidated half year financial statements ('half year statements') of Infratil Limited together with its subsidiaries and associates ('the Group') have been prepared in accordance with NZ IAS 34 Interim Financial Reporting and comply with IAS 34 Interim Financial Reporting. These half year statements have been prepared in accordance with the accounting policies stated in the published financial statements for the year ended 31 March 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. 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

Ordinary shares (fully paid)	6 months ended 30 September 2017 Unaudited	6 months ended 30 September 2016 Unaudited	Year ended 31 March 2017 Audited
Total issued capital at the beginning of the period	560,053,166	562,325,645	562,325,645
Movements in issued and fully paid ordinary shares during the period:			
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.

Dividends paid on ordinary shares	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
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

(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.

For the period ended 30 September 2017	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

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

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

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.

For the period ended 30 September 2017	New Zealand $Millions Unaudited	Australia $Millions Unaudited	United States $Millions Unaudited	Eliminations & discontinued operations $Millions Unaudited	Total from Continuing Operations $Millions Unaudited
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

For the period ended 30 September 2016	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

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
Investments in associates are as follows:				
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
Investments in associates		863.5	**1,002.2**	**831.1**
Equity accounted earnings of associates are as follows:				
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		-	-	-
Share of earnings of associate companies		29.4	**29.1**	**88.1**

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.

(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.

Movement in the carrying amount of investment in Canberra Data Centres:	6 months ended 30 September 2017 $Millions Unaudited	6 months ended 30 September 2016 $Millions Unaudited	Year ended 31 March 2017 $Millions Audited
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
Total cost of investment	426.3	411.5	411.5
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
Total share of associate's earnings in the period	18.9	(5.0)	5.0
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
Carrying value of investment in associate	435.2	401.4	426.3

Summary financial information *Summary information for CDC 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	40.7	28.5	45.4
Non-current assets	1,145.8	1,009.6	1,101.9
Total Assets	1,186.5	1,038.1	1,147.3
Current liabilities	25.6	15.5	28.6
Non-current liabilities	641.4	600.3	622.2
Total liabilities	667.0	615.8	650.8
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.

(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.

Movement in the carrying amount of 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
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.

(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.

Movement in the carrying amount of investment in ANU Student Accommodation:	6 months ended 30 September 2017 $Millions Unaudited	6 months ended 30 September 2016 $Millions Unaudited	Year ended 31 March 2017 $Millions Audited
Carrying value at 1 April	91.2	-	-
Acquisition of shares	-	37.3	37.3
Shareholder loan	-	47.5	47.5
Total cost of investment	91.2	84.8	84.8
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)	-	-	-
Total share of associate's earnings in the period	6.0	(2.1)	3.5
Share of associate's other comprehensive income	-	-	-
less: distributions received	(4.1)	-	-
Foreign exchange movements recognised in other comprehensive income	(0.5)	(0.1)	2.9
Carrying value of investment in associate	92.6	82.6	91.2

Summary financial information *Summary information for ANU Student Accommodation 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	10.6	24.3	19.0
Non-current assets	534.3	499.6	524.3
Total Assets	544.9	523.9	543.3
Current liabilities	1.0	1.3	7.3
Non-current liabilities	469.3	456.9	463.0
Total liabilities	470.3	458.2	470.3
Revenues	22.1	5.6	31.8
Net profit/(loss) after tax	7.8	(5.0)	2.3

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
Total other investments	**59.8**	**38.8**	**51.8**

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.

(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
Trading operations				
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
Total other operating expenses		**544.7**	**613.4**	**1,174.1**

	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
(7.1) Fees paid to the Group auditor			
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	-	-
Total fees paid to the Group auditor	**434.4**	**341.5**	**905.2**

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
Plus/(less) taxation adjustments:			
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
Taxation expense	**35.4**	**22.4**	**24.6**
Current taxation	41.9	30.7	77.7
Deferred taxation	(6.5)	(8.3)	(53.1)

(9) Loans and borrowings

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

	30 September 2017 $Millions Unaudited	30 September 2016 $Millions Unaudited	31 March 2017 $Millions Audited
Current liabilities			
Unsecured bank loans	12.7	258.5	92.7
Secured bank facilities	46.2	4.4	44.5
less: Capitalised loan establishment costs	(0.8)	(2.4)	(2.7)
	58.1	260.5	134.5
Non-current liabilities			
Unsecured bank loans	311.0	741.1	257.9
Secured bank facilities	713.7	43.8	634.4
less: Capitalised loan establishment costs	(1.5)	(2.5)	(6.9)
	1,023.2	782.4	885.4
Facilities utilised at reporting date			
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
Facilities not utilised at reporting date			
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 - *current*	58.1	260.5	134.5
Interest bearing loans and borrowings - *non-current*	1,023.2	782.4	885.4
Total interest bearing loans and borrowings	1,081.3	1,042.9	1,019.9

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.

(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
Balance at the end of the period	1,074.5	998.8	998.3
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
Balance at the end of the year	1,074.5	998.8	998.3
Repayment terms and interest rates:			
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
less: Bond issue costs capitalised and amortised over term	(8.2)	(8.2)	(7.2)
Balance at the end of the period	1,074.5	998.8	998.3

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
Assets per the statement of financial position				
Derivative financial instruments - energy	-	-	3.1	3.1
Derivative financial instruments - foreign exchange	-	-	-	-
Derivative financial instruments - interest rate	-	5.0	-	5.0
Total	-	5.0	3.1	8.1
Liabilities per the statement of financial position				
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
Total	-	40.6	17.0	57.6

30 September 2016	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	-	0.2	7.0	7.2
Derivative financial instruments - foreign exchange	-	-	-	-
Derivative financial instruments - interest rate	-	0.4	-	0.4
Total	-	0.6	7.0	7.6
Liabilities per the statement of financial position				
Derivative financial instruments - energy	-	-	14.0	14.0
Derivative financial instruments - foreign exchange	-	-	-	-
Derivative financial instruments - interest rate	-	68.3	-	68.3
Total	-	68.3	14.0	82.3

31 March 2017	Level 1 $Millions Audited	Level 2 $Millions Audited	Level 3 $Millions Audited	Total $Millions Audited
Assets per the statement of financial position				
Derivative financial instruments - energy	-	-	5.9	5.9
Derivative financial instruments - foreign exchange	-	0.2	-	0.2
Derivative financial instruments - interest rate	-	6.8	-	6.8
Total	-	7.0	5.9	12.9
Liabilities per the statement of financial position				
Derivative financial instruments - energy	-	-	16.7	16.7
Derivative financial instruments - foreign exchange	-	-	-	-
Derivative financial instruments - interest rate	-	46.0	-	46.0
Total	-	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
Profit and loss			
10% increase in energy forward prices	(0.8)	1.8	1.0
10% decrease in energy forward prices	0.8	(1.8)	(1.0)
Other comprehensive income			
10% increase in energy forward prices	7.6	7.3	5.1
10% decrease in energy forward prices	(7.6)	(7.3)	(5.1)

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
Assets per the statement of financial position			
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
Liabilities per the statement of financial position			
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

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
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.

(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
(Add) / Less items classified as investing activity:			
(Gain) / Loss on investment realisations and impairments	1.9	(0.5)	56.0
Add items not involving cash flows:			
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
Movements in working capital:			
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
Net cash flow from operating activities	130.8	**110.9**	**245.0**

(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
Total management and other fees	13.5	13.5	25.8

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. 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.

Directory

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Marko Bogoievski
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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

KPMG
Wellington

9 November 2017

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

	Notes	6 months ended 30 September 2017 Unaudited $000	6 months ended 30 September 2016 Unaudited $000	Year Ended 31 March 2017 Audited $000
Dividends received from subsidiary companies		-	-	60,000
Subvention Income		10,000	-	-
Operating Revenue		13,200	18,702	23,267
Total revenue		**23,200**	**18,702**	**83,267**
Directors' fees		365	331	664
Other operating expenses		13,300	14,283	28,228
Total operating expenditure	4	**13,665**	**14,614**	**28,892**
Operating profit before derivatives, realisations and impairments		**9,535**	**4,088**	**54,375**
Net (loss)/gain on foreign exchange & financial derivatives		1,787	798	6,102
Net investment realisations and (impairments)		-	7	568
Results from operating activities		**11,322**	**4,893**	**61,045**
Financial income		20,553	30,084	56,940
Financial expenses		(35,372)	(35,245)	(69,650)
Net financing expense		**(14,819)**	**(5,161)**	**(12,710)**
Surplus/(loss) before taxation		**(3,497)**	**(268)**	**48,335**
Taxation (expense)/credit	6	3,589	(86)	(2,139)
Net surplus/(loss) for the period		**92**	**(354)**	**46,196**
Other comprehensive income after tax				
Fair value movements in relation to executive share scheme		-	-	43
Other comprehensive income for the period net of income tax		**-**	**-**	**43**
Total comprehensive income for the period		**92**	**(354)**	**46,239**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the 6 months ended 30 September 2017
Unaudited

6 months ended 30 September 2017		Capital $000	Other reserves $000	Retained earnings $000	Total $000
Balance as at 1 April 2017		356,962	576	43,459	400,997
Total comprehensive income for the period					
Net surplus / (loss) for the period		-	-	92	92
Other comprehensive income after tax					
Fair value movements in relation to executive share scheme		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive income for the period		**-**	**-**	**92**	**92**
Contributions by and distributions to owners					
Conversion of executive redeemable shares		-	-	-	-
Dividends to equity holders	3	-	-	(56,005)	(56,005)
Total contributions by and distributions to owners		-	-	(56,005)	(56,005)
		356,962	576	(12,454)	345,083
Balance at 30 September 2017		356,962	576	(12,454)	345,083

Statement of Changes in Equity
For the period ended 30 September 2016
Unaudited

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

Statement of Changes in Equity
For the year ended 31 March 2017
Audited

Balance as at 1 April 2016		363,433	533	80,160	444,126
Total comprehensive income for the year					
Net surplus / (loss) for the year		-	-	46,196	46,196
Other comprehensive income after tax					
Fair value movements in relation to executive share scheme		-	43	-	43
Total other comprehensive income		-	43	-	43
Total comprehensive income for the year		**-**	**43**	**46,196**	**46,239**
Contributions by and distributions to owners					
Share buyback		(7,023)	-	-	(7,023)
Conversion of executive redeemable shares		552	-	-	552
Dividends to equity holders	3	-	-	(82,897)	(82,897)
Total contributions by and distributions to owners		(6,471)	-	(82,897)	(89,368)
Balance at 31 March 2017		356,962	576	43,459	400,997

The accompanying notes form part of these financial statements.

Statement of Financial Position
As at 30 September 2017

	Notes	6 months ended 30 September 2017 Unaudited $000	6 months ended 30 September 2016 Unaudited $000	Year Ended 31 March 2017 Audited $000
Cash and cash equivalents		-	-	-
Prepayments and sundry receivables		1,099	932	764
Income tax receivable		-	521	-
Advances to subsidiary companies	12	986,842	971,117	974,409
Current assets		**987,941**	**972,570**	**975,173**
Deferred tax		24,454	18,606	18,503
Investments	12	585,529	585,529	585,529
Non current assets		**609,983**	**604,135**	**604,032**
Total assets		**1,597,924**	**1,576,705**	**1,579,205**
Bond interest payable		6,589	6,653	6,329
Accounts payable		2,823	2,007	2,665
Accrual and other liabilities		163	171	339
Infrastructure Bonds	7	81,065	66,146	147,177
Loans from group companies	12	153,897	153,897	153,897
Total current liabilities		**244,537**	**228,874**	**310,407**
Infrastructure Bonds	7	762,458	700,217	620,359
Perpetual Infratil Infrastructure bonds	7	230,960	232,473	230,769
Derivative financial instruments	8	14,886	21,977	16,673
Non current liabilities		**1,008,304**	**954,667**	**867,801**
Attributable to shareholders of the Company		345,083	393,164	400,997
Total equity		**345,083**	**393,164**	**400,997**
Total equity and liabilities		**1,597,924**	**1,576,705**	**1,579,205**

Approved on behalf of the Board on 9 November 2017

Director

Director

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the 6 months ended 30 September 2017

	Notes	6 months ended 30 September 2017 Unaudited $000	6 months ended 30 September 2016 Unaudited $000	Year Ended 31 March 2017 Audited $000
Cash flows from operating activities				
Cash was provided from:				
Dividends received from subsidiary companies		-	-	60,000
Subvention receipt		10,000	-	-
Interest received		20,553	30,084	56,940
Operating revenue receipts		13,011	18,703	23,289
		43,564	48,787	140,229
Cash was dispersed to:				
Interest paid		(35,112)	(33,786)	(67,826)
Payments to suppliers		(12,718)	(15,840)	(29,015)
Taxation (paid) / refunded		(2,356)	(2,268)	(3,532)
		(50,186)	(51,894)	(100,373)
Net cash flows from operating activities	9	**(6,622)**	**(3,107)**	**39,856**
Cash flows from investing activities				
Cash was provided from:				
Net movement in subsidiary company loan		-	253,887	250,638
		-	253,887	250,638
Cash was dispersed to:				
Acquisition of shares in subsidiary		-	(247,994)	(248,000)
Net movement in subsidiary company loan		(12,433)	-	-
		(12,433)	(247,994)	(248,000)
Net cash flows from investing activities		**(12,433)**	**5,893**	**2,638**
Cash flows from financing activities				
Cash was provided from:				
Proceeds from issue of shares		-	5	548
Issue of bonds		143,413	150,000	150,000
		143,413	150,005	150,548
Cash was dispersed to:				
Repayment of bonds		(66,285)	(100,000)	(100,927)
Infrastructure bond issue expenses		(2,068)	(2,183)	(2,195)
Repurchase of shares		-	-	(7,023)
Dividends paid	3	(56,005)	(50,608)	(82,897)
		(124,358)	(152,791)	(193,042)
Net cash flows from financing activities		**19,055**	**(2,786)**	**(42,494)**
Net cash movement		-	-	-
Cash balances at beginning of period		-	-	-
Cash balances at period end		**-**	**-**	**-**

Note some cash flows above are directed through an intercompany account. The cashflow statement above has been prepared on the assumption that these transactions are equivalent to cash in order to present the total cashflows of the entity.

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 half year financial statements ('half year statements') of Infratil Limited have been prepared in accordance with *NZ IAS 34 Interim Financial Reporting* and comply with *IAS 34 Interim Financial Reporting* . The half year statements 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. 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.

Basis of preparation

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

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 likely impact of this standard has not yet been fully assessed, however it is not expected to have a material impact on the Company's financial statements.

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 likely impact of this standard has not yet been fully assessed, however it is not expected to have a material impact on the Company's financial statements.

(2) Nature of business

The Company is the ultimate parent company of the Infratil Group, owning infrastructure & 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
Total issued capital at the beginning of the period	560,053,166	562,325,645	562,325,645
Movements in issued and fully paid ordinary shares during the period:			
Share buyback (held as treasury stock)	-	-	(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 Company held no shares as 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.

Dividends paid on ordinary shares *Dividends declared and paid by the Company for the period were as follows:*	6 months ended 30 September 2017 Unaudited cps	6 months ended 30 September 2016 Unaudited cps	Year Ended 31 March 2017 Audited cps	6 months ended 30 September 2017 Unaudited $000	6 months ended 30 September 2016 Unaudited $000	Year Ended 31 March 2017 Audited $000
Final dividend prior year	10.00	9.00	9.00	56,005	50,608	50,608
Interim dividend paid	-	-	5.75	-	-	32,289
	10.00	9.00	14.75	56,005	50,608	82,897

(4) Other operating expenses

	Note	6 months ended 30 September 2017 Unaudited $000	6 months ended 30 September 2016 Unaudited $000	Year Ended 31 March 2017 Audited $000
Fees paid to the Company auditor		102	95	175
Directors' fees		365	331	664
Administration and other corporate costs		2,865	3,439	7,563
Management fee (to related party Morrison & Co Infrastructure Management)	12	10,333	10,749	20,490
Total other operating expenses		13,665	14,614	28,892

Fees paid to the Company auditor	6 months ended 30 September 2017 Unaudited $000	6 months ended 30 September 2016 Unaudited $000	Year Ended 31 March 2017 Audited $000
Audit and review of financial statements	102	95	175
Taxation services	-	-	-
Total fees paid to the Company auditor	102	95	175

The audit fee includes the fees for both the annual audit of the financial statements and the review of the interim financial statements.

(5) Net investment realisations and (impairments)

At 30 September 2017 the Company reviewed the carrying amounts of loans to Infratil Group companies to determine whether there is any indication that those assets have suffered an impairment loss. The recoverable amount of the asset was estimated by reference to the counterparties' net asset position and ability to repay loans out of operating cash flows in order to determine the extent of any impairment loss. As a result the Company did not impair any loans to Infratil Group companies in 2017 (September 2016: nil, March 2017: nil).

(6) Taxation

	6 months ended 30 September 2017 Unaudited $000	6 months ended 30 September 2016 Unaudited $000	Year Ended 31 March 2017 Audited $000
(Loss)/surplus before taxation	(3,497)	(268)	48,335
Taxation on the (loss)/surplus for the period @ 28% tax rate	(979)	(75)	13,534
Plus/(less) taxation adjustments:			
Impairment of investments/realisations	-	-	-
Exempt dividends	-		(16,800)
Subvention payment	-	-	-
Loss offset to/(from) group company	(2,800)	-	-
Timing differences not recognised	190	-	16
(Under)/over provision in prior periods	-	-	4,755
Other permanent differences	-	161	634
Taxation expense/(credit)	**(3,589)**	**86**	**2,139**
Current taxation	-	-	4,053
Deferred taxation	(3,589)	86	(1,914)
	(3,589)	**86**	**2,139**

There was no income tax recognised in other comprehensive income during the period (30 September 2016: nil, 31 March 2017: nil)

(7) Infrastructure Bonds

	6 months ended 30 September 2017 Unaudited $000	6 months ended 30 September 2016 Unaudited $000	Year Ended 31 March 2017 Audited $000
Balance at the beginning of the period	998,305	949,771	949,771
Issued during the period	143,413	150,000	150,000
Exchanged during the period	(32,739)	(49,517)	(49,517)
Matured during the period	(33,546)	(50,483)	(50,483)
Purchased by Infratil during the period	-	-	(1,489)
Bond issue costs capitalised during the period	(2,068)	(2,182)	(2,195)
Bond issue costs amortised during the period	1,118	1,247	2,218
Balance at the end of the period	1,074,483	998,836	998,305
Current	81,065	66,146	147,177
Non current fixed coupon	762,458	700,217	620,359
Non current perpetual variable coupon	230,960	232,473	230,769
Balance at the end of the period	1,074,483	998,836	998,305
Repayment terms and interest rates:			
IFT160 Maturing in June 2017, 8.50% per annum fixed coupon rate	-	66,285	66,285
IFT170 Maturing in November 2017, 8.0% per annum fixed coupon rate	81,112	81,112	81,112
IFT180 Maturing in November 2018, 6.85% per annum fixed coupon rate	111,418	111,418	111,418
IFT200 Maturing in November 2019, 6.75% per annum fixed coupon rate	68,500	68,500	68,500
IFT090 Maturing in February 2020, 8.50% per annum fixed coupon rate	80,498	80,498	80,498
IFT220 Maturing in June 2021, 4.90% per annum	93,883	93,883	93,883
IFT190 Maturing in June 2022, 6.85% per annum fixed coupon rate	93,696	93,696	93,696
IFT240 Maturing in December 2022, 5.65% per annum fixed coupon rate	100,000	-	-
IFT210 Maturing in September 2023, 5.25% per annum fixed coupon rate	122,104	122,104	122,104
IFT230 Maturing in June 2024, 5.50% per annum fixed coupon rate	56,117	56,117	56,117
IFT250 Maturing in June 2025, 6.15% per annum fixed coupon rate	43,413	-	-
IFTHAPerpetual Infratil infrastructure bonds	231,917	233,406	231,917
less: Bond issue costs capitalised and amortised over term	(8,173)	(8,183)	(7,225)
Balance at the end of the period	1,074,483	998,836	998,305

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 231,916,600 (30 September 2016: 233,405,600, 31 March 2017: 231,916,600) PIIBs on issue at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. For the period to 15 November 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 year 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).

(8) Financial instruments

Interest rates

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

Fair value hierarchy

The analyses of financial instruments carried at fair value, by valuation method is below. 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 Company has interest rate swap derivatives that are classified as Level 2 and have a fair value liability of $14.9 million at 30 September 2017 (30 September 2016: $22.0 million, 31 March 2017:$16.7m).

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

	6 months ended 30 September 2017 Unaudited $000	6 months ended 30 September 2016 Unaudited $000	Year Ended 31 March 2017 Audited $000
Net surplus	92	(354)	46,196
Less items classified as investing activity			
Loss/(profit) on investment realisations and impairments	-	(7)	(568)
Add items not involving cash flows			
Movement in financial derivatives taken to the profit or loss	(1,787)	(798)	(6,092)
Other	1,120	1,246	2,217
Movements in working capital			
Change in receivables	(335)	(144)	22
Change in trade payables	159	(2,402)	190
Change in accruals and other liabilities	79	1,379	(706)
Change in taxation and deferred tax	(5,951)	(2,027)	(1,403)
Net cash inflow from operating activities	**(6,622)**	**(3,107)**	**39,856**

(10) Commitments

There are no outstanding commitments (30 September 2016: nil, 31 March 2017: nil).

(11) Contingent liabilities

The Company and certain wholly owned subsidiaries are guarantors of the bank debt facilities of Infratil Finance Limited under a Deed of Negative Pledge, Guarantee and Subordination and the Company is a guarantor to certain obligations of subsidiary companies. During the period a A$41.6 million secured bank facility of a non-wholly owned subsidiary has been refinanced with an expiry date of 21 May 2020. This facility, and certain other indebtedness with the financier, has been guaranteed by Infratil Finance Limited and the Company.

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

The Company has agreed to guarantee certain obligations of Infratil Trustee Limited, a related party, that is the Trustee to the Infratil Staff Share Scheme. The amount of the guarantee is limited to the loans provided to the employees.

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

(12) Related parties

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

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

MCIM is owned by H.R.L. Morrison & Co Group Limited Partnership ('MCO'). Mr Bogoievski is a director of Infratil and is also a director and Chief Executive Officer of MCO. Entities associated with Mr Bogoievski also have beneficial interests in MCO.

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

	Interest income/(expense)			Intercompany (loan)/advance/investment at carrying value		
Related Party	6 months ended 30 September 2017 Unaudited $000	6 months ended 30 September 2016 Unaudited $000	Year Ended 31 March 2017 Audited $000	6 months ended 30 September 2017 Unaudited $000	6 months ended 30 September 2016 Unaudited $000	Year Ended 31 March 2017 Audited $000
Advances						
Infratil Finance	20,483	30,000	56,852	986,276	970,593	973,844
Aotea Energy Holdings Limited	-	-	-	(153,897)	(153,897)	(153,897)
Investments in						
Infratil Investments Limited				87,665	87,665	87,665
Infratil 1998 Limited				12,000	12,000	12,000
Infratil Finance Limited				153,897	153,897	153,897
Infratil No. 1 Limited				78,023	78,023	78,023
Infratil PPP Limited				5,942	5,942	5,942
Infratil No. 5 Limited				248,001	248,002	248,001

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

Subsidiaries	Holding 6 months ended 30 September 2017	Holding 6 months ended 30 September 2016	Holding Year Ended 31 March 2017	Principal activity	Country of incorporation
New Zealand					
Infratil Finance Limited	100%	100%	100%	Finance	New Zealand
Swift Transport Limited	100%	100%	100%	Investment	New Zealand
Infratil Ventures Limited	100%	100%	100%	Investment	New Zealand
Infratil Infrastructure Property Limited	100%	100%	100%	Investment	New Zealand
NZ Airports Limited	100%	100%	100%	Investment	New Zealand
Infratil Energy Limited	100%	100%	100%	Investment	New Zealand
Infratil Investments Limited	100%	100%	100%	Investment	New Zealand
Infratil 1998 Limited	100%	100%	100%	Investment	New Zealand
Infratil Gas Limited	100%	100%	100%	Investment	New Zealand
Infratil RV Limited	100%	100%	100%	Investment	New Zealand
Infratil No 1 Limited	100%	100%	100%	Investment	New Zealand
Infratil Outdoor Media Limited	100%	100%	100%	Investment	New Zealand
Infratil No 5 Limited	100%	100%	100%	Investment	New Zealand
Infratil Australia Limited	100%	100%	100%	Investment	New Zealand
Infratil PPP Limited	100%	100%	100%	Investment	New Zealand
Infratil Ventures II Limited	100%	100%	100%	Investment	New Zealand
Infratil 2016 Limited	100%	100%	100%	Investment	New Zealand
Infratil Renewables Limited	100%	100%	100%	Investment	New Zealand

(13) Segment analysis
During the year, the Company operated in predominantly one business segment, that of investments.

Geographical segments

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

(14) 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.

Directory

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

Company Secretary
Nick Lough

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Manager
Morrison & Co Infrastructure Management
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Share Registrar - New Zealand
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E-mail: enquiries@linkmarketservices.co.nz
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Share Registrar - Australia
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Auditor
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10 Customhouse Quay
PO Box 996
Wellington

Bankers
Bank of New Zealand
Level 4
80 Queen Street
Auckland

Independent Review Report

To the shareholders of Infratil Limited

Report on the condensed half year financial statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed half year financial statements on pages 1 to 9 do not:

i. present fairly in all material respects the company'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 half year financial statements which comprise:

— the statement of financial position as at 30 September 2017;

— the 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 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.

Other than in our capacity as auditor we have no relationship with, or interests in, Infratil Limited.

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 half year financial statements

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

— the preparation and fair presentation of the condensed half year financial statements in accordance with NZ IAS 34 Interim Financial Reporting;

- implementing necessary internal control to enable the preparation of condensed 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 half year financial statements

Our responsibility is to express a conclusion on the condensed 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 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 half year financial statements.

This description forms part of our Independent Review Report.

KPMG
Wellington

9 November 2017

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Infratil Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the period ended 30 September 2017 there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

- No contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Buckley

Ross Buckley
Partner
Wellington, New Zealand
9 November 2017

APPENDIX 7 – NZSX Listing Rules

EMAIL: announce@nzx.com

Number of pages including this one (Please provide any other relevant details on additional pages)

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Full name of Issuer	Infratil Limited
Name of officer authorised to make this notice	Phillippa Harford
Authority for event, e.g. Directors' resolution	Directors Resolution
Contact phone number	64 4 4733663
Contact fax number	64 4 4732388
Date	10 / 11 / 2017

Nature of event
Tick as appropriate

Bonus Issue	
If ticked, state whether: Taxable	
/ Non Taxable	
Conversion	
Interest	
Rights Issue Renouncable	
Rights Issue non-renouncable	
Capital change	
Call	
Dividend	X
If ticked, state whether: Interim	X
Full Year	
Special	
DRP Applies	

EXISTING securities affected by this

If more than one security is affected by the event, use a separate form.

Description of the class of securities	Ordinary shares
ISIN (If unknown, contact NZX)	NZIFTE 0003S3 / ASX IFT

Details of securities issued pursuant to this event

If more than one class of security is to be issued, use a separate form for each class.

Description of the class of securities	
ISIN (If unknown, contact NZX)	
Number of Securities to be issued following event	
Minimum Entitlement	
Ratio, e.g 1 for 2	for
Conversion, Maturity, Call Payable or Exercise Date (Enter N/A if not applicable)	
Treatment of Fractions	
Tick if pari passu OR provide an explanation of the ranking	
Strike price per security for any issue in lieu or date Strike Price available.	

Monies Associated with Event

Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

In dollars and cents

Amount per security (does not include any excluded income)	$0.0600
Source of Payment	Retained earnings
Excluded income per security (only applicable to listed PIEs)	
Currency	NZ Dollars
Total monies	$33,603,190

Supplementary dividend details - NZSX Listing Rule 7.12.7

Amount per security in dollars and cents	$0.010588
Date Payable	Friday, 15 December 2017

Taxation

Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus issue state strike price	$
Resident Withholding Tax	$0.004167
Imputation Credits (Give details)	$0.023333
Foreign Withholding Tax	$
FDP Credits (Give details)	

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm For calculation of entitlements -	Tuesday, 28 November 2017
Application Date Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.	Friday, 15 December 2017
Notice Date Entitlement letters, call notices, conversion notices mailed	
Allotment Date For the issue of new securities. Must be within 5 business days of application closing date.	

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:

Security Code:

Infratil Interim Report
September 2017

Infratil owns infrastructure businesses that provide essential facilities and services to individuals and communities.

To provide good risk-adjusted returns for its shareholders and solid security for its bondholders, Infratil seeks to ensure that:

- Its businesses are efficient and provide good services to their customers and communities.
- The businesses are in sectors with growing demand which will give rise to opportunities to invest to meet that demand and to lift returns.
- Financial and other sources of risk are accurately monitored and well managed.

These goals are pursued through Infratil's existing businesses and by periodic divestment/investment.

REPORT OF THE CHAIRMAN AND CHIEF EXECUTIVE

Since 31 March 2017 Infratil has experienced generally satisfactory operating, market and financial conditions. Pleasingly, so too have our shareholders.

As always, we judge our performance on two overarching criteria: how we operated over the period, and how we feel Infratil's long-term value prospects have changed. As will be apparent from the language, operations can be measured quite directly, while 'value prospects' entails looking at a wider range of factors.

VARIABLE	30 SEPTEMBER 2017	COMMENT
Period net surplus	$33.4m	$4.5 million (16%) increase on last year
Underlying EBITDAF[1]	$291.3m	$45.3 million (18%) uplift
Investment	$139.5m	Across internal development projects
Divestment	$246.5m	Sale of Metlifecare
Net Debt	$705.6m	$377.0 million was on deposit. Net debt comprised 29% of Infratil's capital
Declared dividend	6 cents	Making 16 cents for calendar 2017. 8% uplift on 2016

1. Underlying EBITDAF is a non-GAAP measure of financial performance, presented to show management's view of the underlying business performance. Underlying EBITDAF represents consolidated net earnings before interest, tax, depreciation, amortisation, financial derivative movements, revaluations, non-operating gains or losses on the sales of investments, and includes Infratil's share of RetireAustralia's underlying profits. Underlying profit for RetireAustralia removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment and excludes one-off gains and deferred taxation and adds back resale gains and realised development margins.

The good EBITDAF and satisfactory net surplus for the period reflected the benefits of diversification as well as some good individual performances.

Trustpower experienced exceptionally positive hydrology (it rained a lot in its catchments) which more than offset Tilt Renewable's low generation (the weather was calm around its wind farms). Wellington Airport saw good passenger growth and each of Canberra Data Centres, RetireAustralia and ANU delivered satisfactory results.

Longroad contributed a $5.9 million cost, which was in line with budget as its business gets underway.

Less positively, Perth Energy continues to make losses as it restructures its retail portfolio, and NZ Bus's contribution fell as the loss of contracts took effect.

Discussion of the individual business unit performances are provided later in this report.

The operating circumstances of our businesses are diverse. Each is impacted by particular environmental, demand, regulatory, technology, and competitive factors. While this adds diversification benefits, performance assessment requires more precise analysis.

Infratil's value prospects experienced satisfactory developments over the period. Warranting specific mention are Canberra Data Centres, given its positive customer and investment announcements, Trustpower which saw a material mark up in its share market value, and Longroad Energy which has successfully established itself in the U.S. renewables market.

Since 31 March 2017 Infratil shareholders have received a 10 cents per share fully imputed final FY2017 dividend and seen the share price rise from the then level of $2.91.

INVESTMENT ACTIVITY

While our businesses face highly diverse operating circumstances, there are some common features impacting investment activities.

Wellington Airport	$40.3 million	Transport hub and hotel
Longroad Energy *	$22.0 million	Wind and solar generation in the USA
Tilt Renewables	$21.1 million	Salt Creek Wind Farm in Victoria Australia
RetireAustralia *	$20.6 million	Land acquisition and accommodation construction
Trustpower	$15.9 million	Maintaining capability
NZ Bus	$11.4 million	Double decker buses
CDC *	$5.3 million	Equipment to increase data centre utilisation
Other	$2.9 million	
Total capital invested	**$139.5 million**	

* the values reflect Infratil's share of the capital invested. The total investment by these three companies was roughly twice these amounts.

At each of Wellington Airport, Tilt Renewables, RetireAustralia, Trustpower, NZ Bus and CDC the investments now underway reflect long lead times of planning, consenting and negotiating satisfactory terms for the relevant construction and utilisation agreements.

Each project is expected to give rise to a development margin, to compensate for that work and the associated risks. After all, not all development projects give rise to profitable investments.

Canberra Data Centres' capital outlay in the six months was mainly on equipment for its existing four centres, but it has also announced the start of the construction of a fifth centre. This is an important step for CDC and vindicates Infratil's investment last year. CDC operates in one of the world's fastest growing sectors and it's good to see tangible signs of CDC's participation in that growth.

Longroad is in a somewhat different space. It has only existed a year yet has acquired an impressive portfolio of existing generation, development projects and has also formed a division to undertake day-to-day management and operation of wind and solar generation facilities, for Longroad's own plant and on contract for others.

It's fair to say that Longroad has exceeded expectations. The scale of the US market and its liquidity and efficiency is a notch above what we have experienced in Australia or New Zealand.

The three shareholders, Infratil and the NZ Superannuation Fund with 45% each and management with 10%, committed US$100 million to development projects. While that figure is now being approached, it is expected to be sufficient to continue current development activity at a reasonable pace. Additional options to invest in operational assets and adjacent opportunities will be evaluated on a case-by-case basis.

THE CHALLENGE

One challenge Infratil and its businesses all face comes from the world-wide phenomena of ultra-low interest rates. Since the 2008 Global Financial Crisis central banks have forced interest rates down to such an extent that a recent Bank of England (BoE) paper noted that 'the global risk-free rate in July 2016 reached its lowest nominal level ever'; that is since 1273, almost seven and a half centuries ago.

Cheap debt may seem like a boon (except for savers) but it creates distortions and risks. Outside Australasia there is a great deal of debate about whether very low interest rates are now part of the problem rather than the solution.

The problems for Infratil are:

- Investors have flocked to buy 'near bond' investments. Companies offering a good dividend have seen their share prices rise. Assets which offer solid rents have similarly risen in price. This has priced Infratil out of some brownfield opportunities.
- Gradually investors of this type have taken an interest in more complex and difficult assets. For instance, buying power stations with some energy price and volume risk. This has pushed up the price of these assets and pushed down their returns, again squeezing Infratil out.
- The uncertainty about when it ends? The BoE has calculated that global risk-free rates have been falling since 1981 and that the subsequent 36 year period is the longest 'bull run' since interest rates fell in Venice between 1441 and 1481. The BoE paper also noted that every bull run has an end.

Because Infratil seeks higher returns and we are sceptical about 'lower for longer', Infratil has adopted a circumspect and cautious approach to investment.

If it turns out that rates do rise, especially if that rise turns out to be sharp, then our conservatism will be rewarded. Of course, if rates don't rise there will have been an opportunity cost to Infratil's approach; there is some solace as ongoing low rates will raise the value of our existing holdings.

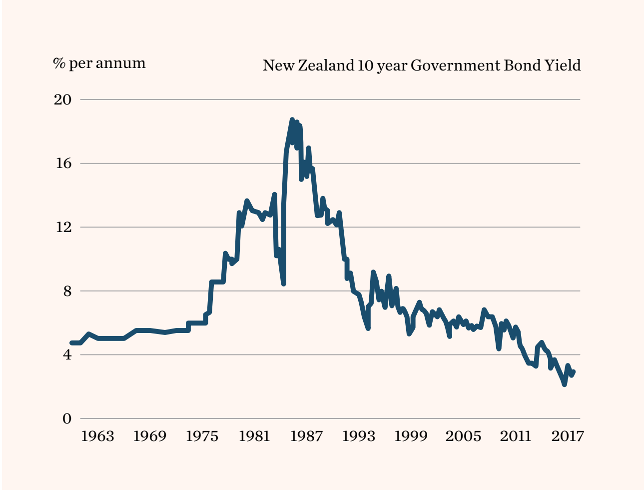
FINANCIAL

Infratil recorded an Underlying EBITDAF of $291.3 million over the six months.

The 18% uplift (+$45.3 million) on the same period last year was largely due to positive generation and market circumstances for Trustpower. In some weather conditions Trustpower's hydro power stations get rain when the more significant South Island hydro lakes don't. When this happens Trustpower can increase its generation and benefit from market prices increased by national electricity supply constraints. This occurred over the 2017 winter.

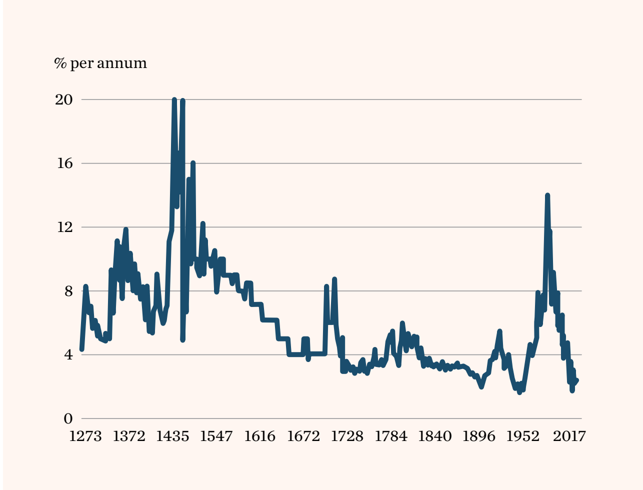
Thanks to the good first half, Infratil has lifted its full year EBITDAF guidance to $485-525 million from the $460-500 million range originally indicated.

NZ RISK-FREE RATES SINCE 1960



Source: RBNZ

GLOBAL RISK-FREE RATES SINCE 1273



Source: BoE

Net operating cash flow for the period was $130.8 million, up from $110.9 million for the same period last year.

The net surplus was up $4.5 million to $33.4 million. Higher earnings were partially offset by higher tax, depreciation and minorities.

In June 2017 $66.3 million of 8.5% per annum Infrastructure Bonds matured. A further $81.1 million of 8% per annum Bonds are to be repaid in November. To refinance these maturities, Infratil issued $100.0 million of 5.65% per annum Infrastructure Bonds maturing December 2022 and $43.4 million of 6.15% per annum bonds maturing June 2025.

As at 30 September 2017 Infratil had net bank deposits of $377.0 million.

The interim dividend for FY2018 is to be 6 cents per share payable on 15 December 2017 to shareholders of record as at 28 November 2017.

This is the seventh year in a row in which Infratil has increased the dividend. Last year the interim was 5.75 cps. In the 2016 calendar year total dividends paid amounted to 14.75 cps. In 2017 16.00 cps will have been paid, including this interim dividend.

The dividend is fully imputed. The dividend reinvestment plan continues to be on hold.

Although dividends are only declared after a financial period, and reflect a wide range of variables, Infratil does review possible future pay-out profiles on a 'three year ahead' basis to ensure it can anticipate and signal any likely material changes. While actual dividends will ultimately depend on performance and portfolio composition, recent forecasts suggest continued increases in absolute dividends per share. However, given the proportion of future earnings likely to be sourced ex-New Zealand, the forecasts also indicate that providing full imputation beyond the March 2018 financial year will be problematic.

MARKETS, REGULATION, CHANGE

Infratil's businesses have experienced a number of unhelpful regulatory interactions since 31 March 2017.

NZ Bus and its people have been impacted by low-cost choices by regional transport authorities when they have awarded contracts to operate public transport bus services. Winning tenders appear to have been based on the operators paying lower wages.

Wellington Airport's application for the consents required to enable a lengthening of its runway was on hold pending a court decision as to how the Civil Aviation Authority should interpret the regulations which guide its decisions.

Regulation of Australia's energy markets continues to be in turmoil. On a number of occasions some of Tilt Renewables' operational wind farms were switched off because South Australian grid rules required the use of gas/coal fired plant.

President Trump announced a policy to subsidise nuclear and coal fired generation.

At times it's difficult to retain confidence in law makers and regulators.

New Zealand of course has seen a change of law makers after nine years. The Labour Party led Government has something of a clean sheet on many policy areas. But in areas relevant to Infratil, their most clearly enunciated goals are to up the rate of infrastructure investment. However, it's less clear whether the Government intends going it alone or working with private partners.

PROSPECTS

The first half of FY2018 was good for Infratil.

The capital markets were supportive with long term bond funding.

Canberra Data Centres achieved a notable milestone and progressed a material growth initiative.

Trustpower had an outstanding period of climatic and market circumstances.

Wellington Airport saw solid traffic growth and continues to upgrade its facilities.

Longroad's progress, in its establishment phase, more than met expectations.

Tilt Renewables started construction of a new wind farm and progressed the development of several others.

We are well resourced and well positioned to progress our many growth initiatives and to continue to deliver value and earning gains for Infratil's shareholders.

Mark Tume
Chairman

Marko Bogoievski
Chief Executive

FINANCIAL TRENDS

On the following two pages we have set out five graphs showing how Infratil's assets, earnings, funding, capital outlays, cash flows and dividends have evolved over the last decade.

The data points for the 2018 year are either the position as at 30 September 2017 or midpoint estimates for the full year to 31 March 2018. All other data points are the years to 31 March or as at the relevant 31 March.

Most of the changes over the decade reflect Infratil's strategic objectives and the resulting decisions relating to capital allocation and funding.

Over the period, Infratil's investments amounted to $4,230 million and asset sales of $2,070 million.

Infratil has sought to invest in businesses with growing demand which were likely to need additional capital investment to meet that demand, and which offered the prospect of a good return on that capital.

Divestments have at times been 'cut our losses' (not all investments are good ones), but mostly they reflected selling companies with limited growth prospects.

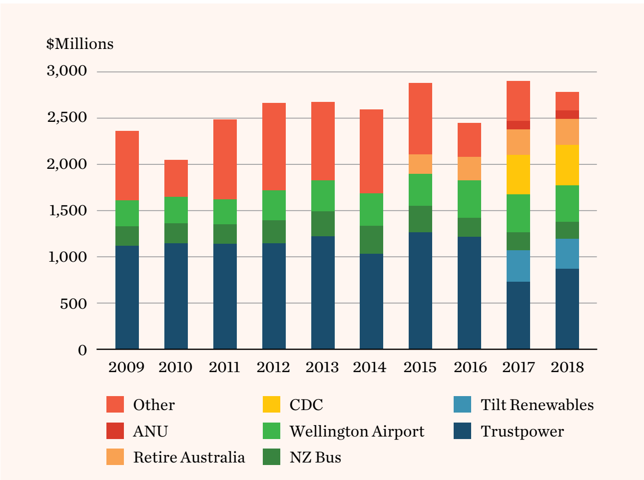
One outcome of the activity has been increased operating cash flows and dividends. A lesson of the GFC was that while shareholders seek capital gains, dividends are also welcome.

It is obvious, but there is some trade-off between cash earnings, dividends and capital growth. Investing totally for cash returns and dividends leaves little room for growth, and vice versa. Infratil has sought to balance the goals of achieving growth and the cash flow to raise dividends.

A strategy illustrated by the funding graph is the conservative capital structure Infratil has adopted over recent years. Dated debt has fallen from providing 49% of Infratil's funding to 19%. (A further 9% of Infratil's funding is provided by perpetual debt.)

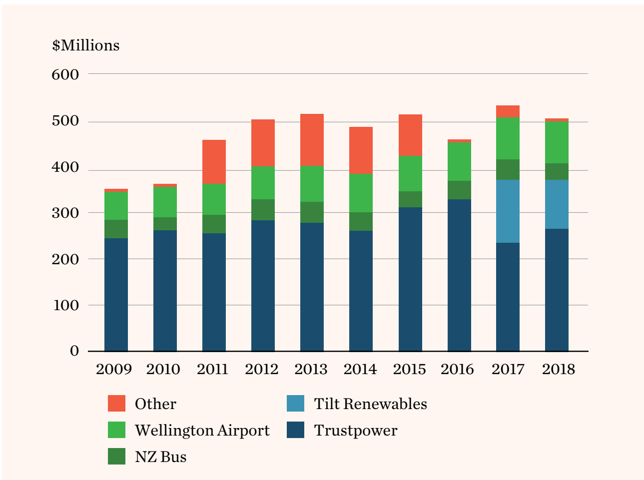
One graph which could mislead shows consolidated EBITDAF. The causes and consequences of the seemingly flat EBITDAF are quite complex and are explained below.

INFRATIL ASSETS



The graph shows the value of Infratil's investments. Listed investments (Trustpower and Tilt Renewables) are included at their market values. All other assets are at their book values, excluding deferred tax liabilities where capital gains taxes are not expected to arise.

UNDERLYING EBITDAF



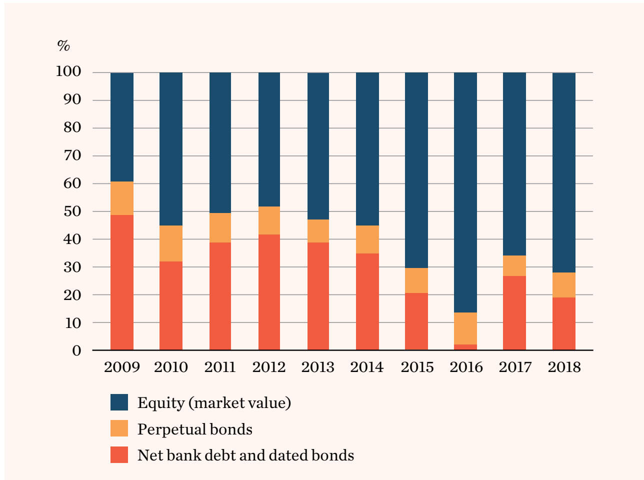
After growing strongly 2009-2012, EBITDAF has subsequently been flat (+/- about $20 million). Several factors are behind this.

- One relates to the accounting treatment of business where Infratil owns over 50% of the shares as opposed to those where Infratil owns 50% or less. The former are consolidated meaning that Infratil accounts for all of the businesses' earnings before interest, tax, depreciation, etc. With the latter group, Infratil accounts for only its share of the businesses' earnings after interest, tax, depreciation, etc.

In 2012 12% of Infratil's assets were not consolidated (because Infratil owned 50% or less of the relevant companies). In 2018 that percentage had risen to 33% and those companies will only contribute about 10% of Infratil's earnings.

- Another factor is that Infratil's key new investments; CDC, Longroad and RetireAustralia; are at early stages of their profitability life-cycle.
- A further factor has been Infratil's conservative use of debt (this is explained below) and tendency in recent years to have large cash deposits. On average each $200 million invested adds about $35 million to EBITDAF, whereas the same funds on deposit adds nothing (interest income is not included in EBITDAF).
- Not all of the story is positive or based on reporting technicalities. The earnings of two of Infratil's businesses have fallen materially since 2012. That year, the combined EBITDAF of NZ Bus and Perth Energy was $62 million and this year about $23 million is projected.

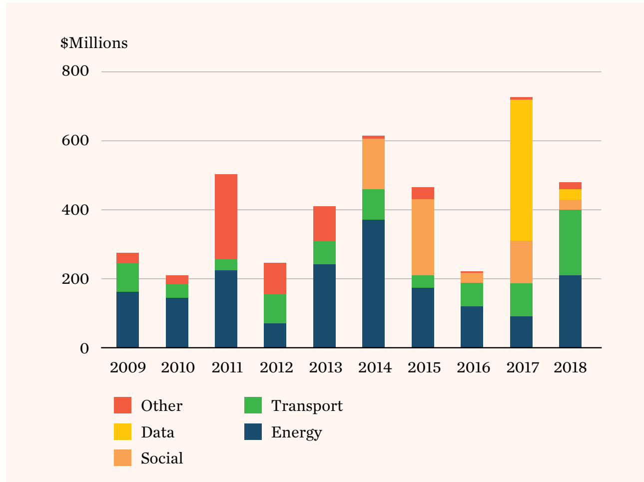
INFRATIL FUNDING



Over the last decade, Infratil's use of dated debt (mostly bonds, but sometimes including net bank borrowing) has fallen; from 49% of Infratil's total funding as at 31 March 2009 to 19% as at 30 September 2017 (perpetual debt also contributed about 9% of the total funding on both dates). Two factors have largely driven this change. One is management's concern about the potential for unpredictable adverse changes to global credit markets to cause an increase in the cost of debt and its reduced availability. A second factor is the difficulty management has experienced finding good investments at good prices. Other investors who have been willing to invest at low yields have driven the prices of many assets out of reach.

However, today Infratil's financial capacity to invest is also being husbanded in expectation that Tilt Renewables, Longroad, Wellington Airport, CDC, RetireAustralia or another of Infratil's businesses will soon progress investments that will require capital.

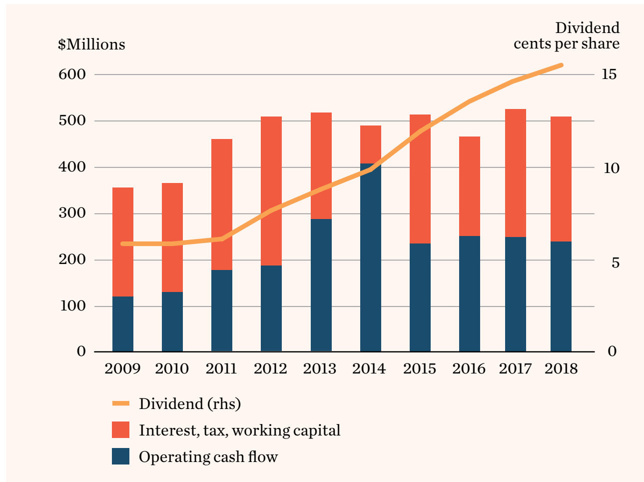
CAPITAL INVESTMENT



The decade's $4,230 million of capital investment has been allocated 43% to energy, 19% to transport, 13% to social infrastructure, 10% to data and 15% to other sectors.

25% has involved buying businesses and 75% has been allocated within those businesses to build power stations, accommodation, airport terminals, etc.

OPERATING CASH FLOW & DIVIDEND



Operating cash flow comprises underlying EBITDAF less payments of interest and tax, and working capital movements.

Since 2013 net operating cash flows have been relatively flat (give or take the impact of working capital), largely due to the factors that have restrained earnings, as noted earlier.

However, the operating cash flows have also been solid and sufficient to contribute to Infratil's rising dividend.

INFRATIL'S FINANCIAL PERFORMANCE & POSITION

Infratil provides audited financial statements annually for years to 31 March. The six month interim accounts to 30 September are reviewed but not audited by Infratil's auditors.

In this report a summary of the interim accounts is provided. The full financial statements are available on Infratil's website or by asking the Company.

CONSOLIDATED RESULTS

$ MILLIONS	SIX MONTHS ENDED 30 SEPTEMBER 2017	SIX MONTHS ENDED 30 SEPTEMBER 2016
Operating revenue	$935.7	$971.2
Operating expenses	($648.6)	($717.9)
Depreciation & amortisation	($96.7)	($88.5)
Net interest	($79.9)	($79.6)
Tax expense	($35.4)	($22.4)
Revaluations	$10.2	$0.1
Net profit after tax	**$85.3**	**$62.9**
Minority earnings	($51.9)	($34.0)
Net parent surplus	**$33.4**	**$28.9**

For 2017 the average NZ$/A$ exchange rate was 0.9319 (0.9401 in 2016).

The individual contributions to net operating earnings is set out below. The main sources of increase from the prior period came from Trustpower, the maiden contribution from CDC, with some offset reflecting the sale of Metlifecare.

The $4.5 million increase in Net Parent Surplus included:

- $8.2 million lift in depreciation due to the higher asset base.
- $13.0 million increase in tax reflecting higher earnings.
- $17.9 million increase in minorities.
- Partially offsetting these increased costs, were a number of revaluation gains.

UNDERLYING EBITDAF

$ MILLIONS	SIX MONTHS ENDED 30 SEPTEMBER 2017	SIX MONTHS ENDED 30 SEPTEMBER 2016
Trustpower	$159.1	$118.9
Tilt Renewables	$52.8	$65.9
Perth Energy	($6.2)	($9.7)
Longroad Energy	($5.9)	-
Wellington Airport	$47.3	$43.7
NZ Bus	$17.9	$25.0
CDC	$18.9	$0.6
RetireAustralia	$14.7	$7.1
Metlifecare	-	$7.4
ANU	$5.9	$1.5
Other	($13.2)	($14.4)
	$291.3	**$246.0**

Underlying EBITDAF of $291.3 million excludes equity earnings from RetireAustralia ($10.5 million) and adds back Infratil's share of RetireAustralia's Underlying Profit ($14.7 million). A full reconciliation from net parent surplus to underlying EBITDAF can be found in the Results Presentation for this period on Infratil's website. www.infratil.com

BREAKDOWN OF THE CONSOLIDATED RESULTS: SIX MONTHS ENDED 30 SEPTEMBER 2017

$ MILLIONS	INFRATIL'S SHARE	UNDERLYING EBITDAF	D&A	INTEREST	TAX	REVALUATIONS ADJUSTMENTS	MINORITIES	INFRATIL'S SHARE
Trustpower	51%	$159.1	($24.0)	($18.1)	($32.2)	($2.5)	($41.0)	$41.3
Tilt Renewables	51%	$52.8	($41.7)	($16.1)	$1.4	$0.9	$1.3	($1.4)
Perth Energy	80%	($6.2)	($3.2)	($3.3)	($1.3)	-	$2.8	($11.2)
Longroad Energy	45%	($5.9)	-	-	-	-	-	($5.9)
Wellington Airport	66%	$47.3	($11.5)	($9.5)	($7.5)	$3.9	($12.2)	$10.5
NZ Bus	100%	$17.9	($16.1)	($2.9)	$1.0	($2.1)	-	($2.2)
CDC	48%	$18.9	-	-	-	-	-	$18.9
RetireAustralia	50%	$14.7	-	-	-	($4.2)	-	$10.5
ANU	50%	$5.9	-	-	-	-	-	$5.9
Other	-	($13.2)	($0.2)	($30.0)	$3.2	$10.0	($2.9)	($33.1)
Total		**$291.3**	**($96.7)**	**($79.9)**	**($35.4)**	**$6.0**	**($51.9)**	**$33.4**

BREAKDOWN OF THE CONSOLIDATED RESULTS: SIX MONTHS ENDED 30 SEPTEMBER 2016

$ MILLIONS	INFRATIL'S SHARE	UNDERLYING EBITDAF	D&A	INTEREST	TAX	REVALUATIONS ADJUSTMENTS	MINORITIES	INFRATIL'S SHARE
Trustpower	51%	$118.9	($22.6)	($18.1)	($21.1)	($12.0)	($22.6)	$22.5
Tilt Renewables	51%	$65.9	($36.9)	($17.1)	$2.2	($2.2)	($5.5)	$6.3
Perth Energy	80%	($9.7)	($2.8)	($2.1)	$4.4	0.1	$2.0	($8.1)
Longroad Energy	45%	-	-	-	-	-	-	-
Wellington Airport	66%	$43.7	($10.0)	($12.1)	($7.3)	$4.2	($7.8)	$10.7
NZ Bus	100%	$25.0	($15.9)	($1.3)	($1.5)	-	-	$6.3
CDC	48%	$0.6	-	-	-	($5.6)	-	($5.0)
RetireAustralia	50%	$7.1	-	-	-	$8.7	-	$15.8
ANU	50%	$1.5	-	-	-	-	-	$1.5
Metlifecare	20%	$7.4	-	-	-	$13.0	-	$20.4
Other	-	($14.4)	($0.3)	($28.9)	$0.9	$1.3	($0.1)	($41.5)
Total		**$246.0**	**($88.5)**	**($79.6)**	**($22.4)**	**$7.5**	**($34.0)**	**$28.9**

INFRATIL'S ASSETS

$ MILLIONS	30 SEPTEMBER 2017	31 MARCH 2017
Trustpower	$877.0	$734.8
Tilt Renewables	$329.1	$341.8
Perth Energy	$61.8	$73.4
Longroad Energy	$48.3	$33.2
Wellington Airport	$397.5	$414.5
NZ Bus	$179.0	$191.2
CDC	$435.2	$426.3
RetireAustralia	$287.1	$278.2
ANU	$92.6	$91.2
Other	$86.9	$84.8
Metlifecare	-	$237.9
Total	**$2,794.5**	**$2,907.5**

For September the NZ$/A$ exchange rate was 0.9199 (0.9142 in March) and the NZ$/US$ exchange rate was 0.7221 (0.6991 in March).

The values of Trustpower and Tilt Renewables reflect their NZX share prices on the relevant dates. The other values were book values excluding deferred tax when capital gains tax is not anticipated. Metlifecare was sold in April 2017 for net proceeds of $237.9 million.

CAPITAL OF INFRATIL AND 100% SUBSIDIARIES

$ MILLIONS	30 SEPTEMBER 2017	31 MARCH 2017
Net bank debt/(deposits)	($377.0)	($92.2)
Dated Infrastructure Bonds	$850.7	$773.6
Perpetual bonds	$231.9	$231.9
Equity at market value	$1,747.4	$1,629.8
	$2,453.0	**$2,543.2**
Dated debt/Capital	**19.3%**	**26.8%**
Total debt/Capital	**28.8%**	**35.9%**

As at 30 September 2017 Infratil and 100% subsidiaries had $425.4 million on deposit and $294.4 million of bank facilities that were drawn to $48.4 million.

In June 2017 $66.3 million of 8.5% per annum Infrastructure Bonds matured. $81.1 million of 8.0% per annum Bonds mature on 15th November 2017. In June 2017 Infratil issued $100.0 million of 5.65% per annum Infrastructure Bonds maturing December 2022 and $43.4 million of 6.15% per annum Bonds maturing June 2025. Over the six months Infratil's share price rose from $2.91 to $3.12 at 30 September 2017.

Infratil has guaranteed A$65.7 million of bank facilities for Perth Energy Holdings and its subsidiaries, which as at 30 September 2017 were drawn to A$41.6 million (A$43.6 million 31 March 2017).

CONSOLIDATED OPERATING CASH FLOW

$ MILLIONS	6 MONTHS TO 30 SEPTEMBER 2017	6 MONTHS TO 30 SEPTEMBER 2016
Underlying EBITDAF	$291.3	$246.0
Net interest	($76.0)	($75.5)
Tax paid	($45.0)	($28.8)
Working capital	($39.5)	($30.8)
Operating cash flow	**$130.8**	**$110.9**

Snowtown wind farm

ANU Student Accommodation

RetireAustralia

TRUSTPOWER

Trustpower delivered an excellent operating performance and EBITDAF up 34% on the same period last year. In New Zealand the winter was cold and still, and dry in the crucial South Island hydro catchments. Demand for electricity rose, supply was constrained, and wholesale market prices were up about 50% on average for the time of year. The additional positive for Trustpower was that in areas where it has power stations, rainfall was heavier than usual.

While these circumstances are not typical, renewable electricity generation requires back-ups which is what Trustpower was able to provide this year. The electricity system worked well to accommodate the climatic vagaries. Some consumers will have received higher bills, but most households have fixed price contracts and will not have noticed what was happening in the wholesale market.

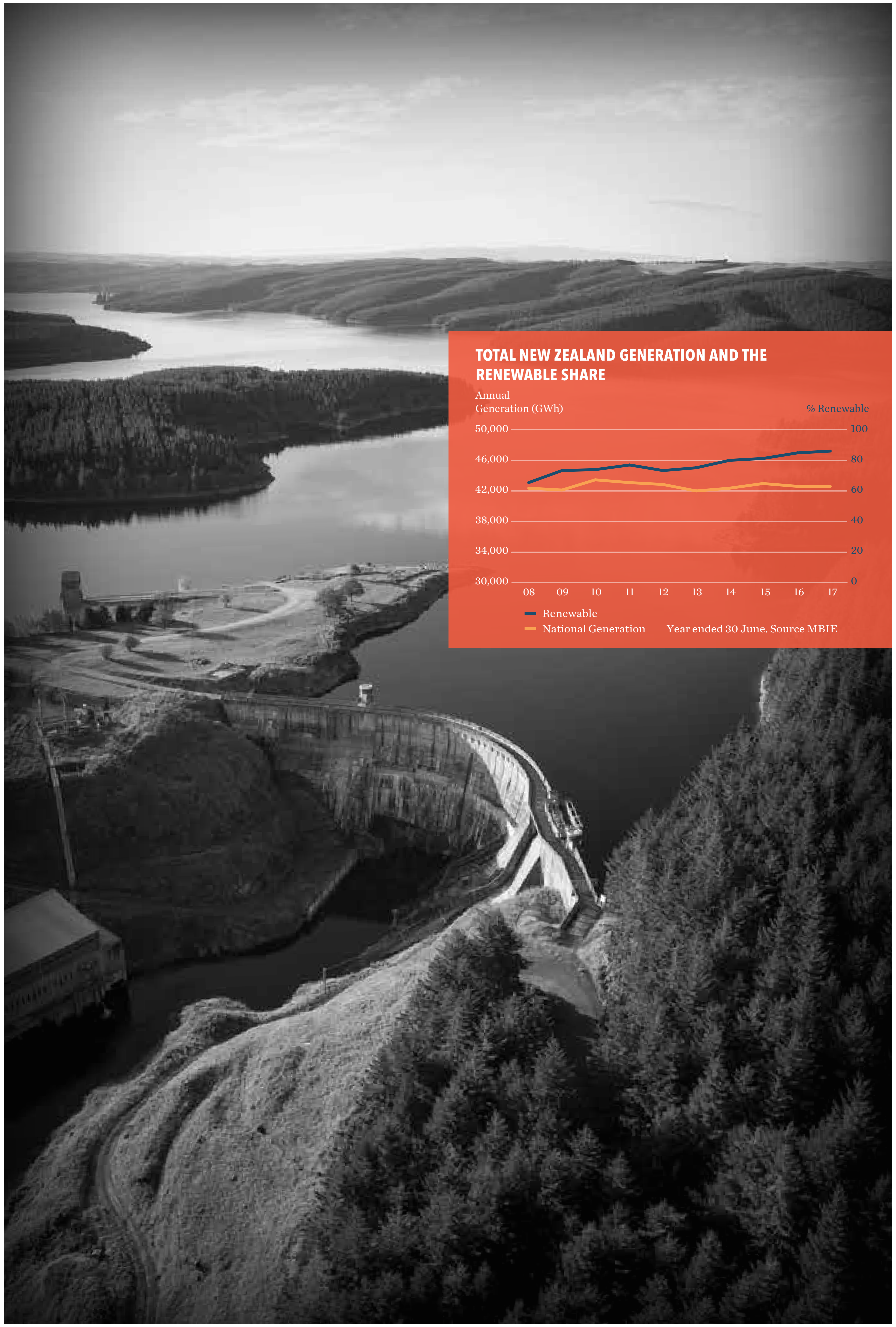
Markets with insufficient generation back-up get into much more disruptive problems, as is unfolding in South Australia.

Ascribing value to back-up generation can be tricky because of the occasional nature of demand and the range of possible market price responses. Trustpower is undertaking just such a valuation exercise in respect of its Australian hydro generation assets in NSW. It seems likely that this will be positive, due to the potential to lift their average output and because electricity prices in Australia, especially for back-up generation, have risen markedly over recent years. The valuation and optimisation exercise will also look at whether Trustpower should retain ownership of the generation.

The disrupted wholesale market resulted in a period of stability for Trustpower's utility retailing operations as high wholesale electricity prices made it less attractive to chase retail sales. Positively, evidence continues to accrue that households that buy several utility services from one supplier are more likely to be loyal to that supplier. Showing the benefits that households place on the convenience and cost advantages.

The new Government has announced a review of electricity retailing in New Zealand, but given falling real costs for most households, New Zealand's good relative performance, the very open and contested market, and the existing proactivity of the Electricity Authority, it's not clear what the review will focus on. The Government has also signalled an intention to initiate measures to reduce New Zealand's carbon emissions, but that also isn't likely to have much impact on electricity given that 86% is already generated from renewable sources.

YEAR ENDED 31 MARCH SIX MONTHS ENDED 30 SEPTEMBER	30 SEPTEMBER 2017	30 SEPTEMBER 2016	31 MARCH 2017
NZ retail electricity sales	1,090GWh	1,066GWh	1,895GWh
NZ generation	1,325GWh	1,059GWh	2,017GWh
Av. NZ market spot price	8.9c/kwh	5.5c/kwh	5.2c/kwh
Australian generation	71GWh	100GWh	359GWh
Av. Aust market spot price (A$)	10.1c/kwh	5.5c/kwh	7.8c/kwh
Electricity accounts	273,000	278,000	276,000
Gas accounts	37,000	31,000	33,000
Telecommunication accounts	80,000	69,000	76,000
Customers with two services	94,000	84,000	90,000
EBITDAF	**$159.1m**	**$118.9m**	**$234.5m**
Investment spend	$15.9m	$20.2m	$26.7m
Infratil's holding value	$877.0m	$785.9m	$734.8m



TILT RENEWABLES

Tilt Renewables' EBITDAF was down 20% on the same period last year due to low wind volume in both Australia and New Zealand resulting in generation that was 84GWh below forecast averages. In addition, the South Australian Snowtown wind farms were obliged to curtail generation of 20GWh due to new rules that effectively limit the market's reliance on renewables.

Work has commenced on the A$105 million 54MW Salt Creek Wind Farm project in Victoria with commissioning expected in July 2018 and annual generation of 172GWh.

Development projects were also progressed and Tilt Renewables now has all necessary consents for 1,235MW of wind generation and 390MW of solar generation. At an approximate cost of A$2 million per MW, the scale of potential investment is apparent.

	CONSENTED	IN PROGRESS
Australian wind	705MW	1,000MW
New Zealand wind	530MW	-
Australian solar	390MW	510MW

For the larger projects, progressing to construction now depends in large part on the availability of contracts to sell the generation output to reduce electricity price risk.

One option is to sell to state governments which have initiated programmes to buy renewable electricity as climate change initiatives and to create local employment. Although these processes are likely to be highly competitive.

That state governments are offering to buy electricity and accept long-term price risk indicates the problems besetting the Australian electricity market, many of which are the result of past regulatory interventions.

Regulators have struggled to balance the priorities of reliability, price, and the transition to renewables. For instance, renewable generation tends to be weather dependent which creates a need for back up sources of energy. Having been very successful at transitioning to renewables, South Australia has now encountered availability problems, which, amongst other things, has seen the state government announce an initiative to install batteries capable of storing a few hours electricity for a few thousand homes.

Tilt Renewables is now looking at its development projects to see if batteries, pump-storage, or other technologies, could be installed to increase their predictability.

YEAR ENDED 31 MARCH SIX MONTHS ENDED 30 SEPTEMBER	30 SEPTEMBER 2017	30 SEPTEMBER 2016	31 MARCH 2017
New Zealand generation	278GWh	361GWh	754GWh
Av. NZ electricity price	6.9c/kwh	7.2c/kwh	6.2c/kwh
New Zealand revenue	$19.2m	$25.9m	$46.8m
Australian generation	591GWh	673GWh	1,305GWh
Av. Aust electricity price	9.5c/kwh	9.4c/kwh	9.8c/kwh
Australian revenue	$56.3m	$63.4m	$127.7m
EBITDAF	**NZ$52.8m**	**NZ$65.9m**	**NZ$131.7m**
Investment spend	$21.1m	$6.0m	$6.3m
Infratil's holding value	NZ$329.1m	NZ$359.4m	NZ$341.8m

All Australian $ (unless noted)

A renewable generator will receive value for both the electricity and the renewable certificates.

LONGROAD ENERGY

For a start-up business, Longroad has made remarkable progress in a short space of time as it benefits from the support of its shareholders and a management team with a long track record in the field of renewable generation development and operation. Longroad now has 70 employees, twice the number at Tilt Renewables.

The objective of Infratil and the New Zealand Superannuation Fund (both being 45% shareholders) in backing the Longroad team was to participate in projects which would give rise to development margins, with options to invest in a portfolio of US generation.

The ratio of development to ongoing ownership wasn't prescribed in the parties' initial commitment of US$100 million. Infratil and NZ Super's quite high return targets may be better suited to funding developments, although generation assets with higher levels of debt funding or those which require some restructuring may also offer high equity returns.

What is clear is that the Longroad team have unearthed a plethora of opportunities and have executed several of them. They include:

- Purchasing 680MW of operating solar and wind plant, with attached debt funding and long-term power offtake agreements.
- Establishing a plant management and servicing division. This operates Longroad's generation and a similar scale of facilities on contract for third parties.
- Work is underway on a total of 6,000MW of greenfield developments. 500MW of wind and solar projects could be underway within six months if appropriately priced agreements can be negotiated to sell or hedge the electricity output.
- 600MW of wind turbine equipment which was purchased to benefit from the Federal Production Tax Credit regime.

As at 30 September 2017 Infratil had provided NZ$48.3 million to these investments. Total shareholder contributions were US$75 million. At present it's anticipated that the US$100 million cap on development will remain and any longer-term asset ownership investment will be subscribed on top of this sum.

For New Zealanders, long-range observation of the US politics surrounding renewable energy is difficult. The economics of renewables in the US are highly prospective; benefiting from intense competition and (at least in some States) short development times and low consenting costs. However, the US President has a high-profile commitment to coal.

Whether his position will make a difference remains to be seen. It would require substantial subsidies because solar, wind and gas-fired generation are now cheaper than new coal-fired generation.

In any case, politics are of little relevance for Longroad's more immediate developments. The key constraint on construction starting on the solar and wind projects noted above is the need to secure long-term power offtake or hedge agreements.

Longroad continues to opportunistically review generation assets that offer favourable returns and work is also underway on the use of utility-scale battery storage with solar generation.

PERTH ENERGY

Perth Energy Holding's (PEH) energy retailing subsidiary, Perth Energy, had another difficult period, which resulted in PEH reporting a A$5.8 million EBITDAF loss for the half year.

This is an improvement on last year's A$9.1 million loss, but the path to retail profitability requires the turnover of unprofitable contracts that typically have two year terms.

New sales were slow early in the period as Perth Energy completed the overhaul of its retail sales team with the appointment of a new General Manager Retail. While competition remains strong, particularly for larger volume contracts, Perth Energy's second half is expected to see satisfactory overall volumes and margins on new sales and renewals.

To support this retail activity, Perth Energy has contracted a competitively priced wholesale portfolio of electricity and gas products, governed by a comprehensive risk management system.

In the meantime, the WA state government review of the electricity market (which is dominated by government-owned competitor Synergy) has been slowly progressing.

PEH's generation subsidiary, Western Energy, has been relatively insulated from these changes and is continuing to deliver reasonable earnings based on the capacity charge it receives for its Kwinana 120MW dual-fuel power station. The closure of the Muja AB coal fired power station has demonstrated a commitment from the state to bring the supply market into balance, which is positive for capacity prices in the future.

Kwinana was more pro-actively deployed during the period as flexible gas supply arrangements allowed a change to its operations enabling it to make a greater contribution to lowering Perth Energy's wholesale electricity costs.

YEAR ENDED 31 MARCH SIX MONTHS ENDED 30 SEPTEMBER	30 SEPTEMBER 2017	30 SEPTEMBER 2016	31 MARCH 2017
Generation revenue	$12.5m	$6.6m	$16.6m
Retail revenue	$122.3m	$166.3m	$319.8m
Other revenue	$2.6m	$3.7m	$7.0m
Operating and energy costs	($143.2m)	($185.7m)	($356.7m)
EBITDAF	**($5.8m)**	**($9.1m)**	**($13.3m)**
Infratil's holding value	NZ$61.9m	NZ$56.5m	NZ$73.4m

All Australian $ (unless noted)

WELLINGTON AIRPORT

Passenger numbers showed solid growth from increased airline capacity and marketing. Additional capacity was added to several domestic services, while increased international passenger numbers tended to reflect higher aircraft loads.

The first year of Canberra-Singapore services has been a great success and it is hoped that this leads to its current four times a week schedule increasing to daily. The challenge for Singapore Airlines, and Wellington, is the runway length. At present the service is provided by a Boeing 777-200 and extensive testing is required to enable certification of a new aircraft. Regulatory agencies, airport, airlines and aircraft manufacturers will all be involved.

The Singapore services have resulted in an increase in Asian visitors to central New Zealand. MBIE statistics show that for the year to 30 September 2017, Chinese visitor spend in central New Zealand rose 27% while the growth rate for the rest of the country was only up 2%. Spending from Asian visitors excluding those from China, Korea and Japan was up 16% relative to 12% for the rest of New Zealand. However, even after the growth only 7% of total Asian tourist spend in New Zealand was in the region covering Taranaki, Horowhenua, Manawatu, Wanganui, Hawkes Bay, Wellington, Marlborough, Tasman and Nelson.

Good progress was achieved on the Airport's projects to increase car parking capacity, improve the layout of the roadway in front of the terminal, and to build a hotel accessible from the terminal. This work is all due to be completed by the end of 2018.

In August, the Supreme Court heard the appeals of the Civil Aviation Authority (CAA) and Wellington Airport regarding the approach which CAA should take to determining acceptable safety standards for New Zealand airports; which has particular relevance for CAA's approval of the runway safety areas of a number of New Zealand airports.

CAA's approach is consistent with international conventions and regulatory practice followed elsewhere. For instance, Sydney Airport has 90 metre runway safety areas and the Australian Aviation Authority recently approved 90 metre safety areas for Hobart Airport which, like Wellington, is seeking to extend its runway to accommodate larger aircraft.

It is hoped that the decision by the Supreme Court will allow a quick resumption of Wellington Airport's consent application to the Environment Court and, ultimately, the advent of long-haul services to Wellington.

YEAR ENDED 31 MARCH SIX MONTHS ENDED 30 SEPTEMBER	30 SEPTEMBER 2017	30 SEPTEMBER 2016	31 MARCH 2017
Passengers Domestic	2,592,615	2,520,872	5,076,479
Passengers International	429,823	411,587	888,427
Aeronautical income	$37.6m	$33.9m	$70.3m
Passenger services income	$20.1m	$18.5m	$37.0m
Property/other	$6.1m	$6.0m	$12.2m
Operating costs	($16.5m)	($14.7m)	($29.0m)
EBITDAF	**$47.3m**	**$43.7m**	**$90.5m**
Investment spend	$40.3m	$44.0m	$79.3m
Infratil's holding value [1]	$397.5m	$389.7m	$414.5m

1. Infratil's share of net assets excluding deferred tax at period end

NZ BUS

NZ Bus experienced a 28% drop in EBITDAF due to ceasing to provide services in South Auckland and from costs incurred from the transition to the new regulation and contracting model.

While NZ Bus has lost its South Auckland services, it has agreed contracts with Auckland Transport through the rest of the city that will involve approximately 500 buses, 1,000 people and six depots.

The contracts have an average term of nine years and the resulting financial and operational stability is allowing NZ Bus to commit to a $47 million investment in its fleet, including the purchase of an additional 75 double decker buses.

NZ Bus's Auckland business now has a solid base and good future growth prospects. The new Government has also indicated a willingness to increase support of Auckland's public transport initiatives. The logic of this is apparent from the robust growth achieved over the last decade.

It's also notable that notwithstanding disruptive regulatory changes, ongoing roadworks and new timetables, NZ Bus achieved good performance against Auckland Transport's punctuality and reliability targets, illustrating its capability and ability to adapt its services to meet customer requirements.

In addition, the Company maintains the highest health and safety standards in the industry and enjoys the support of a dedicated and skilled staff in delivering good services for its communities and passengers. NZ Bus has ACC accreditation for its Partnership Programme and a Gold environmental performance rating from Enviro-Mark.

In the Wellington region, NZ Bus was ineligible to tender for some contracts, was unsuccessful in others, and is now negotiating the terms of its appointed contracts with Greater Wellington Regional Council. This will result in an approximate halving of the Wellington business to about 160 buses.

Once NZ Bus has fully transitioned into the new regime in Auckland and Wellington it will be roughly two thirds of its earlier scale and earnings. It will be substantial and well positioned to benefit from stable regulation and the political will to grow patronage. It's also likely that there will continue to be industry consolidation as operators seek to improve economies of scale and financial performance by lifting efficiency and optimising their mix of services and facilities.

NZ Bus has excellent staff who have remained loyal through a difficult period of the company's history. It is committed to improving efficiency and to providing the highest standards of safety and comfort.

YEAR ENDED 31 MARCH SIX MONTHS ENDED 30 SEPTEMBER	30 SEPTEMBER 2017	30 SEPTEMBER 2016	31 MARCH 2017
Passengers North	17,727,128	20,361,401	37,330,208
Passengers South	10,934,497	10,985,550	20,911,727
Bus distance (million kilometres)	18.2	23.1	43.9
Bus numbers	1,027	1,090	1,072
Passenger income	$58.0m	$69.5m	$130.6m
Contract income	$50.8m	$48.1m	$91.8m
EBITDAF	**$17.9m**	**$25.0m**	**$43.7m**
Investment spend	$11.4m	$12.3m	$16.2m
Infratil's holding value	$179.0m	$193.9m	$191.2m

CANBERRA DATA CENTRES

CDC delivered a good EBITDAF outcome for the period. A number of cost one-offs, predominately related to the opening of the Hume 3 data centre, combined to produce flat earnings over the last year, but this is forecast to now pick up markedly and CDC's EBITDAF 'run rate' is expected to be approximately A$70 million by 31 March 2018.

The site of Fyshwick 2 data centre.
Chief Executive Greg Boorer.

A change to accounting treatment inflated the net reported surplus Infratil attributed to the investment by $10.4 million.

Since Infratil invested in CDC, demand for Australian data centre capacity has continued to rise, and there has been ongoing investor interest in the sector. ASX listed data centre operators have returned approximately 45% over the year (the global capitalisation of the sector has risen over 50% according to data provided by CapitalIQ). Demand for Australian data centre capacity has been boosted by firms using it as a safe reliable location for their Asian data storage requirements.

CDC develops capability on a modular basis; initially investing in building a data centre (site, consenting, utilities, building, basic infrastructure) and then providing fit-out as clients utilise the data halls (rolling out electricity, cooling, security, and the racks into which clients place their servers). This reduces capital deployment until clients are ready.

Over the six months, CDC's capex was largely allocated to fit out. While this capital spending is positive for future income growth, CDC's agreement with hyper-scale cloud-provider Azure (a division of Microsoft) has paved the way for the next level of expansion, justifying an estimated total investment of A$150 million in the construction of a fifth Canberra data centre. By the end of 2018 this centre will lift CDC's capacity from the existing 39MW to 59MW.

Azure provides data storage on a massive scale and its efficient utilisation of capacity reduces costs. It also provides a platform for its customers to be able to use a wide range of Microsoft and other software providers' tools. Azure contracted to use CDC's Canberra data centres because they have the security controls and accreditations required for the handling of confidential government data. In addition, CDC's centres have secure connections with the government owned Intra Government Communications Network (ICON) which provides Australian government agencies with highly cost-effective network access and communications.

YEAR ENDED 31 MARCH SIX MONTHS ENDED 30 SEPTEMBER	30 SEPTEMBER 2017	30 SEPTEMBER 2016	31 MARCH 2017
Space utilisation	74%	73%	58%
EBITDAF	**$22.7m**	**$23.5m**	**$47.5m**
Investment spend	$11.0m	$45.1m	$66.5m
Net debt	$328.6m	$300.0m	290.4m
Infratil's holding value	NZ$435.2m	NZ$401.3m	NZ$426.3m

All Australian $ (unless noted)

RETIRE AUSTRALIA

RetireAustralia's underlying net profit was up on the same period last year due to a marked uplift in unit sales prices and values.

It has to be noted that the results in any six month period may not be a fair reflection of trends because of the range of RetireAustralia's villages and diversity of contracts can result in distortions. Over the long-term the Company's success rests on three variables; the quality of resident experience, including the provision of a continuum of care, the ability to expand the provision of attractive purpose built seniors' accommodation, and the market value of residences.

The latter of these variables continued to provide a tailwind. The strong Australian residential property market is reflected in the A$631,400 average new unit price RetireAustralia achieved over the period, delivering a 28% development margin. Last year the corresponding figures were A$560,000 and 22%. During the current period, average resale values were A$407,000 which gave rise to an average gain of A$136,000 (A$331,000 and A$103,000 last year).

During the period RetireAustralia took delivery of 36 new units, with the sell down of current and previously delivered stock yielding 39 new sales during the period. This is consistent with expectations following the decision last year to shift priorities to multi-level apartment developments involving care capabilities, over individual units and the consequential impacts on planning consents and delivery schedules.

RetireAustralia's development pipeline is on track to lift the rate of commissioning to 200 units in FY2020 and in due course to 300 a year. This is being progressed through projects now underway, and through purchasing and contracting additional sites. Approximately 1,000 units/independent-living apartments and 330 care apartments are now under active development, including:

- Construction is underway on 69 villas and apartments at the premier Wood Glen village on the Central Coast, and is expected to start soon at the other Central Coast villages; 70 care apartments at Glengara and 75 at Foresters Beach.
- Final planning consents have been received for the Lutwyche Village in Queensland which will comprise 183 independent apartments and 35 care apartments.
- Consenting is underway or pending for three additional Queensland villages; Tarragindi (94 independent units), Burleigh Heads (145 independent units and 32 care units), and the Ashgrove Golf Club (112 independent units and 34 care units).
- In prestigious Lane Cove, Sydney, a site has been purchased for A$22 million to allow construction of a very top-end village.

RetireAustralia's shareholders (Infratil and the NZ Superannuation Fund) have indicated their support for these initiatives and willingness to subscribe for the additional capital which their construction will require.

The objective of developing a care offering is progressing well. The trial that is underway in the Central Coast villages is providing excellent results and is being well received by residents and the roll out of home care services to the broader portfolio is on target to be effected in the forthcoming two years.

YEAR ENDED 31 MARCH SIX MONTHS ENDED 30 SEPTEMBER	30 SEPTEMBER 2017	30 SEPTEMBER 2016	31 MARCH 2017
Residents	4,985	5,250	4,985
Serviced apartments	465	484	486
Independent living units	3,483	3,365	3,442
Unit resales	131	170	319
Resale gain per unit	$136,000	$103,000	$113,000
New unit sales	39	30	105
New unit average value	$631,400	$560,000	$571,500
Occupancy receivable/unit [1]	$99,920	$84,470	$94,550
Embedded resale gain/unit [1]	**$44,100**	**$32,702**	**$39,300**
Underlying profit	**$27.3m**	**$13.0m**	**$59.1m**
Net profit after tax	$19.5m	$29.9m	$55.2m
Infratil's holding value	NZ$287.1m	NZ$255.3m	NZ$278.2m

All Australian $ (unless noted)

1. The values are estimates of point in time value. What RetireAustralia would receive in cash for deferred occupancy fees and capital gains if all residents left and the occupancy rights were resold on that particular date. The resale values were estimated by independent valuers based on market and actual transactions.

OTHER INVESTMENTS

AUSTRALIAN NATIONAL UNIVERSITY STUDENT ACCOMMODATION

Cash earnings from this investment have commenced. They are forecast to start at A$6.5 million per annum and to rise with CPI and as new developments are commissioned.

Excess demand by students for accommodation in ANU's halls and apartments has resulted in prioritisation of planning for the next facility. This is being progressed with the University.

SNAPPER

The Snapper team continue to develop their ticketing technology with the goal of moving from 'stored value' to 'account based', to remove the user inconvenience of needing to load money on a card.

The operational focus has been on providing good ticketing systems and services to the Wellington Regional Council's public transport operations, while also working on international collaborations to create income from the technology developed in New Zealand and to stay abreast of sector developments occurring elsewhere.

INFRATIL INFRASTRUCTURE PROPERTY

As at 30 September 2017, IIP was undertaking the final sales of its remaining interest in the New Lynn development undertaken in a joint venture with Auckland Council.

IIP has commenced the marketing of sites no longer required as bus depots and development of plans for the Halsey Street land in Auckland's Viaduct Basis continues.

ENVISION VENTURES FUNDS

Although Infratil's small investment in Envision Ventures Funds was not increased over the period, the investments already made are being actively tracked. The one with potential relevance to New Zealand and Australia is Chargepoint, which operates the world's largest network of electric vehicle recharging sites (over 41,000 of them. In comparison, New Zealand has about 1,250 petrol stations).

Chargepoint has worked with governments around the world to facilitate the establishment and expansion of the recharging infrastructure which electric vehicles require.

New Zealand is at a very early stage of its transport electrification. Of the more than 2 million vehicles in the National fleet, less than 4,000 are electric.

AUSTRALIAN SOCIAL INFRASTRUCTURE PARTNERS (ASIP)

ASIP's main asset is a shareholding in the Royal Adelaide Hospital public private partnership. Construction and commissioning of the 700 bed state-of-the art A$1.85 billion facility was completed in June, triggering the commencement of quarterly availability payments by the state government, which will continue for the next 29 years.

The hospital was formally opened to the public in August, and has ramped up to near full capacity since then.

Following the hand-over investors' interest in the Hospital was revalued to reflect the revised risk profile, with Infratil's share of the uplift being $6.9 million. This was the main contribution to the book value of Infratil's holding in ASIP rising from $34.0 million to $41.6 million over the six months to 30 September 2017.

Over the period ASIP provided cash earnings to Infratil of $0.6 million.

COMMUNITY

A DECADE OF INFRATIL SPONSORSHIP OF CHOIRS AOTEAROA NZ AND THE NEW ZEALAND YOUTH CHOIR

Infratil has committed to extend its sponsorship of the New Zealand Youth Choir to 2021.

This will give Choirs Aotearoa NZ certainty of funding and help its planning.

It also means that Infratil will have been a supporter for a decade.

The funding is to be increased to help Choirs Aotearoa NZ provide greater assistance to the New Zealand Secondary Schools Choir.

NZ Youth Choir in Parliament House

DIRECTORY

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Marko Bogoievski
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Humphry Rolleston
Peter Springford

Company Secretary

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Westpac New Zealand Limited
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Commonwealth Bank of Australia
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12 Jellicoe Street
Auckland

Calendar

Final Dividend Paid
15 June 2017

Annual Meeting
24 August 2017

Infratil Update Publication
October 2017

Half Year End
30 September 2017

Interim Report Release
10 November 2017

Infratil Update Publication
March 2018

Financial year end
31 March 2018

Updates/Information

Infratil produces an Annual Report and Interim Report each year. It also produces other Update newsletters on matters of relevance to the Company.

Last year Updates covered:
The extension of Wellington Airport runway
Electric buses
Canberra Data Centres
Longroad Energy
Tilt Renewables

In addition, Infratil produces occasional reports on the operations of its subsidiaries. These are available at www.infratil.com.

All Infratil's reports and releases are on the website, which also contains profiles of Infratil's businesses and links.

Infratil