5 June 2020

Amended Annual Report and Results Presentation for the year ended 31 March 2020

Infratil has provided an updated copy of its 2020 Annual Report and Results Presentation to correct the following:

Amend the Total Shareholder Returns on pages 15, 16 and 26 of the Annual Report to ensure consistency with prior periods, whereby the returns are shown on a post-tax basis. This reflects the partial imputation of dividends in FY2020.

Amend the Total Shareholder Returns on page 14 of the Results Presentation to be consistent with the change noted above.

Correct the value of investment undertaken within Infratil's businesses on page 10 of the Annual Report. Previously this amount also included investment made directly by Infratil into component businesses.

Correct the 2020 average lease term for CDC Data Centres on page 49 of the Annual Report from 8.8 years to 8.6 years.

Other minor amendments to correct spelling, grammar, typos and for general clarity and consistency.

Any enquiries should be directed to:
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Results Announcement

For the year ended 31 March 2020

29 May 2020

Infratil

Disclaimer

Disclaimer

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Not financial product advice

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Disclaimer

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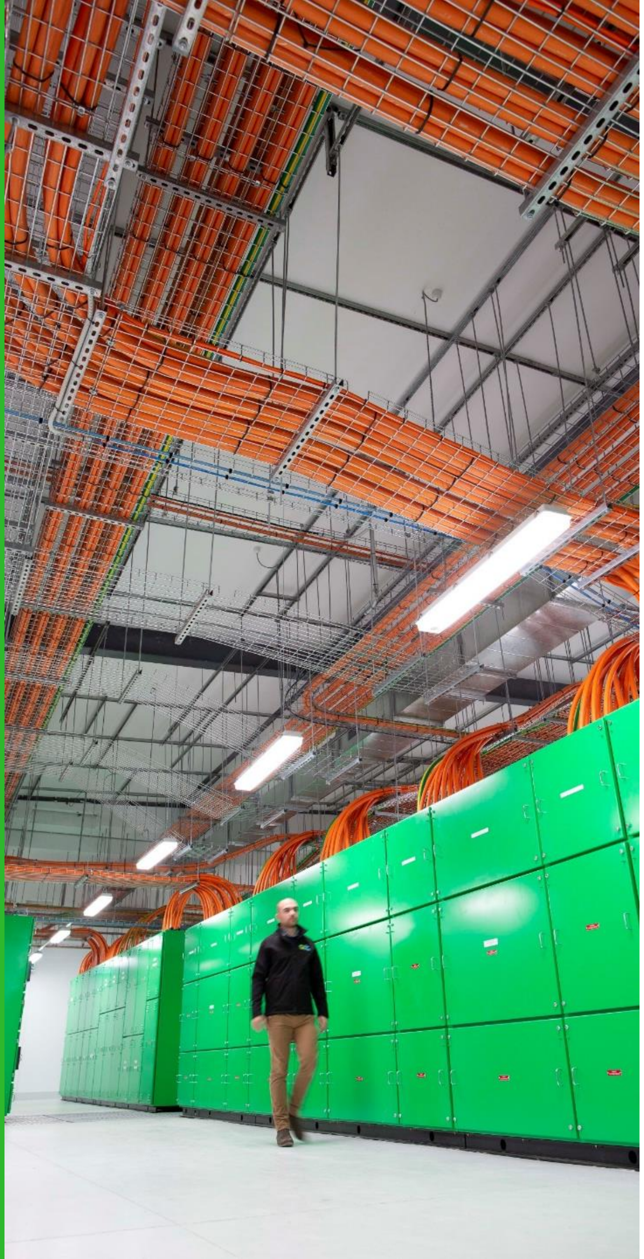
Non-GAAP Financial Information

This presentation contains certain financial information and measures that are “non-GAAP financial information” under the FMA Guidance Note on disclosing non-GAAP financial information, "non-IFRS financial information" under Regulatory Guide 230: ‘Disclosing non-IFRS financial information’ published by the Australian Securities and Investments Commission (ASIC) and are not recognised under New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), Australian Accounting Standards (AAS) or International Financial Reporting Standards (IFRS). The non-IFRS/GAAP financial information and financial measures include Underlying EBITDAF and EBITDA. The non-IFRS/GAAP financial information and financial measures do not have a standardised meaning prescribed by the NZ IFRS, AAS or IFRS, should not be viewed in isolation and should not be construed as an alternative to other financial measures determined in accordance with NZ IFRS, AAS or IFRS, and therefore, may not be comparable to similarly titled measures presented by other entities. Although Infratil believes the non-IFRS/GAAP financial information and financial measures provide useful information to users in measuring the financial performance and condition of Infratil, you are cautioned not to place undue reliance on any non-IFRS/GAAP financial information or financial measures included in this presentation.

Further information on how Infratil calculates Underlying EBITDAF can be found at Appendix I.

Full Year Overview

Increasing exposure to our preferred sectors of data infrastructure and renewable energy has driven net growth in a year of portfolio changes



Full Year Overview

- Net surplus for the year from continuing operations of $508.8 million, compared to $64.4 million in the prior year
- 13.5% growth in underlying EBITDAF reflected changes in the portfolio and a growing contribution from data and communications infrastructure;
  - Acquisition of 49.9% of Vodafone New Zealand completed on 31 July 2019 for $1.03 billion
  - Divestments and tightening of the portfolio are now substantially complete
- Capex investment of $920 million, including $541 million in renewable energy and $227 million at CDC Data Centres
- Strong capital position and liquidity across the Group with multiple levers to manage near to medium term capital commitments
- Partially imputed final dividend of 11.00 cents per share

Financial Highlights

Significant capital expenditure and investment will drive future earnings growth and increase exposure to high-conviction sectors

31 March ($Millions)	2020	2019	Variance	% Change
Net Surplus from Continuing Operations	508.8	64.4	444.4	690.1%
Net Parent Surplus	241.2	(19.5)	260.7	1,336.9%
Underlying EBITDAF[1] (before Incentive fee)	605.9	533.8	72.1	13.5%
International Portfolio Incentive fee	125.0	102.6	22.4	21.8%
Capital Expenditure & Investment	1,990.9	679.0	1,311.9	193.2%
Earnings per share (cps) (continuing activities)	41.5	(1.0)	42.5	4,397.7%

Notes:
1. Underlying EBITDAF is an unaudited non-GAAP measure. Underlying EBITDAF does not have a standardised meaning and should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS, as it may not be comparable to similar financial information presented by other entities. A reconciliation of Underlying EBITDAF to Net profit after tax is provided in Appendix I

Results Summary

Solid operating result as capital was deployed and portfolio shifts were completed

31 March ($Millions)	2020	2019
Operating revenue	1,368.7	1,442.2
Operating expenses	(903.5)	(895.2)
Operating earnings	465.2	547.0
International portfolio incentive fee	(125.0)	(102.6)
Depreciation & amortisation	(147.5)	(160.4)
Net interest	(186.4)	(148.5)
Tax expense	(14.4)	(72.0)
Realisations and revaluations	516.9	0.9
Net Surplus (continuing)	508.8	64.4
Discontinued operations[1]	(24.6)	(12.0)
Net surplus	484.2	52.4
Minority earnings	(243.0)	(71.9)
Net parent surplus	241.2	(19.5)

- Operating revenue reflects a reduced period of contribution from Tilt's Snowtown 2 wind farm, and the impact of lower wholesale electricity prices and lower generation volumes for Trustpower
- The FY2020 annual incentive fee is payable in three tranches of $41.7 million, with payment of the second and third tranche subject to portfolio level asset values being maintained
- The net reduction in depreciation and amortisation primarily reflects Tilt's sale of Snowtown 2 and lower depreciation for Trustpower
- Net interest increased as capital was deployed to new investments and capex developments were completed
- Realisations and revaluations uplift reflects the realised gain on the sale of Tilt's Snowtown 2 wind farm in December 2019
- Discontinued operations include ANU PBSA, NZ Bus, Perth Energy and Snapper

Notes:
1. Discontinued operations represent businesses that have been divested, or businesses which will be recovered principally through a sale transaction rather than through continuing use

Underlying EBITDAF

CDC Data Centres and Vodafone are driving EBITDAF growth and offsetting declines from energy businesses and impact of portfolio divestments

31 March ($Millions)	2020	2019
Trustpower	186.5	222.2
Tilt Renewables	123.7	144.4
Wellington Airport	103.2	101.4
CDC Data Centres	59.6	37.6
Vodafone	154.9	-
RetireAustralia	8.9	9.2
Longroad Energy	4.7	46.5
Corporate and other	(35.6)	(27.5)
Underlying EBITDAF (excl. fees)	605.9	533.8
International portfolio incentive fee	(125.0)	(102.6)
Underlying EBITDAF (continuing)	480.9	431.2
NZ Bus	5.9	17.4
Perth Energy	12.1	35.9
ANU PBSA	0.5	12.8
Snapper	(1.5)	(4.1)
Total Underlying EBITDAF	497.9	493.2

- Lower contribution from **Trustpower**, with lower wholesale electricity prices and lower generation volumes
- Reduction in **Tilt Renewables'** contribution largely resulting from the sale of the Snowtown 2 wind farm in December 2019
- Increased contribution from **Wellington Airport** reflecting hotel and multi level carpark, slightly offset by March COVID-19 impacts
- **CDC Data Centres** ongoing year-on-year earnings growth as new facilities come online
- Current period includes an 8-month contribution from **Vodafone** following completion of the acquisition on 31 July 2019
- **Longroad Energy** includes the gain on the sale of Project Rio Bravo, however partial sales of the El Campo, Prospero I and Little Bear projects have not been recognised for accounting purposes
- Contributions from NZ Bus, Perth Energy, ANU PBSA and Snapper reflect their respective ownership periods before disposal

Capital Expenditure & Investment

Building a balanced portfolio capable of delivering long-term capital growth

31 March ($Millions)	2020	2019
Trustpower	34.3	27.7
Tilt Renewables	506.4	127.1
Wellington Airport	80.6	72.1
CDC Data Centres[1]	226.6	140.6
RetireAustralia[1]	28.0	31.8
NZ Bus	2.7	45.9
Other	41.2	28.2
Capital Expenditure	919.8	473.4
Vodafone	1,029.9	-
Longroad Energy	31.8	87.2
Tilt Renewables[2]	-	109.3
Other	9.4	9.1
Investment	1,071.1	205.6
Total Capex & Investment	1,990.9	679.0

- **Tilt Renewables'** ongoing construction of the Dundonnell Wind Farm (336MW) and commencement of construction of the Waipipi Wind Farm (133MW)
- **Wellington Airport** completed the final stage of the $100 million domestic terminal renovation
- **CDC**'s ongoing development including:
  - Eastern Creek 2, Sydney (13MW) – final handover occurred December 2019;
  - Hume 4, Canberra (25MW) – final handover occurred December 2019; and,
  - Commencement of construction of Eastern Creek 3, Sydney (25MW)
- **RetireAustralia** includes completion of the Glengara Care Apartments and commencement of construction of independent living units at Wood Glen (The Rise) and Burleigh (The Verge)
- Other includes the construction of **Infratil Infrastructure Property**'s 154 room Travelodge hotel and carpark in the Wynyard Quarter – forecast to open in October 2020

Notes:
1. The amounts depicted are Infratil's proportionate share of the investee company's capital expenditure
2. Shares acquired under Infratil and Mercury Energy's full cash takeover offer for Tilt Renewables

Asset Values

The value of Infratil's subsidiaries and associates is recorded in Infratil's financial statements in accordance with NZ IFRS. This slide presents an alternative method for valuing those assets

31 March ($Millions)	
CDC Data Centres	1,355 - 1,711
Trustpower	1,118
Vodafone	1,029
Tilt Renewables	908 – 1,030
Wellington Airport	621 – 689
RetireAustralia	271 – 352
Longroad Energy	162
Other	166
Total	5,632 – 6,259

- CDC Data Centres, Tilt Renewables, RetireAustralia and Longroad Energy based on Independent Valuations as at 31 March 2020
- Trustpower based on market price as at 28 May 2020 of $7.00
- Vodafone based on NZ$1,029 million acquisition price
- Wellington Airport based on a 15x multiple of FY2020 EBITDA less net debt as at 31 March 2020
- Other includes 31 March 2020 book values for Australian Social Infrastructure Partners, Infratil Infrastructure Property and Clearvision Ventures

International Portfolio Annual Incentive fee

Fee reflects the ongoing significant outperformance of the material international assets

31 March ($Millions)	Acquisition	Valuation	Distributions[1]	Prior Year[2]	Annual Fee	IRR[3]
CDC Data Centres	15/09/2016	1,515.6	16.7	(1,004.8)	105.5	38.8%
Longroad Energy	26/10/2016	162.4	34.2	(166.2)	6.1	54.7%
RetireAustralia	31/12/2014	308.2	-	(398.1)	(18.0)	2.2%
Tilt Renewables	28/10/2016	966.5	-	(805.2)	32.2	19.5%
ASIP	04/04/2014	33.1	0.5	(37.4)	(0.8)	13.1%
		2,985.8	51.4	(2,411.7)	125.0	

- The Management Agreement provides for the assessment of an International Portfolio annual incentive fee for those assets which have been held more than three financial years. The fee assesses the performance of the assets since the previous balance date
- The FY2020 annual incentive fee has been finalised and approved by the Infratil Board as part of the approval of the financial statements for the year ended 31 March 2020
- The FY2020 annual incentive fee is payable in three tranches of $41.7 million, with payment of the second and third tranche subject to portfolio level asset values being maintained at the relevant date

Notes:
1. Distributions from International Portfolio assets plus the hurdle rate of return calculated on a daily basis, compounding
2. Prior year is the fair market value as at 31 March 2019 plus the hurdle rate calculated on a daily basis compounding, adjusted for any capital movements
3. IRR after incentive fees calculated as at 31 March

Access to Liquidity and Credit

Duration extended over last 6 months through new retail bond issues and renewed bank facilities

Maturities to 31 March ($Millions)	Total	FY21	FY22	FY23	FY24	FY25-31	>FY31
Bonds	1,303.8	-	93.9	193.7	122.1	662.2	231.9
Wholly-owned bank facilities[1]	748.0	85.0	115.0	350.0	148.0	50.0	-

Access to liquidity and credit

- The Infratil wholly-owned group ended the year with a strong liquidity position after a number of bank re-financings were executed in the last quarter of FY2020
- Total bank facilities increased by $75 million to $748 million
- As at 31 March 2020 drawn bank debt was $480 million with $268 million of undrawn bank facilities
- Tilt Renewables' capital return is expected to be completed in July 2020 (Infratil's share ~$179 million)
- Infratil's next bank maturity is $53 million in July 2020 and is not intended to be renewed
- Infratil's next two bond maturities are:
  - $93.9 million of IFT220 bonds which mature in June 2021
  - $93.7 million of IFT190 bonds which mature in June 2022
- No material changes in the period since 31 March 2020

Notes:
1. Infratil and wholly-owned subsidiaries excludes Trustpower, Tilt Renewables, Wellington Airport, CDC Data Centres, RetireAustralia, Longroad Energy, Galileo Green Energy and Vodafone.

Debt Capacity & Facilities

Balanced pool of funding sources supports long-term investment programme

31 March ($Millions)	2020	2019
Net bank debt[1]	470.9	44.3
Infratil Infrastructure bonds	1,071.9	904.5
Infratil Perpetual bonds	231.9	231.9
Market value of equity	2,579.3	2,332.2
Total capital	4,354.0	3,512.9
Gearing (net debt/total capital)	40.8%	33.6%
Infratil undrawn bank facilities[1]	268.0	403.0
100% subsidiaries cash	9.1	55.1
Funds available	277.1	458.1

- The market value of equity increased by $247.1 million since 31 March 2019, reflecting:
  - $400 million placement and rights issue as part of the Vodafone acquisition
  - the change in the IFT share price from $4.17 (March 2019) to $3.91 (March 2020)
- During the year ended 31 March 2020, Infratil issued:
  - $156.3 million of the IFT280 bond series (maturing December 2026)
  - $123.2 million of the IFTHC series (annual rate re-set, maturing December 2029
  - $37.0 million of the IFT300 series (maturing March 2026)
- 2020 gearing reflects the share price at 31 March 2020. Based on the 28 May 2020 share price, gearing would be 35.8%

Notes:
1. Infratil and wholly-owned subsidiaries excludes Trustpower, Tilt Renewables, Wellington Airport, CDC Data Centres, RetireAustralia, Longroad Energy, Galileo Green Energy and Vodafone.

Portfolio Target Returns

Ten-year 11-15% total shareholder return target maintained

Portfolio composition and active management approach have been designed to deliver targeted returns

Infratil Portfolio		Expected Returns[1]		Leverage Assumption		Management Costs		Return to Shareholders
Core Lower Risk		**8–10%** Per annum						
Core Plus / Growth	+	**10–15%** Per annum	+	Average net debt/ total capital **30%** at **6%** p.a. interest rate	–	**1% of assets** Per annum	=	**11–15%** Per annum
Development Higher Risk		**15–25%** Per annum						

Notes:
1. Based on composition of existing Infratil portfolio

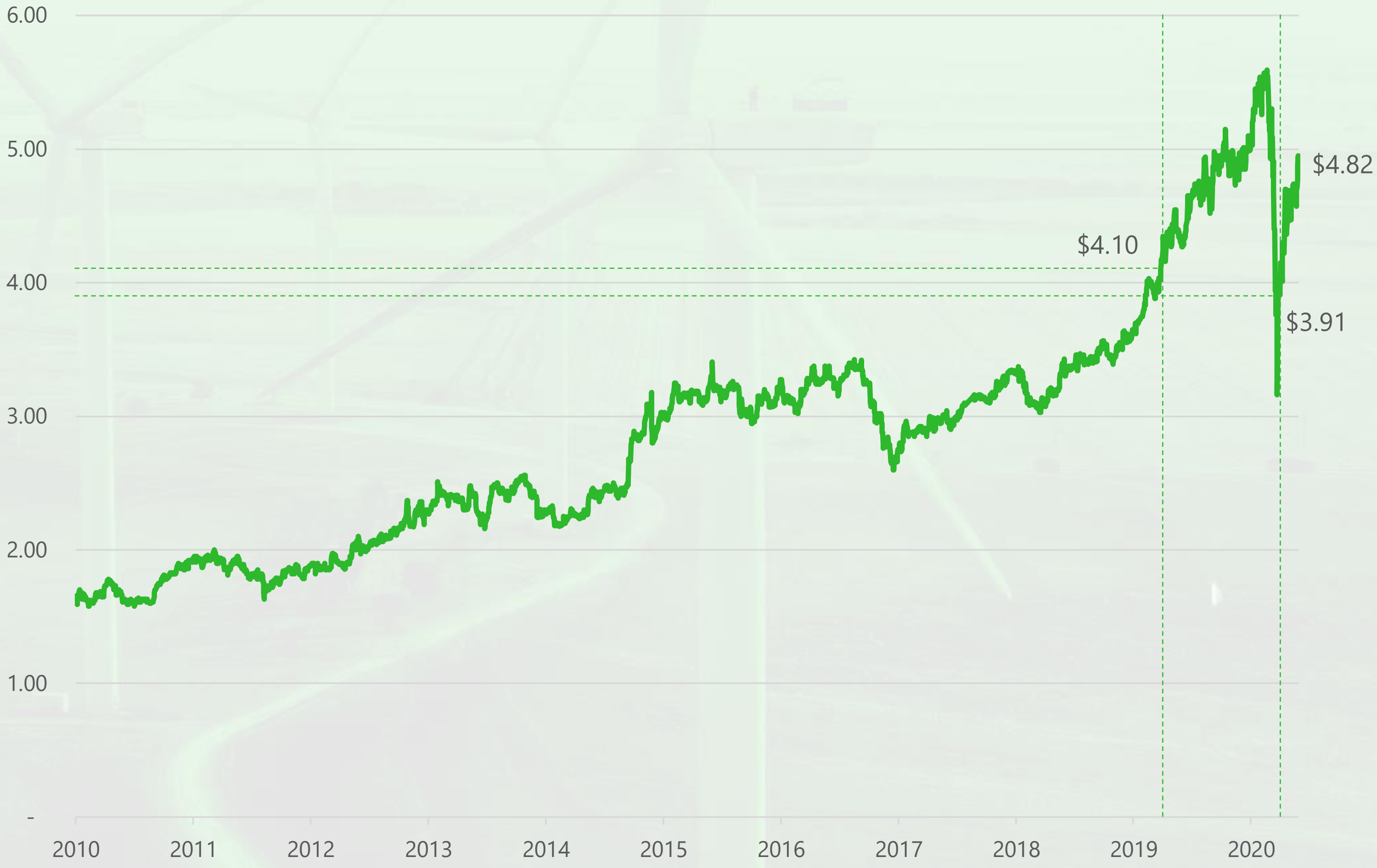
Share Price Performance

Outstanding returns delivered over the medium and long-term

Total Shareholder Return[1]

Period	TSR
1 Year to 31 March	(2.1%)
12 months to 28 May	16.6%
5 Year	9.6%
10 Year	14.2%
Inception – 26 years	16.6%

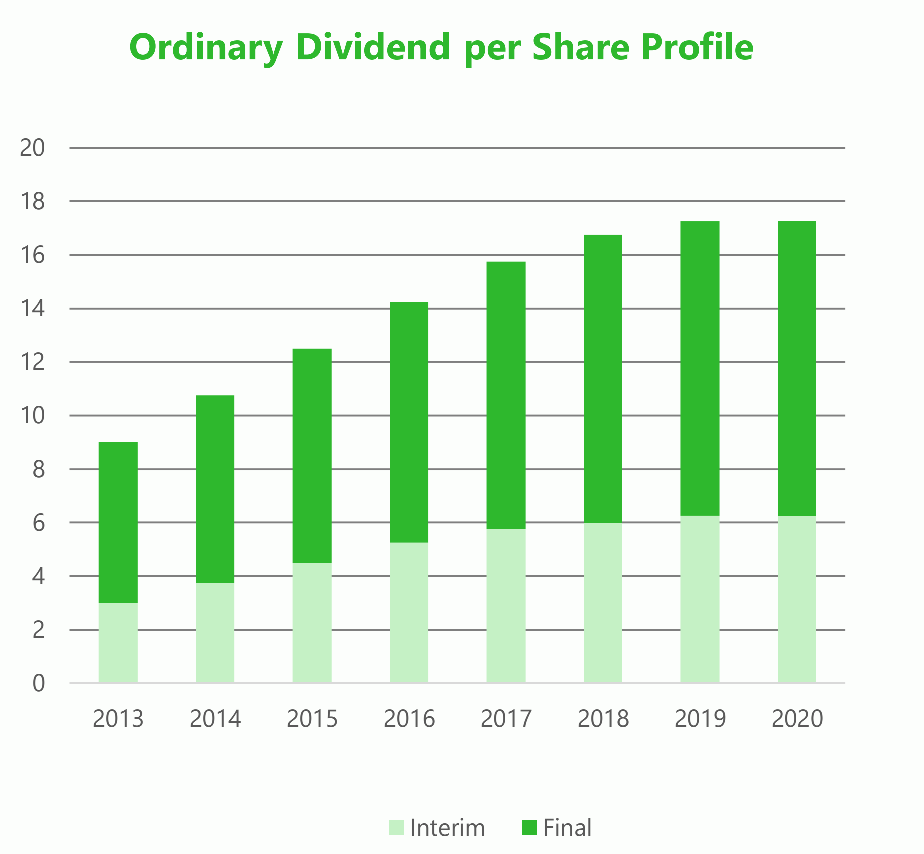
Infratil Share Price



[1]Total shareholder returns are to 31 March 2020 based on a closing share price of $3.91

Distributions

FY2020 final dividend maintained at FY2019 level



Final Ordinary Dividend

- A final dividend of 11.00 cps payable on 15 June 2020, partially imputed with 2.5 cps of imputation credits attached
- The FY2020 final dividend is on par with the FY2019 final dividend
- The record date will be 8 June 2020
- The dividend reinvestment plan will not be activated for this dividend

Dividend Outlook

- Consistent with its earnings guidance position, Infratil will not be giving dividend guidance for FY21 at this stage

Portfolio Resilience and Composition

Investment over the last 24 months has focused on building scalable platforms with defensive characteristics and ongoing demand growth

- Infratil is well positioned in scalable high growth sectors with good jurisdictional diversification
- Investment over the last 24 months has been focused on Infratil's Renewable Energy and Data & Connectivity platforms:

Tilt Renewables
- 336MW (A$560 million) Dundonnell Wind Farm under construction
- 133MW (NZ$277 million) Waipipi Wind Farm under construction

Longroad Energy
- 594MW of utility scale solar under construction (Texas & Minnesota)
- 313MW of utility scale wind under construction (California & Texas)

Galileo Green Energy
- Newly established development vehicle based in Europe
- Pace of development will reflect COVID-19 realities

CDC Data Centres
- 105MW of installed Data Centre capacity with a further 25MW under construction
- Roadmap to over 270MW of Data Centre capacity
- Announced development of two hyperscale Data Centres in Auckland

Vodafone
- $3.4 billion acquisition of Vodafone New Zealand
- Launch of 5G network in December 2019 and business transformation programme underway

Operating Businesses

Infratil

CDC Data Centres

Significant development driven by increasing customer demand for high quality secure data storage

Financial

- Current period reported EBITDAF A$117.5 million, up A$45.4 million (+63.0%) from the comparative period
- Current run-rate EBITDAF of A$135 million
- Strong performance with revenue growth from new data centres and additional utilisation in existing data centres
- Increased reliance and demand for resilient digital infrastructure in COVID-19 world
- FY2021 forecast reported EBITDAF of A$145-A$155 million

Growth and development

- Globally, the generation of electronic data and the need for its storage continues to grow exponentially
- Announced the development of two world-class hyperscale data centres in Auckland, with 20MW of capacity and forecast completion in CY2022
- Development accelerating overall with FY2020 investment of A$446.6 million including:
  - Completion of Eastern Creek 2 (13MW) and Hume 4 (25MW)
  - Construction on Eastern Creek 3 (28MW)
  - Preparatory work for two Australian sites (50MW) and two Auckland sites (20MW)
  - Additional land acquisitions in Canberra completed during the period
- Whole of portfolio weighted average lease expiry (WALE) of 8.6 years, and 15.9 years with options (2019: 9.0 years, and 16.7 years with options)

Vodafone New Zealand

First 8 months of ownership focused on rebuilding capability and setting an ambitious strategy for the business

Financial

- Annual EBITDA of $480.6 million at the operating company level
  - Total revenue of $2,046.7 million was up 4.3% on the prior year
  - Cost management has been excellent, but trading momentum and customer experience still require improvement
- $67.0 million favourable purchase price adjustment expected to be received in Q1 FY2021
- Capital expenditure of $284.8 million, including the launch of 5G capability in Auckland, Wellington, Christchurch and Queenstown

Transformation programme

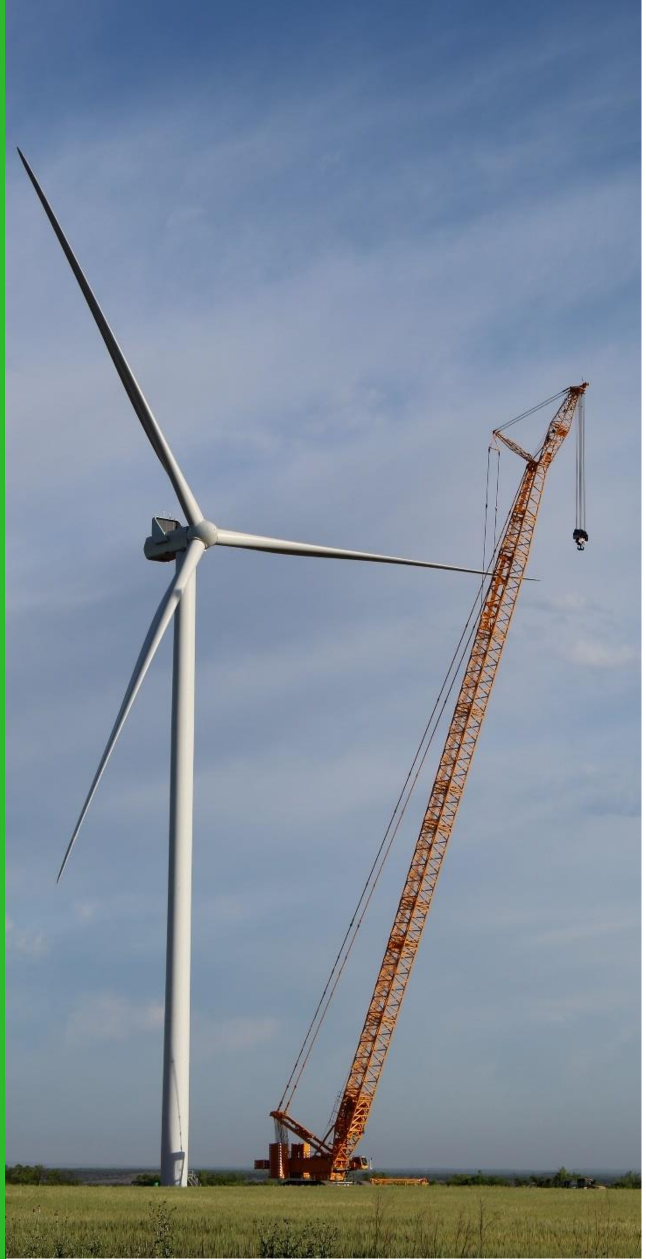
- Advanced programme of work underway to reset strategy and address historic areas of underinvestment
- New capability should address future cost structures while enhancing customer experience and product development
- Significant new hires have added further strength to the Executive team, with new appointments including CFO, Human Resources Director and Strategy Director

Outlook

- COVID-19 has significantly impacted pre-paid and roaming revenue, and effects will continue while travel restrictions remain in place
- Impact elsewhere has been relatively modest, although we anticipate a delayed effect from the extended lockdown and overall GDP impact on FY21 service revenues and cash collections
- Digitisation and simplification will enable a greater range of strategic choices in the medium-term

Longroad Energy

Financial close reached on 900MW of utility-scale generation against a full year goal of 800MW



Financial

- Associate earnings of NZ$4.7 million compared to NZ$46.5 million in the comparative period, primarily driven by partial realisations in the current period which precluded certain development gains from being recognised in the statement of profit and loss
- During the current period Infratil received cash distributions of NZ$29.0 million and capital returns of NZ$4.4 million
- To date Infratil has invested NZ$185.8 million, and received distributions and capital returns of NZ$184.7 million

Development

- During the period Longroad closed financing and commenced construction of the
  - 243MW El Campo Texas Wind project (US$335 million)
  - 379MW Prospero Texas Solar project (US$416 million)
  - 215MW Little Bear California Solar project (US$346 million)
  - 70MW Minnesota Wind repowering project (US$77 million)

Operations

- Total operating portfolio of 715MW and managing construction of a further 907MW
- Currently providing operating and maintenance services to 2,610MW including 1,472MW for third parties

Outlook

- It is reasonable to expect a slowdown in FY2021 and pipeline development will in part depend on the rate of recovery in corporates and utilities signing new Power Purchase Agreements, as well as liquidity in the bank and tax equity markets.

Longroad Energy

Development gains and project outcomes have exceeded expectations, however the nature of retained interests precludes some development gains from being recognised

FY2020 Development Summary

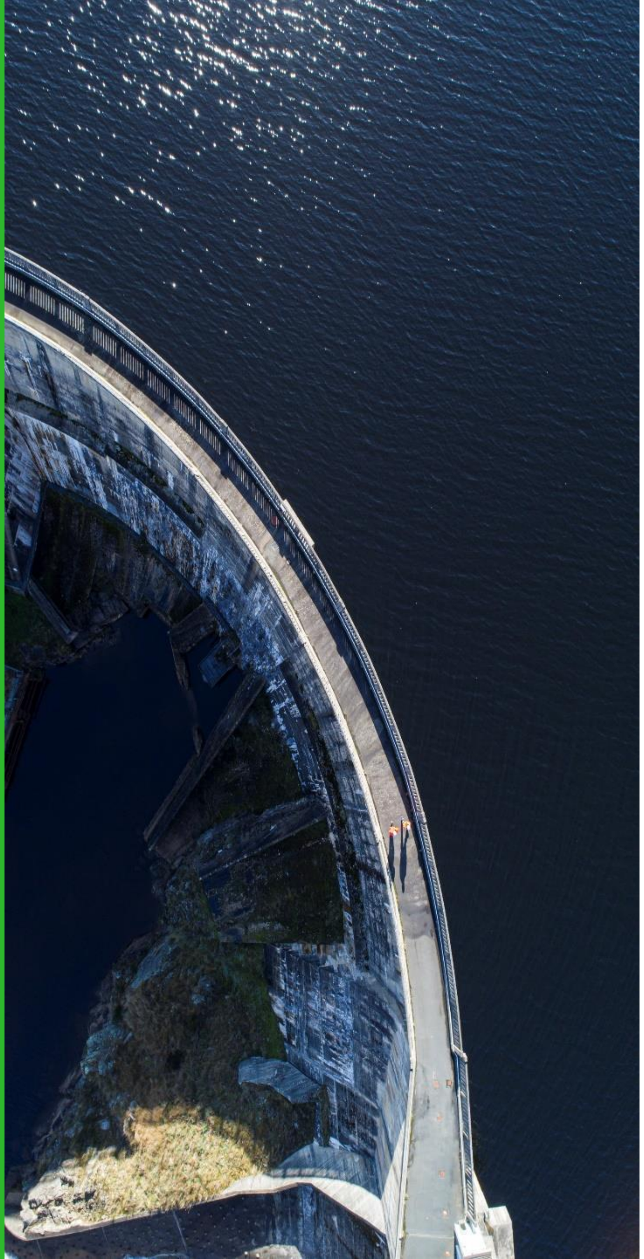
Project	Capacity	Status
Project Rio Bravo Texas Wind US$300 million	238MW	• 100% of the equity sold December 2018 • **Development gain recognised** on completion of construction in June 2019
El Campo Texas Wind US$335 million	243MW	• 50% of the equity sold June 2019, remaining 50% consolidated by LEH, therefore **no development gain recognised for accounting**
Prospero I Texas Solar US$416 million	379MW	• 50% of equity sold 1 April 2020, remaining 50% consolidated by LEH, therefore **no development gain recognised for accounting**
Little Bear California Solar US$346 million	215MW	• 50% of equity sold 31 March 2020 • Remaining 50% consolidated by LEH, therefore **no development gain recognised for accounting**
Minnesota Wind (Wind repowering) US$77 million	70MW	• Binding agreement to sell 100% of the equity at Commercial Operation Date ('COD'), expected ~ late 2020 calendar year • **Development gain will be recognised for accounting purposes at COD**

Total Net Economic Development gains – FY2020[1]	**US$74 million to US$107 million**
Infratil's Share	US$30 million to US$43 million
FY2020 Cash Dividends to Infratil	US$18.5 million
FY2020 Capital returns to Infratil	US$2.8 million

[1] Excludes the value of Longroad's retained interest in projects that have been partially sold

Trustpower

Geographically diverse portfolio of hydro generation well placed to optimise revenue under periods of high volatility



Financial

- EBITDAF of $186.5 million was $35.7 million (16.1%) below the comparative period of $222.2 million
- Current period impacted by lower generation volumes resulting from plant outages and materially lower North Island inflows compared to the prior period
- Trustpower has refinanced all its debt due in 2020 and does not expect to be returning to the bank or debt markets over the next 12 months

Customers

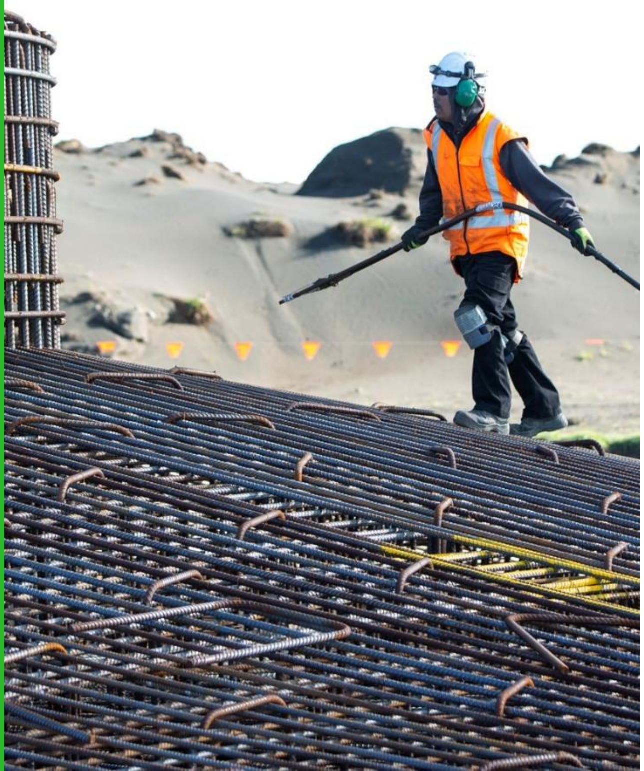
- Total retail utility accounts 411,000, up 9,000 on the comparative period, while customers with two or more products rose 8.4% to over 116,000
- Total products and products per customer continue to grow, with 84% of all customer acquisitions in the last quarter of FY2020 taking 2 or more products
- Both electricity only and bundled retail will benefit if the current very high churn levels drop to more long-term sustainable levels
- Focus on automation as a way of improving the customer experience and reducing costs

Generation

- Generation revenue materially impacted by decline in Avoided Transmission (ACoT) revenue, lower production volumes, and fair value declines in carbon credits
- Average generation forecast to increase by 60GWh from FY2021 to FY2025

Tilt Renewables

Balanced focus on delivery of development pipeline and optimisation of the existing portfolio



Financial

- Tilt Renewables EBITDAF of A$117.5 million was A$17.3 million (12.8%) behind FY2019 primarily driven by the sale of Snowtown 2 in December 2019, and the reduced contribution for a 3-month period post sale
- Production for FY2020 was in line with the previous year when normalised for the sale of Snowtown 2 and 1.3% below long-term 50th percentile expectations

Sale of Snowtown 2 Wind Farm

- Tilt completed the sale of the 270MW Snowtown 2 Wind Farm for an enterprise value of A$1,073 million
- Snowtown 2 Wind Farm was developed, constructed and operated successfully for 5 years by Tilt
- The accounting profit on the sale was A$486.0 million (NZ$511.5 million) with net cash proceeds of A$470.7 million
- Tilt has announced that it intends to return approximately A$260 million to shareholders via a pro rata share buy back in July 2020

Construction and development

- Construction underway on the 133MW Waipipi Wind Farm
- Along with the Dundonnell Wind Farm, Tilt now has 469MW under construction, a total forecast investment of more than $800 million
- Dundonnell Wind Farm commenced generation during the month of March 2020, with generation of 0.8GWh achieved during commissioning of the first turbines
- 448MW Rye Park project is expected to reach FID in 2021

Wellington Airport

Essential infrastructure for central New Zealand and will continue to play an important role in the recovery of the local community and economy

Financial

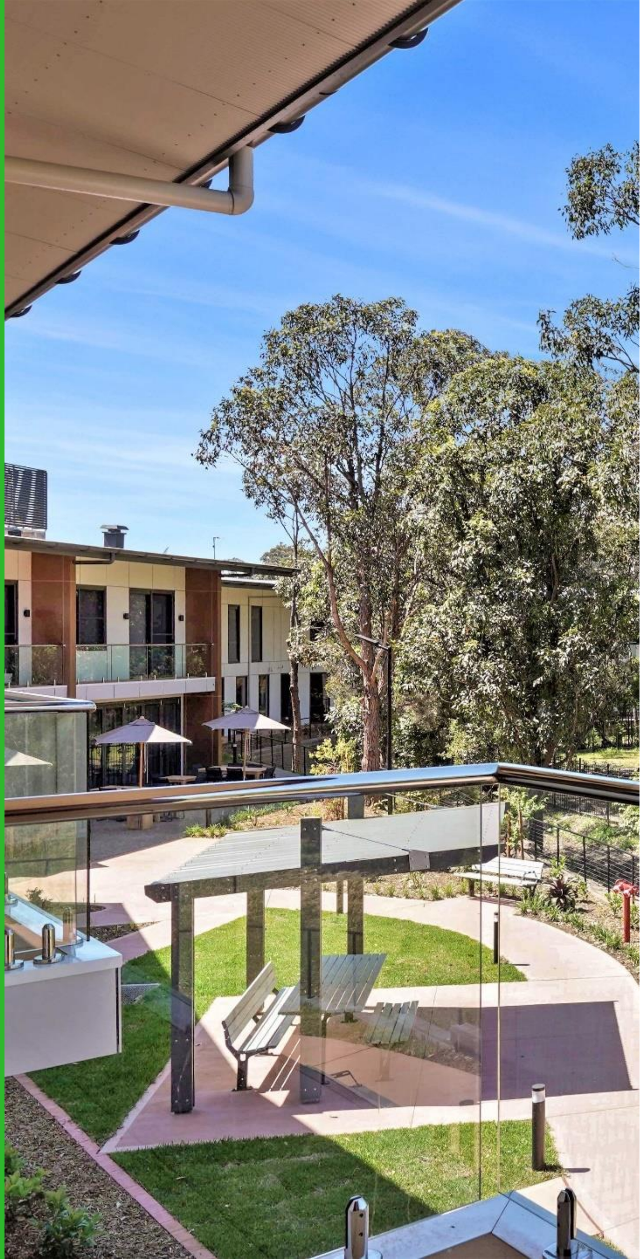
- EBITDAF of $103.2 million was $1.8 million above the comparative period of $101.4 million
- COVID-19 travel restrictions came into effect in March resulting in a 40% reduction in passengers for the month, and a 99% reduction in the final week as national borders were closed and all but essential domestic travel was restricted
- Domestic passengers -4.8% to 5.2 million and international -1.0% to 920k
- Domestic traffic was flat following the withdrawal of Jetstar from regional services
- Capex was $80.6 million, including the final stage of the $100 million domestic terminal upgrade

Outlook

- Capital investment for FY2021 has been reduced by 80% with growth projects deferred until passenger growth resumes
- Terms agreed with the Airport's shareholders and banks, and terms with USPP noteholders expected to be agreed shortly, to ensure funds are available until traffic and revenues return to more viable levels.
- Under Level 2, the resumption of traffic is consistent with forecasts. The mid-point forecast is for domestic traffic to be at 60% of pre-COVID levels by March 2021 and for international to be at 20%

RetireAustralia

Flow through economic impact of COVID-19 creates medium term outlook uncertainty. Longer-term investment thesis remains intact



Financial

- Underlying Profit[1] of A$17.0 million was flat year on year
- 292 resale settlements vs 244 in FY2019. Total collect A$40.1 million vs A$32.6 million
- Net fair value loss of A$102.3 million from the revaluation of investment properties at 31 March 2020, primarily reflecting potential COVID-19 impacts
- Portfolio occupancy during the financial year remained above the industry average

Development and Outlook

- Protecting residents from COVID-19 remains RetireAustralia's top priority as the pandemic continues
- 70 purpose-built care apartments at Glengara (NSW) were opened in February 2020, however sales activities have been impacted by COVID-19 lockdown restrictions
- Completion of new apartments at The Rise at Wood Glen on the Central Coast is expected to take place in the first half of FY2021
- Stage one of The Verge, Burleigh a 77-unit development co-located with Burleigh Golf Club, will welcome its first residents in the first half of FY2022
- The flow through impact of COVID-19 may see a slowdown in the Australian housing market, with a consequential impact on RetireAustralia's working capital requirements
- RetireAustralia lenders have waived certain covenants until 31 December 2020 and shareholders have also committed to a capital contribution of up to A$10 million each if required

1. Underlying Profit is an unaudited non-GAAP measure and is defined at Appendix I.

FY2021 Outlook

Continued uncertainty over the duration and impact of COVID-19 means FY2021 Group earnings and dividend guidance cannot be provided at this stage

FY2021 Outlook

- Given ongoing uncertainty over the duration and impact of the COVID-19 pandemic Infratil will not be providing FY2021 Group earnings or dividend guidance at this stage.
- The following component guidance is available:
  - Trustpower FY2021 EBITDAF guidance expected to be in the range of $190 million to $215 million
  - Tilt Renewables FY2021 EBITDAF guidance expected to be in the range of A$80 million to A$95 million
  - CDC Data Centres FY2021 EBITDAF guidance expected to be in the range of A$145 million to A$155 million
- Infratil will provide FY2021 Group guidance when it has sufficient certainty
- Capital expenditure will continue to be focused on the growing renewable generation and data and connectivity platforms

Summary

A resilient and balanced portfolio with significant exposure to higher growth essential services. Infratil is well placed to support the economic recovery in key markets

- Infratil is well positioned in scalable high growth sectors, with diversified cashflows generating reliable non-correlated returns across several jurisdictions
  - The overweight position in renewable energy generation and data infrastructure should drive relative outperformance during a sustained slowdown in economic activity
  - Significant capital investment undertaken by CDC Data Centres, Tilt Renewables and Longroad Energy during FY2020 will be income generating in FY2021
- Its strong capital position and flexibility across the group enables Infratil to comfortably support our high-growth platforms and meet existing capital commitments
  - Rationing capital to support our businesses and sequence our highest-value developments
  - Default position is to prioritise capital to support existing platform opportunities
  - Working with lenders to support Wellington Airport and RetireAustralia as the most COVID-19 affected businesses
  - Continuing to evaluate opportunities in key growth sectors and new geographies
- Infrastructure sector will be essential to the pace and shape of the global economic recovery
- Infratil is well placed to support the recovery in each key market of operation




For further information:

www.infratil.com

Infratil

Appendix I
Reconciliation of NPAT to Underlying EBITDAF

Underlying EBITDAF is an unaudited non-GAAP ('Generally Accepted Accounting Principles') measure of financial performance, presented to provide additional insight into management's view of the underlying business performance.

Specifically, in the context of operating businesses, Underlying EBITDAF provides a metric that can be used to report on the operations of the business (as distinct from investing and other valuation movements).

Market analysts also use Underlying EBITDAF as an input into company valuation and valuation metrics used to assess relative value and performance of companies across a sector.

31 March ($Millions)	2020	2019
Net profit after tax ('NPAT')	484.2	52.4
Less: share of RetireAustralia associate earnings	53.7	23.9
Less: share of CDC Data Centres associate earnings	(161.0)	(83.9)
Less: share of Vodafone associate earnings	24.7	-
Plus: share of RetireAustralia Underlying Profit	8.9	9.2
Plus: share of CDC Data Centres EBITDAF	59.6	37.6
Plus: share of Vodafone EBITDAF	154.9	-
Net loss/(gain) on foreign exchange and derivatives	(6.2)	(0.3)
Net realisations, revaluations and impairments	(510.7)	(0.6)
Discontinued operations	24.6	12.0
Underlying earnings	132.6	50.3
Depreciation & amortisation	147.5	160.4
Net interest	186.4	148.5
Tax	14.4	72.0
Underlying EBITDAF (continuing operations)	480.9	431.2
International Portfolio Incentive fee	125.0	102.6
Underlying EBITDAF (excluding Incentive fees)	605.9	533.8

Notes:
1. Reconciling adjustments for Longroad Energy and Galileo Green Energy are not required as their contribution to Underlying EBITDAF is the same as their contribution to Net profit after tax.

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- **Underlying EBITDAF** is presented on a continuing operations basis and excludes any contributions from discontinued operations.
- Underlying EBITDAF comprises:
  - 100% of the EBITDAF of the entities which are fully consolidated for Infratil's Group Financial Statements, that is Trustpower, Tilt Renewables and Wellington Airport;
  - Infratil's share of EBITDAF for CDC Data Centres (48%) and Vodafone (49.9%);
  - Infratil's 50% share of the Underlying Profit of RetireAustralia (see definition below); and
  - Infratil's 40% share of the surplus before tax of Longroad Energy and Galileo Green Energy.
- Infratil's approach to calculating Underlying EBITDAF is consistent with the prior reporting period, with the exception of CDC Data Centres which was previously included on the basis of Infratil's share of Net profit after tax. Management's view is that this change provides additional insight into the underlying business performance of CDC Data Centres following growth in this investment.
- **EBITDAF** is net earnings before interest, tax, depreciation, amortisation, foreign exchange and financial derivative movements, revaluations, impairment, gains or losses on the sales of investments.
- **Underlying Profit** is a non-GAAP performance measure used by RetireAustralia that removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, one-off gains and deferred taxation, while adding back realised resale gains and realised development margins. It is management's view that Underlying Profit provides a more predictable and consistent measure of performance year-on-year for RetireAustralia and is viewed as a better reflection of the underlying performance.

Finding a path

Infratil
Annual Report
2020

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Calendar

Final dividend paid
15 June 2020

Annual meeting
20 August 2020

Half year end
30 September 2020

Half year results released
12 November 2020

Financial year end
31 March 2021

Updates/Information

Infratil produces an Annual Report and Interim Report each year. 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.

Finding a path

Shareholders in any company want transparency around the risk and return features of the business they have invested in.

As an infrastructure investment company, Infratil seeks to provide this clarity by describing and reporting on its investment strategy, its approach to risk management, and the key metrics of its businesses. In addition, two years ago we set out the returns which are expected to be provided to shareholders over the following decade.

The COVID-19 crisis is a significant test of whether the strategy has been well formulated and executed.

As set out in prior years' annual reports, Infratil's investment approach entails (amongst other things):

- Owning infrastructure businesses benefitting from demand growth that have good prospects of providing fair returns by investing to meet that demand.
- Ensuring funding and investment diversity so that changes within the portfolio of businesses can be withstood and opportunities taken.

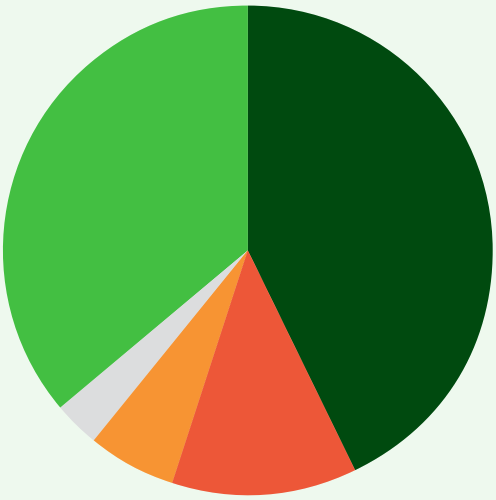
The test posed by COVID-19 is being met. While some of Infratil's businesses have suffered harm and value loss, others have thrived or coped well, and Infratil's solid funding and cash flows are allowing both a return to shareholders and the continued execution of growth plans.

Next year holds many uncertainties. The COVID-19 crisis seems likely to become synonymous with disease, digitalisation and debt. Each is likely to have profound consequences, not least because of the enormous increase in government engagement in personal and business activities through the collection of information, the reprioritisation of health services, and the many forms of public economic assistance. How these engagements evolve as the crisis recedes will influence peoples' behaviour and the nature of the economic recovery.

Infratil must find a path through these uncertainties. Keeping people safe. Assisting its businesses that are struggling. Pursuing opportunities while ensuring that our shareholders and bond holders remain well informed and supportive.

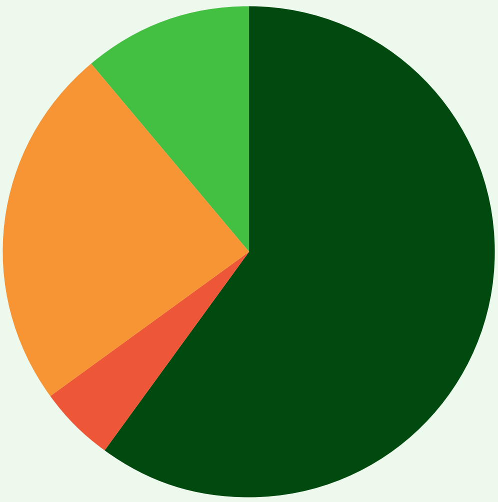
Strategy and execution

Business Sectors



- Renewable Energy
- Connectivity & Data
- Airport
- Retirement
- Other

Capital Structure



- Equity
- Perpetual debt
- Bonds
- Bank funding

Infratil's track record reflects a disciplined approach to capital allocation and liability management.

- Investment is in businesses where Infratil has the expertise to manage risks and opportunities, and which are consistent with the shareholder mandate.
- Because Infratil's businesses provide critical services to communities and users, they must be well managed to meet user needs with the highest standards of probity.
- Investment and funding must be resilient and reflect the reality of the capital markets' fluctuating risk appetite and supply and demand for assets and capital.
- Infratil's businesses should be able to take advantage of fundamental trends: energy decarbonisation, the transportation and storage of data, an aging population, and expanding middle classes.

Over the last five years the key sources of returns have been from utility-scale renewable energy projects, the increasing demand for data storage and the underlying digital infrastructure, and ultra-low interest rates.

In the future, while the trends will continue, who will benefit and how is less clear:

- **Transportation and storage of data:** Since the 2007 introduction of the iPhone, the capacity of mobile networks has expanded 25,000 times. It is estimated that over the last two years more manmade data was created and stored than in the previous ten thousand years.
- **Decarbonisation:** Atmospheric carbon dioxide has risen 15% since Infratil's establishment in 1994 because of approximately 36 billion tonnes a year of human attributable emissions. Over the same period the cost of solar and wind generated electricity has fallen up to 95% (on a per unit of energy basis).
- **Aging:** Since 1994, New Zealand's over 65 population has grown 90% to over 700,000 people (the under 65 population is up 38%) and life expectancy has risen 4.8 years to 81.6 years. Australia's over 65 population has risen 112% to 4.2 million people (the under 65 population rose 35%) with life expectancy up 5.6 years to 83.5 years.
- **Growing middle classes:** Since 2010, the per capita real GDP of both China and India more than doubled, and their combined populations rose by 300 million people.
- **Interest rates:** The New Zealand five-year government bond yield was 6.8% per annum the day Infratil listed in 1994, and 0.7% per annum 26 years later.

Governance & Direction

Infratil's shareholders elect directors for three year terms to represent them and to look after their interests.

To this end, the board is open to dialogue with shareholders, whether at the annual meeting or informally. Director responsibilities include:

- Maintaining an ongoing dialogue with shareholders.
- Proactively participating in the formulation and evolution of the Company's strategy.
- Ensuring effective articulation to external stakeholders of strategy, goals, risks and performance.
- Monitoring strategy implementation, financial performance, risks and legal compliance.
- Maintaining awareness of relevant societal and market developments.
- Providing diversity of perspective and knowledge relevant to the Company.
- Monitoring the performance of Infratil's manager H.R.L. Morrison & Co ("Morrison & Co"). Morrison & Co is a specialist manager of infrastructure investments and performs this role for Infratil under an investment management agreement. Infratil benefits from having a management team with great breadth and depth of skills, however the board must be vigilant about potential conflicts of interest and satisfied that the cost is reasonable relative to alternatives.

Further commentary on the role of the board, the credentials of directors and their remuneration are set out on pages 119-125 of this report.

Mark Tume, independent chair appointed 2007, last elected 2018. Member of the Nomination & Remuneration and Management Engagement, and (ex officio) Audit & Risk committees.

I maintain ties with Infratil's many stakeholders and ensure that the board is delivering on its responsibilities. My experience in finance and on the boards of Transpower, Kiwi Rail, Guardians of NZ Superannuation Fund, and Ngai Tahu Holdings gives me an appreciation of the issues faced by Infratil and its businesses and an appreciation of the concept of social licence.

Marko Bogoievski, director and chief executive. Appointed 2009. Last elected 2017 and due for re-election in 2020.

As CEO of Morrison & Co I have the responsibility of ensuring our team is focused and active on the Infratil mandate. Our job is to identify proprietary opportunities and to deliver strong long-term returns for an acceptable level of risk. We are fortunate to have significant experience supporting our investment and asset management programmes.

Alison Gerry, independent director appointed 2014, last elected 2019. Chair of the Audit & Risk committee, and member of the Nomination & Remuneration, and Management Engagement committees.

My experience in finance and risk management helps me appreciate Infratil's strategic opportunities and threats from financial markets, technology, regulation and the natural environment. Executing strategy is about allocating capital and about developing a culture which reflects the value we place on people, customers, and communities.

Paul Gough, independent director appointed 2012, last elected 2018. Member of the Nomination & Remuneration, and Management Engagement committees.

As a Kiwi who works in London I'm very aware of how global events impact in New Zealand and Australia. In London I manage investments in similar fields to Infratil's, but often with more development risk. Achieving the best outcome requires the best from people. The focus on performance and people is consistent with what I see at Infratil.

Kirsty Mactaggart, independent director appointed and elected in 2019. Member of the Audit & Risk and Management Engagement committees.

I have 25 years of financial market experience across multiple countries and sectors. My transactional experience as a banker; and governance focus as an investor will be applied to Morrison & Co to ensure the manager delivers transparency and performance to all Infratil stakeholders.

Catherine Savage, independent director appointed and elected in 2019. Member of the Audit & Risk and Management Engagement committees.

I have 30 years of involvement in New Zealand and global funds management and capital markets. Being part of a company that maintains the highest standard of corporate governance and transparency to deliver long term value to its stakeholders is extremely important to me. Infratil and its manager, Morrison & Co, are positioned to deliver long-term value add from investing in strategic opportunities and focusing on people and culture.

Peter Springford, independent director appointed 2016. Last elected 2017 and due for re-election in 2020. Member of the Management Engagement committee.

I have led a major industrial company based in New Zealand and Australia and businesses in Asia, and been chair or director of companies operating internationally. The immediate future will be challenging, however good opportunities arise in difficult times. A strong balance sheet and access to resources, both people and financial, positions Infratil well.

directors


Mark Tume


Marko Bogoievski


Alison Gerry


Paul Gough


Kirsty Mactaggart


Catherine Savage


Peter Springford

Management

Infratil's management comprises people employed by Infratil's manager, H.R.L. Morrison & Co (Morrison & Co), and those employed by Infratil's subsidiaries and investee companies.

As a specialist infrastructure investment manager, Morrison & Co also manages investments on behalf of other superannuation funds; including the New Zealand Superannuation Fund, the Commonwealth Superannuation Corporation and the Australian Future Fund, each of which has investments in partnership with Infratil.

Infratil benefits from its management having the expertise of a larger and more expert group of individuals than a company of Infratil's scale could normally hope to retain and from the manager's contacts and relationships.

This year all director and management pictures were taken by people sharing a bubble with the relevant individual. They were directed remotely by Infratil's regular photographer, John Crawford.

Marko Bogoievski, Chief Executive. Director of Infratil. Chair Vodafone NZ.

Phillippa Harford, Chief Financial Officer. Director RetireAustralia.

Kevin Baker, Director CDC Data Centres, Trustpower and Infratil Infrastructure Property.

Greg Boorer, CEO CDC Data Centres.

Jason Boyes, Head of European operations. Chair Longroad Energy and Galileo Green Energy. Director Wellington Airport.

Ralph Brayham, Technology.

Tim Brown, Capital markets, and economic regulation. Chair Wellington Airport.

Fiona Cameron, Treasury committee.

Deion Campbell, CEO Tilt Renewables.

Kellee Clark, Head of Legal. Compliance, transaction structuring and execution.

Peter Coman, Head of Real Estate and Social Infrastructure. Chair Infratil Infrastructure Property and RetireAustralia.

Harry Cominos, Investment strategy.

Roger Crawford, Australian energy sector activities.

Steven Fitzgerald, Asset Management.

Mark Flesher, Capital markets and investor relations.

Paul Gaynor, CEO Longroad Energy.

Vincent Gerritsen, Private Markets Europe, Director Galileo Green Energy.

Dr Bruce Harker, Energy team. Chair Tilt Renewables.

Andrew Lamb, Development Director Infratil Infrastructure Property.

Nick Lough, Company Secretary and Legal. Compliance, transaction structuring and execution.

Will McIndoe, Energy team.

Mark Mudie, Social infrastructure.

Paul Newfield, Chief Investment Officer. Head of Australia and NZ for Morrison & Co. Strategy, sector analysis and transaction execution. Director Tilt Renewables.

Jason Paris, CEO Vodafone NZ.

Dr David Prentice, CEO Trustpower.

Paul Ridley-Smith, Chair Trustpower.

Dr Brett Robinson, CEO RetireAustralia.

Matthew Ross, Infratil Financial Controller and Risk Manager.

Steve Sanderson, CEO Wellington Airport.

William Smales, Private Markets investment activity. Director Vodafone NZ, CDC Data Centres and Longroad Energy.

Vimal Vallabh, Energy team. Director Tilt Renewables, Longroad Energy and Galileo Green Energy.

management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Mark Mudie
Paul Newfield
Jason Paris
David Prentice
Paul Ridley-Smith
Brett Robinson
Matthew Ross
Steve Sanderson
William Smales
Vimal Vallabh

Environment and Society

Infratil is committed to reducing its environmental footprint and to being a positive social influence. Proactively investing in activities such as renewable generation, and encouraging its businesses to recognise and pursue environmental and social goals.

This is not altruism; renewable electricity generation has definitely been a better investment than its thermal equivalent. Investment strategy is based on a wide view of what is right, but it is easier when that lines-up with financial goals.

An illustration is emission pricing. If emissions are $50/tonne the maths of investing in renewable power are easier than when the price is $20/tonne.

Infratil made submissions on government's New Zealand Emission Trading Scheme review in the hope it will come to provide reliable and fair prices. A "fair" price being one that reflects the cost of reducing emissions over time. However, the latest iteration of the ETS is unlikely to provide this price for many years, increasing the likelihood of subsidies and restrictions and inefficient distortions.

The COVID-19 crisis resulted in a drop in emissions as industrial processes and transport was curtailed. The crisis also reignited debate about the priority of longer term non-financial goals. Is the cost of reducing emissions now affordable? Or is the health crisis a wake-up call relevant to climate changes?

The COVID-19 crisis illustrates that it's both healthier and cheaper to take precautions. As at mid-May, the infection rate in New Zealand was 239 people per million and the fatality rate of 4.4 per million was 1.8% of those who had tested positive. Setting those figures to 100, gives the comparisons set out in the table above:

COVID-19 infection/fatality index: NZ =100

	Infection Rate	Fatality Rate	Fatality/Infection
Taiwan	8	7	86
Australia	116	89	77
New Zealand	100	100	100
United States	1,931	6,369	330
United Kingdom	1,532	11,940	779

There are lessons from the stark differences in outcomes. The value of good leadership following good advice, and of social cohesion and trust; people being willing to make sacrifices on behalf of others because they were confident of reciprocity and that society would help pay the bill. And there is the specific lesson about preparation.

Climate change was "my generation's nuclear-free moment". Unlike COVID-19 where a fast response, pragmatism and social unity has enabled a coherent response, heading off climate change is all about preparation; being like Taiwan rather than the countries with 200 times as many COVID-19 deaths.

Environment and Social Commitments

All Infratil businesses must understand and comply with regulations about how they treat the environment and people; be they staff, customers or passers-by.

- Trustpower and Wellington Airport, for instance, monitor, report and comply with numerous environmental standards relating respectively to their hydro power stations and airport operations.
- Businesses must comply with employment laws and all proactively monitor and manage staff composition, remuneration, and training to ensure fair and equal treatment.
- Health and safety regulation makes companies legally responsible for the wellbeing of staff, customers, contractors and others.

A broad range of stakeholders want to know about a company's use of resources, waste, emissions and sustainability.

Taking this a step further, are "modern slavery" restrictions ensuring functions are not being outsourced to jurisdictions where contractors can mistreat staff. Diversity has taken on whole new areas of meaning.

At Infratil we seek to anticipate what our communities, customers, staff, capital providers, and regulators will want to know about our businesses' environment and how we will need to change. With greenhouse gas emissions, this means measurement and developing management plans. There is widespread adoption of simple goals such as "30% reduction by 2030", but until costs are better understood, such goals are mainly aspirational and possibly misleading.

We hope our businesses can produce plans that show current and target emissions and costed steps of how reductions will be achieved. In addition, businesses need to make sure they understand the impact on their activities and facilities if the climate changes. At an extreme level, higher sea levels and violent weather will have profound effects on buildings and structures on the coast and on insurance.

Infratil is also looking at ways to provide useful reports on environmental and social topics. To that end, Infratil is progressing use of GRESB Infrastructure Assessment to provide systematic reporting, objective scoring, and peer benchmarking of its businesses. GRESB was established by fund managers to provide reliable data on environmental and social performance of their investments and now covers $7.5 trillion of assets.

Financial Highlights

	FY 2020	FY 2019
Net surplus	**$241.2m**	($19.5m)
Underlying EBITDAF [1,2]	**$480.9m**	$431.2m
Capital expenditure	**$1,990.9m**	$679.0m
Net debt [3]	**$1,774.7m**	$1,180.7m
Dividends declared	**17.25cps**	17.25cps

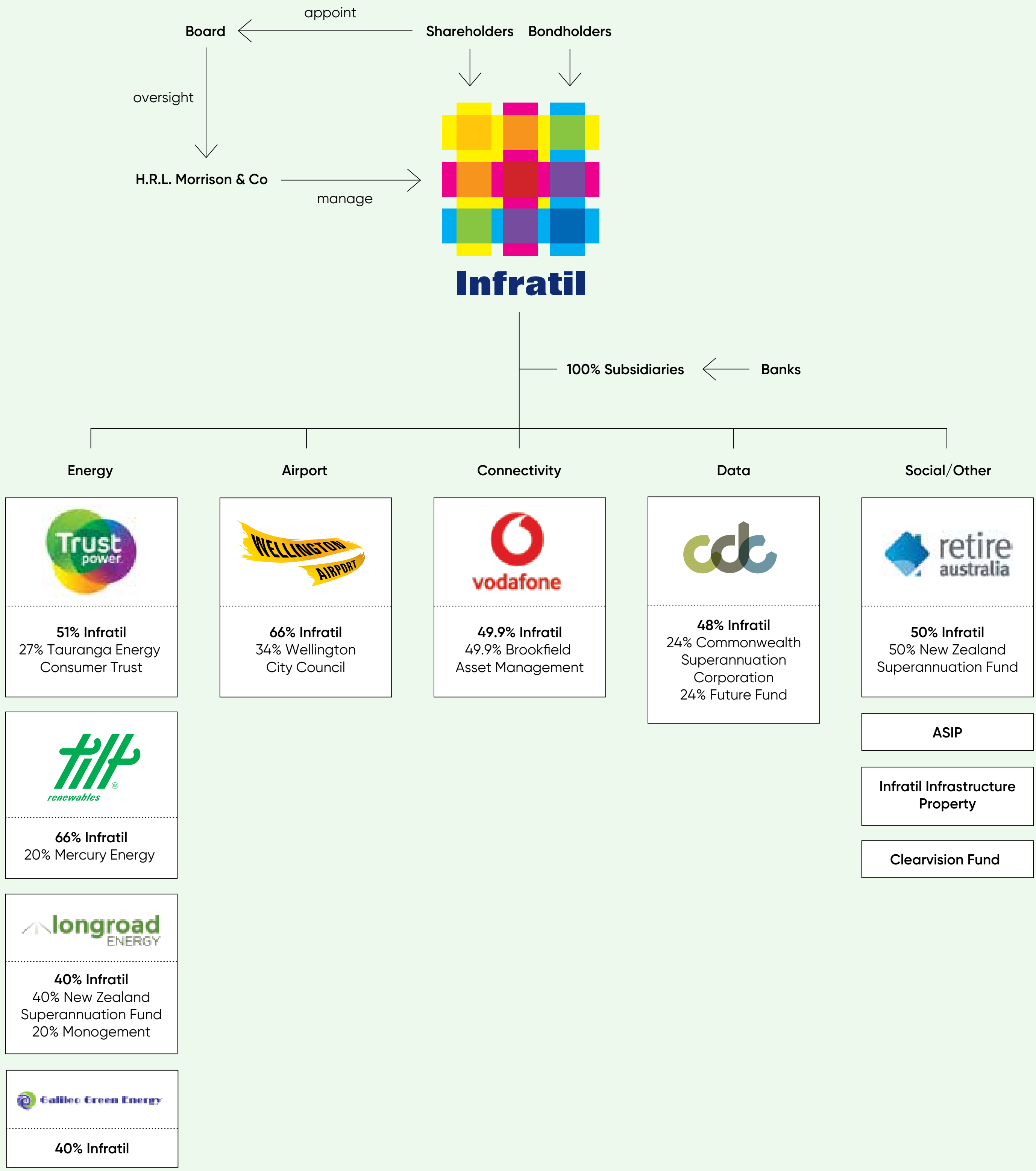
Key events of the year were the NZ$512 million gain achieved by Tilt Renewables from the sale of its Snowtown 2 wind farm for A$1,073 million, and the $1,991 million of investment undertaken across the group.

Investment included Infratil's $1,030 million acquisition of 49.9% of Vodafone NZ and $920 million of investment undertaken within Infratil's businesses.

Tilt Renewables, Wellington Airport and CDC Data Centres reported improved results. Longroad's excellent performance was masked by the accounting treatment of partial sale of projects. Results from Trustpower and RetireAustralia were down on the prior year. The result also includes an 8 month contribution from Vodafone NZ following completion of the acquisition on 31 July 2019.

1. Underlying EBITDAF is an unaudited non-GAAP ('Generally Accepted Accounting Principles') measure. Underlying EBITDAF does not have a standardised meaning and should not be viewed in isolation, nor considered a substitute for measures reported in accordance with NZ IFRS, as it may not be comparable to similar financial information presented by other entities. A definition of Underlying EBITDAF and reconciliation of Underlying EBITDAF to Net profit after tax is provided in the Infratil Annual Results Presentation 2020.
2. Continuing operations excludes NZ Bus, Perth Energy, Snapper and ANU Student Accommodation. All of which have been sold.
3. Infratil parent and 100% subsidiaries.

Corporate Structure



Chief Executive Report

While everyone has been impacted with the pandemic related events and disruptions of the last few months, Infratil has come through a unique and difficult test in good shape.

That is not to say that we haven't seen some value destruction, but we have also seen value creation. Importantly for our shareholders and bond holders, our capital management and approach to managing risk have proved resilient, and we will be paying the final dividend we had signalled at the beginning of the last year.

> Fortunately we have a company with a diversity of exposures and robust funding and those factors served us well.

Like most businesses and families, our initial response to the pandemic was focused on looking after our people and preserving the value of our assets. Now, as we emerge from restrictions, the priorities are to get back to normal as quickly as practicable while being mindful of the sort of opportunities and risks that arise during periods of disruption.

The pandemic

Our initial steps were to relocate our people to safe working locations and to take the steps required to ensure the safe operation of our businesses many of which provide crucial services. We then quickly instigated additional reporting so that we knew where difficulties were being encountered and what assistance was required, whether in the form of expertise, guidance, or funding.

Our most impacted business was Wellington Airport which went from over 500,000 passengers in February to less than 5,000 in April. We were able to support management as it took difficult decisions which saw forecast FY2021 expenditure reduced by 65%, including a significant number of redundancies. We also worked with our co-shareholder Wellington City Council to provide an equity underwrite which the Airport can draw on in the future. With those foundations in place Airport management was able to agree terms with its lenders to ensure it has sufficient funds to get through until the aviation market recovers.

All of our businesses have had to change some aspect of their operations, but only Wellington Airport and RetireAustralia were truly in the frontline of the pandemic. RetireAustralia's response was directed at keeping its almost 5,000 residents and 440 staff safe and the success of their actions ensured that to date none of their residents have been infected with COVID-19.

FY2020 Earnings & Reported Profits

The parent net surplus of $241.2 million was dominated by Tilt's gains from the sale of its Snowtown 2 wind farm. A large part of Infratil's activities involve building large-scale projects; wind farms, airport terminals, data centres, retirement facilities, etc. Usually they will be retained to contribute to future operating earnings, but in some cases they will be sold which effectively crystallises future earnings.

$605.9 million Underlying EBITDAF (before incentive fee) included an 8-month contribution from Vodafone NZ following completion of the acquisition on 31 July 2019, as well as increased earnings from CDC Data Centres. Offsetting this was lower contributions from Tilt Renewables (largely due to the sale of the Snowtown 2 wind farm), Trustpower (lower generation volumes and wholesale prices) and Longroad Energy (partial sales of projects not recognised for accounting purposes).

This year's result included a $125 million performance incentive fee related to Infratil's portfolio of international assets. This is explained in the Chair's Report, but it should be noted that the terms of Infratil's management contract have enabled the Company to expand outside of New Zealand and have generated significant returns for shareholders.

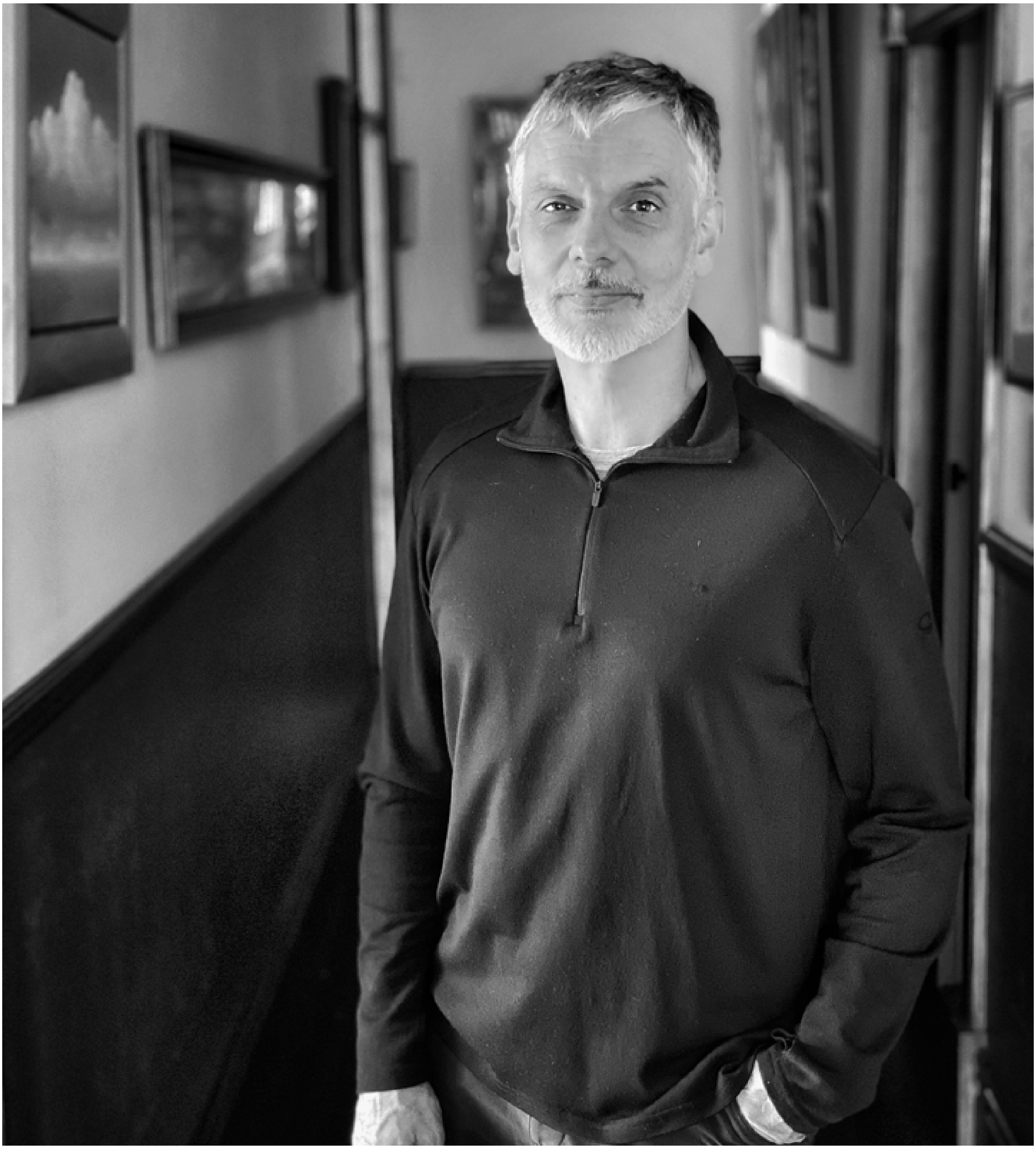
FY2020 Developments

Infratil is unusual in that it can transform itself quite markedly over time, which has happened over the last five years. Approximately half of Infratil assets today were not owned in 2015, including its interests in North American and European renewable electricity generation, retirement living, data storage and telecommunications.

The almost $4 billion of investment required to effect these changes has been directed by clearly defined and articulated investment and portfolio criteria, as illustrated by last year's $1,030 million purchase of 49.9% of Vodafone NZ.

This gives Infratil a strong New Zealand business which will lift returns to shareholders in the medium term as it streamlines operations and benefits from rising demand for data transmission and the expanded capacity of the 5th generation mobile network technology.

Our investment in renewable electricity generation is another example of following a well-marked pathway. In New Zealand, Australia and the USA our businesses are currently building 1,614MW of solar and wind generation



at a total cost of approximately $3.3 billion. In FY2020, alongside co-investors we established Galileo Green Energy with the aim of expanding our sector involvement to Europe.

Galileo has all of Infratil's investment hallmarks. It was established to take advantage of a dynamic regional sector, with the benefit of high-calibre expertise, and financial flexibility. Infratil is a 40% shareholder with NZ Superannuation Fund, the Commonwealth Superannuation Corporation, and Morrison & Co Growth Infrastructure Fund each holding 20%.

The large investment commitment to renewable generation reflects burgeoning demand, the ability of relatively small companies to execute top-grade developments (not the case with large-scale thermal or nuclear generation), and demand from investors wanting to own completed projects. While the Infratil group is building $3.3 billion of generation capacity, it has on-sold a similar value to investment funds and other investors seeking assets with "bond-like" returns in this era of ultra-low interest rates.

Data storage was our other area of major investment and growth in FY2020. Infratil's stake in CDC Data Centres had a 31 March 2020 mid-point fair valuation of $1,515.6 million, a 70% increase on the $889.2 million value of a year prior. The $626 million increase reflects CDC's rapid expansion of capacity, including to New Zealand, and the de-risking of the business via execution of long-term leases and contracts to build new capacity.

The CDC valuation reflects 105MW of operational capacity and 173MW of expansion plans. To date, most of the gains from CDC have come from revaluations rather than distributions as its operating earnings (up 150% since Infratil's acquisition just over three years ago) are being reinvested back into the business. Notwithstanding the current levels of construction and expansion, we are on the verge of seeing a rise in cash returns to shareholders from this asset.

Last year there was a shareholding change at CDC with the Commonwealth Superannuation Corporation selling half of its shareholding (24% of CDC) to the Australian Future Fund. Having 100% of CDC's ownership in Australian and New Zealand hands is important given increasing sensitivity about data security and sovereignty and we welcome the Future Fund to the share register.

Funding

Along with a clearly laid out investment strategy, Infratil also has a well-defined and relatively conservative approach to its funding. This conservatism is the driver behind Infratil's ongoing issuance of long dated bonds (notwithstanding higher coupons than those required for shorter term bonds or bank funding) and last year's $400 million equity raise.

This approach is also a major factor in how we encourage our businesses to structure their activities and their funding. Transactions such as Tilt Renewables' sale of its Snowtown 2 wind farm show high capital discipline.

The Infratil 100% group has $268 million of undrawn bank lines and anticipates receiving over $275 million of cash income and capital returns over the next six months. This includes Infratil's share of Tilt's A$260 million capital return, dividends and distributions from Trustpower and Wellington Airport which amount to $65 million, and a distribution from Vodafone NZ of approximately $35 million.

FY2021

The COVID-19 crisis has created an extraordinary level of uncertainty for everyone and Infratil is not immune.

Until ways are available to control and limit the health risks associated with COVID-19 there will be movement restrictions. It seems unlikely that eradication will be straightforward.

Once the disease is controlled, the economic recovery will be tough. It may take several years for "post-COVID" to resemble "pre-COVID". There will be a huge array of government measures which will have to be wound back, and there will be a significant increase in public debt to service.

> **It isn't all negative. Many companies, such as Vodafone NZ, are seeing accelerated take up for their services. Customer engagement is more efficient via the internet and with the lockdown the use of data services has taken a jump forward, just as there has been a substantial rise in remote working, learning and living.**

One relevant example of uncertainty relates to the provision of retirement accommodation and aged care. The pandemic has highlighted the risks associated with concentrations of vulnerable people, but those who live in safe communities experience greater physical and pastoral care than those living in more isolated situations. It is difficult at this stage to anticipate what lessons will be taken and how future demand for these services will change.

Notwithstanding some of these new uncertainties, FY2021 has every prospect of being positive for Infratil and we expect the following:

CDC's extraordinary growth and expansion plans and construction will continue, and earnings will rise.

Vodafone NZ will invest in customer service and improved efficiency while facing ever expanding demand for mobile and broadband capacity.

Trustpower will keep the lights on while electricity demand remains flat until carbon-reduction initiatives get more traction.

Tilt, Longroad and Galileo are all expected to continue to identify opportunities and to execute plans to build renewable generation. Outside of New Zealand, governments are likely to continue to incentivise this area of development, for both economic and environmental reasons.

RetireAustralia has a high level of uncertainty around demand for its facilities, what happens to residential valuations and whether access to government funding for aged care is improved.

Wellington Airport is seeing an uptick in domestic activity following the removal of restrictions on domestic air travel. In May there have been days when almost as many people used the Airport as occurred in all of April. But while there is a good case for a solid recovery, forecasts are not based on any similar past experience.

Shareholders

- Last year the Infratil share price fell 6%, which improved to negative 2% after distributions are taken into account. Over five years average returns were 9.6% per annum.

  Infratil comfortably outperformed the NZX over 1 and 5 years. Subsequent to 31 March 2020 the share price has improved 20%.
- Infratil paid 6.25 cps interim dividend in December 2019, and will pay 11.0 cps final dividend on 15 June 2020, imputed to 2.5 cps. Both cash dividends were the same as the prior year.
- Dividends reflect the Company's results over the period and its financial situation and prospects.

For the last ten years Infratil has delivered on its goal of gradually and sustainably raising its dividend. The flat outcome for FY2020 was signalled last year as being a likely outcome of Infratil's high level of recent investment activity and the lower initial level of cash earnings new investments inevitably provide.

At this point in time Infratil does not believe it is prudent to provide guidance for FY2021 due to the nature and extent of the uncertainties.

The themes of last year's annual report were Resilience & Growth. We have received a real test over the last few months, and our focus on resilience and growth has enabled Infratil to grow earnings and returns over an extremely challenging period.

Marko Bogoievski
Chief Executive

Report of the Board Chair

Directors are appointed by shareholders to represent their interests to ensure the Company is creating value, investing wisely and providing returns which shareholders would expect to receive on the risks they are taking. As canvassed in previous reports, it is not a simple thing to fairly judge.

To help shareholders, two years ago we took the step of indicating the total shareholder returns we expected Infratil to provide over the ten years to the end of 2028, which was between 11% per annum and 15% per annum. In effect we put a line in the sand, and also posed the question to our shareholders "given what you know about Infratil, in particular its risks, is that a satisfactory goal?" If we have an agreed benchmark, it becomes easier to assess if the company is delivering.

Things have changed over the last two years, both to the economic environment and to Infratil's portfolio of businesses, not least being the investment in Vodafone NZ and the expansion of CDC Data Centres.

Notwithstanding, the 11-15% per annum range remains valid; it should be recognised that uncertainties around returns are greater now than they were two years ago. Incidentally over the ten years to 31 March 2020 Infratil's compound after tax return to shareholders was 14.2% per annum.

Of particular focus are the macro themes which drive Infratil's investment positioning. Infratil seeks to own infrastructure businesses benefitting from demand growth that have good prospects of providing fair returns by investing to meet that demand.

The themes include decarbonisation of energy, digitalisation (data storage and communication), population aging, and transportation. Post COVID-19, will each sector continue to experience growth, and will that growth translate into opportunities to make good investments?

The early empirical evidence is that data storage and communication will experience strong growth and will present good investment opportunities. Renewable electricity, aged care and air travel will be impacted, but it is too soon to say whether the impacts will encourage or discourage investment.

Another factor the board focusses on is capital structure. Last year Infratil raised additional equity to improve financial resilience and fund the acquisition of Vodafone NZ. Given events, it is good to be able to report that Infratil has the funds for operational and investment needs, and to meet capital obligations, including paying a dividend.

What is less clear is how investment opportunities will evolve and what that could mean for funding. Some of our companies are postponing investment (notably Wellington Airport) while others (notably CDC Data Centres) are likely to accelerate their rate of construction. Given uncertainties the board will be conservative in its approach to Infratil's capital structure.

> **Another crucial role of the board is making sure that management is delivering value for money. This encompasses monitoring costs and comparing them to the benefits provided as well as looking at the overall terms under which the Manager is employed.**

Given a track record of shareholder returns, the ongoing reviews the board undertakes, and our hands-on experiences, we remain confident that management is performing and being fairly remunerated. This has been given some prominence by the large incentive payments Morrison & Co has earned over the last two years as a result of outperforming return hurdles.

Shareholders have indicated they are comfortable sharing some of the value created by management, as long as the sharing is equitable. This obviously has direct application to the FY2020 $125 million management incentive. How this was calculated and moderated is set out below:

- Each year, Infratil's international* investments which have been owned for more than three years are valued for the board by specialist independent valuers. The values are intended to identify the proceeds Infratil would receive were it to sell the relevant investments, net of all transaction costs and taxes.
- If that valuation shows that the portfolio of investments has delivered a return (in NZ$) of over 12% per annum then management receives an incentive payment equivalent to 20% of the value above the 12% return. So, to illustrate, were the return to Infratil 17% per annum then management would receive 1% leaving Infratil with a net 16% per annum.
- As a protection against the possibility of the portfolio of investments subsequently falling in value, payment of the incentive is spread over three years. If the value of the portfolio at either of the subsequent two balance dates is lower than the current valuation, that year's payment is cancelled.
- This means that the FY2020 incentive fee payment will be $41.7 million. Payment of the second and third tranches is subject to the conditions noted above. Also, the board has the

* There is no incentive fee calculated on New Zealand investments.

$ Millions	Fair Value	Annual Gain
CDC Data Centres	$1,515.6	$634.4
Tilt Renewables	$966.5	$247.1
Longroad Energy	$162.4	$44.9
RetireAustralia	$308.2	($48.2)
ASIP Fund	$33.1	$1.4
	$2,985.8	$879.7

right to make the payment in shares rather than cash.

- This year the valuation covered five international investments. The 31 March 2020 valuations are shown in the above table. The $879.7 million of gains were the total of $51.3 million of cash receipts and $828.4 million of valuation changes.

The pandemic

The COVID-19 crisis had a huge impact on individuals, families and businesses, with people willing to accept restrictions and costs which few of us ever thought we would encounter in countries like New Zealand and Australia. They have done so because of high trust in our national leadership and recognition that costs, restrictions, and benefits are shared.

With the worst of the pandemic possibly behind us, everyone is asking "what next?". For some businesses it's positive with digitalisation improving workplace efficiency and giving staff greater flexibility and work options. For others it's negative or uncertain as they wait for traffic and demand to resume.

New Share & Bond Holders

Last year Infratil raised $400 million of new share capital and $316 million from issuing bonds.

We are grateful for the trust shown in Infratil by these investors. While it is unlikely that events subsequent to the investments being made were anticipated, all our share and bond holders can be assured that Infratil is in good shape and well positioned to deliver over the long-term.

Mark Tume
Chair

Financial Trends

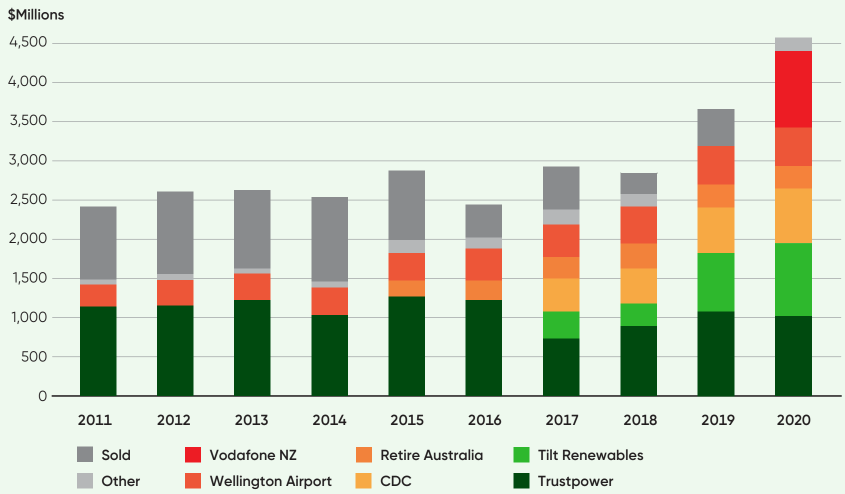
The four graphs show the evolution of Infratil's assets, capital investment, funding and earnings over the last decade; with a brief explanation of what happened and why.

Infratil Assets

The goal of Infratil's asset allocation is to achieve a balance between core and growth assets; ones that provide robust income and those that will generate value growth. This objective is reflected in the evolving portfolio of businesses.

"Core" can mean a whole company, such as Trustpower, or a part of a company such as a fully contracted CDC data centre or a Tilt wind farm with the output sold by long term contract.

Of the $6,178 million invested over the decade, $2,334 million was undertaken by Trustpower, Tilt and Wellington Airport, showing that core businesses undertake growth investment. A further $1,525 million was invested by other businesses and $2,319 million was allocated to acquisitions.

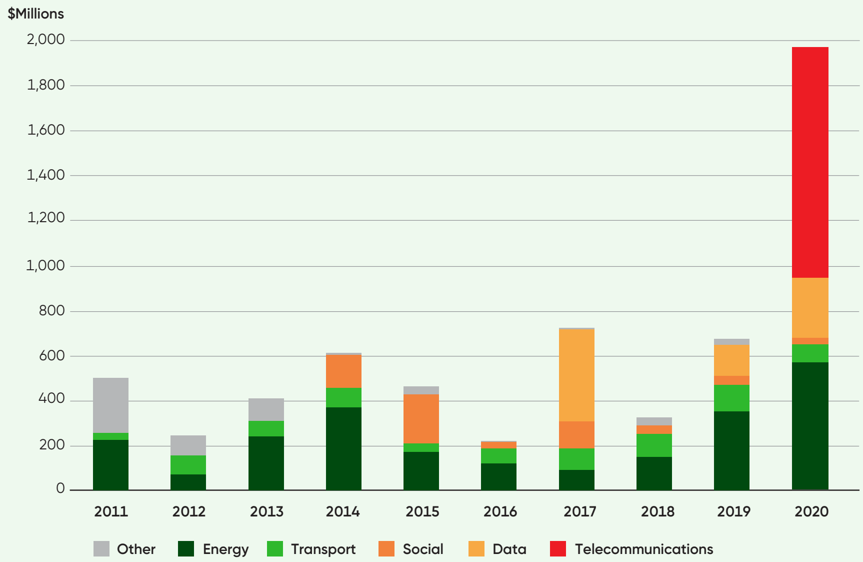


* on page 25 the valuations used in the graph are explained.

Capital Investment

As noted above, Infratil's capital investment amounted to $6,178 million over the decade.

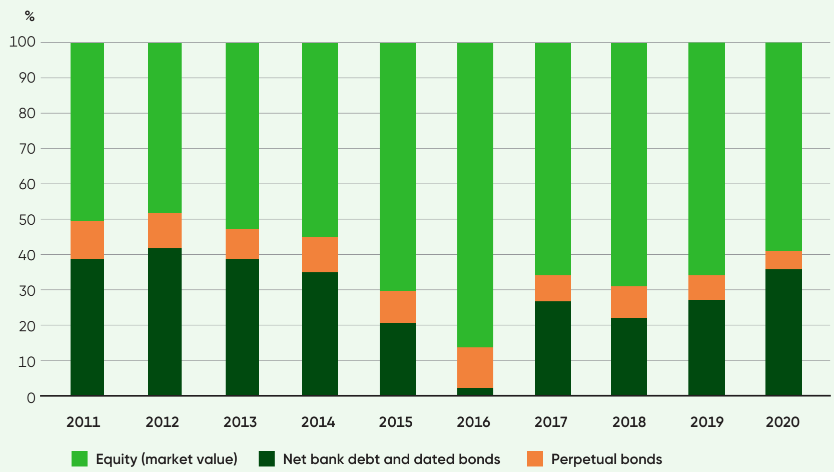
This was split $3,859 million by businesses Infratil owns as they invested in their activities, and $2,319 million by Infratil acquiring ownership interests in businesses or providing them with capital.



Infratil Funding

Changes to the capital structure of Infratil and its 100% subsidiaries (the relative use of debt and equity funding) occurs as businesses are sold and acquired and when Infratil advances capital to and receives funds from its businesses.

The use of debt is bounded by Infratil's policy of maintaining credit metrics that are broadly consistent with an Investment Grade credit rating (Infratil is not credit rated) and with maintaining availability of funds for investment opportunities.

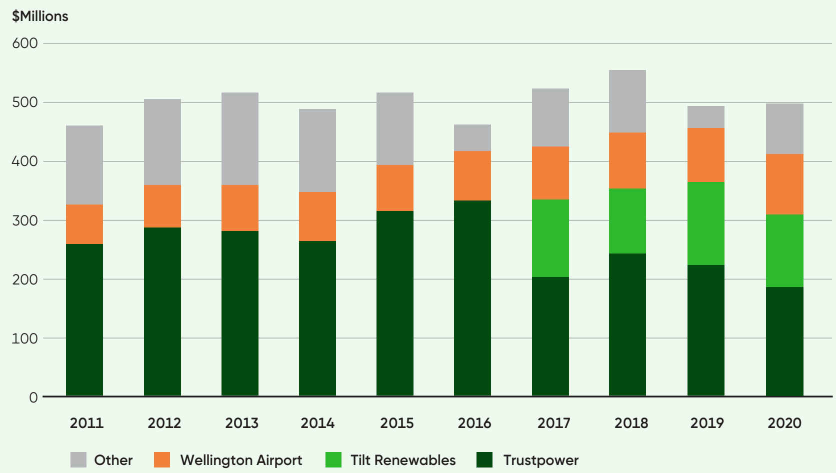


Underlying EBITDAF[1]

Over the decade the combined earnings of the core businesses Trustpower/Tilt/Wellington Airport have risen 20% and the contribution of the rest 165% (excluding management costs).

Underlying EBITDAF[1] was relatively flat over the decade, in part because a number of mature higher earnings companies were sold and proceeds reinvested into businesses that were at an earlier stage of their commercial lives.

Over the decade the weighting of Infratil's portfolio has also shifted from largely majority controlling stakes (included on a 100% basis) to include a number of non-controlling stakes (included on a proportional basis). Refer to the Underlying EBITDAF table on page 22 for further detail on the composition of Underlying EBITDAF.



1. Underlying EBITDAF and EBITDAF are unaudited non-GAAP measures and are defined in the Infratil Annual Results Presentation 2020. For 2019 and 2020 the graphed amounts are before disposals.

Infratil's Financial Performance & Position

Consolidated Results

Infratil consolidates companies of which it owns over 50%, including Trustpower, Tilt Renewables and Wellington Airport.

With associate companies, only Infratil's share of their net surplus/loss is included in operating revenue.

The decline in operating revenue in FY2020 reflects lower revenues at Tilt (following the sale of Snowtown 2) and Trustpower (lower wholesale electricity prices and generation volumes).

Realisation gains included $511.5 million from Tilt's sale of its Snowtown 2 wind farm.

Year Ended 31 March ($Millions)	2020	2019
Operating revenue	$1,368.7	$1,442.2
Operating expenses	($1,028.5)	($997.8)
Depreciation & amortisation	($147.5)	($160.4)
Net interest	($186.4)	($148.5)
Tax expense	($14.4)	($72.0)
Revaluations & realisations	$516.9	$0.9
Discontinued operations	($24.6)	($12.0)
Net profit after tax	**$484.2**	**$52.4**
Minority earnings	($243.0)	($71.9)
Net parent surplus	**$241.2**	**($19.5)**

For FY2020 the average NZ$/A$ exchange rate was 0.9501 and the NZ$/US$ was 0.6474 (0.9334 and 0.6810 in FY2019).

Underlying EBITDAF

Infratil uses Underlying EBITDAF[1] as an alternative way to assess, report, and provide earnings guidance on the underlying performance of its business.

Underlying EBITDAF is a non-GAAP ('Generally Accepted Accounting Principles') measure. For Infratil it comprises:

- 100% of the EBITDAF of the entities which are fully consolidated for Infratil's Group Financial Statements, that is Trustpower, Tilt Renewables and Wellington Airport.
- Infratil's share of EBITDAF for CDC Data Centres (48%) and Vodafone NZ (49.9%) and share of Underlying Profit of RetireAustralia (50%); and
- Infratil's 40% share of the surplus before tax of Longroad Energy and Galileo Green Energy.

Year Ended 31 March ($Millions)	2020	2019
Trustpower	$186.5	$222.2
Tilt Renewables	$123.7	$144.4
Wellington Airport	$103.2	$101.4
CDC Data Centres	$59.6	$37.6
Vodafone NZ	$154.9	–
RetireAustralia	$8.9	$9.2
Longroad Energy	$4.7	$46.5
Corporate and Other	($35.6)	($27.5)
Underlying EBITDAF[1] excluding Incentive fees	**$605.9**	**$533.8**
International Portfolio Incentive fees	($125.0)	($102.6)
Underlying EBITDAF[1] from continuing operations	**$480.9**	**$431.2**
Discontinued operations	$17.0	$62.0
Total Underlying EBITDAF[1]	**$497.9**	**$493.2**

1. Underlying EBITDAF and EBITDAF are unaudited non-GAAP measures and are defined in the Infratil Annual Results Presentation 2020.

Breakdown of Consolidated Results

The following tables give the breakdown of Infratil's consolidated results by business, for the last two financial years.

Year Ended 31 March 2020

$Millions	Infratil's share	Underlying EBITDAF[1]	D&A	Interest	Tax	Revaluations Adjustments	Minorities	Infratil share of earnings
Trustpower	51%	$186.5	($42.5)	($31.8)	($39.6)	$25.1	($49.1)	$48.6
Tilt Renewables	66%	$123.7	($76.3)	($41.4)	($4.9)	$502.5	($173.0)	$330.7
Longroad Energy	40%	$4.7	-	-	-	-	-	$4.7
Galileo Green Energy	40%	($0.5)	-	-	-	-	-	($0.5)
Wellington Airport	66%	$103.2	($28.4)	($24.8)	$34.5	($11.3)	($20.6)	$52.6
CDC Data Centres	48%	$59.6	-	-	-	$101.4	-	$161.0
Vodafone NZ	50%	$154.9	-	-	-	($179.6)	-	($24.7)
RetireAustralia	50%	$8.9	-	-	-	($62.6)	-	($53.7)
Parent/Other	100%	($160.6)	($0.2)	($88.4)	($4.4)	$0.6	-	($253.1)
Total (continuing)		**$480.9**	**($147.5)**	**($186.4)**	**($14.4)**	**$376.1**	**($242.7)**	**$266.1**
NZ Bus	100%	$5.9	($7.1)	-	$0.6	($68.6)	-	($69.2)
Perth Energy	80%	$12.1	($2.6)	($1.1)	($4.9)	($22.9)	($0.3)	($19.7)
ANU Student Accommodation	50%	$0.5	-	-	-	$66.1	-	$66.6
Snapper	100%	($1.5)	($0.1)	-	-	($1.0)	-	($2.6)
Total		**$497.9**	**($157.3)**	**($187.5)**	**($18.7)**	**$349.7**	**($243.0)**	**$241.2**

Year Ended 31 March 2019

$Millions	Infratil's share	Underlying EBITDAF[1]	D&A	Interest	Tax	Revaluations Adjustments	Minorities	Infratil share of earnings
Trustpower	51%	$222.2	($47.2)	($28.2)	($37.5)	($16.7)	($46.6)	$46.0
Tilt Renewables	65%	$144.4	($89.5)	($32.2)	($7.4)	($2.1)	($5.7)	$7.5
Longroad Energy	40%	$46.5	-	-	-	-	-	$46.5
Wellington Airport	66%	$101.4	($23.7)	($19.4)	($0.2)	$6.0	($17.9)	$46.2
CDC Data Centres	48%	$37.6	-	-	-	$46.3	-	$83.9
RetireAustralia	50%	$9.2	-	-	-	($33.1)	-	($23.9)
Parent/Other		($130.1)	-	($68.7)	($26.9)	$13.7	$0.4	($211.6)
Total (continuing)		**$431.2**	**($160.4)**	**($148.5)**	**($72.0)**	**$14.1**	**($69.8)**	**($5.4)**
NZ Bus	100%	$17.4	($21.1)	($0.2)	$2.3	($29.2)	-	($30.8)
Perth Energy	80%	$35.9	($6.0)	($2.1)	($13.6)	-	($2.1)	$12.1
ANU Student Accommodation	50%	$12.8	-	-	-	-	-	$12.8
Snapper	100%	($4.1)	($0.7)	($0.1)	-	($3.3)	-	($8.2)
Total		**$493.2**	**($188.2)**	**($150.9)**	**($83.3)**	**($18.1)**	**($71.9)**	**($19.5)**

1. Underlying EBITDAF and EBITDAF are unaudited non-GAAP measures and are defined in the Infratil Annual Results Presentation 2020.

Consolidated Operating Cash Flow

Year Ended 31 March ($Millions)	2020	2019
Underlying EBITDAF[1]	**$480.9**	**$431.2**
Net interest	($166.7)	($142.2)
Tax	($50.8)	($71.8)
Working capital	($170.8)	$41.8
Discontinued operations	$7.4	$17.9
Operating cash flow	**$100.0**	**$276.9**

1. Underlying EBITDAF and EBITDAF are unaudited non-GAAP measures and are defined in the Infratil Annual Results Presentation 2020.

Capital Investment

Investments undertaken by Infratil amounted to $1,071.1 million. This sum includes buying shares in Vodafone NZ and providing advances to Longroad and Galileo.

The capital investments of subsidiaries (Trustpower, Tilt, Wellington Airport) are shown in full while the amount of the capital investment of the associates reflects Infratil's shareholding. For instance, CDC undertook $470.0 million of investment and 48.2% of that is $226.6 million.

Year Ended 31 March ($Millions)	2020	2019
Trustpower	$34.3	$27.7
Tilt Renewables	$506.4	$127.1
Wellington Airport	$80.6	$72.1
CDC Data Centres	$226.6	$140.6
RetireAustralia	$28.0	$31.8
NZ Bus	$2.7	$45.9
Perth Energy	$0.2	$0.4
Parent/other	$41.0	$27.7
Capital Investments	**$919.8**	**$473.4**
Tilt Renewables	-	$109.3
Longroad Energy	$31.8	$87.2
Vodafone NZ	$1,029.9	-
Other	$9.4	-
Parent Investments	**$1,071.1**	**$205.6**
	$1,990.9	**$679.0**

Infratil Assets

This table shows the listed values of Trustpower and Tilt. For other assets it shows their accounting book values (adjusted for deferred tax liability if capital gains tax does not apply).

There can be significant discrepancies between sharemarket, accounting book value, and fair values. As set out on page 18, the assessed fair values of Infratil's investments in Tilt, Longroad, CDC, and RetireAustralia amounted to $2,952.7 million which is $1,041.8 million more than the $1,910.9 million aggregate values shown in this table.

Fair values reflect expected sale proceeds of the relevant asset.

$Millions	31 March 2020	31 March 2019
Trustpower	$1,022.4	$1,055.9
Tilt Renewables	$926.0	$720.9
Longroad Energy	–	$10.8
Wellington Airport	$487.6	$481.5
CDC Data Centres	$693.4	$555.3
Vodafone NZ	$974.0	–
RetireAustralia	$291.5	$290.4
Parent/other	$169.1	$105.8
NZ Bus	–	$166.2
Perth Energy	–	$89.3
ANU Student Accommodation	–	$108.2
	$4,564.0	**$3,584.2**

For 31 March 2020 exchange rates of NZ$/A$0.9740 NZ$/US$0.5997 and NZ$/EUR 0.5445 were used (0.9574, 0.6785, and n/a the prior year). Values exclude deferred tax where capital gains tax does not apply.

Infratil Funding

Infratil and 100% subsidiaries had $748 million of committed bank funding facilities of which $268 million was undrawn. In FY2021 $53 million of bank facilities fall due. No Infrastructure Bonds are due for repayment in FY2021.

Infratil provides a guarantee for letters of credit issued by Longroad Energy which as at 31 March 2020 amounted to $94.6 million ($85.0 million the prior year).

Subsequent to 31 March 2020 Infratil provided underwriting commitments in respect of $50 million of a potential equity issue by Wellington Airport and $10.4 million by RetireAustralia.

$Millions	31 March 2020	31 March 2019
Net debt/(cash) of 100% subsidiaries	$470.9	$44.3
Dated Infrastructure Bonds	$1,071.9	$904.5
Perpetual Infrastructure Bonds	$231.9	$231.9
Market value Infratil equity	$2,579.3	$2,332.2
Total capital	**$4,354.0**	**$3,512.9**
Net dated debt/total capital	35.4%	27.0%
Net debt/total capital	40.8%	33.6%

Shareholder Returns & Ownership

Over the year, Infratil's share price fell from $4.17 on 31 March 2019 to $3.91 on 31 March 2020.

Late March 2020 was the height of the financial markets' negative response to COVID-19. The share price a month prior had been $5.50 and a month later it was $4.70.

During the year Infratil paid two dividends amounting to 17.25 cps in cash and 3.5 cps imputation credits. It also undertook a rights issue which provided a 4.69 cps capital payment to shareholders who did not take up their entitlements. The net return for the year was -2.1%. Reflecting the 6.2% fall in the share price and the after tax value of the dividends and rights payment had they been reinvested in Infratil shares at the time of receipt.

Infratil's ten year after-tax compound return was 14.2% per annum. The 26 year return was 16.6% per annum.

As shown in the graph, had someone invested $100 in Infratil shares on 31 March 1994 when the Company listed, and had subsequently reinvested all dividends and distributions (ie had neither taken money out nor put money in) they would, as at 31 March 2020, have had 1,398 shares with an NZX value of $5,464.

	31 March 2020 Million shares		31 March 2019 Million shares	
NZ retail investors	327	50%	300	54%
NZ institutions	173	26%	123	21%
Offshore owners	159	24%	136	25%
	659		559	

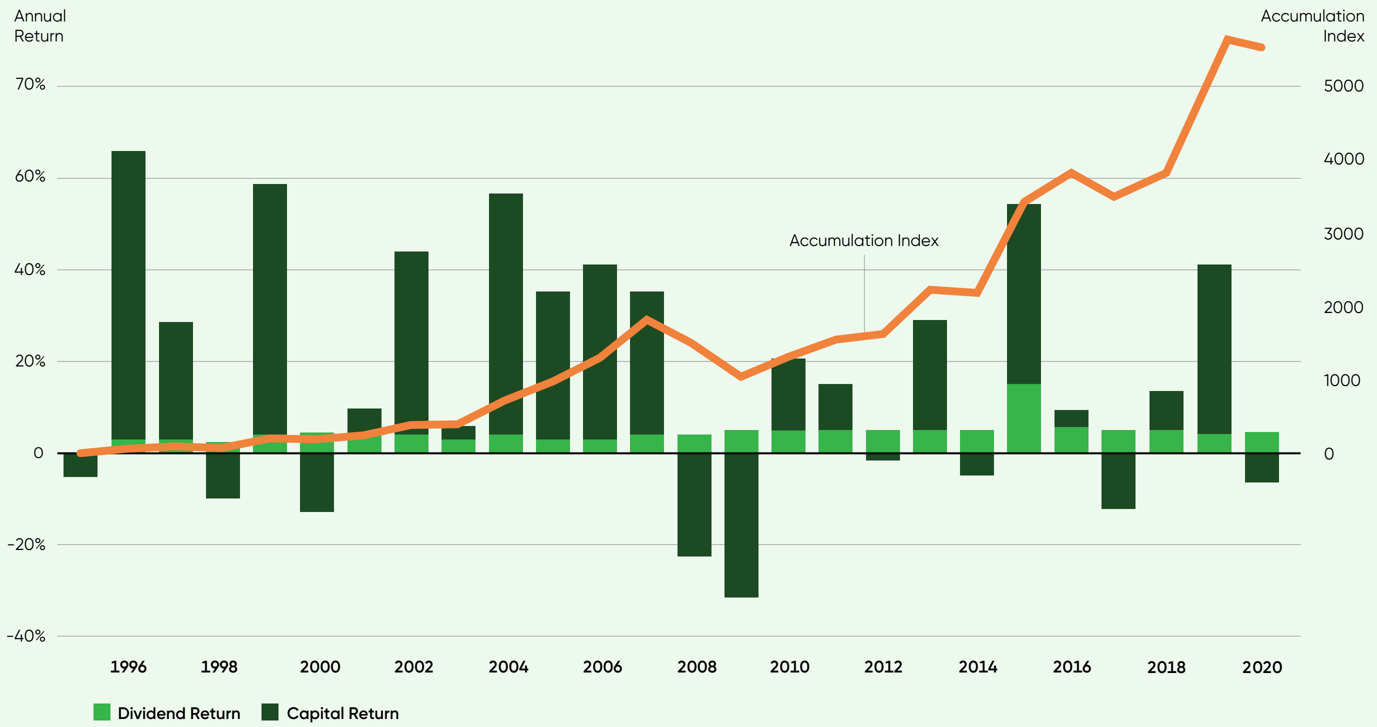
Ownership

During the year, 100 million shares were issued as a part of the Vodafone NZ acquisition. In addition 1.3 million shares were issued under the dividend reinvestment plan and as a part of a management incentive plan, while 0.9 million shares were repurchased.

Leaving aside the Company transactions noted above, there was an approximately 10% change in Infratil's ownership over the year.

New Zealand domiciled ownership rose slightly to 76%. As at 31 March 2020 the ten largest New Zealand institutional holdings amounted to 157 million shares, an increase of 45 million over the year. The ten largest offshore institutional holdings rose to 91 million shares from 89 million a year prior.

26 Year Track Record



Bondholders

Information of interest to holders of Infratil Infrastructure Bonds which is not otherwise available in the Report is set out below.

Repaid $68,500,000 of 6.75% per annum coupon bonds which fell due in November 2019.	
Repaid $80,497,600 of 8.50% per annum coupon bonds which fell due in February 2020.	
Issued $123,186,000 of 15 December 2029 bonds which carry a coupon that resets each 15th December at 2.50% per annum over the one year bank rate.	
Issued $156,279,000 of 15 December 2026 bonds with a 3.35% per annum coupon.	
Issued $36,975,800 of 15 March 2026 bonds with a 3.35% per annum coupon.	

During the year, Infratil undertook a number of bond transactions, raising $316,440,800 at an average yield of 3.41% per annum and repaying $148,997,600 which had an average yield of 7.70% per annum.

What had been a positive and active year for Infratil in the bond market became turmoil in March as the COVID-19 crisis impacted the financial markets globally.

As Infratil has a material interest in ensuring an orderly market for its bonds, management kept in active contact with the banks and brokers involved with Infratil's bonds and with the Reserve Bank.

The board authorised intervention in the market, to buy back bonds, if their pricing became anomalously unfair to the holders. As shown in the table on page 29, for a period, pricing was at those levels, but so too was the pricing of most corporate and bank bonds. Infratil buying back its own securities was never going to stabilise prices if all bonds were at fire-sale levels. This was the basis of discussions with the Reserve Bank, in case the market needed the sort of support which only a central bank can provide.

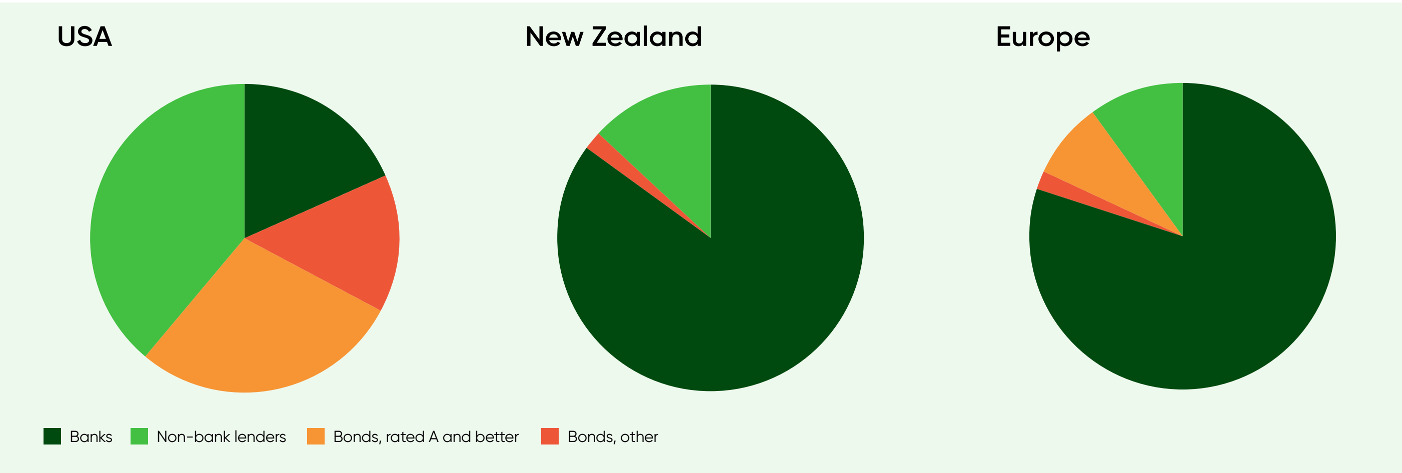
The advice received from the banks and brokers was that Infratil should keep its powder dry until the market had normalised, and then reassess if Infratil's bonds warranted intervention. In the event, no bonds were repurchased.

Up to date analysis indicated:

1. The secondary market for New Zealand corporate bonds was providing satisfactory liquidity for Infratil's bonds and pricing which seemed roughly fair; in common with other issuers.
2. Bond pricing reflects what is happening with government bonds and the perceived risk and liquidity of the particular corporate security. Looking at a diverse range of corporate issuers, there had been a similar trajectory of the prices of their bonds and shares, indicating that similar factors were driving both debt and equity markets. Not surprisingly, share prices moved a lot more than bond prices.
3. Comparing NZ and US bond markets showed a similar pattern of yield/spread evolution since before the COVID-crisis started to unfold, which is quite remarkable considering the relative scale of the markets and the central bank buying support announced in the US.
4. However, one major difference between NZ and US bond markets was that in the US primary issuance continued, whereas in New Zealand it completely stalled. There were probably two main reasons for New Zealand's lack of activity. Investors had alternatives, in particular, high yielding bank deposits. Borrowers, on the other hand, could source debt from their banks at lower cost than was available from bonds.
5. Naturally, it is hoped that the corporate bond market resumes new issuance. Of the $13 billion on issue, 64% funds infrastructure, 14% property and 8% agricultural processing. There are few comparable sources of long-term debt available in New Zealand to match long-term fixed assets, and if suitable funding isn't available it will impede investment.

The Reserve Bank is monitoring the market, but has expressed a preference, if it becomes necessary, to provide long-term loans to banks so banks can undertake long-term loans to corporates. As opposed to the Reserve Bank getting involved lending to companies or buying their bonds.

The difference in approach by different central banks probably largely reflects the markets in which they operate. As illustrated by the following graphs which show the different sources of corporate debt in the USA, Europe and New Zealand.



At the time of writing this report, it is becoming apparent that bond issuance is becoming plausible again in New Zealand. However, given that issuance tends to fund long-term assets and corporate investment will probably be muted in FY2021, it may not be a bumper year for corporate bonds. The following tables give yields and spreads over government bonds observed in the USA (top table) and New Zealand (bottom). The table on the left gives the observed yield on the relevant days, while the table on the right gives the spreads (to 10 year Treasury bonds in the USA and to 5 year NZ Government Bonds (NZGB) in New Zealand). The corporate bonds were chosen as being roughly equivalent to the US ratings categories provided by the Federal Reserve Bank of St Louis.

% Per annum yields	Yields				Spreads*			
USA	14 Feb	27 Mar	17 Apr	15 May	14 Feb	27 Mar	17 Apr	15 May
10 year Treasuries	1.59	0.72	0.65	0.64				
AA Corp Bonds	2.31	2.61	1.94	1.85	0.72	1.89	1.29	1.21
A	2.39	3.18	2.35	2.26	0.80	2.46	1.70	1.62
BBB	2.92	4.80	3.68	3.42	1.33	4.08	3.03	2.78
BB	3.52	7.16	5.46	6.01	1.93	6.44	4.81	5.37
New Zealand								
5 year NZGB	1.17	0.74	0.50	0.17				
4 year ANZ	1.90	2.50	1.45	0.91	0.73	1.76	0.95	0.74
5 year Fonterra	2.34	2.60	2.11	1.47	1.17	1.86	1.61	1.30
4 year Mercury	2.80	4.50	3.50	2.90	1.63	3.76	3.00	2.73
4 year IFT230	3.45	7.00	5.50	4.00	2.28	6.26	5.00	3.83
6 year IFT280	3.64	4.92	5.75	4.20	2.47	4.18	5.25	4.03

* The spread is the yield difference between the government bonds and the corporate bonds shown in the table.

Trustpower

Infratil 51%
Tauranga Energy Consumer Trust 27%
Public 22%

During the COVID-19 Lockdown offices were unlit, unlike residential apartments.

Trustpower experienced a difficult year across its generation and utility retailing activities. The $35.7 million fall in EBITDAF reflected a diverse range of factors. Fortunately the guidance for FY2021 is for at least a partial recovery, with EBITDAF of between $190 million and $215 million.

In FY2020, generation earnings were impacted by lower generation and outages at two power stations. Retail returns reflected tighter gross margins and higher technology and marketing costs.

After a decade of over supplied generation, the position had begun to tighten over the last two years, pushing up wholesale prices and putting pressure on retail margins.

One effect of this is likely to be a lessening in the intensity of competition. Trustpower analysis of the surge in customer switching which happened after about 2010 showed that 90% of switches were between generators, as opposed to pure retailers. It seems that generators faced with excess capacity were willing to accept wafer-thin retail margins rather than accept wholesale prices.

The question now is what happens as demand-supply comes more into balance?

However, the supply-demand picture was markedly disrupted by the COVID-19 lockdown dramatically reducing demand and wholesale electricity prices. During Level 4 electricity demand fell about 15% and prices where about half of the quarterly average.

The effect was largely overturned once restrictions had returned to Level 2, returning the focus to the bigger issues for supply and demand:

- The future of the Tiwai Point smelter and its use of 15% of the national load. Originally it had been signaled that a decision was to be made by the end of March 2020. Presumably COVID-19 is the culprit behind the delay.
- Electrification of transport continues to tick over. Electric vehicles make up about 2.5% of all new light-vehicle registrations and amount to about 20,000 vehicles of a total national fleet of two million.

  Theoretically, the rate of importation should now accelerate markedly to meet government targets. However, most of New Zealand's electric car fleet was imported as used vehicles indicating a high degree of price sensitivity and this will be an impediment to expanding the fleet faster, especially during a recession with lower petrol prices.
- The various legislative steps intended to establish the regulatory structures that will lower emissions have gradually progressed, even during lockdown. The Climate Change Commission is gradually getting to work, but changes proposed for the Emission Trading Scheme appear intended to maintain stable emission prices, rather than to actually influence the level of emissions.

While Trustpower's utility retailing delivered a disappointing financial outcome over FY2020, there was important progress with expanding the take up of broadband and multi-fuel offerings.

More than 50% of Trustpower's customers now take more than one utility service, and the more than 100,000 broadband customers reflects both the quality of the network offered by Trustpower as well as price.

What Trustpower is seeing with its broadband customers is much greater data demand and an increasing focus on the quality of the network. While Trustpower owns relatively little fibre it has contracted access to a high-quality network.

Trustpower's COVID-19 response

Trustpower was able to follow a well-rehearsed plan to respond to the pandemic and associated restrictions.

- Retail and management staff were able to operate remotely, and still managed to maintain all critical customer services and to make over 10,000 proactive phone calls to potentially vulnerable customers to make sure they were okay.
- In the first week of Level 4 lockdown Trustpower processed 138,000 customer contacts (17% above normal levels) and 97% of these contacts were handled digitally.
- Normal generation procedures were followed with no loss of availability.
- Directors and the senior leadership team agreed to donate 10% of their FY2021 remuneration to charity. In addition, salary market movements have been suspended for all staff.

Waipori Power Station.

Year Ended 31 March	2020	2019
Retail electricity sales	1,817GWh	1,823GWh
Generation	1,759GWh	1,994GWh
Electricity accounts	266,102	267,414
Gas accounts	41,298	38,697
Telco accounts	103,642	96,142
Av. market spot price	10.7c/kwh	12.5c/kwh
EBITDAF [1]	**$186.5m**	**$222.2m**
Net profit after tax	$97.6m	$92.7m
Investment spend	$34.8m	$27.7m
Net debt	$617.2m	$562.1m
Infratil holding value [2]	$1,022.4m	$1,055.9m

1. EBITDAF is an unaudited non-GAAP measure and is defined in the Infratil Annual Results Presentation 2020.

2. NZX market value at period end.

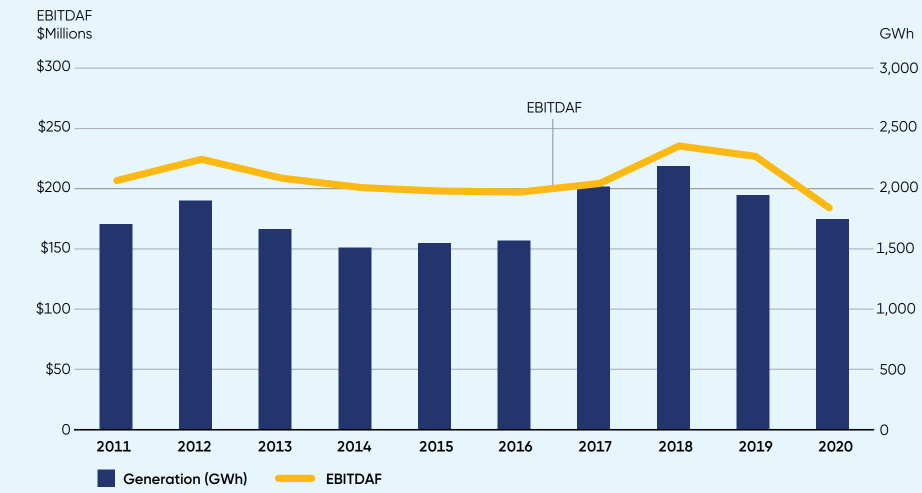
A copy of Trustpower's financial statements for the year ended 31 March 2020 are available at https://www.trustpower.co.nz/investor-centre.

EBITDAF & Generation

Year ended 31 March

Over the last ten years Trustpower's hydro generation has risen via acquisition and small-scale development projects. With fluctuations coming from rainfall changing from one year to the next.

EBITDAF has shown some volatility reflecting hydrology conditions, but the trend has been flat as increased generation has been offset by lower wholesale prices and increasing retail market competition.

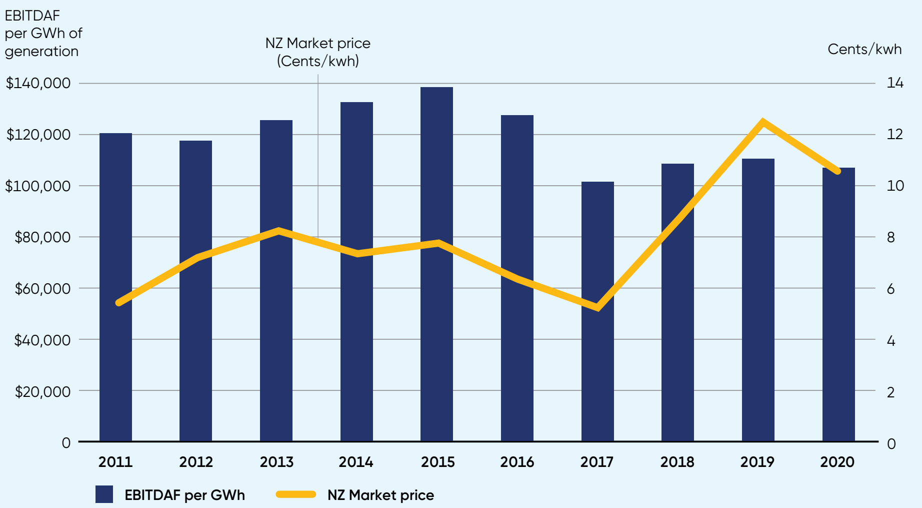


EBITDAF per unit of generation and the average market price of electricity

Year ended 31 March

Trustpower's success as a utilities retailer has meant that earnings per unit of generation have been higher than had the generation been sold straight into the wholesale market.

Last year this run was disrupted by a spike in wholesale prices. Even though FY2020 was a difficult year, the positive contribution of retail normalised this to an extent.

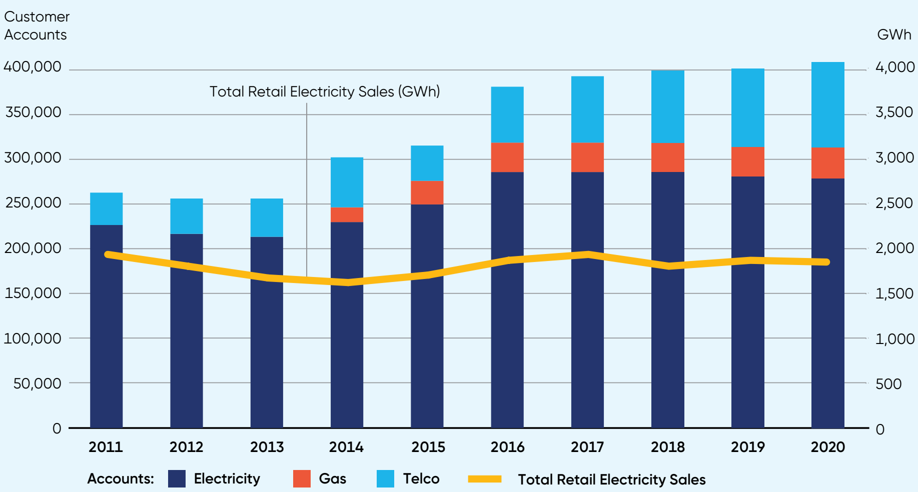


Customers and retail electricity sales

Year ended 31 March

The attraction of Trustpower's utility retailing offer is apparent from the graph.

However, Trustpower's electricity sales per customer have fallen by 23% over the period, while costs per customer have been stable.



Tilt Renewables

Infratil 66%
Mercury Energy 20%
Public 14%

Waipipi wind farm construction workers social distancing under Level 3 restrictions.

Tilt Renewables is making excellent progress developing renewable generation assets in Australia and New Zealand, and its core generation business is functioning smoothly.

Notwithstanding significant construction progressing at two sites, Tilt's strong commitment to safe work practices saw a 75% reduction in Lost Time Injuries with only one in FY2020 and a 58% lower Total Recordable Injury Frequency Rate to 10.2 per million hours worked.

The year was dominated by development activities, encompassing the construction and de-risking of new generation, and the A$1,073 million sale of Tilt's largest generation asset.

Operating earnings (EBITDAF [3]) of A$117.5 million were dwarfed by the A$486 million realised gain from the sale of its 270MW Snowtown 2 wind farm. There was a trade-off in that Tilt would have delivered EBITDAF [3] close to last year's A$135 million but for the sale in December 2019.

Tilt's core business is the development and ownership of renewable generation, but at times it makes sense to sell an asset when the transaction value is compelling. The background to the Snowtown 2 transaction is explained below:

- Development of the Snowtown site north of Adelaide started in the early 2000s and Snowtown 1 was completed in 2008. In 2013 work started on Snowtown 2 and it was commissioned in 2014.
- Snowtown 2 contains 90 3MW turbines and in an average year generates about 875GWh. This output was sold on contract to Origin Energy through to 2035. Origin acquired both the electricity and the associated green certificates.
- In December 2019, Tilt sold Snowtown 2 to diversified Australian infrastructure investment fund, Palisade, for A$1,073 million.
  - The book profit on the transaction was A$486 million.
  - The proceeds were used to retire debt and provide funding for development projects.
  - If it receives support at a special meeting, Tilt intends to return approximately A$260 million of capital to shareholders in July 2020.

While the transaction had considerable value in its own right, for Tilt, it was complimentary with the development of the Dundonnell wind farm, which is of a similar scale to Snowtown 2.

Construction of the 336MW A$560 million Dundonnell wind farm in Victoria progressed largely on time and on budget. 70% of its turbines are now in place and full completion is anticipated later in FY2021. Tilt also sold a further 20MW of the wind farm's output to ALDI foods on a long-term contract. 87% of the generation is now forward sold for fifteen years and 6% for a decade.

Construction of the 133MW NZ$277 million Waipipi wind farm started in South Taranaki following agreement with Genesis Energy for them to acquire 100% of the output for twenty years.

This transaction plays to the respective strengths of the two companies; as an expert wind developer Tilt is able to offer competitively priced wind generation and Genesis is better placed to manage the electricity production and price risk through its integrated electricity business and diverse portfolio of other forms of generation.

Year Ended 31 March	2020	2019	2018
Australian generation	1,170GWh	1,395GWh	1,225GWh
New Zealand generation	665GWh	659GWh	571GWh
Australian revenue	A$128.6m	A$151.3m	A$121.7m
Average price [1]	11.0c/kwh	10.8c/kwh	9.9c/kwh
Australian contracted sales	41% [2]	75%	95%
New Zealand revenue	A$41.6m	A$42.0m	A$36.2m
Average price	6.3c/kwh	6.4c/kwh	6.3c/kwh
New Zealand contracted sales	100%	100%	100%
EBITDAF [3]	**A$117.5m**	**A$134.8m**	**A$103.8m**
Net profit after tax	A$478.4m	A$12.2m	A$16.9m
Investment spend	A$481.1m	A$118.6m	A$83.6m
Net debt [4]	(A$418m)	A$347m	A$593m
Infratil's holding value [5]	NZ$926.0m	NZ$720.9m	NZ$285.9m

1. Including green certificates (LGCs). 11.0c/kwh is the same as A$110,000/GWh (1GWh = 1,000,000 kwh). All prices are in A$.
2. Excluding Dundonnell which is still under construction and Snowtown 2 which was sold.
3. EBITDAF is an unaudited non-GAAP measure and is defined in the Infratil Annual Results Presentation 2020.
4. As at 31 March 2020 Tilt had net cash and deposits of A$679 million and $261 million of debt. Lease liabilities of A$126 million are not included. Repayment of approximately A$260 million to shareholders is intended in July via a court approved scheme to buy back 1 in 5 shares.
5. NZX market value at period end.

A copy of Tilt Renewables financial statements for the year ended 31 March 2020 are available at https://www.tiltrenewables.com/investors-landowners/

Construction at Waipipi was delayed for five weeks by COVID-19 restrictions, but completion is still expected late in FY2021 as originally planned.

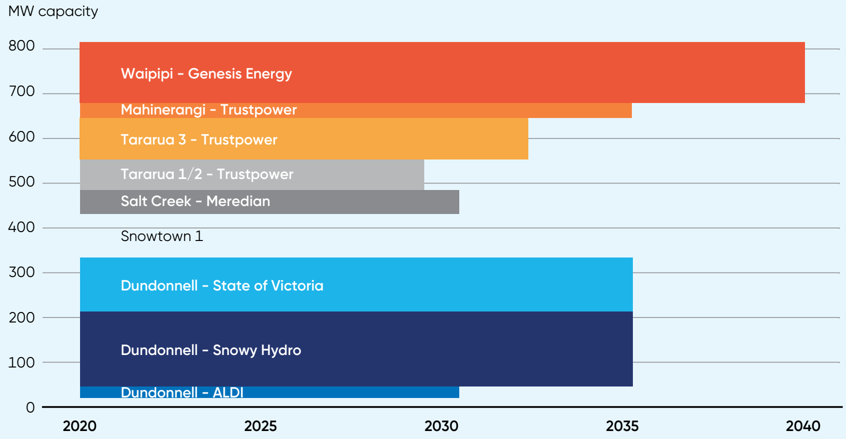
The economics of Waipipi are worth noting. It is budgeted to cost $277 million, have a life of over thirty years generating an average 455GWh per annum, sufficient for 65,000 typical New Zealand households. This gives a capital cost of $4,262 per household, clearly demonstrating that utility scale renewables are a great deal cheaper than rooftop solar.

In addition to the two large scale construction projects, Tilt is also progressing a development pipeline (see map) of over 3,000MW of wind, solar and battery storage options, arguably the best in Australasia.

This includes repowering Tilt's 68MW Tararua 1&2 wind farm, part of which has been operating for two decades. Comparing its technology with that being installed at Waipipi is instructive and explains why a repowered Tararua could more than double capacity to 140MW.

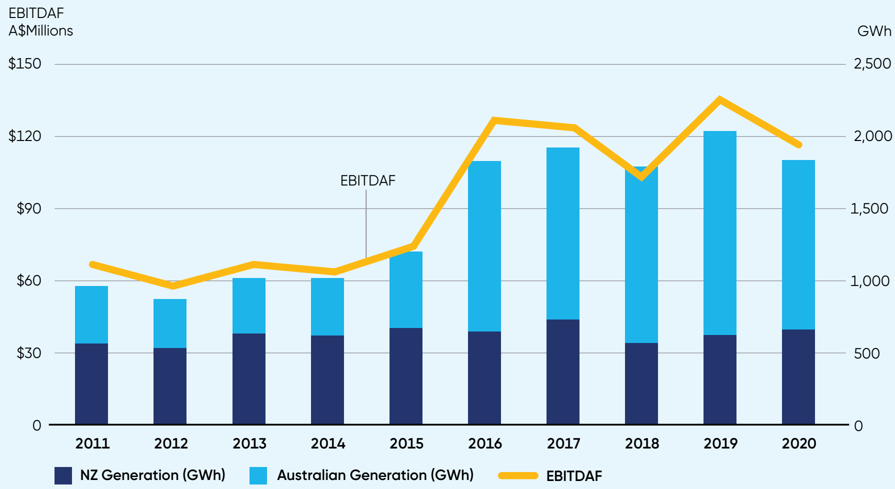
	Tararua 1&2	Waipipi
Turbine number	103	31
Turbine capacity	0.66MW	4.3MW
Blade length	23.5 metres	65 metres
Maximum height	73 metres	160 metres
Total capacity	68MW	133MW
Average production	245GWh	455GWh

Projected generation & electricity price risk



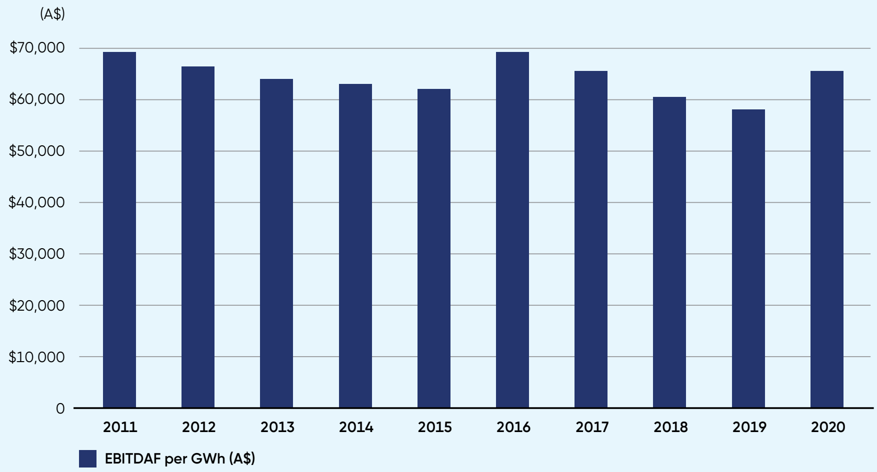
EBITDAF[1] & Generation

Year ended 31 March



EBITDAF[1] per unit of generation

Year ended 31 March



1 EBITDAF is an unaudited non-GAAP measure and is defined in the Infratil Annual Results Presentation 2020.

Longroad Energy

Infratil 40%
New Zealand Superannuation Fund 40%
Management 20%

Prospero Solar project, Texas, USA.

During the year Longroad's development initiatives gave rise to economic gains of which Infratil's share was between $46 million and $66 million, while Infratil also received cash distributions of $33.4 million.

However, the accounting earnings Infratil recognised only amounted to $4.7 million. This was because the development sales executed by Longroad were for 50% interests in the relevant projects. While Longroad retains 50% it will not account for the gains, even if there was a significant cash difference between the cost of Longroad's involvement in the developments and the sale value of the 50%.

As at 31 March 2020, Infratil had its shareholding in Longroad independently valued at $162.4 million which is an increase of $39.7 million on last year's figure.

The valuation looked at each of Longroad's projects and estimated the net realisation value, based on market evidence. Value was attributable approximately 70% to late stage development projects and 30% to owning and operating generation.

- Over the year, Longroad increased its management of generation for third parties to 1,472MW and its ownership of generation to 1,133MW (including 419MW of projects under construction).
- In total, Longroad has now developed 751MW of generation, with another 907MW under construction.
- Construction is underway on 907MW of generation capacity:
  - 594MW of solar. (Little Bear in California and Prospero in Texas)
  - 313MW of wind. (El Campo in Texas and the Minnesota repowering project)
- In all cases the majority of electricity from the developments was sold on long-term contracts.
- Also in all cases at least 50% of the equity in the projects has been sold.

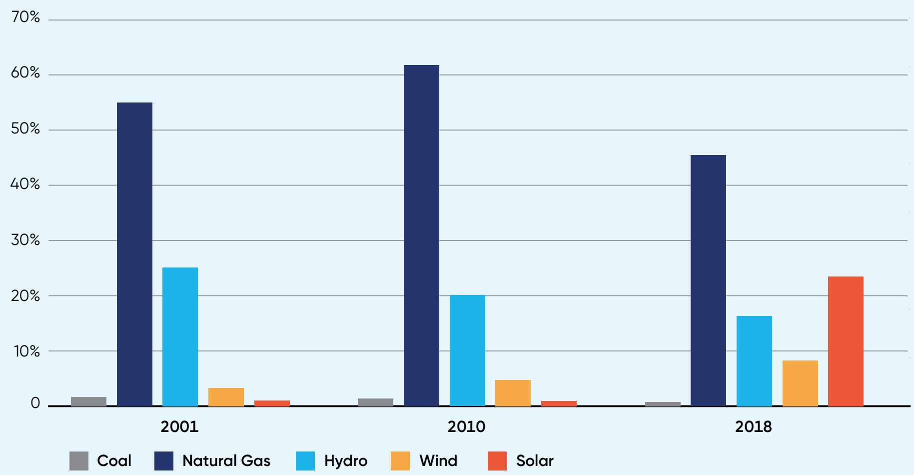
While the pandemic and its economic impact is disruptive in the short term, there is no reason to anticipate a reduction in opportunities to develop new renewable generation over the medium term.

The US is generally favourable for the development of renewable generation. US corporates have been active buyers of "green" electricity on long-term contracts. Low cost debt and tax efficient funding has been available to credible counterparties. Many states are supportive of initiatives to increase renewable electricity generation which, together with falling plant cost, is balancing lower Federal support.

In addition, there continues to be strong demand for operational contracted generation from long-term investors, especially those seeking ethical low risk investments.

California share of generating capacity by fuel type

California provides a useful case study. As will be apparent from the graph, the State has experienced a huge shift in its generation mix this century, much of it due to State greenhouse gas emission targets and policies. In 2020 State requirements are for 33% renewable generation, rising to 60% by 2030 and 100% by 2045.



Phoebe 312MW solar. Texas	This project was sold in FY2019.
Rio Bravo 238MW wind. Texas	The US$300 million project was started in FY2019 and sold with development gains recognised on commissioning in FY2020. Longroad has an ongoing asset management role.
Prospero I 379MW solar. Texas	Construction is nearly complete on this US$416 million project with output sold to Shell. 50% of the equity was sold on 1 April 2020 and no gain will be accounted unless additional equity is sold.
El Campo 243MW wind. Texas	Construction of this US$335 million project is well advanced. Most of the output has been sold to Crown Holdings and DaVita Industries. 50% of the equity has been sold to two Danish pension funds. Longroad has an ongoing asset management role. Because only 50% has been sold, no accounting gain has been recorded.
Federal Street 220MW solar. Various locations	100% ownership.
Minnesota 70MW wind	Longroad has now started a US$77 million repowering development and has sold the facility on commissioning to Xcel Energy. This is expected to be in FY2021 at which time the accounting gain will be recognised.
Milford 306MW wind. Utah	100% ownership.
Little Bear 215MW solar. California	Construction has commenced on this development following agreement with Marin Clean Energy to purchase the electricity. 50% of the equity was sold in FY2020 to PKA and PenSam two of Denmark's largest pension funds. Again, unless additional shares are sold the accounting gains will not be recognised.
Montgomery Street 108MW wind/solar.	100% ownership.

Over the year, Infratil advanced $31.8 million to Longroad, received back $33.4 million, and accounted for a net contribution of $4.7 million being Infratil's share of Longroad's net surplus and fees.

As at 31 March 2020, Infratil guaranteed $94.6 million of letters of credit issued by Longroad ($85.0 million as at 31 March 2019).

NZ$ figures are as at 31 March US$ figures are as at 31 December	2020	2019
Infratil aggregate investment amount	$185.8m	$154.0m
Infratil capital received back	$184.7m	$151.3m
Infratil share of associate's earnings	$4.7m	$46.4m
Net surplus before tax	US$6.7m	US$59.5m
Owned generation	1,054MW	684MW
Managed generation	1,472MW	1,236MW
Employees	111 people	90 people
Infratil's holding book value	-	$10.8m
Infratil holding market value[1]	NZ$162.4m	NZ$122.7m

1. Based on an independent valuation at 31 March 2020 as outlined on pages 16 and 18.

Operational assets
Projects
* Under construction
Milford Wind
306MW
Montgomery Street Wind
108MW
Minnesota Wind* (sold)
70MW
Little Bear Solar* (50% sold)
215MW
Federal Street
Solar
299MW
Phoebe Solar (sold)
315MW
Prospero I Solar* (50% sold)
379MWdc
El Campo Wind* (50% sold)
243MW
Rio Wind (sold)
238MW

Wellington Airport

Infratil 66%
Wellington City Council 34%

Karl McKenzie, Soundsair pilot, enjoys a coffee during Level 2 Lockdown provided by Dmitry and Veronika Sedov, owners of the Three Quarter Society specialty coffee bar.

"It was the best of times, it was the worst of times", the famous opening words of Dickens' novel, A Tale of Two Cities sums up Wellington Airport's year.

Achievements over the first eleven months included:

- Solid international traffic growth, with the marque event being Singapore Airlines introducing new A350 aircraft on its service with Melbourne-Singapore and an increase in frequency to five times a week. Domestic traffic was flat year on year following the withdrawal of Jetstar from regional services and the rationalisation of trunk capacity following well above trend increases over the prior three years. Jetstar are to be complimented for trialing regional services.
- The Airport published its 2040 Masterplan setting out the physical works required to ensure capacity is available to accommodate 20 years of forecast growth. Including $1 billion of investment over the next decade.
- Aeronautical prices for the FY20-24 years were determined following constructive consultation with the airlines, overseen by the Commerce Commission. The substantial investment forecast was not a sticking point as, at that time, all parties appreciated the necessity.
- The final stage of the $100 million domestic terminal renovation was completed, creating 50% more space, excellent functionality, and a warm ambiance. To accommodate future growth the Airport increased its land area 12% with the acquisition of two hectares from the Government and a contract to purchase 13 hectares from the Miramar Golf Club.
- No Lost Time injuries to staff and an outstanding health and safety report on all Airport users and workers.
- $100 million 4% per annum coupon ten year bond issue, as a part of the Airport's risk-averse approach to using long-term bond funding for core debt requirements.

In the twelfth month, the situation changed abruptly, and the Airport went from 501,500 passengers in February to 4,500 in April. The almost total collapse in activity caused by COVID-19 travel restrictions necessitated urgent and difficult remedial steps:

- Capital investment for FY2021 was reduced 80%. Projects intended to accommodate growth were deferred until growth resumes. Projects intended to maintain physical integrity and meet regulatory requirements were, if possible, rescheduled.
- Operating costs were reduced 26%. An airport serving far fewer users and with far less capital investment can't afford to pay people as much and has fewer jobs for people to do.
- Terms were agreed with the Airport's shareholders and lenders to ensure funds are available until traffic and revenues return to more viable levels.
- The mid-stream switch from accelerator to brake tested the character and capability of the Airport team, who showed they have what it takes. Going hard and going fast, minimised harm to staff, tenants, other stakeholders, and shareholders, and positioned the Airport for recovery.

There are naturally questions about the trajectory of the recovery, given that it depends on controlling COVID-19, regulation, demand and supply. It is however becoming apparent that while global mobility propelled COVID-19's global spread, very few people actually caught the virus while travelling by air. Wellington Airport is working closely with New Zealand aviation interests and government agencies to develop protocols to ensure air travel is safe, healthy and available.

Evidence from many markets indicates that air travel is largely determined by income levels, convenience, and the cost of travel. As the economy recovers, peoples' financial circumstances and their confidence will lift, while on the other side of the ledger the affordability of travel will improve as all parties focus on productivity and efficiency.

Year Ended 31 March	2020	2019
Passengers Domestic	5,225,999	5,488,013
Passengers International	919,741	929,457
Aeronautical income	$80.8m	$81.5m
Passenger services income	$45.2m	$42.6m
Property/other income	$13.5m	$12.9m
Operating costs [1]	($36.3m)	($35.6m)
EBITDAF [2]	$103.2m	$101.4m
Net profit after tax [3]	$28.9m	$23.5m
Investment spending	$80.6m	$72.5m
Net debt	$516.9m	$456.9m
Infratil cash income	$44.3m	$40.5m
Infratil's holding value [4]	$487.6m	$481.5m

1. For FY2020 this includes a $1 million bad debt provision.
2. EBITDAF is an unaudited non-GAAP measure and is defined in the Infratil Annual Results Presentation 2020.
3. Net profit after tax includes a subvention payment of $44.3 million (2019: $40.5 million).
4. Infratil's share of net assets excluding deferred tax at period end.

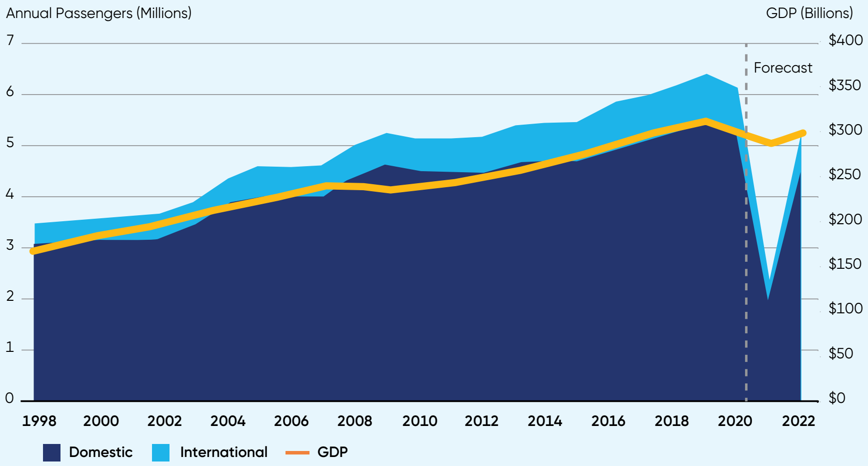
A copy of Wellington International Airport's financial statements for the year ended 31 March 2020 is available at https://www.wellingtonairport.co.nz/business/investor-services/financial-reports/

Wellington Passenger Throughput & NZ Gross Domestic Product

Actual 1998–2020
Forecast FY2021–FY2022

Over the 22 years since Infratil made its 1998 investment into Wellington Airport, NZ's real GDP has expanded by 2.80% per annum and passenger numbers have risen 2.85% per annum.

While international passengers have increased at a faster rate than those on domestic services, 85% of passengers are still flying domestically.

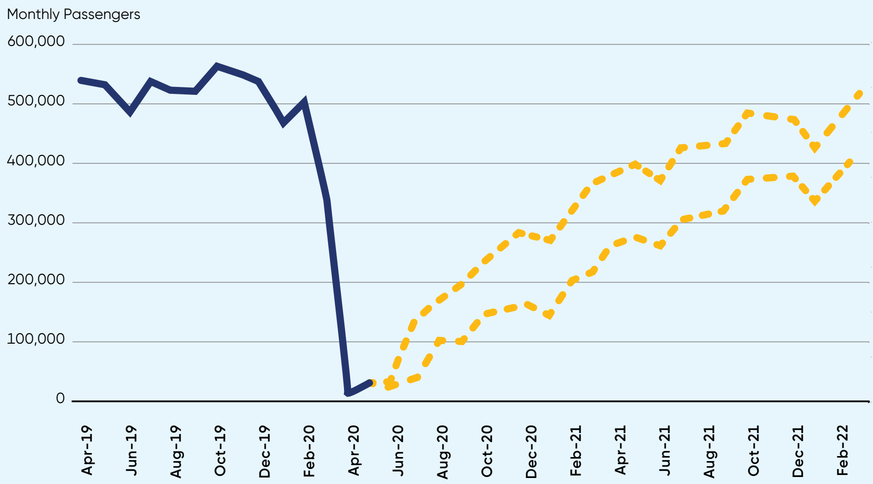


Wellington Airport Passengers

FY2020–FY2022

The graph shows Wellington Airport's monthly traffic from April 2019 through to when COVID-19 restrictions came into force March–May 2020.

The dashed lines show the forecast range of traffic out to the end of FY2022.



Kaitiakitanga

An unfortunate consequence of the COVID-19 crisis was the distraction of attention from the Airport's social, community, and environmental initiatives, to which the Airport contributed $2.5 million in FY2020.

The Airport also appointed a Sustainability Manager to plan and manage the goals of reducing emissions and waste by 30% by 2030.

Wellington Airport now offers battery recharging in its car park and for airfield vehicles and is increasing its own use of electric vehicles.

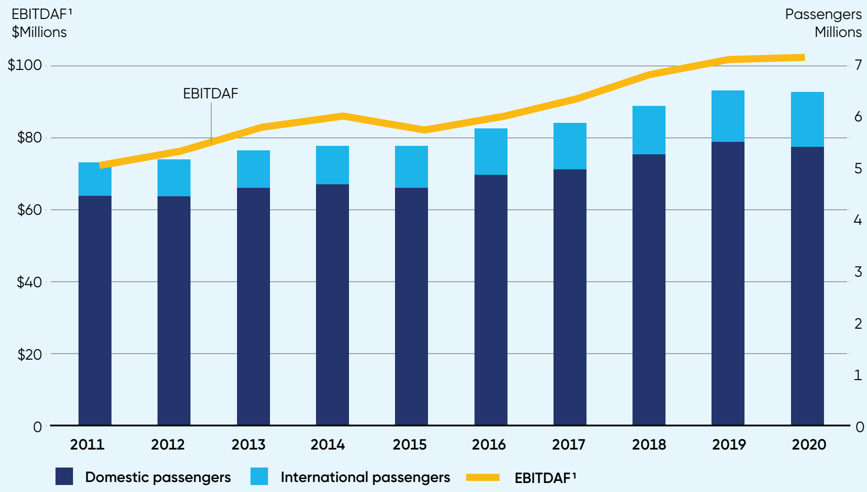
In FY2020 Wellington Airport started using the GRESB Assessment tools to measure and report on its environmental and social performance. This will enable the Airport to determine where it needs to improve, to track improvements, and to benchmark against peers. The GRESB reports are widely used by fund managers to measure company's environmental, social and governance performance.

EBITDAF & Passengers

Year ended 31 March

Over the ten years EBITDAF[1] rose from $72 million to $103 million (it was reduced by approximately $4 million by COVID-19 travel restrictions).

Passenger numbers lifted 1,011,513. An average annual increase of 82,978 domestic and 29,463 international travellers.



Aeronautical & Services income

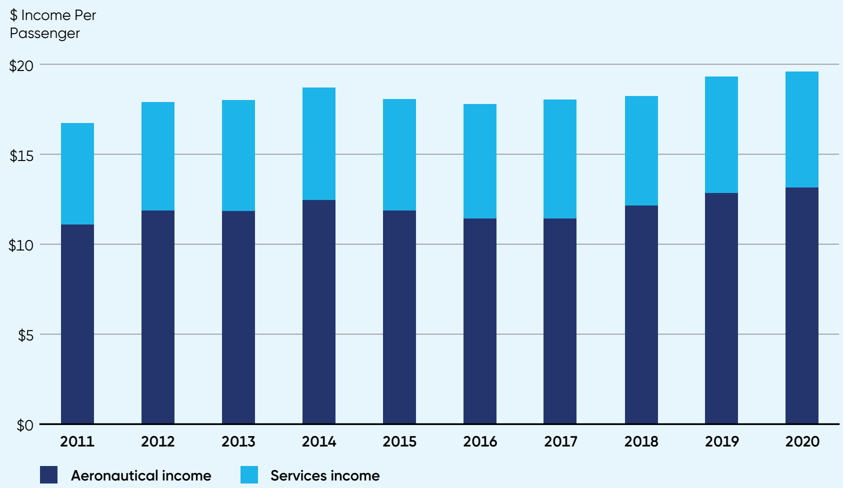
Year ended 31 March

Wellington Airport's 20% increase in EBITDAF[1]/passenger over the period (to $16.79) reflects better passenger services, an increase in property income, and good cost control.

Wellington has the lowest per passenger aeronautical costs of any jet airport in Australasia.

Aeronautical	Rev/Pax	Cost/Pax
Auckland	$16.91	$5.95
Wellington	$13.38	$3.76
Christchurch	$14.21	$5.95
Queenstown	$13.24	$5.00

From Airport Disclosures



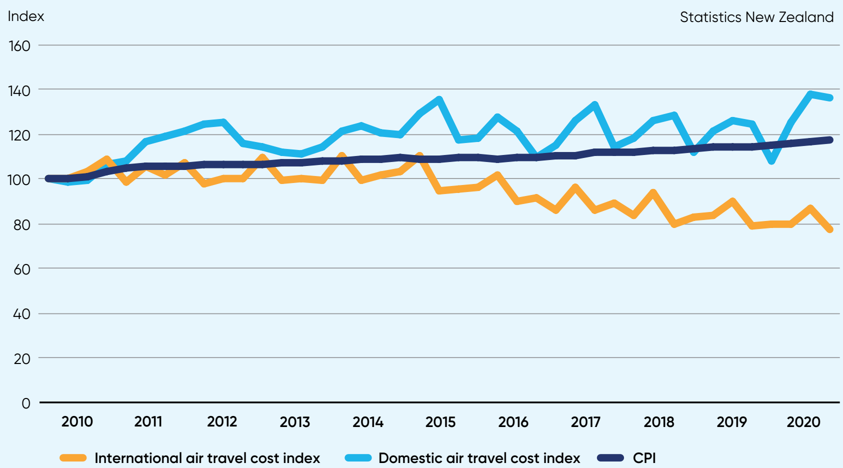
The cost of travel

Year ended 31 March

Over the ten years, consumer prices rose 18%. The cost of domestic New Zealand air travel increased 35%.

The cost of international air travel for New Zealanders fell 25%.

Over the decade, the international air travel market has delivered considerably more value for New Zealand users relative to the less competitive domestic market.



1 EBITDAF is an unaudited non-GAAP measure and is defined in the Infratil Annual Results Presentation 2020.

CDC
Data Centres

Infratil 48%
Commonwealth Superannuation Corporation 24%
Future Fund 24%
Management 4%
(during the year CSC sold half its shareholding to
the Future Fund, Australia's Sovereign Wealth Fund)

Construction of CDC's Eastern Creek 3 data centre, Sydney.

Since Infratil and Commonwealth Superannuation Corporation acquired 96% of CDC Data Centres in September 2016 the enterprise value of the company has risen from A$1,075 million to A$4,193 million (mid-point estimate), reflecting a series of material changes to the industry and the Company.

- Globally, the generation of electronic data and the need for its transmission, storage and compute continues to grow.
- Data storage and processing provided in the "cloud" is incentivising organisations to relocate their data and its processing away from their own infrastructure to hyper-scale server farms in large data centres.
- Increasingly organisations are seeing data storage and compute requirements as critical infrastructure and separating them from their broader IT services, consulting and telecommunications function and entrusting them with specialist providers like CDC.
- As the volume of data has risen, so too has the focus on sovereignty and security.

Each of these factors is contributing to growing demand for CDC's capacity. Including to the extent that some clients will pre-contract before construction starts on new centres.

Expanding demand and less development risk is an attractive combination.

During FY2020 CDC undertook A$446.6 million of capital investment in facilities, building out the internal infrastructure of completed data centres as client commitments were secured.

While roughly 50% of the cost of a data centre is the building and core services, the other 50% is the fit-out of server racks and electrical, cooling and data transmission infrastructure which occurs as a centre is progressively occupied. This ensures that a large part of capex outlay is only committed once revenue is secure.

- Completing the Eastern Creek 2 and Hume 4 data centres.
- Starting work on Eastern Creek 3.
- Additional land acquisitions in Canberra and Auckland.
- Preparatory work for Fyshwick 3, Eastern Creek 4 and two Auckland centres.

CDC's in-house management of construction is an important factor to the Company's success. There is proprietary expertise in designing and configuring data centres to ensure their operational efficiency. Undertaking this work in-house captures this expertise as well as enabling construction cost savings and rapid build times.

Agreeing long-term contracts with creditworthy clients has allowed CDC to cost-efficiently fund its capital works programme with a new flexible debt package with terms which allow the debt facilities to be expanded progressively over time. Over the year CDC increased bank facilities by A$605 million to over A$1,500 million which is sufficient to complete contracted construction and fit-out work.

CDC has commissioned 105MW of capacity at data centres on three campuses, with construction well advanced on a further 28MW and preparatory work underway on another 20MW. All told, CDC's campuses could accommodate over 278MW of data centre capacity.

Year Ended 31 March	2020	2019
Available capacity	105MW	67MW
EBITDAF [1]	A$117.5m	A$72.1m
Infratil share of EBITDAF [1]	NZ$59.6m	NZ$37.2m
Net profit after tax	A$289.1m	A$136.6m
Contribution to Infratil	NZ$161.0m	NZ$83.9m
Capex	A$446.6m	A$291.6m
Net debt	A$912.4m	A$517.8m
Infratil holding book value	NZ$693.4m	NZ$555.3m
Infratil holding market value range [2]	NZ$1,355-1,711m	NZ$841-942m

1 EBITDAF is an unaudited non-GAAP measure and is defined in the Infratil Annual Results Presentation 2020.

2. Based on an independent valuation at 31 March 2020 as outlined on pages 16 and 18.

Australian government policy strongly recommends the use of certified sovereign data centres which comply with data sovereignty, supply chain and ownership criteria, and CDC is working towards this level of certification. It is expected that this combination of reliability, specialisation and sovereignty will also play out in New Zealand.

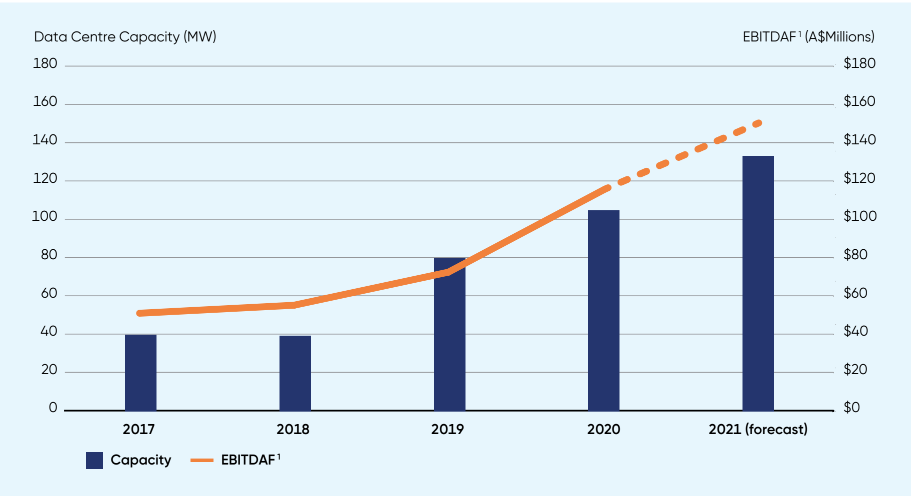
As at 31 March 2020 CDC was valued for Infratil by independent valuers Grant Thornton. The valuation is the present value (after all applicable taxes and fees) of the cash flows available to shareholders from the 278MW data centres which are operating, or under construction, or have a near certainty of construction occurring. Different equity return targets are allocated to each centre depending on their risk, with the average target return range being 10.6% to 12.2% per annum.

	Scale	Commissioned
Hume 1 & 2	**12MW**	2008 and 2011
Fyshwick 1	**18MW**	2015
Hume 3	**9MW**	2016
Fyshwick 2	**21MW**	2018
Eastern Creek 1	**7MW**	2018
Eastern Creek 2	**13MW**	2019
Hume 4	**25MW**	2019
Eastern Creek 3	**28MW**	Commissioning 2020
Other Sydney	**75MW**	Preparatory work underway
Other Canberra	**50MW**	Preparatory work underway
Auckland 1	**10MW**	Expected in 2022. Additional site potential
Auckland 2	**10MW**	Expected in 2022

The increase in the valuation over the year reflects several factors including the development pipeline and sales activity. The reasonableness of the valuation was tested by comparing metrics such as Value/Earnings against those observed with other data centre companies.

The CDC Fyshwick 2 facility opening, December 2019. From left to right: Brett Chenoweth: Chairman, CDC Data Centres, Randall Brugeaud: Chief Executive Officer at the Digital Transformation Agency, Renee Leon: Secretary of the Department of Human Services, Hon. Stuary Robert MP: Minister for National Disability Insurance Scheme and Greg Boorer: Chief Executive Officer & Founder, CDC Data Centres.

CDC Capacity & EBITDAF[1] 31 March



	2020	2019	2018	2017
Capacity	105MW	67MW	39MW	39MW
Rack utilisation	76%	80%	78%	58%
Average lease term (excluding options)	8.6 years	9.0 years	4.2 years	4.7 years
EBITDAF[1]	A$117.5m	A$72.1m	A$55.8m	A$47.5m
Capex	A$446.6m	A$291.6m	A$45.8m	A$66.5m

1 EBITDAF is an unaudited non-GAAP measure and is defined in the Infratil Annual Results Presentation 2020.

Vodafone New Zealand

Infratil 49.9%
Brookfield Infrastructure Partners 49.9%
Management 0.2%

A feature of the Level 4 lockdown were supermarket queues, physical distancing, and a massive increase in data use.

The $3.4 billion acquisition of Vodafone New Zealand was completed on 31 July 2019. Infratil's investment was $1,030 million and Vodafone NZ assumed $1,342 million of debt.

Vodafone NZ provides a substantial part of New Zealand's telecommunications infrastructure at a time when data and its transmission is critical to economic activity and is expanding rapidly through increasing use of smartphones, streamed video, the advent of 5th generation mobile networks and new applications.

New Zealand is, on OECD comparisons, well served in both mobile and broadband. Department of Statistics indices show that every year consumers receive greater benefit for less cost. In 2016, the $60 Red Lite Pay Monthly Plan had 4GB + unlimited minutes and texts. Today, the $60 Endless Medium Plan gets 12GB Data + unlimited minutes and texts.

Competition has been intensified by network evolution and a plethora of "free" value-added services aimed at attracting users. Companies in the sector have struggled to translate growth into a return on their significant infrastructure and services investment. Rapid demand growth, technological change, and the intense competition has led to industry-wide cost pressures, and lags in the improvement of IT and customer service systems.

In this challenging commercial environment, Vodafone NZ also had to exist as a small part of a global multinational with ownership and structural uncertainties. The new owners are encouraging the leadership team to quickly evolve Vodafone NZ into a New Zealand-centric, digital infrastructure and service business providing simple products and services that are easy to use, reliable, and fairly priced.

Another goal for Vodafone NZ is to expedite the roll-out of the 5th generation of mobile technology, while also expanding the availability of broadband and mobile coverage to rural areas and pockets which are currently missing out. The Rural Connectivity Group Limited, of which Vodafone NZ is a member, is installing wireless network infrastructure in sparsely populated regions to improve coverage while enabling industry participants to share costs. It is an example of getting the balance right between investment in capacity and services and competition delivering innovation and fair prices.

It would be remiss not to note Vodafone NZ's ongoing areas of community support. It is continuing with a diverse range of initiatives, especially aimed at helping disadvantaged youth. Since the launch of the Vodafone Foundation it has contributed over $25 million to this and other social areas. https://foundation.vodafone.co.nz

Before, during and after COVID-19

Before the COVID-19 crisis, Vodafone NZ's key work programmes were focussed around three areas:

- Transforming operations from a complex, legacy telco to a digitally focused, simplified business able to deliver high-quality services off a lower cost base.
- Improving the customer experience, including establishing a team of over 250 people charged with both improving the response to customers and helping to resolve the complexities of Vodafone NZ's multiple back-office systems.
- Delivering 5G mobile network leadership with the launch of 5th generation capability in Auckland, Wellington, Christchurch and Queenstown in December 2019.

Initial results with cost management were excellent while improving the customer experience will take time.

The pandemic and how it impacted operations and customer needs has not altered the goals. It has underscored connectivity's critical importance to

Year Ended 31 March	2020	2019
Mobile revenue	$893.2m	$879.6m
Fixed broadband revenue	$726.1m	$748.5m
Other revenue	$427.4m	$333.8m
Operating costs	($1,566.1m)	($1,504.9m)
EBITDAF[1]	$480.6m	$457.0m
Capex	$284.8m	$253.0m
EBITDAF[1] less Capex	$195.8m	$203.0m
Net debt	$1,266.6m	-

1 EBITDAF is an unaudited non-GAAP measure and is defined in the Infratil Annual Results Presentation 2020.

2019 Operating costs have been adjusted to be presented on a like for like basis with 2020. This primarily reflects an adjustment to charges from Vodafone PLC under the new ownership structure to reflect those incurred in the period of Infratil and Brookfield ownership (8 months).

social and economic wellbeing, and the industry's financial challenge in providing this. Most customers subscribe to unlimited data plans on a fixed price, so higher use does not always mean higher revenue.

Operationally, Vodafone NZ quickly transitioned to working from home and was able to assist many business customers to do the same. The physical restrictions of lockdown impacted some customer services, but this was mitigated by redeploying retail staff and encouraging customers to use digital and self-service channels.

On their part, customer behaviour also changed markedly. Relative to before the introduction of Level 4 restriction, phone calls increased 60%, data transmission rose 20% to 50%, use of online chat services grew 400% and social media channels by 250%. Video conferencing and online shopping became much more widely used.

With consumers accelerating their adoption of digital tools, Vodafone NZ also accelerated its programmes to provide more services digitally.

Looking ahead

While the recovery from COVID-19 contains many uncertainties, it is certain New Zealanders will increasingly utilise and rely on technology, data, and connectivity.

Vodafone NZ will be evolving to meet these demands; by digitising, automating, and simplifying its own systems and introducing more user-friendly self-service tools for customers.

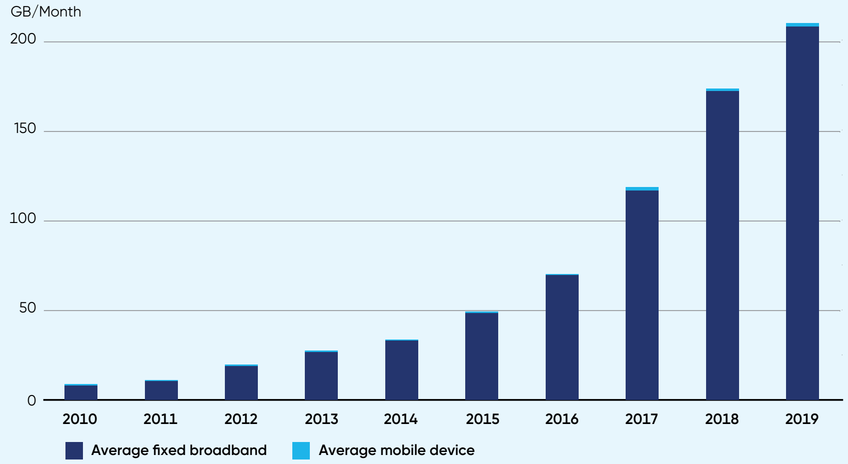
Telecommunications is a competitive and increasingly commoditised business which will be operating in a tough macro-economic environment. Alongside operational improvements, it will be critical that investments are directed to core functions and areas with real efficiency or customer benefit.

The Commerce Commission's reports on the New Zealand telecommunication industry for the last decade show massive increases in data transmission (up 30x) using four times as many connections. This has been facilitated by a $15.6 billion investment by telecommunications companies, which has not increased either average household costs or overall sector revenue. Vodafone NZ has maintained its size while the industry has grown around it.

The New Zealand Telecommunication Market. Statistics From The Commerce Commission Monitoring Reports

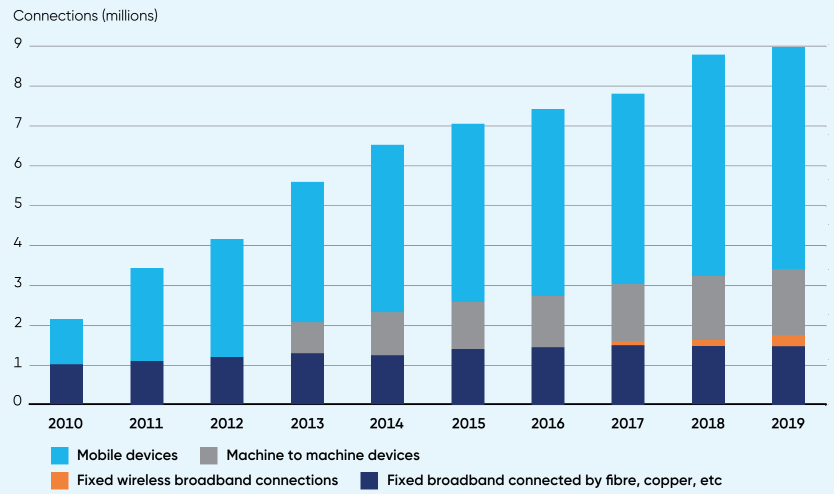
Average consumer monthly data use

NZ consumers' monthly data transmission needs have risen 46% per annum over the decade (mobile data has risen 72% per annum).



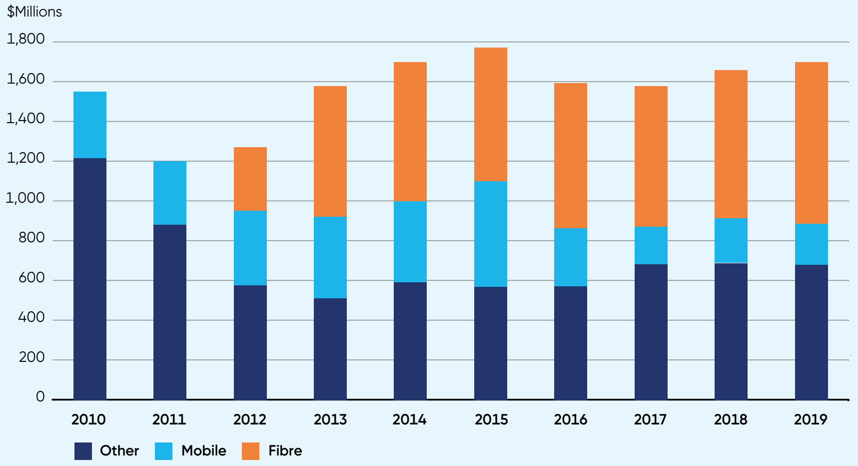
Connected to the internet (Devices and homes/ businesses)

The connectivity spans smartphones, fixed broadband (wireless and via fibre and copper) and machine to machine devices such as smart metres.



Industry investment

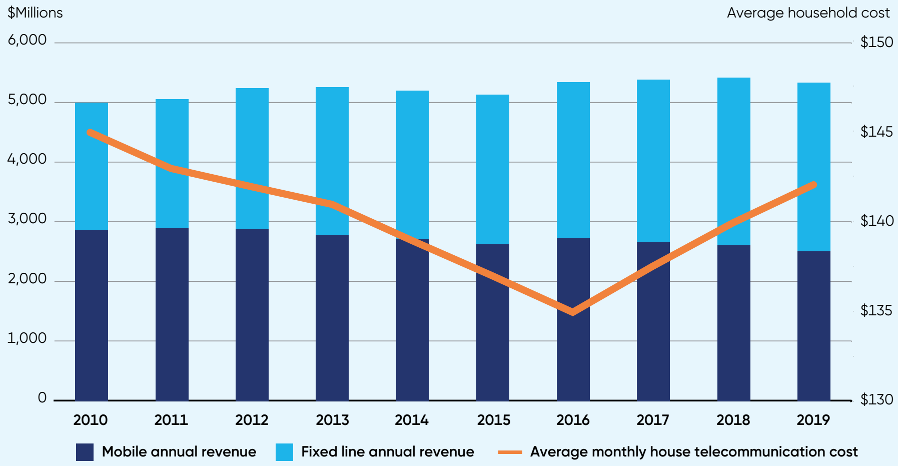
To deliver the massive increase in data transmission $15.6 billion has been invested in the New Zealand's telecommunications infrastructure and services.



Industry revenue

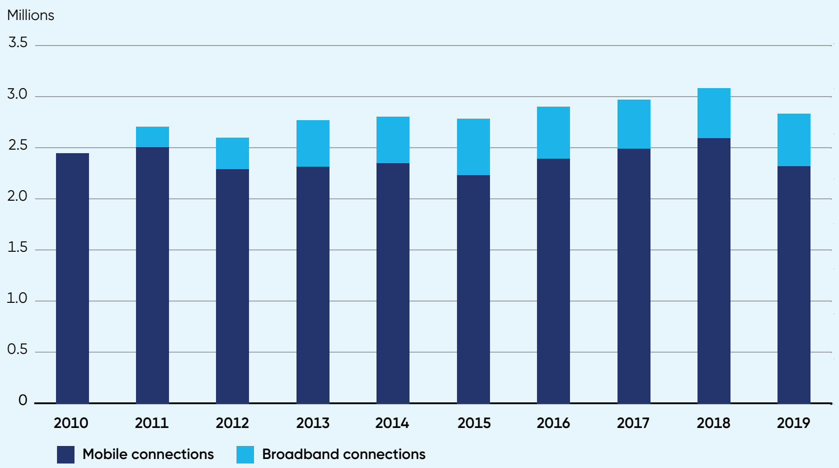
Users are getting a lot more telecommunications capacity, and not having to pay for it.

Commerce Commission data for annual sector revenue and monthly household telecommunications costs shows that both have been largely flat over the period.



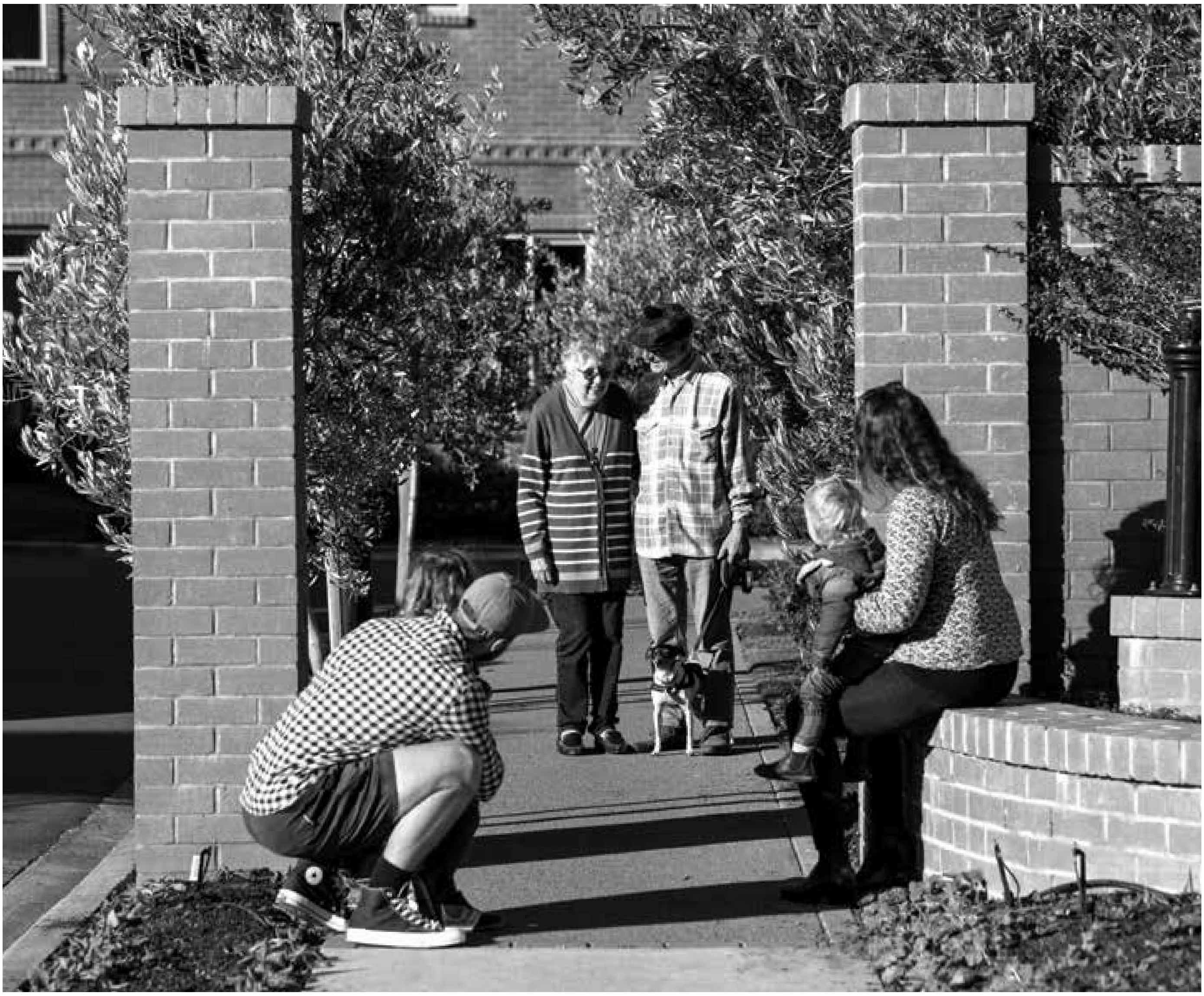
Vodafone NZ connections

Over the decade Vodafone's number of connections



RetireAustralia

Infratil 50%
New Zealand Superannuation Fund 50%



Retirement village residents meeting family during COVID-19 restrictions.

Infratil and NZ Superannuation Fund acquired RetireAustralia in late 2014 with the objective of transitioning what was essentially a residential property business into a fully integrated provider of retirement accommodation, living and care.

The Australian retirement market continues to face difficult conditions. Regional areas of Australia have experienced volatile property markets and associations between retirement living and the aged care sector continued with the Royal Commission into Aged Care Quality and Safeguarding. The COVID-19 pandemic came as a further challenge.

Against this backdrop, RetireAustralia achievied an increase in sales and progressing new developments. It also appointed Paulene Henderson as CFO and Dr Brett Robinson as CEO. Ms Henderson's experience includes 10 years as CEO of a residential property company. Dr Robinson has an extensive background in medicine and health administration.

"What the COVID-19 pandemic has demonstrated is that more than ever, it is nice to be part of a community, and in uncertain times, to have someone looking out for you. Retirement communities offer independent living, with a safety net, and that's never been more relevant for older Australians. Complemented by our model of tailored care, RetireAustralia is well positioned to meet the needs of people looking for safety and security in their later years.

As we trade through this crisis our objective remains the same – to provide high quality community living options to people looking for a full continuum of care as they age. With a solid plan in place and a strong portfolio of established and new villages backed by highly engaged staff and happy residents, we are ready to welcome more seniors to enjoy living with the peace of mind RetireAustralia communities deliver." Dr Brett Robinson

RetireAustralia recorded 292 resales in FY2020, compared to 244 in FY2019, while 16 new units were sold, which was on-par with last year. In the second half of the year resales were 162 units (up 25% on the first) and realised gains were up 15% on the first half to A$145,800.

Glengara Care, located in on the New South Wales Central Coast, was opened in February 2020 and has welcomed four residents to the state of the art facility. This A$35 million development of 70 apartments is a game-changing alternative for older Australians requiring additional care. It is located within the existing Glengara Retirement Village and offers residents a true community for life.

FY2020 surveys of residents indicate that 88% are either satisfied or very satisfied living in their RetireAustralia community, which is consistent with last year's results, although with an improved Net Promoter Score (65% of RetireAustralia residents participated in the study).

Boosting organisational culture and deepening connections with employees at all levels of the business was effective in FY2020 with the highest level of employee satisfaction recorded. 87% of employees said they were proud to work for RetireAustralia. (75% of RetireAustralia employees participated in the study.)

Village Managers, Julie Ramage from Forresters Beach and Debbie Dean from Glengowrie, were recognised by the Australian Retirement Living Council for the outstanding contributions they make to their communities. Julie received the Village Manager of the Year Award for New South Wales, while Debbie was bestowed the same honour for South Australia.

Protecting residents from COVID-19 is RetireAustralia's top priority. When the risk became clear management closed community facilities, established checks, and enforced social distancing protocols.

Assistance with essential services such as groceries and medication was arranged by village staff, and to combat social isolation, regular wellness checks were performed, along with many imaginative social activities that could be performed at a safe distance.

As social distancing restrictions ease, RetireAustralia is able to both allow normal village life to resume and to open its villages for visits by potential new residents. It is too early to tell how COVID-19 and the economic fallout will impact RetireAustralia. However, underlying demand for retirement village accommodation should remain stable.

COVID-19 specific marketing messages and content have been developed to educate the market on the safe and secure lifestyle on offer in RetireAustralia communities, encouraging potential residents to explore retirement village living.

Construction is progressing on the 40 unit stage one of the 177 unit village, The Verge, which is adjacent to the Burleigh Golf Club on the Gold Coast, and on 58 units within the existing Wood Glen village on the NSW Central Coast.

Infratil had its holding in RetireAustralia independently valued as at 31 March 2020. This gave a value for Infratil's holding of A$303.2 million[1] which was A$41.8 million less than a year prior (taking into account the A$58 million equity injection). This valuation was based on forecast discounted cash flows using a 10.5% per annum discount rate to value existing villages and 14.7% per annum to value developments. It included a 5% fall in house prices, which has been the average peak-to-trough fall in residential values experienced in the last four recessions experienced in Australia in the last four decades.

Naturally it is disappointing, but the projected returns anticipated are conservative and attractive.

Year Ended 31 March	2020	2019
Residents	4,955	4,943
Serviced apartments	535	465
Independent Living Units	3,520	3,520
Unit resales	292	244
Resale cash gains per unit	A$137,374	A$133,666
New unit sales	16	15
New unit average price	A$512,625	A$721,600
Occupancy receivable /unit[2]	A$92,355	A$89,319
Embedded resale gain/unit[2]	A$35,948	A$39,381
Underlying profit[3]	A$17.0m	A$17.1m
Net profit after tax	(A$99.5m)	(A$44.5m)
Capex	A$53.2m	A$59.4m
Net external debt	A$153.4m	A$198.2m
Infratil's holding value	NZ$291.5m	NZ$289.3m

1. Based on an independent valuation at 31 March 2020 as outlined on pages 16 and 18.
2. 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.
3. Underlying Profit is an unaudited non-GAAP measure and is defined in the Infratil Annual Results Presentation 2020.

Other Investments

Galileo Green Energy

During the year Galileo Green Energy was established as a joint venture between Infratil (40%), the Commonwealth Superannuation Corporation, the New Zealand Superannuation Fund, and the Morrison & Co Growth Infrastructure Fund, each with 20%.

Infratil has provided $2.5 million of start-up capital, with the partners' initial commitments of EUR220 million (Infratil's share, approximately NZ$150 million) intended to enable Galileo to invest in renewable generation and energy storage projects across Europe.

The first project is an initiative to develop wind farms in Ireland, although it is anticipated that COVID-19 related restrictions and economic disruption will slow progress.

Chief Executive Ingmar Wilhelm has extensive experience with renewable generation in Europe. Infratil's directors are Vincent Gerritsen, Vimal Vallabh and Jason Boyes, with the latter two having been heavily involved with the establishment and operation of Longroad Energy.

The mandate with Galileo is similar to that with Longroad Energy, being to partner high calibre expertise with financial flexibility and discipline to take advantage of a region with a large and growing appetite for renewable generation projects.

Infratil Infrastructure Property (IIP)

IIP has two property initiatives underway, construction at Halsey Street in Auckland's Wynyard Quarter, and assessment of the alternative use of the old Kilbirnie Bus Depot site in Wellington.

Construction of the 154 room Travelodge Hotel, carpark, and retail precinct is due for completion later in 2020 following the temporary halt on construction during Level 4 COVID-19 restrictions. The hotel's revenue will be reduced by the tourism and travel downturn, but there is strong demand for the car parks. The goal now is to ensure use of the building recognising the considerable market challenges.

The Kilbirnie Bus Depot site will become available for alternative use as soon as the buses are relocated, which is expected to occur in mid 2021.

During the year Infratil advanced $38.5 million to IIP to fund construction, giving IIP a 31 March 2020 valuation of $96.9 million.

Clearvision Ventures

During the year, Infratil provided Clearvision with an additional US$1.5 million meaning that US$21.0 million of the total US$25.0 million commitment has now been advanced. The book value of the investment as at 31 March 2020 was NZ$30.1 million.

Clearvision made two new investments during the year; US ride sharing company Zum which is targeting the youth market with an alternative to catching the bus; and next-generation air quality and greenhouse gas data company Aclima which uses proprietary sensors and machine learning models to enable hyper local measurements. The Fund's main other investments; Orbital Insights, Autogrid, Climacell and Chargepoint; continue to develop their businesses.

Australian Social Infrastructure Partners (ASIP)

During the year ASIP sold its interest in the Queensland schools project for A$12.9 million, delivering a 16% per annum return on that investment. This leaves the a 9.95% holding in the Royal Adelaide Hospital public-private partnership as ASIP's only asset.

The 31 March 2020 independent valuation of IFT's stake in ASIP is NZ$33.4 million. It is anticipated that IFT will divest this investment in FY2021.

Australian National University Student Accommodation

During FY2020 Infratil received the final distribution and sale proceeds from selling its interest in this investment. Net proceeds were A$166.9 million.

Infratil's net investment had been A$88.6 million. Value was created through the excellent relationship formed with the University leadership and the ability of the partnership to deliver additional student accommodation and facilities to budget and on time.

Snapper Services

Infratil's ten year development of the Snapper ticketing and payment system ended with its sale for nominal consideration during FY2020. This was not a successful investment. When Infratil set up Snapper it was recognised that success required it to be widely used. At that time, there were about 100 million annual rides on all New Zealand public transport and a sophisticated payment tool such as Snapper was only going to be viable if it be used on most of them. In the event, local and central government transport agencies preferred to establish a government owned competitor dooming all participants to losses. The Snapper team developed innovative mobile payment tools they were able to sell to offshore transport agencies, but it wasn't enough to offset the local diseconomies of scale.

Perth Energy

During FY2020 Infratil sold its 80% shareholding in Perth Energy for A$56.7 million. Up to A$18.6 million may be received in the future depending on the outcome at Perth Energy of contingent consideration where indications remain favourable.

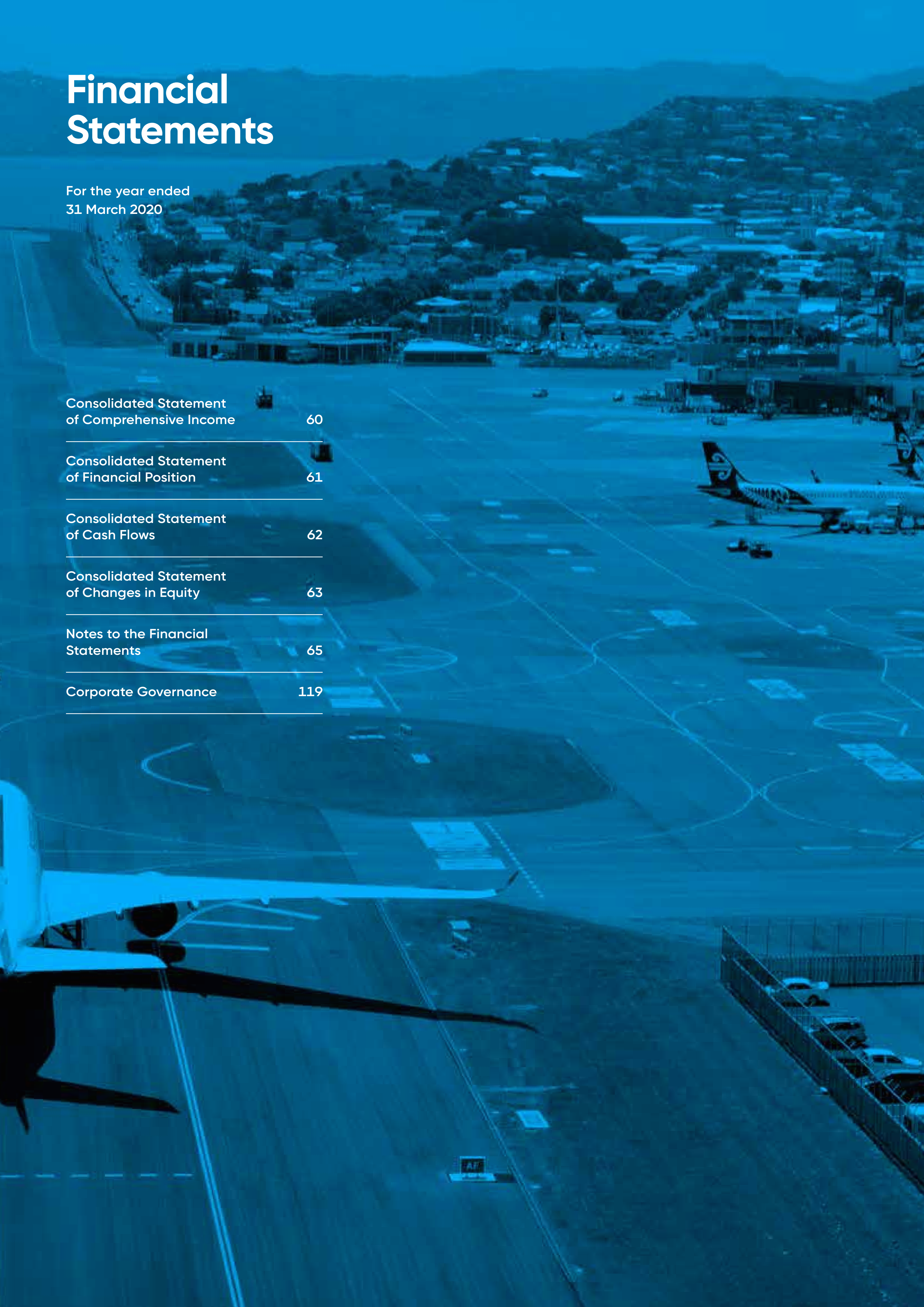
Infratil became a shareholder in Perth Energy in 2007 through its Australian Energy business and the shareholding was retained when the rest of that enterprise was sold in 2014. It was an illustration of the problem of a small-scale business operating in a complex market.

NZ Bus

During the year, Infratil sold NZ Bus to funds controlled by Next Capital. $93 million was received with final consideration to reflect adjustments for working capital, capital expenditure, and an earnout mechanism. The balance will be paid in cash or as a vendor loan once post completion activities are finalised.

When the company was acquired in 2005 it was hoped that regional transport agencies in Wellington and Auckland would recognise that by far the quickest and lowest cost way to improve mobility in those regions would involve a significant expansion in bus public transport. Unfortunately, public transport turned out to be subject to a complex and conflict riven regulatory and funding regime.

Ultimately the new contracting model transferred absolute control and most of the risk to the regional councils while prioritising cost minimisation above all else.



Financial Statements

For the year ended
31 March 2020

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2020

	Notes	2020 $Millions	2019 $Millions
Operating revenue	10	1,281.3	1,333.2
Dividends		0.6	2.6
Total revenue		**1,281.9**	**1,335.8**
Share of earnings of associate companies	6	86.8	106.4
Total income		**1,368.7**	**1,442.2**
Depreciation	14	136.4	145.1
Amortisation of intangibles		11.1	15.3
Employee benefits		99.1	90.8
Other operating expenses	12	929.4	907.0
Total operating expenditure		**1,176.0**	**1,158.2**
Operating surplus before financing, derivatives, realisations and impairments		192.7	284.0
Net gain/(loss) on foreign exchange and derivatives		6.2	0.3
Net realisations, revaluations and impairments	11	510.7	0.6
Interest income		10.7	6.8
Interest expense		197.1	155.3
Net financing expense		186.4	148.5
Net surplus before taxation		**523.2**	**136.4**
Taxation expense	13	14.4	72.0
Net surplus for the year from continuing operations		**508.8**	**64.4**
Net surplus/(loss) from discontinued operations after tax	9	(24.6)	(12.0)
Net surplus for the year		**484.2**	**52.4**
Net surplus/(loss) attributable to owners of the Company		241.2	(19.5)
Net surplus attributable to non-controlling interest		243.0	71.9
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		63.3	(283.6)
Share of associates other comprehensive income		(21.3)	(11.6)
Net change in fair value of equity investments at fair value through profit and loss		(0.5)	2.6
Ineffective portion of hedges taken to profit and loss		-	-
Fair value movements in relation to the executive share scheme		5.1	(0.1)
Income tax effect of the above items		(22.8)	69.8
Items that may subsequently be reclassified to profit and loss:			
Differences arising on translation of foreign operations		(17.8)	(18.9)
Realisations on disposal of subsidiary, reclassified to profit and loss		(22.5)	-
Effective portion of changes in fair value of cash flow hedges		(75.0)	5.9
Income tax effect of the above items		20.8	(3.6)
Total other comprehensive income/(loss) after tax		**(70.7)**	**(239.5)**
Total comprehensive income/(loss) for the year		**413.5**	**(187.1)**
Total comprehensive income for the year attributable to owners of the Company		207.9	(164.3)
Total comprehensive income for the year attributable to non-controlling interests		205.6	(22.8)
Earnings per share			
Basic and diluted (cents per share) from continuing operations	4	41.5	(1.0)
Basic and diluted (cents per share)	4	37.6	(3.5)

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

For the year ended 31 March 2020

	Notes	2020 $Millions	2019 $Millions
Cash and cash equivalents	22.1	730.3	414.3
Trade and other accounts receivable and prepayments	22.1	174.8	226.1
Derivative financial instruments	22.4	18.9	17.8
Income tax receivable	-	9.3	1.2
Assets held for sale	9	-	521.8
Current assets		**933.3**	**1,181.2**
Trade and other accounts receivable and prepayments	22.1	18.7	22.8
Property, plant and equipment	14	3,958.2	4,201.5
Investment properties	15	266.7	86.5
Right of use assets	16.1	161.2	-
Derivative financial instruments	22.4	65.5	156.7
Intangible assets		35.1	33.6
Goodwill	17	113.1	113.1
Investments in associates	6	1,961.9	855.4
Other investments	7	71.4	81.2
Non-current assets		**6,651.8**	**5,550.8**
Total assets		**7,585.1**	**6,732.0**
Accounts payable, accruals and other liabilities		227.3	274.5
Interest bearing loans and borrowings	18	134.7	295.3
Lease liabilities	16.2	21.8	-
Derivative financial instruments	22.4	8.0	32.2
Income tax payable		4.6	9.3
Infrastructure bonds	19	-	148.9
Trustpower bonds	20	-	114.0
Wellington International Airport bonds	21	25.0	25.0
Liabilities directly associated with the assets held for sale	9	-	146.2
Total current liabilities		**421.4**	**1,045.4**
Interest bearing loans and borrowings	18	835.0	696.8
Other liabilities		86.5	25.9
Lease liabilities	16.2	225.1	-
Deferred tax liability	13.3	314.6	442.5
Derivative financial instruments	22.4	121.3	85.3
Infrastructure bonds	19	1,061.3	747.2
Perpetual Infratil Infrastructure bonds	19	231.9	231.5
Trustpower bonds	20	432.2	307.8
Wellington International Airport bonds and senior notes	21	515.9	405.1
Non-current liabilities		**3,823.8**	**2,942.1**
Attributable to owners of the Company		2,132.2	1,646.0
Non-controlling interest in subsidiaries		1,207.7	1,098.5
Total equity		**3,339.9**	**2,744.5**
Total equity and liabilities		**7,585.1**	**6,732.0**
Net tangible assets per share ($ per share)		3.01	2.68

Approved on behalf of the Board on 28 May 2020

A. R. Gerry

Alison Gerry
Director

Mark Tume

Mark Tume
Director

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Notes	2020 $Millions	2019 $Millions
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		1,495.0	1,825.6
Distributions received from associates		75.2	52.2
Other dividends		0.6	1.8
Interest received		10.8	7.1
		1,581.6	1,886.7
Cash was disbursed to:			
Payments to suppliers and employees		(1,253.3)	(1,388.7)
Interest paid		(177.5)	(149.3)
Taxation paid		(50.8)	(71.8)
		(1,481.6)	(1,609.8)
Net cash inflow from operating activities	**24**	**100.0**	**276.9**
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of associates		169.7	-
Proceeds from sale of subsidiaries (net of cash sold)		593.3	-
Proceeds from sale of property, plant and equipment		19.4	12.9
Proceeds from sale of investments		19.7	5.9
Return of security deposits		14.4	-
		816.5	18.8
Cash was disbursed to:			
Purchase of investments		(1,132.5)	(69.9)
Lodgement of security deposits		(5.5)	(2.7)
Purchase of intangible assets		(12.9)	(8.3)
Interest capitalised on construction of fixed assets		(4.4)	-
Purchase of shares in subsidiaries		(5.2)	(109.3)
Purchase of investment properties		(22.9)	-
Purchase of property, plant and equipment		(463.3)	(258.2)
		(1,646.7)	(448.4)
Net cash inflow/(outflow) from investing activities		**(830.2)**	**(429.6)**
Cash flows from financing activities			
Cash was provided from:			
Proceeds from issue of shares		396.8	-
Sale of shares in non-wholly owned subsidiary		-	6.3
Proceeds from issue of shares to non-controlling interests		-	92.6
Bank borrowings		1,436.2	346.7
Issue of bonds		544.5	346.2
		2,377.5	791.8
Cash was disbursed to:			
Repayment of bank debt		(824.4)	(229.8)
Repayment of lease liabilities		(12.1)	-
Loan establishment costs		(10.1)	(10.8)
Repayment of bonds/Perpetual Infratil Infrastructure bonds buyback		(288.2)	(111.4)
Infrastructure bond issue expenses		(6.0)	(6.9)
Share buyback		(3.7)	-
Dividends paid to non-controlling shareholders in subsidiary companies		(92.3)	(117.7)
Dividends paid to owners of the Company	3	(113.7)	(95.1)
		(1,350.5)	(571.7)
Net cash inflow/(outflow) from financing activities		**1,027.0**	**220.1**
Net increase/(decrease) in cash and cash equivalents		296.8	67.4
Foreign exchange gains/(losses) on cash and cash equivalents		(10.4)	(4.0)
Cash and cash equivalents at beginning of the year		414.3	380.5
Adjustment for cash classified as assets held for sale	9	29.6	(29.6)
Cash and cash equivalents at end of the year		**730.3**	**414.3**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2020

	Capital $Millions	Revaluation reserve $Millions	Foreign currency translation reserve $Millions	Other reserves $Millions	Retained earnings $Millions	Total $Millions	Non-controlling $Millions	Total equity $Millions
Balance as at 1 April 2019	361.8	685.0	(65.4)	(50.4)	715.0	1,646.0	1,098.5	2,744.5
Total comprehensive income for the year								
Net surplus for the year	-	-	-	-	241.2	241.2	243.0	484.2
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	(22.7)	-	-	(22.7)	5.2	(17.5)
Transfers to profit and loss on disposal of subsidiaries	-	(21.5)	16.3	0.4	-	(4.8)	(17.7)	(22.5)
Net change in fair value of equity investments at FVOCI	-	-	-	(1.0)	-	(1.0)	-	(1.0)
Realisations on disposal of equity investments at FVOCI	-	-	-	(2.5)	2.5	-	-	-
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	(32.7)	-	(32.7)	(21.3)	(54.0)
Fair value movements in relation to the executive share scheme	-	-	-	(0.9)	-	(0.9)	-	(0.9)
Fair value change of property, plant & equipment recognised in equity	-	22.9	-	-	27.2	50.1	(3.6)	46.5
Share of associates other comprehensive income	-	-	-	(21.3)	-	(21.3)	-	(21.3)
Total other comprehensive income	-	1.4	(6.4)	(58.0)	29.7	(33.3)	(37.4)	(70.7)
Total comprehensive income for the year	**-**	**1.4**	**(6.4)**	**(58.0)**	**270.9**	**207.9**	**205.6**	**413.5**
Contributions by and distributions to non-controlling interest								
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	-	-	-	-
Issue of shares to non-controlling interests	-	-	-	-	-	-	1.7	1.7
Issue/(acquisition) of shares held by outside equity interest	-	-	-	-	-	-	(5.2)	(5.2)
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	(3.5)	(3.5)
Disposal of Snowtown 2	-	(31.3)	-	-	30.2	(1.1)	(0.6)	(1.7)
Contributions by and distributions to owners								
Share issued	390.9	-	-	-	-	390.9	-	390.9
Share buyback	(3.7)	-	-	-	-	(3.7)	-	(3.7)
Shares issued under dividend reinvestment plan	5.0	-	-	-	-	5.0	-	5.0
Conversion of executive redeemable shares	0.9	-	-	-	-	0.9	-	0.9
Dividends to equity holders	-	-	-	-	(113.7)	(113.7)	(92.3)	(206.0)
Total contributions by and distributions to owners	393.1	-	-	-	(113.7)	279.4	(92.3)	187.1
Balance at 31 March 2020	**754.9**	**655.1**	**(71.8)**	**(108.4)**	**902.4**	**2,132.2**	**1,207.7**	**3,339.9**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2020

	Capital $Millions	Revaluation reserve $Millions	Foreign currency translation reserve $Millions	Other reserves $Millions	Retained earnings $Millions	Total $Millions	Non-controlling $Millions	Total equity $Millions
Balance as at 1 April 2018	361.8	798.2	(43.5)	(1.2)	819.2	1,934.5	1,199.4	3,133.9
Adjustment on initial application of IFRS 15 (net of tax)	-	-	-	-	10.6	10.6	10.2	20.8
Adjusted balance as at 1 April 2018	**361.8**	**798.2**	**(43.5)**	**(1.2)**	**829.8**	**1,945.1**	**1,209.6**	**3,154.7**
Total comprehensive income for the year								
Net surplus for the year	-	-	-	-	(19.5)	(19.5)	71.9	52.4
Disposal of revalued assets	-	0.2	-	-	(0.2)	-	-	-
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	(21.9)	-	-	(21.9)	0.2	(21.7)
Transfers to profit and loss on disposal of subsidiaries	-	-	-	-	-	-	-	-
Net change in fair value of equity investments at FVOCI	-	-	-	2.6	-	2.6	-	2.6
Realisations on disposal of equity investments at FVOCI	-	-	-	-	-	-	-	-
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	(1.1)	-	(1.1)	6.2	5.1
Fair value movements in relation to the executive share scheme	-	-	-	0.6	-	0.6	-	0.6
Fair value change of property, plant & equipment recognised in equity	-	(113.4)	-	-	-	(113.4)	(101.1)	(214.5)
Share of associates other comprehensive income	-	-	-	(11.6)	-	(11.6)	-	(11.6)
Total other comprehensive income	-	(113.4)	(21.9)	(9.5)	-	(144.8)	(94.7)	(239.5)
Total comprehensive income for the year	**-**	**(113.2)**	**(21.9)**	**(9.5)**	**(19.7)**	**(164.3)**	**(22.8)**	**(187.1)**
Contributions by and distributions to non-controlling interest								
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	-	-	-	-
Issue of shares to non-controlling interests	-	-	-	-	-	-	92.6	92.6
Issue/(acquisition) of shares held by outside equity interest	-	-	-	(39.7)	-	(39.7)	(63.2)	(102.9)
Total contributions by and distributions to non-controlling interest	-	-	-	(39.7)	-	(39.7)	29.4	(10.3)
Contributions by and distributions to owners								
Share buyback	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(95.1)	(95.1)	(117.7)	(212.8)
Total contributions by and distributions to owners	-	-	-	-	(95.1)	(95.1)	(117.7)	(212.8)
Balance at 31 March 2019	**361.8**	**685.0**	**(65.4)**	**(50.4)**	**715.0**	**1,646.0**	**1,098.5**	**2,744.5**

The accompanying notes form part of these consolidated financial statements.

Notes to the Financial Statements

1 Accounting policies

A 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.

B Basis of preparation

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP') and comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable financial reporting standards as appropriate for profit-oriented entities. The consolidated financial statements comprise the Company, its subsidiaries and associates ('the Group'). The presentation currency used in the preparation of these consolidated financial statements is New Zealand dollars, which is also the Group's functional currency, and is presented in $Millions unless otherwise stated. The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. Comparative figures have been restated where appropriate to ensure consistency with the current period.

The consolidated financial statements comprise statements of the following: comprehensive income; financial position; changes in equity; cash flows; significant accounting policies; and the notes to those statements. The consolidated financial statements are prepared on the basis of historical cost, except certain property, plant and equipment which is valued in accordance with accounting policy (D), investment property valued in accordance with accounting policy (E), and financial derivatives valued in accordance with accounting policy (K).

Accounting estimates and judgements

The preparation of consolidated financial statements in conformity with NZ IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Future outcomes could differ from those estimates. The principal areas of judgement in preparing these consolidated financial statements are set out below.

Valuation of property, plant and equipment

The basis of valuation for the Group's property, plant and equipment is fair value by independent valuers, or cost. The basis of the valuations include assessment of the net present value of the future earnings of the assets, the depreciated replacement cost, and other market based information, in accordance with asset valuation standards. The major inputs and assumptions that are used in the valuations that require judgement include projections of future revenues, sales volumes, operational and capital expenditure profiles, capacity, life assumptions, terminal values for each asset, the application of discount rates and replacement values. The key inputs and assumptions are reassessed at each balance date between valuations to ensure there has been no significant change that may impact the valuation.

With respect to assets held at cost, judgements must be made about whether costs incurred relate to bringing an asset to its working condition for its intended use, and therefore are appropriate for capitalisation as part of the cost of the asset. The determination of the appropriate life for a particular asset requires judgements about, among other factors, the expected future economic benefits of the asset and the likelihood of obsolescence. Assessing whether an asset is impaired involves estimating the future cash flows that the asset is expected to generate. This will, in turn, involve a number of assumptions, including rates of expected revenue growth or decline, expected future margins, terminal values and the selection of an appropriate discount rate for valuing future cash flows.

Valuation of investments including Associates

Infratil completes an assessment of the carrying value of investments at least annually and considers objective evidence for impairment on each investment, taking into account observable data on the investment, the status or context of markets, its own view of fair value, and its long term investment intentions. Infratil notes the following matters which are specifically considered in terms of objective evidence of impairment of its investments, and whether there is a significant or prolonged decline from cost, which should be recorded as an impairment, and taken to profit and loss: any known loss events that have occurred since the initial recognition date of the investments, including its investment performance, its long term investment horizon, specific initiatives which reflect the strategic or influential nature of its existing investment position and internal valuations; and the state of markets. The assessment also requires judgements about the expected future performance and cash flows of the investment.

Derivatives

Certain derivatives are classified as financial assets or financial liabilities at fair value through profit or loss. The key assumptions and risk factors for these derivatives relate to energy price hedges and their valuation. Energy price hedges are valued with reference to financial models of future energy prices or market values for the relevant derivative. Accounting judgements have been made in determining hedge designation for the different types of derivatives employed by the Group to hedge risk exposures. Other derivatives including interest rate instruments and foreign exchange contracts are valued based on market information and prices.

COVID-19 pandemic

The spread of novel coronavirus ('COVID-19') was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by governments, regulators and numerous industry sectors. Authorities worldwide (including the New Zealand Government and Australian Federal Government) quickly moved to implement strict measures such as quarantines, curfews, stay-at-home orders and the closure of borders during March 2020. The level of restrictions has resulted in a reduced ability for many businesses to operate, significant volatility and instability in the financial markets, quantitative easing and reductions in official interest rates by central banks and the release of significant government stimulus packages.

The closure of the New Zealand border to international travellers and ongoing restrictions on domestic travel are expected to have material implications for Wellington International Airport's ('WIAL') revenues for an as yet unknown period of time. Subsequent to balance date, WIAL has agreed terms with its banking group to increase its total committed bank facilities by $70.0 million to $170.0 million and for covenant waivers to be in place through to 30 September 2021. WIAL is also seeking covenant waivers from its USPP note holders, which are expected to follow the bank waiver approvals. WIAL has also entered into a shareholder support agreement with its shareholders to enable access to up to $75.0 million of funding by way of non-participating redeemable preference shares, if required. WIAL is a subsidiary of the Group and its results are consolidated in the financial statements.

Tilt Renewables and Trustpower are subsidiaries of the Group and their results are also consolidated into these financial statements. Although these entities are publicly listed, the Group's carrying value of these investments is not directly impacted by changes in the quoted price on the NZX and ASX for these entities. Changes in share price were taken into account when undertaking an assessment of the carrying value of these investments and as part of the annual impairment testing of the associated goodwill balances (Note 17).

The primary impacts of COVID-19 on the Group's consolidated balance sheet at 31 March 2020 are summarised below:

Investments (including associates)
Notes 6,7

The Group's investments in Vodafone New Zealand, CDC Data Centres, RetireAustralia, Longroad Energy and Galileo Green Energy are accounted for using the equity method. Under the equity method, the investment in the associate is carried at cost plus the Group's share of post-acquisition changes in the net assets of the associate and any impairment losses.

In accordance with its accounting policies, Infratil has completed an assessment of the carrying value of its investments at 31 March 2020. This annual assessment considers a variety of factors as outlined in Note 1. As part of this assessment the Group has considered the potential impact of the COVID-19 pandemic. Direct impacts of COVID-19 on movements in the net assets of RetireAustralia and Vodafone New Zealand are summarised below.

The potential impact of COVID-19 was considered by RetireAustralia as part of the estimation of the fair value of its investment properties at year end. RetireAustralia made adjustments to key assumptions such as the unit price growth rates and discount rates to reflect increased risks and uncertainties from the pandemic on RetireAustralia's future operations and cash flows. The Group has incorporated its share of these changes in the carrying value of RetireAustralia in these consolidated financial statements. Subsequent to year end, RetireAustralia has obtained support from its lenders and shareholders to assist with its future funding and liquidity requirements as it continues operations.

Vodafone New Zealand has revised its expected credit loss allowance for trade receivables due to the deteriorating economic outlook in New Zealand as a result of COVID-19.

Based on the information available at 31 March 2020, COVID-19 did not have a direct impact on the carrying value of the Group's other investments (including associates) at 31 March 2020.

Property, Plant and Equipment
Note 14

The Group has considered the impact of the COVID-19 pandemic on the valuation of its Property, Plant and Equipment held at fair value.

Generation assets are held at fair value. Trustpower and Tilt Renewables have undertaken independent revaluations of Generation Assets at 31 March 2020 and the updated valuations are reflected in the consolidated financial statements. COVID-19 has introduced extra uncertainty into the valuation of Generation Assets. While the New Zealand forward electricity path is observable for the first four years and this reflects the impact of COVID-19 and the New Zealand Government response, any longer term impact on the demand for electricity is uncertain and has not been incorporated in the valuations. Weighted average cost of capital is also uncertain as, since COVID-19 began impacting New Zealand and Australia, there have been very few transactions between willing buyers and willing sellers which could be used to observe the required returns of investors.

Civil works assets are held at fair value. WIAL has undertaken an independent revaluation of civil works assets at 31 March 2020 and the updated valuation is reflected in the consolidated financial statements. There was no direct impact from COVID-19 on the fair value of civil works due to the specialised nature of these assets.

Land and buildings assets are held at fair value. WIAL has undertaken an assessment of whether the carrying amount for land and buildings differed materially from fair value at 31 March 2020. With the exception of the vehicle business and hotel business assets, COVID-19 was not considered to have had a material impact on the fair value of WIAL's land and building assets based on information available at 31 March 2020. Following this assessment, WIAL revised the carrying value of its vehicle business and hotel business assets, based on a discounted cash flow assessment of value-in-use incorporating the expected COVID-19 impacts.

Due to the uncertainties resulting from the COVID-19 pandemic, the fair value assessment for WIAL's building assets was concluded on the basis of 'material valuation uncertainty' as defined by the Royal Institution of Chartered Surveyors ('RICS'). Consequently, less certainty and a higher degree of caution should be attached to this assessment as at 31 March 2020.

Investment Properties
Note 15

The Group has considered the impact of the COVID-19 pandemic on the valuation of its Investment properties held at fair value. The Group has undertaken an independent revaluation of its Investment properties at 31 March 2020, in line with its accounting policies, and the updated valuations are reflected in the consolidated financial statements. Due to the uncertainties resulting from the COVID-19 pandemic, these valuations were concluded on the basis of 'material valuation uncertainty' as defined by the Royal Institution of Chartered Surveyors ('RICS'). Consequently, less certainty and a higher degree of caution should be attached to these valuations as at 31 March 2020.

Trade and other accounts receivable and prepayments
Note 22.1

Trustpower and Wellington International Airport increased their expected credit loss allowance for trade receivables, in part due to the deteriorating economic outlook in New Zealand as a result of COVID-19.

C Basis of preparing consolidated financial statements

Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity. A list of significant subsidiaries and associates is shown in Note 8. Consistent accounting policies are employed in the preparation and presentation of the Group consolidated financial statements.

D Property, plant and equipment

Property, plant and equipment ('PPE') is recorded at cost less accumulated depreciation and accumulated impairment losses (or fair value on acquisition), or at valuation, with valuations undertaken on a systematic basis. No individual asset is included at a valuation undertaken more than five years previously. PPE that is revalued, is revalued to its fair value determined by an independent valuer or by the Directors with reference to independent experts, in accordance with NZ IAS 16 Property, Plant and Equipment. Where the assets are of a specialised nature and do not have observable market values in their existing use, depreciated replacement cost is used as the basis of the valuation. Depreciated replacement cost measures net current value as the most efficient, lowest cost which would replace existing assets and offer the same amount of utility in their present use. For non-specialised assets where there is no observable market an income based approach is used.

Land, buildings, leasehold improvements and civil works are measured at fair value or cost.

Renewable and Non-renewable generation assets are shown at fair value, based on periodic valuations by independent external valuers or by Directors with reference to independent experts, less subsequent depreciation.

Depreciation is provided on a straight line basis and the major depreciation periods (in years) are:

Buildings and civil works	0-120
Vehicles, plant and equipment	3-40
Renewable generation	12-200
Non-renewable generation assets	30-40
Metering equipment	6-20
Land	not depreciated
Capital work in progress	not depreciated until asset in use

E Investment properties

Investment properties are property (either owned or leased) held to earn rental income. Investment properties are measured at fair value with any change therein recognised in profit or loss. Property that is being constructed for future use as investment property is measured at fair value and classified as investment properties. Where a leased property is held to earn rental income, the right of use asset is included within Investment properties.

F Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for expected credit losses. The Group applies the simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables and contract assets. These provisions take into account known commercial factors impacting specific customer accounts, as well as the overall profile of the debtor portfolio. In assessing the provision, factors such as past collection history, the age of receivable balances, the level of activity in customer accounts, as well as general macro-economic trends, are also taken into account.

G Investments in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments in associates are accounted for using the equity method. Under the equity method, the investment in the associate is carried at cost plus the Group's share of post-acquisition changes in the net assets of the associate and any impairment losses. The Group's share of the associates' post-acquisition profits or losses is recognised in profit or loss, and the Group's share of post-acquisition movements in reserves is recognised in other comprehensive income.

H Goodwill and intangible assets

Goodwill

The carrying value of goodwill is subject to an annual impairment test to ensure the carrying value does not exceed the recoverable amount at balance date. For the purpose of impairment testing, goodwill is allocated to the individual cash-generating units to which it relates. Any impairment losses are recognised in the statement of comprehensive income. In determining the recoverable amount of goodwill, fair value is assessed, including the use of valuation models to calculate the present value of expected future cash flows of the cash-generating units, and where available with reference to Listed prices.

Intangible customer base assets

Costs incurred in acquiring customers are recorded based on the directly attributable costs of obtaining the customer contract and are amortised on a straight line basis over the period of the expected benefit. This period has been assessed as between 12 years and 20 years depending on the nature of the customer and term of the contract. The carrying value is reviewed for any indication of impairment on an annual basis and adjusted where it is considered necessary.

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over three years on a straight line basis except for major pieces of billing system software which are amortised over no more than seven years on a straight line basis.

I Non-current assets and disposal groups held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition and the sale of the asset (or disposal group) is expected to be completed within one year from the date of classification.

J Taxation

Income tax comprises both current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of the differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, or there are deferred tax liabilities to offset it. Preparation of the consolidated financial statements requires estimates of the amount of tax that will ultimately be payable, the availability and recognition of losses to be carried forward and the amount of foreign tax credits that will be received.

K Derivative financial instruments

When appropriate, the Group enters into agreements to manage its interest rate, foreign exchange, operating and investment risks.

In accordance with the Group's risk management policies, the Group does not hold or issue derivative financial instruments for speculative purposes. However, certain derivatives do not qualify for hedge accounting and are required to be accounted for at fair value through profit or loss. Derivative financial instruments are recognised initially at fair value at the date they are entered into. Subsequent to initial recognition, derivative financial instruments are stated at fair value at each balance sheet date. The resulting gain or loss is recognised in the profit or loss immediately unless the derivative is designated effective as a hedging instrument, in which event, recognition of any resultant gain or loss depends on the nature of the hedging relationship. The Group identifies certain derivatives as hedges of highly probable forecast transactions to the extent the hedge meets the hedge designation tests.

Hedge accounting

The Group designates certain hedging instruments as either cash flow hedges or hedges of net investments in equity. At the inception of the hedge relationship the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an on-going basis, the Group documents whether the hedging instrument that is used in the hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and presented in equity. The gain or loss relating to the ineffective portion is recognised in profit or loss. The amounts presented in equity are recognised in profit or loss in the periods when the hedged item is recognised in profit or loss.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss recognised in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is recognised in profit or loss.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised directly in equity, in the foreign currency translation reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged net investment is disposed of, the cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

L Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the translation of the net investment in a foreign operation.

Foreign operations

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated to New Zealand dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to New Zealand dollars at the average rate for the reporting period.

M Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

N Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. A description of the nature and timing of the various performance obligations in the Group's contracts with customers and when revenue is recognised is outlined at Note 10 (Revenue).

Interest revenues are recognised as accrued, taking into account the effective yield of the financial asset. Revenue from services is recognised in the profit or loss over the period of service. Dividend income is recognised when the right to receive the payment is established.

O Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the borrowing using the effective interest rate. Bond and bank debt issue expenses, fees and other costs incurred in arranging finance are capitalised and amortised over the term of the relevant debt instrument or debt facility.

P Discontinued operations

Classification as a discontinued operation occurs on disposal, or when the operation meets the criteria to be classified as a non-current asset or disposal group held for sale (see note (I)), if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

Q Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group is organised into five main business segments, Trustpower, Tilt Renewables, Wellington International Airport, Associate Companies and Other. Other comprises investment activity not included in the specific categories.

R Changes in accounting policies

The Group has adopted NZ IFRS 16 Leases ('NZ IFRS 16') from 1 April 2019.

NZ IFRS 16 Leases

NZ IFRS 16 replaces NZ IAS 17 Leases and removes the classification of leases as either operating leases or finance leases and consequently for the lessee, all leases (other than short term or low value leases) are recognised on the Consolidated Statement of Financial Position. This has resulted in the Group recognising right of use assets and related lease liabilities for leases previously classified as operating leases on the statement of financial position. As a result, payments for operating leases are now recorded against the lease liability. The operating lease expense previously included within Other operating expenses is replaced by interest on the lease liability and depreciation on the right of use assets. Lessor accounting remains materially unchanged under the new standard.

The Group has adopted NZ IFRS 16 using the modified retrospective approach and has not restated comparative amounts for the period prior to first adoption. The Group has utilised the practical expedients permitted by NZ IFRS 16 in respect of short-term and low value leases where appropriate.

The Group has also elected not to reassess whether an existing contract contains a lease at the date of initial application.

The lease liability was measured at the present value of the minimum lease payments, discounted at the incremental borrowing rate applicable to that lease (or portfolio of leases) at 1 April 2019. In line with the modified retrospective approach, the associated right of use assets were measured at the amount equal to the lease liability relating to that lease at 1 April 2019, with no overall change in net assets. Where the lease pertains to property held to earn rental income, the right of use asset is classified as Investment Property and is measured at fair value.

Consolidated statement of financial position effect

	31 March 2020 $Millions	1 April 2019 $Millions
Right of use assets	161.2	79.1
Investment properties	82.2	80.5
Lease liabilities	(246.9)	(159.6)
Change in net assets	**(3.5)**	**-**

When compared to the accounting policies applied in the prior comparative period, the adoption of NZ IFRS 16 on the Group's Consolidated Statement of Comprehensive Income for the year ended 31 March 2020 is summarised below.

Consolidated statement of comprehensive income effect

	2020 $Millions
Other operating expenses	(14.7)
Depreciation	10.4
Interest expense	10.8

Reconciliation of lease commitments to lease liabilities

	2020 $Millions
Operating lease commitments disclosed at 31 March 2019	103.2
Operating lease commitments as at 31 March 2019 not previously disclosed	6.3
Effect of using incremental borrowing rate at the date of initial application	(21.0)
Extension and termination options reasonably certain to be exercised	80.0
Contracts reassessed as capital commitments	(2.9)
Finance lease liabilities recognised at 31 March 2019	24.1
Future dated lease commitments	(28.5)
Recognition exemption for:	
- short-term leases	(0.6)
- leases of low-value assets	(0.3)
Effect of movements in exchange rates	(0.7)
Lease liabilities at 1 April 2019	**159.6**

Operating lease commitments as at 31 March 2019 not previously disclosed

As part of Trustpower's adoption of NZ IFRS 16 certain operating lease commitments were identified that were not disclosed as part of Trustpower's 31 March 2019 financial statements. The Group has evaluated the impact of this non-disclosure and has determined that the impact is not material. This assessment is due to the size and non-cash nature of this item being such that it would not influence the economic decisions of users made on the basis of the financial information previously issued. Additionally this non-disclosure had no impact on the financial position, performance or cash flows of the Group and impacted the lease commitments note only.

S Adoption status of relevant new financial reporting standards and interpretations

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective and have not been applied in preparing these consolidated financial statements. None of these are expected to have a material impact on the consolidated financial statements.

2 Nature of business

The Group owns and operates infrastructure businesses and investments in New Zealand, Australia, the United States and Europe. The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 5 Market Lane, Wellington, New Zealand.

More information on the individual businesses is contained in Note 5 (Operating segments) and Note 6 (Investments in associates) including the relative contributions to total revenue and expenses of the Group.

3 Infratil shares and dividends

Ordinary shares (fully paid)

	2020	2019
Total authorised and issued shares at the beginning of the year	559,278,166	559,278,166
Movements during the year:		
New shares issued	99,992,228	-
New shares issued under dividend reinvestment plan	1,030,793	-
Treasury Stock reissued under dividend reinvestment plan	-	-
Conversion of executive redeemable shares	265,267	-
Share buyback	(887,617)	-
Total authorised and issued shares at the end of the year	**659,678,837**	**559,278,166**

During the year the Company issued new shares to support the acquisition of a 49.9% share of Vodafone New Zealand Limited, raising net proceeds after issue costs of $396.8 million via an institutional placement and an entitlement offer to existing shareholders. All fully paid ordinary shares have equal voting rights, have no par value and share equally in dividends and equity. At 31 March 2020 the Group held 1,662,617 shares as Treasury Stock (31 March 2019: 775,000).

Dividends paid on ordinary shares

	2020 Cents per share	2019 Cents per share	2020 $Millions	2019 $Millions
Final dividend prior year	11.00	10.75	72.5	60.1
Interim dividend current year	6.25	6.25	41.2	35.0
Dividends paid on ordinary shares	17.25	17.00	113.7	95.1

4 Earnings per share

	2020 $Millions	2019 $Millions
Net surplus attributable to ordinary shareholders	266.2	(5.4)
Basic and diluted earnings per share (cps) from continuing operations	41.5	(1.0)
Net surplus attributable to ordinary shareholders	241.3	(19.5)
Basic and diluted earnings per share (cps)	37.6	(3.5)
Weighted average number of ordinary shares		
Issued ordinary shares at 1 April	559.3	559.3
Effect of new shares issued	81.5	-
Effect of new shares issued under dividend reinvestment plan	0.3	-
Effect of Treasury Stock reissued under dividend reinvestment plan	-	-
Effect of conversion of executive redeemable shares	0.2	-
Effect of shares bought back	-	-
Weighted average number of ordinary shares at end of year	**641.3**	**559.3**

5 Operating segments

Reportable segments of the Group are analysed by significant businesses for reporting to the Infratil Chief Executive Officer. The Group has seven reportable segments, as described below:

Trustpower and Tilt Renewables are renewable generation investments, Wellington International Airport is an airport investment, NZ Bus is a transportation investment and Perth Energy is a non-renewable generation investment in Western Australia. Associates comprises Infratil's investments that aren't consolidated for financial reporting purposes including CDC Data Centres, Vodafone New Zealand, RetireAustralia, ANU Student Accommodation, Longroad Energy and Galileo Green Energy. Further information on these investments is outlined in Note 6. The Group's investments in NZ Bus, Perth Energy, ANU Student Accommodation and Snapper were classified as Held for Sale and treated as Discontinued Operations as at 31 March 2019. Further information on these investments is outlined in Note 9. All other segments and corporate predominately includes the activities of the Parent Company. The Group has no significant reliance on any one customer. Inter-segment revenue primarily comprises dividends from Trustpower, subvention income from Wellington International Airport and intercompany transactions between Trustpower and Tilt Renewables.

	Trustpower New Zealand $Millions	Tilt Renewables Australasia $Millions	Wellington International Airport New Zealand $Millions	NZ Bus New Zealand $Millions	Perth Energy Australia $Millions	Associates $Millions	All other segments and corporate New Zealand $Millions	Eliminations and discontinued operations $Millions	Total from continuing operations $Millions
For the year ended 31 March 2020									
Total revenue	990.0	179.2	146.4	76.1	114.2	-	135.1	(191.9)	1,449.1
Share of earnings of associate companies	-	-	-	-	-	87.3	-	(0.5)	86.8
Inter-segment revenue	-	-	-	-	-	-	(125.3)	(41.9)	(167.2)
Total income	990.0	179.2	146.4	76.1	114.2	87.3	9.8	(234.3)	1,368.7
Operating expenses (excluding depreciation and amortisation)	(803.5)	(55.5)	(43.2)	(70.2)	(102.1)	-	(170.5)	216.5	(1,028.5)
Interest income	0.6	7.6	0.7	-	0.1	-	7.3	(5.6)	10.7
Interest expense	(32.4)	(49.0)	(25.5)	(3.9)	(3.6)	-	(90.2)	7.5	(197.1)
Depreciation and amortisation	(42.5)	(76.3)	(28.4)	(7.1)	(2.6)	-	(0.1)	9.5	(147.5)
Net gain/(loss) on foreign exchange and derivatives	16.2	(9.0)	0.1	-	-	-	(1.1)	-	6.2
Net realisations, revaluations and impairments	8.9	511.5	(11.4)	(68.6)	(22.9)	-	67.7	25.5	510.7
Taxation expense	(39.6)	(4.9)	34.5	1.7	(4.2)	-	(6.1)	4.2	(14.4)
Net surplus/(loss) for the year	97.7	503.6	73.2	(72.0)	(21.1)	87.3	(183.2)	23.3	508.8
Net surplus/(loss) attributable to owners of the company	48.6	330.7	52.6	(72.0)	(21.4)	87.3	(183.2)	23.6	266.2
Net surplus/(loss) attributable to non-controlling interests	49.1	172.9	20.6	-	0.3	-	-	(0.3)	242.6
Current assets	150.8	730.5	35.0	-	-	-	17.0	-	933.3
Non-current assets	1,960.0	1,046.0	1,336.9	-	-	1,961.9	347.0	-	6,651.8
Current liabilities	143.6	92.6	89.5	-	-	-	95.7	-	421.4
Non-current liabilities	867.1	469.0	641.6	-	-	-	1,846.1	-	3,823.8
Net assets	1,100.1	1,214.9	640.8	-	-	1,961.9	(1,577.8)	-	3,339.9
Non-controlling interest percentage	49.0%	34.4%	34.0%	-	20.0%	-	-	-	-
Capital expenditure and investments	34.3	506.4	80.6	2.7	0.2	1,134.5	41.0	(3.0)	1,796.7

For the year ended 31 March 2019	Trustpower New Zealand $Millions	Tilt Renewables Australasia $Millions	Wellington International Airport New Zealand $Millions	NZ Bus New Zealand $Millions	Perth Energy Australia $Millions	Associates $Millions	All other segments and corporate New Zealand $Millions	Eliminations and discontinued operations $Millions	Total from continuing operations $Millions
Total revenue	1,030.1	207.1	137.9	184.2	269.9	-	158.6	(461.3)	1,526.5
Share of earnings of associate companies	-	-	-	-	-	119.2	-	(12.8)	106.4
Inter-segment revenue	-	-	-	-	-	-	(147.8)	(42.9)	(190.7)
Total income	1,030.1	207.1	137.9	184.2	269.9	119.2	10.8	(517.0)	1,442.2
Operating expenses (excluding depreciation and amortisation)	(807.9)	(62.7)	(36.5)	(166.8)	(234.0)	-	(142.4)	452.5	(997.8)
Interest income	1.4	1.4	0.3	-	0.2	-	13.3	(9.8)	6.8
Interest expense	(29.6)	(33.6)	(19.7)	(7.1)	(7.6)	-	(73.3)	15.6	(155.3)
Depreciation and amortisation	(47.2)	(89.5)	(23.7)	(21.1)	(6.0)	-	(0.6)	27.7	(160.4)
Net gain/(loss) on foreign exchange and derivatives	(5.8)	(2.1)	1.2	-	-	-	7.0	-	0.3
Net realisations, revaluations and impairments	(10.9)	-	4.8	(29.2)	-	-	3.5	32.4	0.6
Taxation expense	(37.5)	(7.4)	(0.2)	4.2	(12.1)	-	(30.3)	11.3	(72.0)
Net surplus/(loss) for the year	92.6	13.2	64.1	(35.8)	10.4	119.2	(212.0)	12.7	64.4
Net surplus/(loss) attributable to owners of the company	46.0	7.5	46.2	(35.8)	8.3	119.2	(211.7)	14.8	(5.5)
Net surplus/(loss) attributable to non-controlling interests	46.6	5.7	17.9	-	2.1	-	(0.3)	(2.1)	69.9
Current assets	185.7	367.9	43.9	200.0	211.3	108.2	64.2	-	1,181.2
Non-current assets	2,028.9	1,233.1	1,216.5	-	-	856.5	215.8	-	5,550.8
Current liabilities	284.3	238.2	115.0	29.7	110.5	-	267.7	-	1,045.4
Non-current liabilities	681.2	677.6	541.9	-	-	-	1,041.4	-	2,942.1
Net assets	1,249.1	685.2	603.5	170.3	100.8	964.7	(1,029.1)	-	2,744.5
Non-controlling interest percentage	49.0%	34.7%	34.0%	-	20.0%	-	-	-	-
Capital expenditure and investments	27.7	127.1	72.1	45.9	0.4	139.0	27.8	(55.6)	384.4

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 and Europe. The Group's geographical segments are based on the location of both customers and assets.

	New Zealand $Millions	Australia $Millions	United States $Millions	Europe $Millions	Eliminations and discontinued operations $Millions	Total from continuing operations $Millions
For the year ended 31 March 2020						
Total revenue	1,391.4	249.6	-	-	(191.9)	1,449.1
Share of earnings of associate companies	(24.6)	107.8	4.7	(0.6)	(0.5)	86.8
Inter-segment revenue	(125.3)	-	-	-	(41.9)	(167.2)
Total income	1,241.5	357.4	4.7	(0.6)	(234.3)	1,368.7
Operating expenses (excluding depreciation and amortisation)	(1,147.5)	(97.5)	-	-	216.5	(1,028.5)
Interest income	9.1	7.2	-	-	(5.6)	10.7
Interest expense	(170.0)	(34.6)	-	-	7.5	(197.1)
Depreciation and amortisation	(100.2)	(56.8)	-	-	9.5	(147.5)
Net gain/(loss) on foreign exchange and derivatives	15.7	(9.5)	-	-	-	6.2
Net realisations, revaluations and impairments	(3.4)	488.6	-	-	25.5	510.7
Taxation expense	(11.2)	(7.4)	-	-	4.2	(14.4)
Net surplus/(loss) for the year	(166.0)	647.4	4.7	(0.6)	23.3	508.8
Current assets	268.1	665.2	-	-	-	933.3
Non-current assets	4,845.6	1,773.1	30.1	3.0	-	6,651.8
Current liabilities	357.1	64.3	-	-	-	421.4
Non-current liabilities	3,434.0	389.8	-	-	-	3,823.8
Net assets	1,322.6	1,984.2	30.1	3.0	-	3,339.9
Capital expenditure and investments	1,249.8	512.5	34.0	3.4	(3.0)	1,796.7
For the year ended 31 March 2019						
Total Revenue	1,555.8	432.0	-	-	(461.3)	1,526.5
Share of earnings of associate companies	-	72.7	46.5	-	(12.8)	106.4
Inter-segment revenue	(147.8)	-	-	-	(42.9)	(190.7)
Total income	1,408.0	504.7	46.5	-	(517.0)	1,442.2
Operating expenses (excluding depreciation and amortisation)	(1,214.4)	(235.9)	-	-	452.5	(997.8)
Interest income	15.1	1.5	-	-	(9.8)	6.8
Interest expense	(135.2)	(35.7)	-	-	15.6	(155.3)
Depreciation and amortisation	(116.0)	(72.1)	-	-	27.7	(160.4)
Net gain/(loss) on foreign exchange and derivatives	0.8	(0.5)	-	-	-	0.3
Net realisations, revaluations and impairments	(31.8)	-	-	-	32.4	0.6
Taxation expense	(62.8)	(20.5)	-	-	11.3	(72.0)
Net surplus/(loss) for the year	(136.3)	141.5	46.5	-	12.7	64.4
Current assets	523.5	657.7	-	-	-	1,181.2
Non-current assets	3,648.6	1,864.6	37.6	-	-	5,550.8
Current liabilities	718.7	326.7	-	-	-	1,045.4
Non-current liabilities	2,396.5	545.6	-	-	-	2,942.1
Net assets	1,056.9	1,650.0	37.6	-	-	2,744.5
Capital expenditure and investments	161.9	176.6	101.5	-	(55.6)	384.4

6 Investments in associates

	Note	2020 $Millions	2019 $Millions
Investments in associates are as follows:			
Vodafone New Zealand	6.1	974.0	-
CDC Data Centres	6.2	693.4	555.3
RetireAustralia	6.3	291.5	289.3
Longroad Energy	6.4	-	10.8
Galileo Green Energy		3.0	-
Investments in associates		**1,961.9**	**855.4**

	Note	2020 $Millions	2019 $Millions
Equity accounted earnings of associates are as follows:			
Vodafone New Zealand	6.1	(24.7)	-
CDC Data Centres	6.2	161.0	83.9
RetireAustralia	6.3	(53.7)	(23.9)
Longroad Energy	6.4	4.7	46.4
Galileo Green Energy		(0.5)	-
Share of earnings of associate companies		**86.8**	**106.4**

6.1 Vodafone New Zealand

On 31 July 2019, the Group acquired a 49.9% ownership interest in Vodafone New Zealand Limited via a holding company structure. The Group and consortium partner Brookfield Asset Management Inc. ('Brookfield') each acquired 49.9% of the share capital of ICN JV Investments Limited ('Vodafone'), with the remaining shares being reserved for management of Vodafone. The Group has determined that its investment in ICN JV Investments Limited is an investment in associate, based on the key terms of the shareholders' agreement, governance structures and relative rights of the investors. Vodafone is a full-service telecommunications company in New Zealand and the acquisition increases Infratil's exposure to long-term data and connectivity growth. Infratils current shareholding is 49.9% (31 March 2019: N/A).

Movement in the carrying amount of the Group's investment in Vodafone New Zealand:	2020 $Millions
Carrying value at 1 April	
Acquisition of shares	690.3
Capitalised transaction costs	0.2
Shareholder loan	339.4
Total capital contributions during the year	1,029.9
Interest on shareholder loan	9.3
Share of associate's surplus/(loss) before income tax	(45.1)
Share of associate's income tax (expense)	11.1
Total share of associate's earnings during the year	(24.7)
Share of associate's other comprehensive income	(6.2)
less: Distributions received	(19.1)
less: Shareholder loan repayments including interest	(5.9)
Carrying value of investment in associate	974.0

The nature of the holding structure under which Infratil and Brookfield acquired Vodafone meant that ICN JV Investments Limited ultimately acquired 100% of the shares in Vodafone New Zealand Limited. As a result, within the holding structure NZ IFRS 3: Business Combinations was required to be applied on acquisition. NZ IFRS 3 requires that the identifiable assets and liabilities acquired as part of the business combination are measured at fair value at the date of acquisition, with any gain recognised through the profit and loss and any deficit recognised as goodwill. The major inputs and assumptions that are used in the valuations of material tangible assets include replacement values, life assumptions and terminal values for each asset. Key assumptions used for measuring the fair value of material intangible assets include projections of future revenues and margins associated with customer contracts, expected average customer tenure and application of discount rates.

Vodafone Management has completed this process and the results of this exercise are reflected in the summary financial information presented below and carrying value of the investment in associate.

Summary financial information:	2020 $Millions
Summary information for Vodafone is not adjusted for the percentage ownership held by the Group (unless stated)	
Current assets	598.7
Non-current assets	3,811.7
Total assets	4,410.4
Current liabilities	580.9
Non-current liabilities	2,565.0
Total liabilities	3,145.9
Net assets (100%)	1,264.5
Group's share of net assets	631.0
Revenues	1,382.6
Net surplus/(loss) after tax	(68.1)
Total other comprehensive income	2.2

	2020 $Millions
Reconciliation of the carrying amount of the Group's investment in Vodafone:	
Group's share of net assets	631.0
add: Shareholder loan	342.8
add: Capitalised transaction costs	0.2
Total other comprehensive income	974.0

6.2 CDC Data Centres

On 14 September 2016 the Group completed the acquisition of 48.13% of CDC Data Centres ('CDC'). CDC operates 105MW (2019: 67MW) of installed capacity across 3 accredited and connected Data Centre campuses in Canberra & Sydney. These facilities provide highly secure outsourced co-location Data Centre services to Australian Government entities and third party service providers. Infratil's current shareholding is 48.22% (2019: 48.22%).

Movement in the carrying amount of the Group's investment in CDC Data Centres:	2020 $Millions	2019 $Millions
Carrying value at 1 April	555.3	453.2
Acquisition of shares	-	31.7
Capitalised transaction costs	-	-
Shareholder loan	8.1	11.0
Total capital contributions during the year	8.1	42.7
Interest on shareholder loan	14.2	14.5
Share of associate's surplus/(loss) before income tax	216.6	108.6
Share of associate's income tax (expense)	(69.8)	(39.2)
Total share of associate's earnings during the year	161.0	83.9
Share of associate's other comprehensive income	-	-
less: Shareholder loan repayments including interest	(16.1)	(12.6)
Foreign exchange movements	(14.9)	(11.9)
Carrying value of investment in associate	693.4	555.3

Summary financial information:	2020 A$Millions	2019 A$Millions
Summary information for is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	87.2	35.0
Non-current assets	2,703.3	1,799.4
Total assets	2,790.5	1,834.4
Current liabilities	73.3	20.5
Non-current liabilities	1,654.1	1,039.9
Total liabilities	1,727.4	1,060.4
Net assets (100%)	1,063.1	774.0
Group's share of net assets	512.6	373.2
Revenues	173.6	115.5
Net surplus/(loss) after tax	289.1	137.5
Total other comprehensive income	-	-

	2020 $Millions	2019 $Millions
Reconciliation of the carrying amount of the Group's investment in CDC Data Centres:		
Group's share of net assets in NZD	526.3	389.8
add: Shareholder loan	167.1	165.5
Carrying value of investment in associate	693.4	555.3

CDC's functional currency is Australian Dollars (A$) and the summary financial information shown is presented in this currency. The NZD/AUD exchange rates used to convert the summary financial information to the Group's functional currency ($NZD) were 0.9740 (Spot rate) and 0.9501 (Average rate) (2019: Spot rate 0.9574, Average rate 0.9334).

6.3 RetireAustralia

On 31 December 2014, the Group acquired a 50% shareholding of RetireAustralia, with consortium partner the New Zealand Superannuation Fund acquiring the other 50%. RetireAustralia operates 27 retirement villages across three states in Australia – New South Wales, Queensland and South Australia. Infratil's current shareholding is 50% (2019: 50%).

Movement in the carrying amount of the Group's investment in RetireAustralia:	2020 $Millions	2019 $Millions
Carrying value at 1 April	289.3	318.0
Acquisition of shares	61.3	-
Total capital contributions during the year	61.3	-
Share of associate's surplus/(loss) before income tax	(53.7)	(23.9)
Share of associate's income tax (expense)	-	-
Total share of associate's earnings during the year	(53.7)	(23.9)
Share of associate's other comprehensive income	-	-
less: Shareholder loan repayments including interest	-	-
Foreign exchange movements	(5.4)	(4.8)
Carrying value of investment in associate	291.5	289.3

Summary financial information:	2020 A$Millions	2019 A$Millions
Summary information for is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	196.4	191.1
Non-current assets	2,266.4	2,319.6
Total assets	2,462.8	2,510.7
Current liabilities	1,738.0	1,746.0
Non-current liabilities	157.1	210.8
Total liabilities	1,895.1	1,956.8
Net assets (100%)	567.7	553.9
Group's share of net assets	283.9	277.0
Total other comprehensive income	291.5	289.3
Revenues	77.5	74.6
Net surplus/(loss) after tax	(102.1)	(44.5)
Total other comprehensive income	-	-

RetireAustralia's functional currency is Australian Dollars (A$) and the summary financial information shown is presented in this currency. The NZD/AUD exchange rates used to convert the summary financial information to the Group's functional currency ($NZD) were 0.9740 (Spot rate) and 0.9501 (Average rate) (2019: Spot rate 0.9574, Average rate 0.9334).

RetireAustralia's net current asset deficiency has primarily arisen due to the requirement under Accounting Standards to classify resident obligations as current liabilities as there is no unconditional contractual right to defer settlement for at least twelve months of balance date (residents may give notice of their intention to vacate their unit with immediate effect). In contrast, the corresponding assets are classified as non-current under Accounting Standards.

6.4 Longroad Energy

On 5 October 2016 the Group announced an initial (45%) investment in Longroad Energy Holdings, LLC ('Longroad Energy' or 'Longroad'), a recently formed renewable energy development and operating vehicle headquartered in Boston, Massachusetts. Longroad's focus is primarily in the development of utility-scale wind and solar generation throughout North America. The other establishment partners were the New Zealand Superannuation Fund (40%) and the Longroad management team (10%). Infratil's current shareholding is 40% (2019: 40%). In December 2018 Longroad Energy distributed its membership interest in Montgomery Street Holdings, LLC ('MSH') to the shareholders of Longroad Energy. The carrying value of MSH is included within the equity accounting for Longroad Energy presented below.

Movement in the carrying amount of the Group's investment in Longroad Energy:	2020 $Millions	2019 $Millions
Carrying value at 1 April	10.8	10.1
Capital contributions	31.8	19.8
Shareholder loan	-	0.4
Mezzanine debt drawdowns	-	67.0
Total capital contributions during the year	31.8	87.2
Interest on shareholder loan	-	-
Interest on mezzanine debt	-	4.6
Share of associate's surplus/(loss) before income tax	4.7	41.8
Share of associate's income tax (expense)	-	-
Total share of associate's earnings during the year	4.7	46.4
Share of associate's other comprehensive income	(15.0)	(12.0)
less: Distributions received	(29.0)	(32.7)
less: Capital returned	(4.4)	(16.5)
less: Shareholder loan repayments including interest	-	(1.6)
less: Mezzanine debt repayments including interest	-	(71.6)
Foreign exchange movements	1.1	1.5
Carrying value of investment in associate	-	10.8

Summary financial information:	31 December 2019 US$Millions	31 December 2018 US$Millions
Summary information for is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	153.0	282.2
Non-current assets	1,247.3	572.7
Total assets	1,400.3	854.9
Current liabilities	270.0	290.1
Non-current liabilities	1,059.8	533.8
Total liabilities	1,329.8	823.9
Net assets (100%)	70.5	31.0
Adjustment for movements between 31 December and 31 March	(57.4)	(11.6)
less: non-controlling interests at 31 March	(29.2)	(0.2)
Net assets attributable to owners of Longroad Energy as at 31 March	(16.1)	19.2
Group's share of net assets at 31 March	(5.7)	7.3
Group's share of net assets at 31 March ($NZD)	(9.6)	10.8
Adjust carrying value to nil at 31 March ($NZD)	9.6	-
Carrying value of investment in associate ($NZD)	-	10.8
Revenues	94.3	93.4
Net surplus/(loss) after tax	6.8	59.5
Total other comprehensive income	(10.2)	1.1

Longroad's functional currency is United States Dollars ($US) and the summary financial information shown is presented in this currency. The NZD/USD exchange rates used to convert the summary financial information to the Group's functional currency ($NZD) were 0.5997 (Spot rate) and 0.6474 (Average rate) (2019: Spot rate 0.6785, Average rate 0.6810).

The summary information provided is taken from the most recent audited annual financial statements of Longroad Energy Holdings, LLC which have a balance date of 31 December and are reported as at that date. An adjustment to the carrying value of the investment in Longroad Energy has been recorded as at 31 March 2020 as under NZ IAS 28 the carrying amount of the investment is not permitted to reduce below zero.

Letter of credit facility

Longroad has obtained an uncommitted secured letter of credit facility of up to US$150 million from HSBC Bank. Letters of credit under the Facility are on issue to beneficiaries to support the development and continued operations of Longroad. Infratil has provided shareholder backing of the Longroad Letter of Credit facility, specifically, Infratil (and the New Zealand Superannuation Fund) have collectively agreed to meet up to US$150 million of capital calls (i.e. subscribe for additional units) equal to Longroad's reimbursement obligation in the event that a Letter of Credit is called and Longroad cannot fund the call, taking into account immediately available working capital. As at 31 March 2020, US$113.5 million (31 March 2019: US$115.3 million) in Letters of Credit are on issue under the Longroad Letter of Credit facility.

7 Other investments

	2020 $Millions	2019 $Millions
Australian Social Infrastructure Partners	33.4	45.4
Clearvision Ventures	30.1	26.8
Other	7.9	9.0
Other investments	**71.4**	**81.2**

Australian Social Infrastructure Partners

Australian Social Infrastructure Partners ('ASIP') holds a 9.95% share of the equity in the New Royal Adelaide Hospital public-private partnership ('PPP'). ASIP divested its 49.0% equity interest in the South East Queensland Schools PPP during the year, from which Infratil's share of cash proceeds was A$12.9 million. In 2014, Infratil made a A$100 million commitment to pursue greenfield availability-based PPP opportunities in Australia via ASIP. As at 31 March 2020, A$69.5 million of the commitment remains uncalled (31 March 2019: A$69.5 million) however no further Capital Calls are forecast from ASIP.

Clearvision Ventures

In February 2016, the Group 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 31 March 2020 Infratil has made total contributions of US$21.0 million (31 March 2019: US$19.5 million), with the remaining US$4.0 million commitment uncalled at that date. During the comparative period the name of the investing entity, Envision Ventures Fund 2 LP was renamed Clearvision Ventures Ecosystem Fund LP.

8 Investment in subsidiaries and associates

The significant companies of the Infratil Group and their activities are shown below. The financial year end of all the significant subsidiaries and associates is 31 March with exceptions noted.

	2020 Holding	2019 Holding	Principal Activity
Subsidiaries			
New Zealand			
Infratil Finance Limited	100%	100%	Finance
Infratil Infrastructure Property Limited	100%	100%	Property
New Zealand Bus Limited	-	100%	Public transport
Snapper Services Limited	-	100%	Technology
Swift Transport Limited	100%	100%	Investment
Tilt Renewables Limited	65.6%	65.3%	Electricity generation
Trustpower Limited	51.0%	51.0%	Electricity generation and utility retailer
Wellington International Airport Limited	66.0%	66.0%	Airport
Australia			
Perth Energy Pty Limited	-	80.0%	Electricity retailer
Western Energy Pty Limited	-	80.0%	Electricity generation
Associates			
New Zealand			
Vodafone New Zealand Limited	49.9%	-	Telecommunications
Australia			
CDC Group Holdings Pty Ltd	48.2%	48.2%	Data Centre
Cullinan Holding Trust	-	50.0%	Purpose Built Student Accommodation
RA (Holdings) 2014 Pty Limited	50.0%	50.0%	Retirement Living
United States			
Longroad Energy Holdings, LLC *(31 December year end)*	40.0%	40.0%	Renewable Energy Development
Europe			
Galileo Green Energy, LLC	40.0%	-	Renewable Energy Development

9 Discontinued operations

Summary of results of discontinued operations	Note	2020 $Millions	2019 $Millions
ANU Student Accommodation	9.1	66.6	12.7
NZ Bus	9.2	(69.2)	(30.8)
Perth Energy	9.3	(19.4)	14.2
Snapper Services	9.4	(2.6)	(8.1)
Net surplus from discontinued operations after tax		**(24.6)**	**(12.0)**

9.1 ANU Student Accommodation

On 21 May 2019 the Group announced a sale of its 50% interest in the Australian National University's PBSA concession to funds controlled by AMP Capital had completed. Infratil received cash proceeds of A$162.1 million, as well as shareholder loan interest and distributions of A$4.8 million in the period from 1 April 2019 to completion. The investment was classified as held for sale at 31 March 2019 and is reported in the consolidated financial statements as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

	2020 $Millions	2019 $Millions
Carrying value at 1 April	108.2	96.1
Acquisition of shares	-	4.1
Shareholder loan	-	5.0
Total capital contributions during the year	-	9.1
Interest on shareholder loan (including accruals)	0.5	3.8
Share of associate's surplus/(loss) before income tax	-	8.9
Share of associate's income tax (expense)	-	-
Total share of associate's earnings during the year	0.5	12.7
less: Distributions received	(3.5)	(5.2)
less: Shareholder loan repayments including interest	(57.6)	(1.7)
less: Capital returned	(49.4)	-
Foreign exchange movements recognised in other comprehensive income	1.8	(2.8)
Carrying value of investment in associate	-	108.2
The net gain on the sale is calculated as follows:		
Gross sale proceeds	172.2	-
Carrying amount of assets and liabilities as at the date of sale	104.1	-
Gain on sale before cost of disposal	68.1	-
Cost of disposal	(2.0)	-
Net gain on sale	66.1	-
Net surplus from discontinued operation after tax	66.6	12.7
Basic and diluted earnings per share (cents per share)	10.4	2.3
The profit from the discontinued operation is attributable entirely to the owners of the Company.		
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	4.0	6.9
Net cash from/(used in) investing activities	169.7	(9.1)
Net cash from/(used in) financing activities	-	-
Net cash flows for the year	173.7	(2.2)

There was no cumulative income recognised in other comprehensive income relating to ANU Student Accommodation at 31 March 2020 (31 March 2019: -$2.4 million).

9.2 NZ Bus

On 2 September 2019 the Group announced that the sale of its NZ Bus business to funds controlled by Next Capital had been completed. The final consideration after post-completion adjustments for working capital, capital expenditure, and an earnout mechanism is yet to be finalised. Upfront cash proceeds of approximately $93 million have been received. The balance (after the post-completion adjustments and earnout) will be paid in cash and a vendor loan once post completion activities are finalised. Gross sale proceeds have been recognised based on upfront proceeds and an estimate of final proceeds based on the contractual price floor. Contingent sales proceeds above the contractual price floor do not meet the requirements for recognition as at 31 March 2020. The investment was classified as held for sale at 31 March 2019 and is reported in the financial statements as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

	2020 $Millions	2019 $Millions
Results of discontinued operation		
Revenue	76.1	184.2
Operating expenses	70.2	166.8
Results from operating activities	5.9	17.4
Depreciation & amortisation of intangibles	(7.1)	(21.1)
Net realisations, revaluations, (impairments)	0.2	(29.2)
Net financing expense	-	(0.2)
Net surplus/(loss) before tax	(1.0)	(33.1)
Taxation (expense)/credit	0.6	2.3
Net surplus/(loss) after tax	(0.4)	(30.8)
The net loss on the sale is calculated as follows:		
Gross sale proceeds	98.5	-
Carrying amount of assets and liabilities as at the date of sale	166.9	-
Loss on sale before cost of disposal	(68.4)	-
Cost of disposal	(0.4)	-
Net loss on sale	(68.8)	-
Net loss from discontinued operation after tax	(69.2)	(30.8)
Basic and diluted earnings per share (cents per share)	(10.8)	(5.5)
The loss from the discontinued operation is attributable entirely to the owners of the Company.		
Cash flows from/(used in) discontinued operation		
Net cash from/(used in) operating activities	(0.1)	2.6
Net cash from/(used in) investing activities	92.9	2.8
Net cash from/(used in) financing activities	-	-
Net cash flows for the year	92.8	5.4

There was no cumulative income recognised in other comprehensive income relating to NZ Bus at 31 March 2020 (31 March 2019: nil).

9.3 Perth Energy

On 2 September 2019 Infratil announced that the sale of Perth Energy to AGL Energy Limited had been completed. Infratil received cash proceeds of A$56.7 million for its 80% shareholding. Additional final sales proceeds may be received contingent on certain outcomes but do not meet the requirements for recognition as at 31 March 2020. The investment was classified as held for sale at 31 March 2019 and is reported in the consolidated financial statements as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

	2020 $Millions	2019 $Millions
Results of discontinued operation		
Revenue	114.2	269.9
Operating expenses	102.1	234.0
Results from operating activities	12.1	35.9
Depreciation & amortisation of intangibles	(2.6)	(6.0)
Net realisations, revaluations, (impairments)	-	-
Net financing expense	(1.1)	(2.1)
Net surplus/(loss) before tax	8.4	27.8
Taxation (expense)/credit	(4.9)	(13.6)
Net surplus/(loss) after tax	3.5	14.2
The net loss on the sale is calculated as follows:		
Gross sale proceeds	67.4	-
Carrying amount of assets and liabilities as at the date of sale	89.6	-
Loss on sale before cost of disposal	(22.2)	-
Cost of disposal	(0.7)	-
Net loss on sale	(22.9)	-
Net loss from discontinued operation after tax	(19.4)	14.2
Basic and diluted earnings per share (cents per share)	(3.0)	2.5
The loss from the discontinued operation is attributable entirely to the owners of the Company.		
Cash flows from/(used in) discontinued operation		
Net cash from/(used in) operating activities	3.5	11.9
Net cash from/(used in) investing activities	67.2	(0.4)
Net cash from/(used in) financing activities	(2.3)	(4.5)
Net cash flows for the year	68.4	7.0

There was no cumulative income recognised in other comprehensive income relating to Perth Energy at 31 March 2020 (31 March 2019: $5.1 million).

9.4 Snapper Services

On 31 May 2019, Infratil announced that it had completed the sale of Snapper Services to Allectus Capital for nominal consideration. The investment was classified as held for sale at 31 March 2019 and is presented in the consolidated financial statements as a discontinued operation.

10 Revenue

	2020 $Millions	2019 $Millions
Electricity	940.2	1,026.2
Gas	29.9	29.2
Telecommunications	98.1	87.7
Aircraft movement and terminal charges	80.8	81.5
Hotel and other trading activities	39.1	30.5
Revenue allocated to customer incentives	27.9	21.5
Other	65.3	56.6
Total operating revenue	**1,281.3**	**1,333.2**

Revenue Recognition Policies

The nature and timing of the various performance obligations in the Group's contracts with customers and property leases and when revenue is recognised is outlined below:

Description of performance obligations	Timing and satisfaction of performance obligations
Electricity and Gas - Sales to customers	
Revenue received or receivable from the sale of electricity and gas to mass market, commercial and industrial customers by Trustpower. Where Trustpower provides a bundle of services (such as electricity and telecommunications) to a customer and a discount is provided for one of those services, the discount is allocated to each distinct performance obligation based on the relative standalone selling price of those services. Where a discount is offered for prompt payment, revenue is initially recognised net of estimated discount based on accumulated experience used to estimate the quantum of discounts extended to customers.	Revenue is recognised at the point in time of supply and customer consumption. Customer consumption of electricity and gas is measured and billed by calendar month for half hourly metered customers and in line with meter reading schedules for non-half hourly metered customers. Accordingly, revenues from electricity and gas sales include an estimated accrual for units sold but not billed at the end of the reporting period for non-half hourly metered customers.
Electricity - Generation	
This category includes revenue from the sale of electricity generated from Tilt Renewables' wind farms and Generation and sale of Large-scale Generation Certificates ('LGC's') in Australia.	Generation revenue is recognised when control has transferred to the customer. This takes place when the amount of revenue can be reliably measured, upon satisfaction of contractually binding performance obligations.
Telecommunications	
This category comprises Trustpower's revenue from the sale of broadband, mobile and other telecommunications services. Where Trustpower provides a bundle of services (such as electricity and telecommunications) to a customer and a discount is provided for one of those services, the discount is allocated to each distinct performance obligation based on the relative standalone selling price of those services. Where a discount is offered for prompt payment, revenue is initially recognised net of estimated discount based on accumulated experience used to estimate the quantum of discounts extended to customers.	Revenue is recognised at the point in time of supply and customer consumption. Generally billed and paid on a monthly billing cycle.

Description of performance obligations	Timing and satisfaction of performance obligations
Aircraft movement and terminal charges	
Aircraft movement and terminal charges consists of Wellington International Airport's airfield income, passenger service charges and terminal service charges. Airfield income consists of landing charges and aircraft parking charges.	Landing charges and aircraft parking charges are paid by the airlines and recognised as revenue at the point in time the airport facilities are used by the arriving or departing aircraft. Passenger services charges and terminal service charges relating to arriving, departing and transiting passengers are paid by the airlines and recognised as revenue at the point in time when the passenger travels or the airport facilities are used.
Hotel and other trading activities	
Hotel and other trading activities includes Wellington International Airport's hotel and access to the airport's car parking facilities.	Revenue from car parking is recognised at the point in time where the utilisation of car parking facilities has been completed. Revenue from the hotel is recognised at the point in time the service is delivered.
Revenue allocated to customer incentives	
Trustpower offers new customers goods, including appliances and modems, as an incentive to enter into a contract for electricity and telecommunications services. These incentives are considered performance obligations in their own right and a proportion of the revenue expected to be received over the contract period is allocated to these physical goods proportionately to their standalone selling price.	Revenue allocated to customer incentives is recognised upon delivery of the goods and a capitalised customer acquisition cost asset is recorded in the statement of financial position. As the customer is invoiced for electricity and telecommunications services over the life of the contract, a portion of this invoiced revenue is allocated to the capitalised customer acquisition cost asset, thereby reducing this asset to zero over the course of the contract term.

Other revenue includes Wellington International Airport's retail concession fees and rental income. Retail concession fees are recognised as revenue based upon passenger throughput or the turnover of the concessionaires and in accordance with the related agreements. Rental income is recognised as revenue on a straight-line basis over the term of the leases on leases where the group is the lessor.

11 Net realisations, revaluations and impairments

	2020 $Millions	2019 $Millions
Impairment of assets	(14.0)	(10.9)
Gain on sale of metering business	16.4	-
Gain on sale of Snowtown 2	511.5	-
Investment property revaluation	(3.2)	4.8
Other realisations, revaluations and impairments	(0.1)	6.7
Net realisations, revaluations and impairments	**510.7**	**0.6**

On 5 December 2019 Tilt Renewables entered into an agreement to sell the 270 MW Snowtown 2 wind farm to an entity wholly-owned by funds managed by Palisade Investment Partners Limited and First State Super. Tilt Renewables recorded a net gain on sale of A$486.0 million (NZ$511.5 million) as a result of the transaction.

12 Other operating expenses

	Note	2020 $Millions	2019 $Millions
Trading operations			
Energy and wholesale costs		207.1	234.6
Line, distribution and network costs		280.7	284.5
Generation production & development costs		45.5	46.5
Other energy business costs		126.5	123.1
Telecommunications cost of sales		63.3	54.4
Airport business costs		27.5	24.0
Bad debts written off		3.6	2.0
Increase in provision for expected credit loss	22.1	3.2	0.4
Directors' fees	25	3.3	3.2
Administration and other corporate costs		5.4	6.7
Management fee (to related party Morrison & Co Infrastructure Management)	26	37.3	24.1
International Portfolio incentive fee	28	125.0	102.6
Donations		1.0	0.9
Total other operating expenses		**929.4**	**907.0**

Fees paid to auditors (including fees paid by associates)

	2020 Fees paid to the Group auditor $000's	2020 Audit fees paid to other auditors $000's	2020 Total $000's	2019 Fees paid to the Group auditor $000's	2019 Audit fees paid to other auditors $000's	2019 Total $000's
Audit and review of financial statements	299.3	800.5	1,099.9	317.4	882.9	1,200.3
Regulatory audit work	32.0	-	32.0	32.0	-	32.0
Other assurance services	114.5	-	114.5	-	-	-
Taxation services	58.1	-	58.1	99.6	-	99.6
Other services	122.1	-	122.1	103.0	-	103.0
	626.0	800.5	1,426.6	552.0	882.9	1,434.9
Fees paid to the Group auditor by associates (recognised through share of associate earnings)	621.8	1,101.5	1,723.3	472.5	-	472.5
Total fees paid to the Group auditor	**1,247.8**	**1,902.0**	**3,149.8**	**1,024.5**	**882.9**	**1,907.4**

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 and audit of compliance reports. Tax services relate to tax compliance work and tax advisory services provided to a subsidiary of the group. Other services primarily relate to due diligence work undertaken.

13 Taxation

13.1 Tax Reconciliation

	2020 $Millions	2019 $Millions
Net surplus before taxation from continuing operations	523.2	136.4
Taxation on the surplus for the year @ 28%	146.5	38.2
Plus/(less) taxation adjustments:		
Effect of tax rates in foreign jurisdictions	9.6	(0.1)
Net benefit of imputation credits	–	–
Timing differences not recognised	(3.1)	(1.0)
Tax losses not recognised/(utilised)	6.2	30.1
Effect of equity accounted earnings of associates	(2.1)	0.6
Recognition of previously unrecognised deferred tax	(20.8)	(1.2)
(Over)/under provision in prior periods	(6.1)	0.9
Net investment realisations	(148.8)	(0.4)
Other permanent differences	33.0	4.9
Taxation expense	**14.4**	**72.0**
Current taxation	35.1	52.4
Deferred taxation	(20.7)	19.6
Tax on discontinued operations	4.3	11.4

13.2 Income tax recognised in other comprehensive income

	2020		
	Before tax $Millions	Tax (expense) $Millions	Net of tax $Millions
Differences arising on translation of foreign operations	(17.8)	0.3	(17.5)
Realisations on disposal of subsidiary, reclassified to profit and loss	(22.5)	-	(22.5)
Net change in fair value of available for sale financial assets	(0.5)	(0.5)	(1.0)
Ineffective portion of hedges taken to profit and loss	-	-	-
Effective portion of changes in fair value of cash flow hedges	(75.0)	21.0	(54.0)
Fair value movements in relation to executive share scheme	5.1	(6.0)	(0.9)
Net change in fair value of property, plant & equipment recognised in equity	63.3	(16.8)	46.5
Share of associates other comprehensive income	(21.3)	-	(21.3)
Balance at the end of the year	**(68.7)**	**(2.0)**	**(70.7)**

	2019		
	Before tax $Millions	Tax (expense) $Millions	Net of tax $Millions
Differences arising on translation of foreign operations	(18.9)	(2.8)	(21.7)
Realisations on disposal of subsidiary, reclassified to profit and loss	-	-	-
Net change in fair value of available for sale financial assets	2.6	-	2.6
Ineffective portion of hedges taken to profit and loss	-	-	-
Effective portion of changes in fair value of cash flow hedges	5.9	(0.8)	5.1
Fair value movements in relation to executive share scheme	(0.1)	0.7	0.6
Net change in fair value of property, plant & equipment recognised in equity	(283.6)	69.1	(214.5)
Share of associates other comprehensive income	(11.6)	-	(11.6)
Balance at the end of the year	**(305.7)**	**66.2**	**(239.5)**

13.3 Deferred tax

Deferred tax assets and liabilities are offset on the Statement of Financial Position where they relate to entities with a legally enforceable right to offset tax.

	2020 $Millions	2019 $Millions
Balance at the beginning of the year	(442.5)	(505.1)
Charge for the year	20.7	(19.6)
Charge relating to discontinued operations	-	(14.7)
Deferred tax recognised in equity	(1.4)	66.2
Disposal of Snowtown 2	102.0	-
Adjustment on initial application of IFRS 15	-	(8.1)
Effect of movements in foreign exchange rates	(0.6)	1.7
Tax losses recognised	7.2	9.9
Transfers to liabilities classified as held for sale	-	27.2
Balance at the end of the year	**(314.6)**	**(442.5)**

The Infratil New Zealand Group is forecasting to derive taxable profits in future periods, sufficient to utilise the tax losses carried forward and deductible temporary differences. As a result deferred tax assets and liabilities have been recognised where they arise, including deferred tax on tax losses carried forward.

13.4 Recognised deferred tax assets and liabilities

	Assets $Millions	Liabilities $Millions	Net $Millions
31 March 2020			
Property, plant and equipment	-	(372.5)	(372.5)
Investment property	-	(4.3)	(4.3)
Derivative financial instruments	46.7	-	46.7
Employee benefits	5.4	-	5.4
Customer base assets	-	(2.4)	(2.4)
Provisions	1.3	-	1.3
Tax losses carried forward	38.8	-	38.8
Other items	(2.4)	(25.2)	(27.6)
Total	**89.8**	**(404.4)**	**(314.6)**
31 March 2019			
Property, plant and equipment	-	(442.4)	(442.4)
Investment property	-	(14.9)	(14.9)
Derivative financial instruments	8.2	(6.7)	1.5
Employee benefits	5.8	-	5.8
Customer base assets	-	(2.9)	(2.9)
Provisions	0.8	-	0.8
Tax losses carried forward	42.2	-	42.2
Other items	-	(32.6)	(32.6)
Total	**57.0**	**(499.5)**	**(442.5)**

13.5 Changes in temporary differences affecting tax expense

	Tax expense		Other comprehensive income	
	2020 $Millions	2019 $Millions	2020 $Millions	2019 $Millions
Property, plant and equipment	24.2	9.9	45.0	69.1
Investment property	10.6	(1.5)	-	-
Derivative financial instruments	(5.9)	0.6	52.0	(0.8)
Employee benefits	0.1	1.3	(0.5)	0.7
Customer base assets	0.4	0.9	-	-
Provisions	0.5	0.1	-	-
Tax losses carried forward	(10.6)	(24.9)	-	-
Other items	1.4	(6.0)	3.6	(2.8)
	20.7	**(19.6)**	**100.1**	**66.2**

13.6 Imputation credits available to be used by Infratil Limited

	2020 $Millions	2019 $Millions
Balance at the end of the year	9.9	1.7
Imputation credits that will arise on the payment/(refund) of tax provided for	-	-
Imputation credits that will arise on the (payment)/receipt of dividends accrued at year end	-	-
Imputation credits available for use	**9.9**	**1.7**

14 Property, plant and equipment

	Land and civil works $Millions	Buildings $Millions	Vehicles, plant and equipment $Millions	Capital work in progress $Millions	Metering $Millions	Generation plant (renewable) $Millions	Generation plant (non-renewable) $Millions	Total $Millions
2020								
Cost or valuation								
Balance at beginning of year	585.6	551.7	132.4	169.2	67.6	2,961.1	-	4,467.6
Additions	0.4	-	-	520.7	-	-	-	521.1
Capitalised interest and financing costs	-	-	-	-	-	-	-	-
Disposals	-	-	(14.4)	-	(69.5)	(623.7)	-	(707.6)
Impairment	-	(4.4)	-	(3.6)	-	(5.6)	-	(13.6)
Revaluation	(12.1)	14.7	-	-	-	(5.1)	-	(2.5)
Transfers between categories	24.4	12.6	18.3	(79.6)	1.9	22.0	-	(0.4)
Transfers to assets classified as held for sale	-	-	-	-	-	-	-	-
Transfer to right of use assets on transition to NZ IFRS 16	-	-	-	-	-	(23.8)	-	(23.8)
Transfers to intangible assets	-	-	-	(0.5)	-	-	-	(0.5)
Transfers from/(to) investment properties	(16.4)	(4.9)	-	(32.4)	-	-	-	(53.7)
Effect of movements in foreign exchange rates	-	-	(0.3)	(9.4)	-	(0.9)	-	(10.6)
Balance at end of year	**581.9**	**569.7**	**136.0**	**564.4**	**-**	**2,324.0**	**-**	**4,176.0**
Accumulated depreciation								
Balance at beginning of year	22.8	13.7	86.5	-	67.0	76.1	-	266.1
Depreciation for the year	8.0	14.3	14.1	-	0.8	84.5	-	121.7
Transfer to investment properties	-	(0.7)	-	-	-	-	-	(0.7)
Revaluation	(30.8)	-	-	-	-	(16.3)	-	(47.1)
Disposals	-	-	(13.2)	-	(67.8)	(39.8)	-	(120.8)
Transfers to assets classified as held for sale	-	-	-	-	-	-	-	-
Transfer to right of use assets on transition to NZ IFRS 16	-	-	-	-	-	(0.7)	-	(0.7)
Effect of movements in foreign exchange rates	-	-	(0.1)	-	-	(0.6)	-	(0.7)
Balance at end of year	**-**	**27.3**	**87.3**	**-**	**-**	**103.2**	**-**	**217.8**
Carrying value at 31 March 2020	581.9	542.4	48.7	564.4	-	2,220.8	-	3,958.2

Additions to capital work in progress primarily relate to the construction costs associated with the Dundonnell Wind Farm project in Australia and the Waipipi Wind Farm project in New Zealand. Included within Impairment is a $4.4 million reduction in the Wellington International Airport hotel, $5.6 million relating to the valuation of Trustpower's generation assets, $2.3 million relating to a generation project and $1.3 million relating to costs superseded as part of a runway and seawall strengthening works project.

Readers should pay attention to the sensitivity analysis included in this note which shows the impact on revalued assets should key valuation inputs differ from that assumed by the valuer.

	Land and civil works $Millions	Buildings $Millions	Vehicles, plant and equipment $Millions	Capital work in progress $Millions	Metering $Millions	Generation plant (renewable) $Millions	Generation plant (non-renewable) $Millions	Total $Millions
2019								
Cost or valuation								
Balance at beginning of year	543.1	449.4	533.2	255.1	69.4	3,301.5	99.9	5,251.6
Additions	-	0.1	43.6	207.2	-	48.2	0.3	299.4
Capitalised interest and financing costs	-	-	-	-	-	-	-	-
Disposals	(5.3)	(1.5)	(27.7)	-	(0.7)	(4.0)	(0.3)	(39.5)
Impairment	-	-	(30.4)	(1.6)	-	-	-	(32.0)
Revaluation	14.0	-	-	-	-	(460.9)	4.8	(442.1)
Transfers between categories	33.8	112.6	27.9	(284.0)	(1.1)	110.8	-	-
Transfers to assets classified as held for sale	-	(8.9)	(413.9)	(6.0)	-	-	(105.6)	(534.4)
Transfers to intangible assets	-	-	-	-	-	-	-	-
Transfers from/(to) investment properties	-	-	-	-	-	-	-	-
Effect of movements in foreign exchange rates	-	-	(0.3)	(1.5)	-	(34.5)	0.9	(35.4)
Balance at end of year	**585.6**	**551.7**	**132.4**	**169.2**	**67.6**	**2,961.1**	**-**	**4,467.6**
Accumulated depreciation								
Balance at beginning of year	15.3	2.9	329.5	-	63.4	117.6	-	528.7
Depreciation for the year	7.5	12.4	35.3	-	4.3	105.2	5.3	170.0
Transfer to investment properties	-	-	-	-	-	-	-	-
Revaluation	-	-	(0.1)	-	-	(145.1)	(5.3)	(150.5)
Disposals	-	(0.3)	(25.7)	-	(0.7)	(1.3)	-	(28.0)
Transfers to assets classified as held for sale	-	(1.3)	(252.4)	-	-	-	-	(253.7)
Effect of movements in foreign exchange rates	-	-	(0.1)	-	-	(0.3)	-	(0.4)
Balance at end of year	**22.8**	**13.7**	**86.5**	**-**	**67.0**	**76.1**	**-**	**266.1**
Carrying value at 31 March 2019	562.8	538.0	45.9	169.2	0.6	2,885.0	-	4,201.5

Trustpower generation property, plant and equipment

Trustpower's generation assets include land and buildings which are not separately identifiable from other generation assets. Generation assets were independently revalued, using a discounted cash flow methodology, as at 31 March 2020, to their estimated market value as assessed by Deloitte Corporate Finance.

The valuation of Trustpower's generation assets is sensitive to the inputs used in the discounted cash flow valuation model. A sensitivity analysis of key inputs is given in the table below. The valuation is based on a combination of values that are generally at the midpoint of the range. The valuation impact is calculated as the movement in the fair value as a result of the change in the respective assumptions and while keeping all other valuation inputs constant.

Generation Renewable	Low	High	Valuation impact
New Zealand Assets			
Forward electricity price path	Decreasing in real terms from $100/MWh to $76/MWh by 2024. Thereafter held constant.	Decreasing in real terms from $100/MWh to $86/MWh by 2024. Thereafter held constant.	-/+ $250.0m
Generation volume	1,668 GWh	2,205 GWh	-/+ $370.0m
Avoided Cost of Transmission	70% reduction in revenue from 2025	30% reduction in revenue from 2025	- $62.0m / + $18.0m
Operating costs	$60.0 million p.a.	$73.0 million p.a.	-/+ $123.0m
Weighted average cost of capital	6.50%	7.50%	+ $196.0m / - $160.0m

Tilt Renewables generation property, plant and equipment

The valuation of Tilt Renewables generation assets is sensitive to the inputs used in the discounted cash flow valuation model. A sensitivity analysis around some key inputs is given in the table below. The valuation is based on a combination of values that are generally at the midpoint of the range. The valuation impact is calculated as the movement in the fair value as a result of the change in the assumption and keeping all other valuation inputs constant. In addition to the tests below, a separate sensitivity analysis has been conducted to assess the impact of varying future cash flows for increases or decreases of up to 10% in market prices (including New Zealand market prices beyond the fixed price period to March 2025). None of these tests resulted in an impairment of the fair value of generation, property, plant and equipment.

Generation Renewable	Low	High	Valuation impact
New Zealand Assets			
Generation volume	10% reduction in future production	10% increase in future production	-/+ $22.5m
Operating costs	10% increase in future operating expenditure	10% decrease in future operating expenditure	-/+ $9.6m
Weighted average cost of capital	6.50%	7.5%	- $5.4m / + $6.6m
Australian Assets			
Forward electricity price path (including renewable energy credits)	10% reduction in future electricity pricing	10% increase in future electricity pricing	-/+ A$33.8m
Generation volume	10% reduction in future production	10% increase in future production	-/+ A$29.4m
Operating costs	10% increase in future operating expenditure	10% decrease in future operating expenditure	-/+ $11.3m
Weighted average cost of capital	6.13%	7.13%	- A$9.3m / + A$9.9m

Wellington International Airport property, plant and equipment

At 31 March 2020, the Group made an assessment of whether the carrying amounts of Wellington International Airport's ('WIAL') property, plant and equipment differed materially from fair value. This assessment considered changes in significant inputs since the last revaluation, movements in the capital goods price index and changes in valuations of investment property as an indicator of property, plant and equipment.

Due to COVID-19, there is uncertainty around forecast domestic and international air travel and consequently uncertainty relating to WIAL's forecast cash flows. WIAL has forecast a significant reduction in passenger numbers for the year ending 31 March 2021 and a slow recovery back to pre-COVID-19 levels occurring in the year ended 31 March 2023. These passenger forecasts are based on the information available to the Group at the time of preparing these financial statements and were arrived at with reference to various data sources including airlines, the International Air Transport Association ('IATA') and travel and tourism bodies.

WIAL's estimates of passengers, recovery and growth rates remain uncertain and dependent on a number of factors with respect to COVID-19 including timing of New Zealand moving into lower alert levels, any remaining restrictions on domestic travel, border controls for international travel, public demand and behaviour with respect to travel and airline scheduling. Material changes in any of these factors might have a material impact on the estimates of income and cashflows used in the valuations and fair value assessments at 31 March 2020. In addition, the longer-term effects of COVID-19 on WIAL's business remain uncertain and the potential impacts of the pandemic continue to evolve rapidly.

Due to the uncertainties resulting from the COVID-19 pandemic, the assessment of fair value of land and buildings by Savills (NZ) Limited and the valuation of the hotel business assets by Jones Lang LaSalle have been reported by both valuers on the basis of "material valuation uncertainty as defined by RICS (the Royal Institution of Chartered Surveyors)". Savills (NZ) Limited and Jones Lang LaSalle both noted in their valuation reports that as a consequence of this material valuation uncertainty, "less certainty and a higher degree of caution" should be attached to the work undertaken.

The following tables summarise the significant valuation techniques and inputs used by valuers to arrive at the fair value for Wellington International Airport's property, plant and equipment.

Asset classification and description	Valuation approach	Key valuation assumptions		+/- 5% Valuation impact
Land				
Aeronautical land - used for airport activities and specialised aeronautical assets.	Market Value for Existing Use ('MVEU')	Rate per hectare	$1.86 million per hectare	+/- $10.0m
Non-aeronautical land - used for non-aeronautical purposes e.g. industrial, service, retail, residential and land associated with the vehicle business.		Developer's WACC rate	10.4%	+/- $7.4m
		Holding period	6 years	+/- $11.1m
Valued at 31 March 2018 by Savills (NZ) Limited, registered valuers, at $333.1 million.				
Civil				
Civil works includes sea protection and site services, excluding such site services to the extent that they would otherwise create duplication of value.	Optimised Depreciated Replacement Cost ('ODRC')	Average cost rates including concrete, asphalt, base course and foundations	Concrete $887 Asphalt $989 Basecourse $127 Foundations $20	+/- $9.5m
		Estimated remaining useful life	Average remaining useful life 30 years	+/- $9.5wm
Valued at 31 March 2020 by Opus International Consultants Limited at $190.4 million.				
Buildings				
Specialised buildings used for identified airport activities.	Optimised Depreciated Replacement Cost ('ODRC')	Modern equivalent asset rate (per square metre)	$5,567	+/- $13.0m
Non-specialised buildings used for purposes other than for identified airport activities, including space allocated within the main terminal building for retail activities, offices and storage.			$1,711	+/- $0.4m
Vehicle business assets associated with car parking and taxi, shuttle and bus services (excluding land and civil).	Discounted Cash flows ('DCF') and Capitalisation Rate	Revenue growth	3.00%	+/- $0.8m
		Cost growth	3.00%	+/- $0.1m
		Discount rate	12.00%	+/- $6.6m
		Capitalisation rate	9.00%	+/- $9.0m
All buildings (excluding hotel business assets) valued at 31 March 2018 by Savills (NZ) Limited, registered valuers, at $423.4 million. The decrease in the carrying value of the vehicle business assets is primarily due to a forecast reduction in short term cashflows due to fewer passengers and vehicle business customers.				
Hotel business assets	Discounted Cash flows ('DCF') and Capitalisation Rate	Capitalisation rate	6.50%	+/- $1.4m
		Discount rate	8.25%	+/- $0.7m

Effect of level 3 fair value measurements on profit or loss and other comprehensive income

The following table summarises for property, plant and equipment measured at fair value, classified as level 3 in the fair value hierarchy, the effect of the fair value movements on profit or loss and other comprehensive income for the year.

2020 Level 3 fair value movements	Recognised in profit or loss $Millions	Recognised in OCI $Millions	Total $Millions
Generation Plant (renewable)	(5.6)	11.2	5.6
Generation Plant (non-renewable)	–	–	–
Land and civil works	–	18.7	18.7
Buildings	(4.4)	14.7	10.3
	(10.0)	**44.6**	**34.6**

2019 Level 3 fair value movements	Recognised in profit or loss $Millions	Recognised in OCI $Millions	Total $Millions
Generation Plant (renewable)	(10.6)	(231.6)	(242.2)
Generation Plant (non-renewable)	–	6.2	6.2
Land and civil works	–	14.0	14.0
Buildings	–	–	–
	(10.6)	**(211.4)**	**(222.0)**

There were no transfers between property, plant and equipment assets classified as level 1 or level 2, and level 3 of the fair value hierarchy during the year ended 31 March 2020 (2019: none).

Revalued assets at deemed cost

For each revalued class the carrying amount that would have been recognised had the assets been carried on a historical cost basis are as follows:

2020	Cost $Millions	Assets under construction $Millions	Accumulated depreciation $Millions	Net book value $Millions
Generation Plant (renewable)	678.9	–	(107.4)	571.5
Generation Plant (non-renewable)	–	–	–	–
Land and civil works	285.5	24.4	(55.2)	254.7
Buildings	409.3	12.5	(101.4)	320.4
	1,373.7	**36.9**	**(264.0)**	**1,146.6**

2019	Cost $Millions	Assets under construction $Millions	Accumulated depreciation $Millions	Net book value $Millions
Generation Plant (renewable)	1,231.2	–	(469.7)	761.5
Generation Plant (non-renewable)	123.6	–	(47.9)	75.7
Land and civil works	252.4	33.8	(50.8)	235.4
Buildings	296.8	112.5	(92.2)	317.1
	1,904.0	**146.3**	**(660.6)**	**1,389.7**

15 Investment properties

2020	Owned property $Millions	Right of use assets $Millions	Total $Millions
Balance at beginning of year	86.5	-	86.5
Adoption of NZ IFRS 16	-	80.5	80.5
Additions	25.2	1.7	26.9
Transfers from/(to) property, plant and equipment	53.0	-	53.0
Investment properties revaluation net increase	19.8	-	19.8
Balance at end of year	**184.5**	**82.2**	**266.7**

2019	Owned property $Millions	Right of use assets $Millions	Total $Millions
Balance at beginning of year	81.9	-	81.9
Additions	-	-	-
Transfers from/(to) property, plant and equipment	-	-	-
Investment properties revaluation net increase	4.6	-	4.6
Balance at end of year	**86.5**	**-**	**86.5**

Where a lease pertains to property held to earn rental income, the right of use asset is included within Investment properties and is measured at fair value. Rental income from investment properties of $10.8 million was recognised in profit or loss during the year (2019: $10.6 million). Direct operating expenses arising from investment properties of $1.4 million were also recognised in profit or loss during the year (2019: $0.9 million).

Wellington International Airport's investment property was valued at 31 March 2020 by Jones Lang LaSalle, registered valuers, at $81.2 million (2019: $86.5 million).

Following the sale of NZ Bus, property leased by Infratil Infrastructure Property Limited ('IIPL') to NZ Bus was transferred at historic cost from property, plant and equipment to investment properties and measured at fair value. IIPL's investment property was valued at 31 March 2020 by Jones Lang LaSalle, registered valuers, at $49.5 million (2019: held at historic cost as property, plant and equipment). Also included in investment properties is $53.8 million of capital work in progress (2019: $11.0 million).

Due to the uncertainties resulting from the COVID-19 pandemic, all investment property valuations at 31 March 2020 were concluded on the basis of 'material valuation uncertainty' as defined by the Royal Institution of Chartered Surveyors ('RICS'). Consequently, less certainty and a higher degree of caution should be attached to these valuations at 31 March 2020.

16 Leases

16.1 Right of use assets

Right of use assets related to leased properties that do not meet the definition of investment properties are summarised below. Land and buildings right of use assets include land held under ground leases and rental of a variety of office space. Generation right of use assets comprise leases of transmission lines at the Salt Creek and Dundonnell Wind Farms by Tilt Renewables.

2020	Land and Buildings $Millions	Generation Assets $Millions	Plant and equipment $Millions	Total $Millions
Cost				
Balance at beginning of year	-	-	-	-
Adoption of NZ IFRS 16	54.6	22.5	2.0	79.1
Additions	-	94.0	10.2	104.2
Disposals	(8.8)	-	-	(8.8)
Remeasurements	-	-	-	-
Effect of movements in exchange rates	(0.2)	(2.7)	-	(2.9)
Balance at end of year	**45.6**	**113.8**	**12.2**	**171.6**

2020	Land and Buildings $Millions	Generation Assets $Millions	Plant and equipment $Millions	Total $Millions
Accumulated depreciation				
Balance at beginning of year	–	–	–	–
Depreciation for the year	4.3	1.3	4.8	10.4
Effect of movements in exchange rates	–	–	–	–
Balance at end of year	4.3	1.3	4.8	10.4
Carrying value at 31 March 2020	**41.3**	**112.5**	**7.4**	**161.2**

16.2 Lease liabilities

	2020 $Millions
Maturity analysis – contractual undiscounted cash flows	
Between 0 to 1 year	24.4
Between 1 to 2 years	31.7
Between 2 to 5 years	58.9
More than 5 years	514.6
Total undiscounted lease liabilities	**629.6**

	2020 $Millions
Lease liabilities included in the statement of financial position	
Split as follows:	
Current	21.8
Non-current	225.1
	246.9

	2020 $Millions
Amounts recognised in the consolidated statement of comprehensive income	
Interest on lease liabilities	10.8
Variable lease payments not included in the measurement of lease liabilities	2.4
Expenses relating to short-term leases	0.7
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	0.3

The weighted average incremental borrowing cost applied to lease liabilities at 1 April 2019 was 4.93%. Total cash outflow for leases for the year ended 31 March 2020 was $17.1 million.

16.3 Leases as a lessor

The Group has receivables from operating leases relating to the lease of premises. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2020 $Millions	2019 $Millions
Operating lease receivables as lessor		
Between 0 to 1 year	30.6	19.3
Between 1 to 2 years	25.8	17.1
Between 2 to 5 years	40.8	32.3
More than 5 years	60.0	5.5
Total undiscounted lease payments	**157.2**	**74.2**

17 Goodwill

	2020 $Millions	2019 $Millions
The aggregate carrying amounts of goodwill allocated to each cash generating unit are as follows:		
Trustpower	79.4	79.4
Tilt Renewables	33.7	33.7
	113.1	113.1

There were no movements in the carrying amount of goodwill during the year (2019: $4.2 million was transferred to disposal group assets classified as held for sale).

The carrying value of goodwill is subject to an annual impairment test to ensure the carrying value does not exceed the recoverable amount at balance date. In determining whether there are any indicators of impairment the fair value of the Company's investments in Trustpower and Tilt Renewables are assessed with reference to the market share price quoted on the NZX at each reporting date.

As at 31 March 2020 there were no indicators of impairment (31 March 2019: there were no indicators of impairment).

18 Loans and borrowings

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

	2020 $Millions	2019 $Millions
Current liabilities		
Unsecured bank loans	118.0	97.7
Secured bank facilities	19.8	201.9
less: Loan establishment costs capitalised and amortised over term	(3.1)	(4.3)
	134.7	295.3
Non-current liabilities		
Unsecured bank loans	460.7	200.2
Secured bank facilities	384.0	505.3
less: Loan establishment costs capitalised and amortised over term	(9.7)	(8.7)
	835.0	696.8
Facilities utilised at reporting date		
Unsecured bank loans	578.7	298.0
Unsecured guarantees	-	-
Secured bank loans	403.8	707.0
Secured guarantees	162.2	129.5
Facilities not utilised at reporting date		
Unsecured bank loans	514.5	664.4
Unsecured guarantees	-	-
Secured bank loans	303.6	255.8
Secured guarantees	57.6	85.7
Interest bearing loans and borrowings - *current*	134.7	295.3
Interest bearing loans and borrowings - *non-current*	835.0	696.8
Total interest bearing loans and borrowings	**969.7**	**992.1**

	2020 $Millions	2019 $Millions
Maturity profile for bank facilities (excluding secured guarantees):		
Between 0 to 1 year	220.0	379.9
Between 1 to 2 years	248.9	523.1
Between 2 to 5 years	1,118.4	741.9
Over 5 years	213.3	280.3
Total bank facilities	**1,800.6**	**1,925.2**

Financing arrangements

Infratil Finance Limited, a wholly owned subsidiary of the Company, has entered into bank facility arrangements with a negative pledge agreement, which, with limited exceptions does not permit the Infratil Guaranteeing Group ('IGG') to grant any security over its assets. The IGG comprises entities subject to a cross guarantee and comprises Infratil Limited, Infratil Finance Limited and certain other wholly owned subsidiaries. The IGG does not incorporate the underlying assets of the Company's non-wholly owned subsidiaries and investments in associates. The IGG bank facilities also include restrictions over the sale or disposal of certain assets without bank agreement. Liability under the cross guarantee is limited to the amount of debt drawn under the IGG facilities, plus any unpaid interest and costs of recovery. At 31 March 2020 drawn debt and accrued interest under the IGG facilities was $355.3 million (31 March 2019: $70.2 million) and undrawn IGG facilities totalled $268.0 million (2019: $278.0 million).

Infratil Energy New Zealand Limited ('IENZ'), a wholly owned subsidiary of the Company, is not a member of the IGG and has granted a security interest over assets with a carrying amount of $310.2 million (31 March 2019: $320.4 million) as part of its bank facility arrangements. IENZ has total facilities of $125.0 million, of which $125.0 million was drawn as at 31 March 2020 (31 March 2019: nil).

The Group's non-wholly owned subsidiaries also enter into bank facility arrangements. Amounts outstanding under these facilities are included within loans and borrowings in the table above. Wellington International Airport and Trustpower facilities are both subject to negative pledge arrangements, which with limited exceptions does not permit those entities to grant security over their respective assets. Tilt Renewables borrows under syndicated bank debt facilities (both general and project specific) and has granted security over its assets. All non-wholly owned subsidiary facilities are subject to restrictions over the sale or disposal of certain assets without bank agreement. The various bank facilities across the Group require the relevant borrowing group to maintain certain levels of shareholder funds and operate within defined performance and gearing ratios. Throughout the period the Group has complied with all debt covenant requirements as imposed by the respective lenders.

Interest rates payable on bank loan facilities are floating rate determined by reference to prevailing money market rates at the time of draw-down plus a margin. Interest rates paid during the year ranged from 1.45% to 4.10% (31 March 2019: 2.2% to 4.5%).

19 Infrastructure bonds

	2020 $Millions	2019 $Millions
Balance at the beginning of the year	1,127.6	994.4
Issued during the year	316.4	246.2
Exchanged during the year	(29.3)	(51.1)
Matured during the year	(119.7)	(60.4)
Purchased by Infratil during the year	-	-
Bond issue costs capitalised during the year	(4.2)	(3.6)
Bond issue costs amortised during the year	2.4	2.1
Balance at the end of the year	**1,293.2**	**1,127.6**
Current	-	148.9
Non-current fixed coupon	939.7	747.2
Non-current variable coupon	121.6	-
Non-current perpetual variable coupon	231.9	231.5
Balance at the end of the year	**1,293.2**	**1,127.6**
Repayment terms and interest rates:		
IFT200 maturing in November 2019, 6.75% p.a. fixed coupon rate	-	68.5
IFT090 maturing in February 2020, 8.50% p.a. fixed coupon rate	-	80.5
IFT220 maturing in June 2021, 4.90% p.a. fixed coupon rate	93.9	93.9
IFT190 maturing in June 2022, 6.85% p.a. fixed coupon rate	93.7	93.7
IFT240 maturing in December 2022, 5.65% p.a. fixed coupon rate	100.0	100.0
IFT210 maturing in September 2023, 5.25% p.a. fixed coupon rate	122.1	122.1
IFT230 maturing in June 2024, 5.50% p.a. fixed coupon rate	56.1	56.1
IFT260 maturing in December 2024, 4.75% p.a. fixed coupon rate	100.0	100.0
IFT250 maturing in June 2025, 6.15% p.a. fixed coupon rate	43.4	43.4
IFT300 maturing in March 2026, 3.35% p.a. fixed coupon rate	37.0	-
IFT280 maturing in December 2026, 3.35% p.a. fixed coupon rate	156.3	-
IFT270 maturing in December 2028, 4.85% p.a. fixed coupon rate until 15 December 2023	146.2	146.2
IFTHC maturing in December 2029, 3.50% p.a. variable coupon rate	123.2	-
IFTHA Perpetual Infratil infrastructure bonds	231.9	231.9
less: Bond issue costs capitalised and amortised over term	(10.6)	(8.7)
Balance at the end of the year	**1,293.2**	**1,127.6**

Fixed coupon

The fixed coupon bonds the Company has on issue are at a face value of $1.00 per bond. Interest is payable quarterly on the bonds.

IFTHC bonds

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

IF270 bonds

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

Perpetual Infratil infrastructure bonds ('PIIBs')

The Company has 231,916,000 (31 March 2019: 231,916,000) PIIBs on issue at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. On 15 November 2019 the coupon was set at 2.67% per annum until the next reset date, being 15 November 2020 (2019: 3.55%). Thereafter the rate will be reset annually at 1.50% 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 (2019: nil) were repurchased by Infratil Limited during the year.

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

At 31 March 2020 Infratil Infrastructure bonds (including PIIBs) had a fair value of $1,161.5 million (31 March 2019: $1,104.4 million).

20 Trustpower bonds

Unsecured subordinated bonds	2020 $Millions	2019 $Millions
Repayment terms and interest rates:		
TPW160 maturing in September 2019, 6.75% p.a. fixed coupon rate	-	114.2
less: Bond issue costs capitalised and amortised over term	-	(0.2)
Balance at the end of the year	**-**	**114.0**
Current	-	114.0
Non-current	-	-
Balance at the end of the year	**-**	**114.0**

The unsecured unsubordinated bonds had a fair value of $115.7 million at 31 March 2019 and matured in September 2019.

Unsecured senior bonds	2020 $Millions	2019 $Millions
Repayment terms and interest rates:		
TPW140 maturing in December 2021, 5.63% p.a. fixed coupon rate	83.0	83.0
TPW150 maturing in December 2022, 4.01% p.a. fixed coupon rate	127.7	127.7
TPW180 maturing in July 2026, 3.35% p.a. fixed coupon rate	125.0	-
TPW170 maturing in February 2029, 3.97% p.a. fixed coupon rate until 22 February 2024	100.0	100.0
less: Bond issue costs capitalised and amortised over term	(3.5)	(2.9)
Balance at the end of the year	**432.2**	**307.8**
Current	-	-
Non-current	432.2	307.8
Balance at the end of the year	**432.2**	**307.8**

Trustpower's senior bonds rank equally with their bank loans. Trustpower borrows under a negative pledge arrangement, which with limited exceptions does not permit Trustpower to grant any security interest over its assets. The Trust Deed for these bonds requires Trustpower to maintain certain levels of shareholders' funds and operate within defined performance and debt gearing ratios.
The arrangements under the Trust Deed may also create restrictions over the sale or disposal of certain assets unless the senior bonds are repaid or renegotiated. Throughout the year Trustpower complied with all debt covenant requirements as imposed by their bond supervisor.

At 31 March 2020 Trustpower's unsecured senior bonds had a fair value of $443.0 million (31 March 2019: $321.8 million).

21 Wellington International Airport bonds and USPP notes

	2020 $Millions	2019 $Millions
Repayment terms and interest rates:		
WIA0619 Wholesale bonds maturing June 2019, repriced quarterly at BKBM plus 130bp	-	25.0
WIA0620 Wholesale bonds maturing June 2020, 5.27% p.a. fixed coupon rate	25.0	25.0
WIA020 Retail bonds maturing May 2021, 6.25% p.a. fixed coupon rate	75.0	75.0
WIA030 Retail bonds maturing May 2023, 4.25% p.a. fixed coupon rate	75.0	75.0
WIA040 Retail bonds maturing August 2024, 4.00% p.a. fixed coupon rate	60.0	60.0
WIA050 Retail bonds maturing June 2025, 5.00% p.a. fixed coupon rate	70.0	70.0
WIA060 Retail bonds maturing April 2030, 4.00% p.a. fixed coupon rate until 1 April 2025	103.0	-
USPP Notes – Series A	68.1	52.0
USPP Notes – Series B	68.1	52.0
less: Issue costs capitalised and amortised over term	(3.3)	(3.9)
Balance at the end of the year	**540.9**	**430.1**
Current	25.0	25.0
Non-current	515.9	405.1
Balance at the end of the year	**540.9**	**430.1**

The Trust Deed for the retail bonds requires Wellington International Airport ('WIAL') to operate within defined performance and debt gearing ratios. The arrangements under the Trust Deed creates restrictions over the sale or disposal of certain assets. Throughout the year WIAL complied with all debt covenant requirements as imposed by the retail bond supervisor.

On 27 July 2017 WIAL completed a United States Private Placement ('USPP') Note issuance, securing US$72 million of long term debt. The USPP comprised two equal tranches, a US$36 million 10 year Note with a coupon of 3.47% and a US$36 million 12 year Note with a coupon of 3.59%. In conjunction with the USPP issuance, WIAL entered into cross currency interest rate swaps to formally hedge the exposure to foreign currency risk over the term of the notes.

At 31 March 2020 WIAL's bonds had a fair value of $415.7 million (2019: $353.8 million), and WIAL's USPP Notes had a fair value of $122.3 million (2019: $102.2 million).

22 Financial instruments

The Group has exposure to the following risks due to its business activities and financial policies:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

22.1 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group is exposed to credit risk in the normal course of business including those arising from trade receivables with its customers, financial derivatives and transactions (including cash balances) with financial institutions. The Group minimises its exposure to credit risk of trade receivables through the adoption of counterparty credit limits and standard payment terms. Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions and organisations in the relevant industry. The Group's exposure and the credit ratings of significant counterparties are monitored, and the aggregate value of transactions concluded are spread amongst approved counterparties. The carrying amounts of financial assets recognised in the Statement of Financial Position best represent the Group's maximum exposure to credit risk at the reporting date. Generally no security is held on these amounts.

	2020 $Millions	2019 $Millions
The Group had exposure to credit risk with financial institutions at balance date from cash deposits held as follows:		
Financial institutions with 'AA' credit ratings	-	173.2
Financial institutions with 'AA-' credit ratings	485.9	70.6
Financial institutions with 'A+' credit ratings	-	-
Financial institutions with 'A' credit ratings	242.7	153.3
Unrated financial institutions	1.7	17.2
Total cash deposits with financial institutions	730.3	414.3
Cash on hand	-	-
Total cash and cash equivalents	**730.3**	**414.3**

Cash and cash equivalents includes $696.8 million of cash balances held by Tilt Renewables at 31 March 2020. At 31 March 2020 $0.1 million of cash deposits are "restricted" and not immediately available for use by the Group (31 March 2019: $19.9 million). Credit ratings are from S&P Global Ratings or equivalent rating agencies.

Trade and other receivables

The Group has exposure to various counterparties. Concentration of credit risk with respect to trade receivables is limited due to the Group's large customer base in a diverse range of industries throughout New Zealand and Australia.

Ageing of trade receivables

	2020 $Millions	2019 $Millions
The ageing analysis of trade receivables is as follows:		
Not past due	90.4	56.9
Past due 0-30 days	9.4	9.2
Past due 31-90 days	2.1	3.7
Greater than 90 days	4.0	3.8
Total	105.9	73.6
The ageing analysis of impaired trade receivables is as follows:		
Not past due	(1.2)	-
Past due 0-30 days	(1.1)	-
Past due 31-90 days	(1.0)	-
Greater than 90 days	(3.0)	(2.8)
Total	(6.3)	(2.8)

	2020 $Millions	2019 $Millions
Movement in the provision for impairment of trade receivables for the year was as follows:		
Balance as at 1st April	3.1	3.1
Expected credit loss recognised (Charged to operating expenses)	3.2	0.4
Bad debts recovered	-	-
Utilised	-	-
Transfers to assets classified as held for sale	-	(0.4)
Balance as at 31 March	6.3	3.1
Other current prepayments and receivables	93.9	178.1
Total trade, accounts receivable and current prepayments	193.5	248.9

Trustpower and Wellington International Airport increased their expected credit loss allowance for trade receivables, in part due to the deteriorating economic outlook in New Zealand as a result of COVID-19.

22.2 Liquidity risk

Liquidity risk is the risk that assets held by the Group cannot readily be converted to cash to meet the Group's contracted cash flow obligations. Liquidity risk is monitored by continuously forecasting cash flows and matching the maturity profiles of financial assets and liabilities. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due and make value investments, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, the spreading of debt maturities, and its credit standing in capital markets.

The tables below analyse the Group's financial liabilities, excluding gross settled derivative financial liabilities, into relevant maturity groupings based on the earliest possible contractual maturity date at year end. The amounts in the tables below are contractual undiscounted cash flows, which include interest through to maturity. Perpetual Infratil Infrastructure Bonds cash flows have been determined by reference to the longest dated Infratil bond maturity in the year 2029.

	Balance sheet $Millions	Contractual cash flows $Millions	6 months or less $Millions	6-12 months $Millions	1-2 years $Millions	2-5 years $Millions	5 + years $Millions
31 March 2020							
Accounts payable, accruals and other liabilities	313.8	315.5	312.8	0.1	0.2	0.8	1.6
Lease liabilities	246.9	629.6	12.5	11.9	31.7	58.9	514.6
Unsecured & secured bank facilities	969.7	1,325.5	122.3	48.0	309.0	693.3	152.9
Infratil Infrastructure bonds	1,061.3	1,324.4	25.7	25.7	141.7	567.9	563.4
Perpetual Infratil Infrastructure bonds	231.9	292.1	3.1	3.1	6.2	18.6	261.1
Wellington International Airport bonds	540.9	652.1	36.7	11.0	94.7	181.1	328.6
Trustpower bonds	432.2	518.9	9.0	9.0	99.8	156.0	245.1
Derivative financial instruments	129.3	151.2	15.6	13.2	22.6	50.1	49.7
	3,926.0	5,209.3	537.7	122.0	705.9	1,726.7	2,117.0
31 March 2019							
Accounts payable, accruals and other liabilities	446.6	469.2	334.0	13.4	43.2	13.4	65.2
Lease liabilities	-	-	-	-	-	-	-
Unsecured & secured bank facilities	992.1	1,254.4	94.7	254.5	204.4	386.7	314.1
Infratil Infrastructure bonds	896.1	1,122.3	26.1	172.5	40.7	496.6	386.4
Perpetual Infratil Infrastructure bonds	231.5	311.8	4.1	4.1	8.2	24.7	270.7
Wellington International Airport bonds	430.1	535.2	34.6	9.4	43.2	189.2	258.8
Trustpower bonds	421.8	460.9	122.9	4.9	9.8	223.3	100.0
Derivative financial instruments	117.5	129.0	23.3	16.1	22.6	40.6	26.4
	3,535.7	4,282.8	639.7	474.9	372.1	1,374.5	1,421.6

22.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and energy prices will affect the Group's income or the value of its holdings of financial assets and liabilities. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

22.3.1 Interest rate risk (cash flow and fair value)

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

	2020 $Millions	2019 $Millions
At balance date the face value of interest rate contracts outstanding were:		
Interest rate swaps - notional value	1,333.0	1,760.8
Fair value of interest rate swaps	(102.5)	(81.6)
Cross-currency interest rate swaps	99.8	99.8
Fair value of cross-currency interest rate swaps	35.5	2.9
The termination dates for the interest rate swaps are as follows:		
Between 0 to 1 year	242.8	179.8
Between 1 to 2 years	144.3	158.7
Between 2 to 5 years	398.0	893.5
Over 5 years	547.9	528.8
The termination dates for the cross-currency interest rate swaps are as follows:		
Between 0 to 1 year	-	-
Between 1 to 2 years	-	-
Between 2 to 5 years	-	-
Over 5 years	99.8	99.8

Interest rate sensitivity analysis

The following table shows the impact on post-tax profit and equity of a movement in bank interest rates of 100 basis points higher/lower with all other variables held constant.

	2020 $Millions	2019 $Millions
Profit or loss		
100 bp increase	2.8	19.5
100 bp decrease	(9.4)	(20.1)
Other comprehensive income		
100 bp increase	49.9	43.7
100 bp decrease	(53.6)	(48.6)

Assumptions used in the interest rate sensitivity analysis include:

Reasonably possible movements in interest rates were determined based on a review of historical movements. A movement of 100 basis points higher/lower is considered appropriate to demonstrate the sensitivity of the Group to movements in interest rates. The sensitivity was calculated by taking interest rate instruments including loans and borrowings, bonds, interest rate swaps and cross currency interest rate swaps at balance date and adjusting the interest rate upwards and downwards to quantify the resulting impact to profit or loss and other comprehensive income.

22.3.2 Foreign currency risk

The Group has exposure to foreign currency risk on the value of its net investment in foreign investments, assets and liabilities, future investment obligations and future income. Foreign currency obligations and income are recognised as soon as the flow of funds is likely to occur. Decisions on buying forward cover for likely foreign currency investments is subject to the Group's expectation of the fair value of the relevant exchange rate.

The Group may enter into forward exchange contracts to reduce the risk from price fluctuations of foreign currency commitments associated with the construction of generation assets and to hedge the risk of its net investment in foreign operations. Any resulting differential to be paid or received as a result of the currency hedging of the asset is reflected in the final cost of the asset. The Group has elected to apply cash flow hedge accounting to these instruments.

Foreign exchange sensitivity analysis

The following table shows the impact on post-tax profit and equity if the New Zealand dollar had weakened or strengthened by 10 per cent against the currencies with which the Group has foreign currency risk with, all other variables held constant.

	2020 $Millions	2019 $Millions
Profit or loss		
Strengthened by 10 per cent	(11.7)	0.7
Weakened by 10 per cent	11.7	(0.7)
Other comprehensive income		
Strengthened by 10 per cent	(18.6)	(100.8)
Weakened by 10 per cent	22.7	103.2

Assumptions used in the foreign currency exposure sensitivity analysis include:

Reasonably possible movements in foreign exchange rates were determined based on a review of historical movements. A movement of plus or minus 10% has been applied to the AUD/NZD and USD/NZD exchange rates to demonstrate the sensitivity of foreign currency risk of the company's investment in foreign operations and associated derivative financial instruments. The sensitivity was calculated by taking the AUD and USD spot rate as at balance date, moving this spot rate by plus and minus 10% and then reconverting the AUD and USD balances with the 'new spot-rate'.

Unhedged foreign currency exposures

At balance date the Group has the following unhedged exposure to foreign currency risk arising on foreign currency monetary assets and liabilities that fall due within the next twelve months:

	2020 $Millions	2019 $Millions
Cash, short-term deposits and trade receivables		
United States Dollars (USD)	-	-
Australian Dollars (AUD)	3.0	7.3

22.3.3 Energy price risk

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

	2020	2019
At balance date the aggregate notional volume of outstanding energy derivatives were:		
Electricity (GWh)	5,006.6	19,753.0
Fair value of energy derivatives ($millions)	20.5	135.7

As at 31 March 2020, the Group had energy contracts outstanding with various maturities expected to occur continuously throughout the next five years. The hedged anticipated energy purchase transactions are expected to occur continuously throughout the contract period from balance sheet date consistent with the Group's forecast energy generation and retail energy sales. Gains and losses recognised in the cash flow hedge reserve on energy derivatives as of 31 March 2020 will be continuously released to the income statement in each period in which the underlying purchase transactions are recognised in the profit or loss.

	2020 $Millions	2019 $Millions
The termination dates for the energy derivatives are as follows:		
Between 0 to 1 year	101.5	43.3
Between 1 to 2 years	54.6	78.8
Between 2 to 5 years	88.1	117.0
Over 5 years	17.1	15.0
	261.3	254.1

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:

	2020 $Millions	2019 $Millions
Profit and loss		
10% increase in energy forward prices	(2.2)	(2.2)
10% decrease in energy forward prices	2.2	2.2
Other comprehensive income		
10% increase in energy forward prices	(57.7)	(33.2)
10% decrease in energy forward prices	57.7	33.2

Assumptions used in the energy forward price sensitivity analysis include:

Reasonably possible movements in energy forward prices were determined based on a review of historical movements. A movement of 10% higher/lower is considered appropriate to demonstrate sensitivity to movements in forward energy prices. The sensitivity was calculated by taking balances that incorporate expectations of forward electricity prices at balance date and adjusting the forward electricity price upwards and downwards to quantify the resulting impact to profit or loss and other comprehensive income.

22.4 Fair values

The carrying amount of financial assets and financial liabilities recorded in the consolidated 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 31 March 2020 of $2,142.5 million (31 March 2019: $1,997.9 million) compared to a carrying value of $2,266.3 million (31 March 2019: $1,979.5 million).

The carrying value of derivative financial assets and liabilities recorded in the statement of financial position are as follows:

	2020 $Millions	2019 $Millions
Assets		
Derivative financial instruments – energy	35.7	170.9
Derivative financial instruments – cross currency interest rate swaps	35.5	2.9
Derivative financial instruments – foreign exchange	1.6	-
Derivative financial instruments – interest rate	11.6	0.7
	84.4	174.5
Split as follows:		
Current	18.9	17.8
Non-current	65.5	156.7
	84.4	174.5
Liabilities		
Derivative financial instruments – energy	15.2	35.2
Derivative financial instruments – cross currency interest rate swaps	-	-
Derivative financial instruments – foreign exchange	-	-
Derivative financial instruments – interest rate	114.1	82.3
	129.3	117.5
Split as follows:		
Current	8.0	32.2
Non-current	121.3	85.3
	129.3	117.5

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 3.1% to 4.1% (31 March 2019: 3.1% to 4.1%)

The selection of variables requires significant judgement and therefore there is a range of reasonably possible assumptions in respect of these variables that could be used in estimating the fair value of these derivatives. Maximum use is made of observable market data when selecting variables and developing assumptions for the valuation techniques.

Fair value hierarchy

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

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

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

31 March 2020	Level 1 $Millions	Level 2 $Millions	Level 3 $Millions	Total $Millions
Assets per the statement of financial position				
Derivative financial instruments – energy	-	3.1	32.6	35.7
Derivative financial instruments – cross currency interest rate swaps	-	35.5	-	35.5
Derivative financial instruments – foreign exchange	-	1.6	-	1.6
Derivative financial instruments – interest rate	-	11.6	-	11.6
Total	**-**	**51.8**	**32.6**	**84.4**
Liabilities per the statement of financial position				
Derivative financial instruments – energy	-	0.3	14.9	15.2
Derivative financial instruments – cross currency interest rate swaps	-	-	-	-
Derivative financial instruments – foreign exchange	-	-	-	-
Derivative financial instruments – interest rate	-	114.1	-	114.1
Total	**-**	**114.4**	**14.9**	**129.3**

31 March 2019	Level 1 $Millions	Level 2 $Millions	Level 3 $Millions	Total $Millions
Assets per the statement of financial position				
Derivative financial instruments – energy	–	0.3	170.6	170.9
Derivative financial instruments – cross currency interest rate swaps	–	2.9	–	2.9
Derivative financial instruments – foreign exchange	–	–	–	–
Derivative financial instruments – interest rate	–	0.7	–	0.7
Total	**–**	**3.9**	**170.6**	**174.5**
Liabilities per the statement of financial position				
Derivative financial instruments – energy	–	8.1	27.1	35.2
Derivative financial instruments – cross currency interest rate swaps	–	–	–	–
Derivative financial instruments – foreign exchange	–	–	–	–
Derivative financial instruments – interest rate	–	82.3	–	82.3
Total	**–**	**90.4**	**27.1**	**117.5**

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 year ended 31 March 2020 (31 March 2019: none).

The following table reconciles the movements in level 3 Electricity price derivatives that are classified within level 3 of the fair value hierarchy because the assumed location factors which are used to adjust the forward price path are unobservable.

	2020 $Millions	2019 $Millions
Assets per the statement of financial position		
Opening balance	170.6	107.5
Foreign exchange movement on opening balance	0.8	(2.3)
Acquired as part of business combination	–	–
Gains and (losses) recognised in profit or loss	(106.0)	11.7
Gains and (losses) recognised in other comprehensive income	(32.8)	53.7
Closing balance	32.6	170.6
Total gains or (losses) for the year included in profit or loss for assets held at the end of the reporting year	(33.1)	53.4
Liabilities per the statement of financial position		
Opening balance	27.1	27.3
Foreign exchange movement on opening balance	(0.2)	(0.2)
Acquired as part of business combination	–	–
(Gains) and losses recognised in profit or loss	(11.2)	(4.1)
(Gains) and losses recognised in other comprehensive income	(0.8)	4.1
Sold as part of the disposal of a subsidiary	–	–
Closing balance	14.9	27.1
Total gains or (losses) for the year included in profit or loss for liabilities held at the end of the reporting year	3.6	(3.9)
Settlements during the year	18.6	24.9

22.5 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has established an Audit and Risk Committee for Infratil and each of its significant subsidiaries and associates with responsibilities which include reviewing management practices in relation to identification and management of significant business risk areas and regulatory compliance. The Group has developed a comprehensive, enterprise wide risk management framework. Management and Boards throughout the Group participate in the identification, assessment and monitoring of new and existing risks. Particular attention is given to strategic risks that could affect the Group. Management report to the Audit and Risk Committee and the Board on the relevant risks and the controls and treatments for those risks.

22.6 Capital Management

The Group's capital includes share capital, reserves, retained earnings and non-controlling interests of the Group. From time to time the Group purchases its own shares on the market with the timing of these purchases dependent on market prices, an assessment of value for shareholders and an available window to trade on the NZX. Primarily the shares are intended to be held as treasury stock and may be reissued under the Dividend Reinvestment Plan or cancelled. During the year the Group bought back 887,617 shares (2019: nil). The Company and the Group's borrowings are subject to certain compliance ratios in accordance with the facility agreements or the trust deed applicable to the borrowings.

The Group seeks to ensure that no more than 25% of its non-bank debt is maturing in any one year period, and to spread the maturities of its bank debt facilities between one and five years. Discussions on refinancing of facilities will normally commence at least six months before maturity. Facilities are maintained with A (2019: A) or above rated financial institutions, and with a minimum number of bank counterparties to ensure diversification. The Group manages its interest rate profile so as to minimise value volatility. This means having interest costs fixed for extended terms. At times when long rates appear to be sustainably high, the profile may be shortened, and when rates are low the profile may be lengthened.

23 Capital commitments

	2020 $Millions	2019 $Millions
Committed but not contracted for	5.8	37.2
Contracted but not provided for	500.4	544.1
Capital commitments	506.2	581.3

Capital commitments are primarily associated with the Dundonnell and Waipipi Wind Farms which total A$450.5 million as at 31 March 2020 (31 March 2020: A$470.1 million). See Note 7 for Infratil's commitments to ASIP and Clearvision Ventures.

24 Reconciliation of net surplus with cash flow from operating activities

	2020 $Millions	2019 $Millions
Net surplus for the year	484.2	52.4
(Add)/Less items classified as investing activity:		
(Gain)/Loss on investment realisations and impairments	(489.3)	36.7
Add items not involving cash flows:		
Movement in financial derivatives taken to the profit or loss	(6.2)	(0.3)
Decrease in deferred tax liability excluding transfers to reserves	(16.2)	34.3
Changes in fair value of investment properties	5.0	(4.8)
Equity accounted earnings of associate net of distributions received	(12.1)	(67.0)
Depreciation	146.0	171.7
Movement in provision for bad debts	6.0	2.2
Amortisation of intangibles	11.3	16.5
Other	19.0	5.6
Movements in working capital:		
Change in receivables	24.7	(83.4)
Change in inventories	1.2	0.2
Change in trade payables	51.2	5.7
Change in accruals and other liabilities	(108.9)	129.8
Change in current and deferred taxation	(15.9)	(22.7)
Net cash flow from operating activities	**100.0**	**276.9**

25 Key management personnel disclosures

Key management personnel have been defined as the Chief Executives and direct reports for the Group's operating subsidiaries (excluding non-executive Directors).

	2020 $Millions	2019 $Millions
Key management personnel remuneration comprised:		
Short-term employee benefits	15.4	14.3
Post employment benefits	-	-
Termination benefits	-	-
Other long-term benefits	0.2	0.7
Share based payments	3.5	3.2
	19.1	18.2

Directors fees paid to directors of Infratil Limited and its subsidiaries during the year were $3.4 million (2019: $3.7 million).

26 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:

	Note	2020 $Millions	2019 $Millions
Management fees	27	37.5	24.9
International Portfolio Incentive fee	28	125.0	102.6
Executive secondment and consulting		-	-
Directors fees		2.0	2.2
Financial management, accounting, treasury, compliance and administrative services		1.3	1.4
Risk management reporting		-	-
Investment banking services		1.2	1.2
Total management and other fees		**167.0**	**132.3**

The above table includes $0.4 million paid by discontinued operations in the year ended 31 March 2020 (2019: $1.5 million).

At 31 March 2020 amounts owing to MCIM of $3.0 million (excluding GST) are included in trade creditors (2019: $3.6 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.

MCO, or Employees of MCO received directors fees from the Company's subsidiaries or associated companies as follows:

	2020 $000's	2019 $000's
CDC Group Holdings Pty Ltd	157.9	160.7
Cullinan Holding Trust (ANU Student Accommodation)	7.2	53.6
Infratil Limited	112.0	103.7
Infratil Infrastructure Property Limited	45.0	60.0
Galileo Green Energy, LLC	-	-
New Zealand Bus Limited	73.1	175.5
Longroad Energy Holdings, LLC	183.6	168.9
Perth Energy Pty Limited	88.4	181.9
RA (Holdings) 2014 Pty Limited	243.5	235.7
Snapper Services Limited	12.7	49.2
Tilt Renewables Limited	447.3	407.1
Trustpower Limited	276.3	289.3
Vodafone New Zealand Limited	-	-
Wellington International Airport Limited	381.9	329.3
	2,028.9	2,214.9

27 Management fee to Morrison & Co Infrastructure Management Limited

The management fee to MCIM comprises a number of different components:
A New Zealand base management fee is paid on the 'New Zealand Company Value' at the rates of 1.125% per annum on New Zealand Company value up to $50 million, 1.0% per annum on the New Zealand Company Value between $50 million and $150 million, and 0.80% per annum on the New Zealand Company Value above $150 million. The New Zealand Company Value is:

- the Company's market capitalisation as defined in the management agreement (i.e. the aggregated market value of the Company's listed securities, being ordinary shares, partly paid shares and, Infratil Infrastructure bonds);
- plus the Company and its wholly owned subsidiaries' net debt (excluding listed debt securities and the book value of the debt in any non-Australasian investments);
- minus the cost price of any non-Australasian investments; and,
- plus/minus an adjustment for foreign exchange gains or losses related to non-New Zealand investments.

An international fund management fee is paid at the rate of 1.50% per annum on:

- the cost price of any non-Australasian investments; and,
- the book value of the debt in any wholly owned non-Australasian investments.

28 International Portfolio Incentive fee

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

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

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

International Portfolio Initial Incentive Fee

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

The investments in ANU Purpose Built Student Accommodation, CDC Data Centres and Longroad Energy, and the demerger of Tilt Renewables (from Trustpower) all occurred in the 2017 financial year and were therefore eligible for the International Portfolio Initial Incentive fee assessment as at 31 March 2019. There are no International Investments eligible as at 31 March 2020.

Based on independent valuations obtained as at 31 March 2019, an Initial Incentive Fee of $102.6 million was payable to MCIM.

International Portfolio Annual Incentive Fee

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

The Company's investments in CDC Data Centres, Longroad Energy, RetireAustralia, Tilt Renewables and ASIP are eligible for the International Portfolio Annual Incentive fee assessment as at 31 March 2020 (31 March 2019: ASIP, RetireAustralia and Perth Energy).

Based on independent valuations obtained as at 31 March 2020, an Annual Incentive Fee of $125.0 million is payable to MCIM. No Annual Incentive Fee was payable at 31 March 2019.

International Portfolio Realised Incentive Fee

Realised Incentive Fees are payable on the realised gains from the sale or other realisation of International Investments at 20% of the outperformance (since the last valuation date) against the higher of, a benchmark of 12% p.a. after tax, relative to the most recent 31 March valuation, or cost. No Realised Incentive Fees were payable as at 31 March 2019 or 31 March 2020.

International Portfolio incentive fees

	2020 $000's	2019 $000's
ANU Student Accommodation	-	13.6
ASIP	(0.8)	-
CDC Data Centres	105.5	65.3
Longroad Energy	6.1	21.2
RetireAustralia	(18.0)	-
Tilt Renewables	32.2	2.5
	125.0	102.6

All Incentive fees accrued in 2020 relate to the Annual Incentive Fee assessment. All Incentive fees accrued in 2019 related to the Initial Incentive Fee assessment.

Payment of Annual Incentive Fees

Any Annual Incentive Fee calculated in respect of a Financial Year is earned and paid in three annual instalments, with the second and third instalments only being earned and payable if, at each relevant assessment date, the fair value of the relevant asset (including distributions, if any) exceeds the greater of fair value or cost as at the 31 March for which the Incentive Fee was first calculated.

29 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.

Snowtown Wind Farm Stage 2 Pty Ltd, a wholly-owned subsidiary of Tilt Renewables, has been served with court proceedings on behalf of the Australian Energy Regulator ('AER') in relation to their investigations into the system black event which occurred in South Australia on 28 September 2016. Tilt Renewables will continue to engage with the AER in an endeavour to resolve this matter. As outlined in Note 11, Snowtown Wind Farm Stage 2 Pty Ltd has been subsequently sold as part of the Snowtown 2 wind farm sale in December 2019. Following this sale, should any potential future liabilities arise from these ongoing court proceedings, the liability will remain due and payable by Tilt Renewables.

There were no other contingent liabilities as at 31 March 2020.

30 Events after balance date

Dividend

On 28 May 2020, the Directors approved a partially imputed final dividend of 11.0 cents per share to holders of fully paid ordinary shares to be paid on 15 June 2020.

Tilt Renewables Capital Return

On 7 April 2020 Tilt Renewables announced its intention to return approximately A$260 million to its shareholders (Infratil's share is approximately A$169 million) by way of a Court approved scheme of arrangement. The timing of the buy-back is yet to be finalised but is expected to be completed in the six months to 30 September 2020.

Shareholder support for Wellington International Airport

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

Shareholder support for RetireAustralia

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

Independent Auditor's Report

To the shareholders of Infratil Limited

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of Infratil Limited (the 'company') and its subsidiaries (the 'group') on pages 60 to 112:

i. present fairly in all material respects the Group's financial position as at 31 March 2020 and its financial performance and cash flows for the year ended on that date; and

ii. comply with New Zealand Equivalents to International Financial Reporting Standards.

We have audited the accompanying consolidated financial statements which comprise:

— the consolidated statement of financial position as at 31 March 2020;

— the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and

— notes, including a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report.

Our firm has also provided other services to the group in relation to taxation services, audit of regulatory disclosures, other assurance engagements and due diligence services. 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 auditor of the group. The firm has no other relationship with, or interest in, the group.

Scoping

The scope of our audit is designed to ensure that we perform adequate work to be able to give an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the significance and risk profile of each investment it owns, the group's accounting processes and controls, and the industry in which the investments operates.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed at the component level by us, as the group engagement team, or component auditors operating under our instruction.

A full scope audit was performed on the most significant investments for the group using component materialities which were lower than group materiality. The component materiality took into account the size and the risk profile of each component.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those investments to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the group financial statements as a whole. We kept in regular communication with component audit teams throughout the year with phone calls, discussions and written instructions and ensured that the component audit teams had the appropriate skills and competencies which are needed for the audit. We reviewed the work undertaken by component auditors in order to ensure the quality and adequacy of their work.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at $37 million, determined with reference to a benchmark of group total assets. We chose total assets given the asset intensive nature of the group's underlying investments and that this is a more stable and relevant measure than a profit measure. Materiality represents 0.5% of the selected benchmark.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements

Key changes in the assessment of audit risks

COVID-19

The COVID-19 pandemic has led to increased uncertainty associated with key management judgements across the group, particularly in the valuation of property, plant and equipment and the carrying value of investment in associates. All forward looking assumptions are inherently more uncertain during these unprecedented times. While the key audit matters "Valuation of property, plant and equipment" and "Carrying value of investment in associates", detailed below, are consistent with last year, the underlying audit risk has increased which impacted the nature and extent of audit evidence that we had to gather. We also draw attention to Note 1 - *Accounting estimates and judgements* to the consolidated financial statements which describes the impact of the COVID-19 on the Group's consolidated balance sheet.

The key audit matter	How the matter was addressed in our audit
Acquisition of Vodafone New Zealand ('Vodafone')	
As disclosed in Note 6.1 of the financial statements, during the year the group acquired a 49.9% share of Vodafone. The investment into Vodafone has been accounted for as an investment in associate in the group financial statements. The risk of inappropriate classification of the Vodafone investment as an associate on acquisition is a key audit	Our audit procedures in relation to the classification of the Vodafone investment included examining the legal documents associated with the investment, to determine the key terms, including rights of the investors, terms of shareholders' agreements, governance structures and profit-sharing arrangements,

The key audit matter	How the matter was addressed in our audit

matter as it can have a material effect on the group financial statements and involves judgement as to whether the group controls the investee.
 	
As part of the acquisition Management completed a process to allocate the purchase price to tangible assets, and separately identifiable intangible assets such as customer relationships and management rights. The allocation of the purchase price can have a significant impact on the current and future equity accounted earnings recorded by the group and involves estimation and judgement about the future performance of the business and discount rates applied to future cash flow forecasts.
 	
The key judgemental areas in the purchase price allocation related to fair value of property, plant and equipment and customer related intangible assets.
 	
The key assumptions included in the property, plant and equipment valuations were:
 	
— Replacement cost of each asset category
 	
— Useful lives, depreciation profiles and residual values
 	
The key assumptions included in the customer related intangible asset valuation included:
 	
— Forecasted average revenue per user (ARPU)
 	
— Forecast margins per customer
 	
— Customer churn rates (attrition profile)
 	
— The discount rate applied to the estimated future cash flows to determine a present-day value
	and then assessing these against the accounting standards to evaluate classification of the investment.
	
	Our procedures to assess the purchase price allocation included:
	
	— Assessing the completeness of the identifiable intangible assets on acquisition and whether identification and recognition of these was consistent with the requirements of the accounting standards.
	
	— Utilising valuation specialists to challenge the key assumptions and methodologies applied in the independent valuation of property, plant and equipment including:
	
	    — Comparing the replacement cost against internal benchmarks;
	
	    — Reconciling the asset listing utilised in the valuation against the underlying fixed asset register;
	
	    — Comparing the useful lives, depreciation profiles and residual values to our own expected range.
	
	— Utilising our valuation specialist to challenge the key assumptions and methodologies applied in the customer related intangible asset valuation including:
	
	    — Comparing the forecast ARPU and margin against historical ARPUs and margins achieved;
	
	    — Reviewing the appropriateness of the customer attrition profiles adopted and comparing these to historical attrition profiles;
	
	    — Using valuation specialists to assess the appropriateness of the discount rate applied to the estimated future cash flows;

Valuation of Property, Plant and Equipment

As disclosed in note 14 of the financial statements, the group has property, plant and equipment of $3,958 million (2019: $4,202 million), with renewable generation assets, land and civil works and buildings making up the majority of this balance. The group has a policy of recording classes of property, plant and equipment at cost less accumulated depreciation, or at valuation, with valuations undertaken at least every 5 years.

Renewable generation assets ($2,221 million) Valuation of renewable generation assets is considered to be a key audit matter due to both its magnitude and the judgement involved in the assessment of the fair value of these assets by the group's Directors. The judgement relates to the valuation methodology used and the assumptions included within that methodology. Renewable generation assets include both hydro and wind generation assets.	Our procedures over the renewable generation asset valuations included: — Comparing the forward electricity price path used in the independent valuation to current externally derived market data and our independent estimate of the price path incorporating the near term impact of COVID-19; — Using valuation specialists to assess the appropriateness of the discount rate applied to the

The key audit matter	How the matter was addressed in our audit
A full revaluation of both hydro and wind generation assets was carried out as at 31 March 2020. The level of inherent valuation judgement has increased in the current year as a result of the COVID-19 pandemic which occurred before balance date, and particularly impacts forecasting of the forward electricity price path and the rate used to discount future cash flows. The assumptions included in the valuations that have the largest impact on fair value are: — New Zealand and Australian electricity forward price path forecasts; — Future generation volumes in New Zealand and Australia; — Discount rates applied to the estimated future cash flows to determine a present-day value; and — Forecast costs of operating the generation schemes.	estimated future cash flows by comparing this to rates used by other market participants. We also assessed whether the discount rate reflected the current market conditions including the impact of COVID-19; — Comparing forecast generation volumes and operating costs assumed in the independent valuation against actual realised volumes and operating costs incurred in the year to 31 March 2020; and — Assessing the appropriateness of forecast Avoided Cost of Transmission revenue included within the valuation, considering the assumptions applied by management and latest Electricity Authority announcements;

Land and civil works ($581.9 million) and Buildings ($542 million).
 	
Valuation of land and civil works and buildings, specifically in relation to airport assets, is considered to be a key audit matter due to the magnitude and judgement involved in the assessment of the fair value of these assets by the group's Directors. The judgement relates to the valuation methodologies used and the assumptions included in each of those methodologies.
 	
In 2020, Management have considered, and sought, input from the independent valuers as to any changes to the key assumptions used in the valuation methodologies and whether these changes indicate that the property, plant and equipment is not held at fair value.
 	
The independent valuers have undertaken their valuations with reference to COVID-19 and the material uncertainty involved in assessing the fair value of the assets in the current economic environment.
 	
The assumptions that have the largest impact on the valuations are:
 	
— The potential value of the airport land if there was no airport on the site, primarily driven by weighted average cost of capital;
— The replacement cost of buildings including the main terminal building;
	Our procedures to assess the land and civil works and Buildings valuations included, amongst others:
	
	— Utilising valuation specialists to assess the changes in key judgemental assumptions which have the largest impact on the valuation. This included assessing:
	  — the impact of the material valuation uncertainty relating to COVID-19 identified by the independent valuers;
	  — changes to the weighted average cost of capital and discount rates against observable market data;
	  — changes in the cost of buildings and civil assets;
	  — changes in the value of underlying land prices with reference to observable market transactions and relevant indices; and
	  — the future cash flows against budgets, forecast passenger numbers and historical financial performance.
	— Comparing the valuation methodologies used by the valuer for the group, to the valuation methodologies used by other airports within New Zealand for comparability.
	— Comparing the carrying value of the airport assets to the estimated market value of the airport business with reference to observable market metrics.

The key audit matter	How the matter was addressed in our audit
— The replacement cost of civil assets including the runway, taxiways and roads; — The estimated future passenger numbers and resulting cash flows; and — Discount rates applied to the estimated future cash flows from the vehicle and accommodation assets.	
Carrying value of investment in associates	
The carrying value of the group's investment in associates as at 31 March 2020 was $1,962 million. Investments in associates contribute a significant portion of the group's net surplus and total assets. Given the significance of these investments to the group, we consider this to be a key audit matter. As part of its annual impairment assessment, the Group considered the potential impact of the COVID-19 pandemic on the carrying value of associates as at 31 March 2020.	Our procedures performed to assess the carrying value of associates included, amongst others: – Recalculating the share of profit from equity accounted investments using investee financial information; – Testing a sample of acquisitions made and distributions received from associates during the year; – Consideration of associate's performance to date with reference to the most recent audited financial statements and assessment of relevant indicators of impairment. As part of this impairment assessment, we specifically considered the impact of COVID-19 on the investments; and – Where valuation models have been used to support carrying value, we have utilised our valuation specialists to consider the discount rates and cash flow projections used within the models and the impact of COVID-19 on these valuation inputs.

Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report. Other information includes the reports of the Chief Executive and the Chair, Infratil's summary financial information, and disclosures relating to strategy, corporate governance, Infratil's businesses and statutory information. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's 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 audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the consolidated financial statements

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

- the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards);
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is 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 audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Brent Manning.

For and on behalf of

KPMG
Wellington

28 May 2020

Corporate Governance

The Board is committed to undertaking its role in accordance with internationally accepted best practice, within the context of Infratil's business. Infratil's corporate governance practices have been prepared with reference to the Financial Markets Authority's Corporate Governance Handbook, the requirements of the NZX Listing Rules and the recommendations in the NZX Corporate Governance Code ("NZX Code").

Copies of Infratil's key corporate governance documents, are available on the corporate governance section of Infratil's website: www.infratil.com/about-us/corporate-governance/. These include Infratil's Constitution, the Management Agreement, the Board and Committee Charters, the Corporate Governance Statement (which discloses Infratil's compliance with the NZX Code) and key corporate governance policies.

Corporate governance structure

The Board is elected by the shareholders with overall responsibility for the governance of Infratil, while the day to day management of Infratil has been delegated to Morrison & Co. The respective roles of the Board and Morrison & Co within this corporate governance structure are summarised below.

The Board

Role of the Board

The primary role of the Board is to approve and monitor the strategic direction of Infratil recommended by Morrison & Co and add long-term value to Infratil's shares, having appropriate regard to the interests of all material stakeholders. In addition:

- The Board establishes Infratil's objectives, overall policy framework within which the business is conducted and confirms strategies for achieving these objectives.
- The Board also monitors performance and ensures that procedures are in place to provide effective internal financial control.
- Although the day to day management of Infratil has been delegated to Morrison & Co, Board approval is required for:
  - all investments and divestments;
  - Infratil's capital management, capital structure and risk management/appetite;
  - Infratil's portfolio management.

The Board's role and responsibilities are set out in the Board Charter.

Board Committees

The Board has established four standing committees, and other committees may be formed when it is efficient or necessary to facilitate efficient decision-making or when required by law:

- **Audit and Risk Committee**

  The Board has established this Committee to oversee financial reporting, accounting policies, financial management, internal control systems, risk management systems, systems for protecting assets and compliance. The Committee also:
  - keeps under review the scope and results of audit work, its cost effectiveness and performance and the independence and objectivity of the auditors;
  - also reviews the financial statements and the announcement to the NZX and ASX of financial results; and
  - receives regular reports from Morrison & Co, including reports on financial and business performance, risk management, financial derivative exposures and accounting and internal control matters.

  The Committee comprises four independent Directors (A Gerry (Chair), K Mactaggart, C Savage and M Tume (*ex officio*, as Chairman)). Manager representatives will attend meetings to the Committee as appropriate, at the invitation of the Committee Chair.

  The Committee will meet at least quarterly to fulfil its obligations. The Committee Chair may convene a meeting if he or she considers one is required, and will also convene a meeting upon request of any Committee member who considers it necessary.

  The Committee's role and responsibilities, and membership requirements, are set out in the Audit and Risk Committee Charter.

- **Nomination and Remuneration Committee**

  The Board has established this Committee to manage the identification, consideration and recommendation of director appointments to the Board, succession planning for Directors, ensuring written agreements are in place for all Directors, the induction programme for new Directors and recommending remuneration for directors for consideration by shareholders.

  Nominations will be put to the annual meeting in accordance with Infratil's Constitution and the relevant legislation and listing rules. The filling of casual vacancies must be approved by the Board, and then approved by shareholders at the next general meeting

  The Committee comprises three independent Directors (M Tume (Chair), A Gerry and P Gough), with attendances by appropriate Manager representatives.

  The Committee will meet at least annually to fulfil its obligations. The Committee Chair may convene a meeting if he or she considers one is required, and will also convene a meeting upon request of any Committee member who considers it necessary.

  The Committee's role and responsibilities, and membership requirements, are set out in the Nomination and Remuneration Committee Charter.

- **Manager Engagement Committee**

  The Board has established the Manager Engagement Committee to monitor Morrison & Co's performance and compliance with the Management Agreement.

  The Board recognises that the interests of Infratil shareholders and Morrison & Co have the potential to conflict, and that an important role of the Board is to be aware of and assess potential conflicts in relation to Infratil's capital structure and strategies adopted, and the resulting potential Morrison & Co revenues. This Committee is also responsible for managing any potential conflicts between the interests of Infratil shareholders and Morrison & Co (for instance, in agreeing the terms of governance arrangements for investment joint ventures with other Morrison & Co clients).

The Committee must comprise solely of independent Directors (with a minimum of three members). The Committee currently comprises all independent Directors (M Tume (Chair), A Gerry, P Gough, K Mactaggart, C Savage and P Springford. Manager representatives do not attend meetings of the Committee.

The Committee will meet at least quarterly to fulfil its obligations. The Committee Chair may convene a meeting if he or she considers one is required, and will also convene a meeting upon request of any Committee member who considers it necessary.

The Committee's role and responsibilities, and membership requirements, are set out in the Manager Engagement Committee Charter.

Board membership

The number of Directors is determined by the Board, in accordance with Infratil's Constitution, to ensure it is large enough to provide a range of knowledge, views and experience relevant to Infratil's business. The composition of the Board will reflect the duties and responsibilities it is to discharge and perform in setting Infratil's strategy and seeing that it is implemented. The Board Charter requires both a majority of the Board, and the Chairman, to be independent Directors.

The Board currently comprises seven Directors (six independent Directors and one non-independent Director). The composition of the Board, experience and Board tenure are set out below:

Mark Tume (BBS, Dip Bkg Stud)

Chairman and Independent Director

Mark Tume has been Chairman since 2013 and a director since 2007. He is Chair of RetireAustralia, Ngai Tahu Holdings Corporation and Te Atiawa Iwi Holdings. Mr Tume's professional experience has been in banking and funds management.

Marko Bogoievski (BCA, MBA, FCA)

Non-Independent Director

Marko Bogoievski is Chief Executive of Infratil and its Manager, Morrison & Co. He joined the Infratil board in 2009. He is Chairman of Vodafone New Zealand and a director of Morrison & Co. He was previously Chief Financial Officer of Telecom New Zealand and has previously held board roles with Trustpower, Auckland Airport and Infratil Energy Australia. Mr Bogoievski has an interest in Morrison & Co, which has the Management Agreement with Infratil.

Alison Gerry (BMS(Hons), MAppFin)

Independent Director

Alison Gerry joined the Infratil board in 2014 and is Chair of the Audit and Risk Committee. She is a director of Wellington International Airport, ANZ Bank New Zealand, Vero Insurance New Zealand and Sharesies. She has been a professional director since 2007. Previously, Ms Gerry worked for both corporates and for financial institutions in Australia, Asia and London in trading, finance and risk roles.

Paul Gough (BCom(Hons))

Independent Director

Paul Gough joined the Infratil board in 2012. He is managing partner of the UK private equity fund STAR Capital. He is a director of several international companies in the transport, logistics, healthcare, infrastructure and financial services sectors. Mr Gough previously worked for Credit Suisse First Boston in New Zealand and London.

Kirsty Mactaggart (BAcc, CA)

Independent Director

Kirsty Mactaggart joined the Infratil board in 2019. She was most recently the Head of Equity Capital Markets, Corporate Finance and Governance Asia for Fidelity International, and was previously a Managing Director at Citigroup across Hong Kong and London. She has 25 years global financial market experience with a unique investor perspective and a focus on governance. Ms Mactaggart is originally from Scotland but is now a New Zealand resident.

Catherine Savage (BCA, FCA)

Independent Director

Catherine Savage joined the Infratil board in 2019. She is currently the Chair of the Guardians of New Zealand Superannuation, and has previously served as the Chairperson of the National Provident Fund, an independent director of the Todd Family Office, Kiwibank and Pathfinder Asset Management, and earlier led AMP Capital in New Zealand. Ms Savage is Co-Chair of the New Zealand Chapter for Women Corporate Directors, a Fellow of Chartered Accountants Australia & New Zealand, a Fellow of The Institute of Directors and a Fellow of INFINZ.

Peter Springford (MBA)

Independent Director

Peter Springford joined the Infratil board in 2016. He is a director of Zespri and has extensive experience in managing companies in Australia, New Zealand and Asia, including five years based in Hong Kong as President of International Paper (Asia) Limited and four years as Chief Executive Officer and Managing Director of Carter Holt Harvey Limited. Mr Springford is a chartered member of the New Zealand Institute of Directors.

Independence

The Board Charter sets out the standards for determining whether a Director is independent for the purposes of service on the Board and committees. These standards reflect the requirements of the NZX Listing Rules.

A Director is independent if the Board affirmatively determines that the Director satisfies these standards. The Board has determined that:

- All the non-executive Directors (namely, M Tume, A Gerry, P Gough, K Mactaggart, C Savage and P Springford) are independent Directors.
- The Chief Executive (M Bogoievski), as an employee of Morrison & Co (and occupying a position analogous to an executive Director), is not an independent Director.

Tenure

Directors are not appointed for fixed terms. However, the Constitution and the NZX Listing Rules require all Directors to stand for re-election at the 3rd annual meeting after appointment or after three years (whichever is longer).

A Director appointed by the Board to fill a casual vacancy must also stand for election at the following annual meeting.

Board and committee meetings

The Board will normally hold at least six meetings in each year, and additional Board meetings are held where necessary in order to prioritise and respond to issues as they arise.

The Board and Committee meetings and attendance in Financial Year 2020 are set out below:

	Full agenda board meetings	Limited agenda board meetings	Audit and risk committee	Nomination and remuneration committee[3]	Manager engagement committee
M Tume	8/8	2/2	4/4	0/0	5/5
M Bogoievski	8/8	2/2	–	–	–
A Gerry	8/8	2/2	4/4	0/0	5/5
P Gough	8/8	2/2	–	0/0	5/5
K Mactaggart	8/8	2/2	2/2	–	–
H Rolleston1	4/4	1/1	–	–	3/3
C Savage[2]	5/5	1/1	1/2	–	2/2
P Springford	8/8	2/2	2/2	–	5/5

1 Retired at the 2019 annual meeting on 22 August 2019

2 Appointed 1 August 2019

3 The committee did not meet in Financial Year 2020 as Ms Mactaggart's and Ms Savage's appointments were considered in Financial Year 2019 and the proposed Directors' fee pool approved at the 2019 annual meeting (and the proposed approach to Directors' fees for Financial Years 2020-2022) were considered by the full Board.

Independent professional advice and training

With the approval of the Chairman, Directors are entitled to seek independent professional advice on any aspect of the Directors' duties, at Infratil's expense. Directors are also encouraged to identify and undertake training and development opportunities.

Board performance and skills

The Board, the Audit and Risk Committee and individual Directors are subject to a performance appraisal from time to time (the Chairman initiates a review of Board performance annually, and an external review of the Board was conducted in Financial Year 2018). Appropriate strategies for improvement are agreed and actioned.

The skills and capabilities of the Board are continually assessed through the Chairman and the Board, including potential gaps in skills and experience. Infratil has developed a Board skills matrix of the skills and experience currently regarded as being important to Infratil (and which is set out in the table below). The Board considers that this mix of skills and experience is currently represented on the Board.

Skill/experience
Governance and stakeholder management
Infrastructure asset management and private markets
Financial/accounting
Capital markets and funds management
People and performance
Technology and innovation
Regulation
Marketing and consumer intelligence

Directors' and Officers' insurance

Infratil has arranged Directors' and Officers' liability insurance covering Directors acting on behalf of Infratil. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for Infratil. The types of acts that are not covered are dishonest, fraudulent, malicious acts or omissions, wilful breach of statute or regulations or duty to Infratil, improper use of information to the detriment of Infratil, or breach of professional duty.

Takeover protocols

The Board has approved protocols that set out the procedure to be followed if there is a takeover for Infratil, which reflect the requirements of the Takeovers Code, market practice and recommendations by the Takeovers Panel.

Morrison & Co

Role of Morrison & Co

The day to day management responsibilities have been delegated to Morrison & Co under the Management Agreement. The Management Agreement specifies the duties and powers of Morrison & Co, and the management fee payable to Morrison & Co (which is summarised in note 27 to the Financial Statements on page 111 of this annual report).

The Board determines and agrees with Morrison & Co specific goals and objectives, with a view to achieving the strategic goals of Infratil. Between Board meetings, the Chairman maintains an informal link between the Board and Morrison & Co, and is kept informed by Morrison & Co on all important matters. The Chairman is available to Morrison & Co to provide counsel and advice where appropriate. Decisions of the Board are binding on Morrison & Co. Morrison & Co is accountable to the Board for the achievement of the strategic goals of Infratil. At each of its Board meetings, the Board receives reports from or through Morrison & Co including financial, operational and other reports and proposals.

Infratil's management comprises people employed by the Morrison & Co (including the Chief Executive and Chief Financial Officer), and people employed by Infratil's subsidiaries and investee companies.

Manager performance

A key responsibility of of the Board is monitoring the Morrison & Co's performance and compliance with the Management Agreement (including potential conflicts between the interests of Morrison & Co and the interests of Infratil shareholders). Given the important of this responsibility in the context of Infratil's business, the Board has established the Manager Engagement Committee as a dedicated Board committee charged with this responsibility.

The Board also recognises the potential for conflicts to arise in the allocation of investment opportunities among clients of Morrison & Co (including Infratil). Infratil has used investment joint ventures for many years and expects to continue to do so, and the Board encourages Morrison & Co to identify aligned parties with which Infratil can co-invest. Accordingly, the Board and Morrison & Co have agreed a deal allocation process so Infratil has visibility of all investment opportunities that fit with Infratil's investment strategy and clear investment rights in respect of those opportunities.

The Board initiates a review of the Management Agreement from time to time. An external review of the management fee payable to Morrison & Co under the Management Agreement was conducted in Financial Year 2018 (and the key conclusions of that were noted in the 2018 Annual Report).

Health and safety

Health and safety is managed by Infratil's operational businesses and Morrison & Co (rather than in aggregate at a group level), and the Board is provided with regular health and safety reports for those operating businesses and Morrison & Co.

Diversity

Infratil has a Diversity Policy, which applies to Infratil and its wholly-owned subsidiaries. This policy does not apply to portfolio businesses which are not wholly-owned subsidiaries of Infratil:

- Trustpower and Tilt Renewables (which, in aggregate, comprise approximately 53% of Infratil's assets and employee approximately 25% of the people employed in Infratil's operational businesses) each has a Diversity and Inclusion Policy for its business, copies of which are available on their websites: https://www.trustpower.co.nz/investor-centre/governance-documents and https://www.tiltrenewables.com/investors-landowners/governance-documents/.
- Infratil encourages its other portfolio businesses to adopt diversity policies which are appropriate for their businesses.

The Infratil Diversity Policy recognises the value of diversity of thought at all levels of the business, in an inclusive environment, is recognised as beneficial to decision making, improving and increasing corporate and shareholder value, enhancing talent recruitment and retention, increasing employee satisfaction and enhancing the probability of achieving Infratil's objectives ("Principle"). Infratil ensures that it has (and encourages other wholly-owned subsidiaries to have) strategies, initiatives and practices to promote behaviours and processes that are consistent with the Principle. Infratil recognises that these strategies, initiative and practices will be different for each wholly-owned subsidiary depending on its specific business requirements and accordingly it believes that it is better to engage with each wholly-owned subsidiary on diversity rather than impose specific objectives on each company. For the same reason, the Infratil Diversity Policy does not include measurable objectives, as the appropriate measurable objectives will be different for each portfolio business (and Trustpower and Tilt Renewables have set, and report in their Annual Reports on, gender diversity objectives as part of their diversity policies).

Management monitors, reviews and reports to the Board on Infratil's progress under this Policy.

At 31 March 2020, the Infratil Board consisted of four male Directors and three female Directors (31 March 2019: five male Directors and two female Director).

The following tables provide the proportion of women employees in the organisation, women in senior executive positions and women on the Board (senior executives are defined as a CEO or CEO direct report, or a position that effectively carries executive responsibilities):

2020 Position	Number		Proportion	
	Female	Male	Female	Male
Board	3	4	43%	57%
Senior Executive Positions[1, 2]	16	57	22%	78%
Organisation	1,610	2,150	41%	59%

2019 Position	Number		Proportion	
	Female	Male	Female	Male
Board	2	5	29%	71%
Senior Executive Positions[1, 2]	16	65	20%	80%
Organisation	1,168	2,282	34%	66%

1 Senior Executive Positions and Organisation include Morrison & Co executive team

2 The gender proportions of Senior Executive Positions (Infratil Group excluding associates) was 4 female executives (19%) and 17 male executives (81%) in 2020 and 10 female executives (25%) and 30 male executives (75%) in 2019

Risk management

Risk management and compliance

The Audit and Risk Committee is responsible for ensuring that Infratil has an effective risk management framework to identify, treat and monitor key business risks and regulatory compliance, and also reviews management practices in these areas. Formal systems have been introduced for regular reporting to the Board on business risk, including impacts and mitigation strategies and compliance matters.

Morrison & Co (via the Chief Executive and Chief Financial Officer) is required to, and has confirmed to the Audit and Risk Committee and the Board in writing that, in their opinion:

- Financial records have been properly maintained and Infratil's financial statements present a true and fair view, in all material respects, of Infratil's financial condition, and operating results are in accordance with relevant accounting standards;
- The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and comply with International Financial Reporting Standards and other applicable financial reporting standards for profit-oriented entities;
- This opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively; and
- That system of risk management and internal control is appropriate and effective internal controls and risk management practices are in place to safeguard and protect Infratil's assets, to identify, assess, monitor and manage risk, and identify material changes to Infratil's risk profile.

Internal financial control

The Board has overall responsibility for Infratil's system of internal financial control. Infratil does not have a separate internal audit function, however the Board has established procedures and policies that are designed to provide effective internal financial control:

- Annual budgets, forecasts and reports on the strategic direction of Infratil are prepared regularly and reviewed and agreed by the Board.
- Financial and business performance reports are prepared monthly and reviewed by the Board throughout the year to monitor performance against financial and non-financial targets and strategic objectives.

External auditor

The Audit and Risk Committee is also responsible for the selection and appointment of the external auditor (which is included within the External Audit Relationship section of the Audit and Risk Committee Charter) and ensuring that the external auditor or lead audit partner is changed at least every five years.

Going concern

After reviewing the current results and detailed forecasts, taking into account available credit facilities and making further enquiries as considered appropriate, the Directors are satisfied that Infratil has adequate resources to enable it to continue in business for the foreseeable future. For this reason, the Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements.

Reporting and disclosure

Disclosure

Infratil is committed to promoting investor confidence by providing forthright, timely, accurate, complete and equal access to information, and to providing comprehensive continuous disclosure to shareholders and other stakeholders, in compliance with the NZX Listing Rules. This commitment is reflected in Infratil's Disclosure and Communications Policy. Under this policy:

- All shareholder communications and market releases are subject to review by Morrison & Co (including Chief Executive, Chief Financial Officer and legal counsel), and information is only released after proper review and reasonable inquiry.
- Full year and half year results releases are approved by the Audit and Risk Committee and by the Board.

Shareholder and other stakeholder communications

Infratil aims to communicate effectively, give ready access to balanced and understandable information about Infratil group and corporate proposals and make it easy to participate in general meetings. Infratil seeks to ensure its shareholders are appropriately informed on its operations and results, with the delivery of timely and focused communication, and the holding of shareholder meetings in a manner conducive to achieving shareholder participation. To ensure shareholders and other stakeholders have access to relevant information Infratil:

- holds regular investor road shows and an annual investor day, and sends interested parties the dates and invitations to attend;
- sends security holders its annual and half year review, which is a summary of Infratil's operating and financial performance for the relevant period, and periodic operational updates;
- ensures its website contains media releases, full year and half year financial information and presentations, current and past annual reports, Infratil bond documents, dividend histories, notices of meeting, details of Directors and Morrison & Co, a list of shareholders' frequently asked questions and other information about Infratil;
- makes available printed half year and annual reports and encourages shareholders to access these documents on the website and to receive advice of their availability by email;
- publishes press releases on issues/events that may have material information content that could impact on the price of its traded securities and sends email updates to interested stakeholders;
- webcasts its half year and full year results so that a wide group of interested parties can review and participate in discussions on performance, and advises interested parties of the dates and how to participate in the webcast; and
- provides additional explanatory information where circumstances require.

Shareholder meetings are generally held in a location and at a time which is intended to maximise participation by shareholders, and Infratil is considering appropriate solutions for holding the 2020 Annual Meeting given the impact of COVID-19. Full participation of shareholders at the annual meeting is encouraged to ensure a high level of accountability and identification with Infratil's strategies and goals. Shareholders have the opportunity to submit questions prior to each meeting and Morrison & Co, senior management of subsidiary companies and auditors are present to assist in and provide answers to questions raised by shareholders. There is also generally an opportunity for informal discussion with Directors, Morrison & Co and senior management for a period after the meeting concludes.

Infratil supports the efforts of the New Zealand Shareholders' Association ("NZSA") to raise the quality of relations between public companies and their shareholders. Shareholders wishing to learn more about the NZSA can find information on its website (http://www.nzshareholders.co.nz). While Infratil supports the general aims and objectives of the NZSA, its specific actions and views are not necessarily endorsed by Infratil, or representative of Infratil's view.

Ethical behaviour

Code of Conduct and Ethics Policy

Infratil has always required the highest standards of honesty and integrity from its Directors and employees, and this commitment is reflected in Infratil's Ethics and Code of Conduct Policy. The policy recognises Infratil's commitment to maintaining the highest standards of integrity and its legal and other obligations to all legitimate stakeholders, and applies to Directors, Morrison & Co and all employees.

The policy sets the ethical and behavioural standards and professional conduct for which Directors, Morrison & Co and employees of Infratil and its subsidiaries are expected to conduct their work life. Infratil has communicated the policy to employees and provided training on it, and failure to follow the standards provided in this Code will result in the appropriate staff or other performance management practices being invoked and may lead to disciplinary action (including dismissal).

Financial Products Trading Policy

Infratil has a financial products trading policy applicable to Directors, Morrison & Co staff and all employees of Infratil and its subsidiaries who intend to trade in Infratil Financial Products (which includes quoted financial products issued by Trustpower, Tilt Renewables and WIAL, in addition to those issued by Infratil).

All trading in Infratil Financial Products by Directors, Morrison & Co staff and employees of Infratil and its subsidiaries must comply with this policy. The policy includes a fundamental prohibition on insider trading and obligations of confidentiality when dealing with material information. The policy also requires Directors, Morrison & Co staff and other employees who have, or may have, access to market sensitive information to obtain consent prior to trading (although these obligations do not apply to employees of Trustpower or Tilt Renewables, which as separate listed companies have their own procedures for dealing with insider trading).

Investment strategy

Infratil's investments are long-term, and its objective is to deliver above average returns to shareholders over the long-term. The first part of this goal is to position Infratil in sectors where there will be opportunities to invest capital to meet customer and community needs. The second part is to make sure that Infratil's businesses meet those needs with value-for-money services and facilities.

Infratil will invest where it has expertise, or can partner with expertise, and where it can influence the strategic and operational directions of the companies it invests in.

Further information is available on Infratil's website: www.infratil.com/about-us/strategy/.

Remuneration and performance

Directors' remuneration

The Board determines the level of remuneration paid to Directors within the amounts approved from time to time by Shareholders (for the year ended 31 March 2020, this was $1,329,375 per annum, which was approved by Shareholders at the 2019 annual meeting). Directors are paid a base fee and may also be paid, as additional remuneration:

- an appropriate extra fee as Chairman or Member of a Board Committee;
- an appropriate extra fee as a director of an Infratil subsidiary (other than Trustpower and Tilt Renewables); and
- an appropriate extra fee for any special service as a Director as approved by the Board.

In addition, Directors are entitled to be reimbursed for costs directly associated with the performance of their role as Directors, including travel costs. The Chairman approves all Directors' expenses, and the Chair of the Audit and Risk Committee approves the Chairman's expenses.

Mr Bogoievski was paid fees in his capacity as a Director for the year ended 31 March 2020, but will not be paid fees in his capacity as a Director from 1 April 2020. Mr Bogoievski receives no remuneration from Infratil for his role as Chief Executive, and his remuneration as Chief Executive is paid by Morrison & Co.

Remuneration is reviewed annually by the Board, and fees are reviewed against fee benchmarks in New Zealand and Australia and to take into account the size and complexity of Infratil's business. The fee structure approved by the Board for the year ended 31 March 2020 is set out below:

Annual fee structure	Financial year 2020 (NZD)
Base Fees:	
Chairman of the Board	239,800
Director	112,000
Overseas Director (P Gough)	140,000
Board Committee Fees:	
Audit and Risk Committee	
Chair	37,000
Member	18,800
Nomination and Remuneration Committee	
Chair	Nil
Member	Nil
Manager Engagement Committee	
Chair	Nil
Member	7,500

Remuneration paid to Directors (as a Director of Infratil and, where applicable, as a director of an Infratil subsidiary) in respect of the year ended 31 March 2020 (and 31 March 2019) is set out below (note that all amounts exclude GST or VAT where appropriate):

Directors' remuneration paid by Infratil

Directors' remuneration (in their capacity as such) in respect of the year ended 31 March 2020 and 31 March 2019 paid by the Company was as follows (these amounts exclude GST, where appropriate):

Director	Financial year 2020 (NZD)	Financial year 2019 (NZD)
M Tume (Chairman)	239,800	210,000
M Bogoievski	112,000	103,733
A Gerry	156,500	130,000
P Gough	147,500	135,498
K Mactaggart	128,798	2,110
H Rolleston[1]	47,227	110,000
C Savage[2]	89,019	110,000
P Springford	129,002	118,781
Total	**1,049,846**	**810,122**

[1] Mr Rolleston retired at the 2019 annual meeting on 22 August 2019

[2] Ms Savage was appointed on 1 August 2019

Directors' Remuneration paid by Infratil Subsidiaries

Directors' remuneration (in their capacity as such) in respect of the year ended 31 March 2020 and 31 March 2019 paid by subsidiaries was as follows (these amounts exclude GST where appropriate):

Director	Financial year 2020 (NZD)	Financial year 2019 (NZD)
A Gerry (Wellington International Airport Limited)	104,754	102,700

No other benefits have been provided by Infratil or its subsidiaries to a Director for services as a Director or in any other capacity, other than as disclosed in the related party note to the financial statements, or in the ordinary course of business. No loans have been made by Infratil or its subsidiaries to a Director, nor has Infratil or its subsidiaries guaranteed any debts incurred by a Director.

Directors' shareholding

Under Infratil's Constitution, Directors are not required to hold shares in Infratil. However, in recognition of the benefits of aligning Directors' interests with those of shareholders, non-executive Directors have the option to take up a portion of their fees paid through the issue of shares to those Directors. All Directors who take up this option either hold those shares themselves or those shares are held by organisations to which they are associated parties. Directors will not normally make investments in listed infrastructure or utilities securities in areas targeted by Infratil.

Management fee

As noted earlier, Infratil is managed by Morrison & Co, under a Management Agreement. The Management Agreement sets out the terms of the services provided by Morrison & Co and the basis of fees, including base fees and incentive fees. Details of fees paid to Morrison & Co are disclosed in this annual report, including:

- Note 27 to the Financial Statements on page 111: components of the Management Fee.
- Note 28 to the Financial Statements on page 111: International Portfolio Incentive Fees.
- Note 26 to the Financial Statements on page 110: related party disclosures in respect of Morrison & Co and fees paid to Morrison & Co.
- In the statutory information section on pages 124 and 126, the interests of the Director associated with Morrison & Co, and Director's fees.

Chief Executive remuneration

The Chief Executive is employed by Morrison & Co, not Infratil. The only cost to Infratil of the Chief Executive is the Management Fee payable to Morrison & Co (referred to above) and Infratil does not have (and therefore cannot disclose) any information on his renumeration.

Executive Remuneration

Infratil supports the recommendations in the NZX Corporate Governance Code and the FMA Corporate Governance Code that the remuneration of executives should be transparent, fair and reasonable.

Infratil's policy is that all investee companies should adopt remuneration policies for their executives which set remuneration at levels that are fair and reasonable in a competitive market, and that include elements that are dependent on the investee company's performance and the performance of the individual. Establishing appropriate remuneration policies is complex and each investee company has a policy that it appropriate for its business – there is no "one-size-fits-all" methodology.

Infratil does not disclose any information on people employed by Morrison & Co, as these people are remunerated by Morrison & Co. The only cost to Infratil of these people is the Management Fee payable to Morrison & Co (referred to above) and Infratil does not have (and therefore cannot disclose) any information on their renumeration. Employees of Morrison & Co include most of the management team listed on page 6 of this annual report (including the Chief Executive and Chief Financial Officer).

Although Infratil does not disclose information on employees of Tilt Renewables or Trustpower, both companies are also listed on the NZX and their remuneration structures are disclosed in their reporting to shareholders.

Employee remuneration

During the year ended 31 March 2020, the following number of employees (and former employees) of Infratil and its subsidiaries received remuneration and other benefits in their capacity as employees of at least $100,000. This does not include employees of Morrison & Co (who include most of the management team listed on page 6 of this annual report, including the Chief Executive and Chief Financial Officer), as these employees are remunerated by Morrison & Co and the only cost to Infratil of these employees is the Management Fee payable to Morrison & Co (referred to above).

Remuneration range	Number of employees
$100,000 to $110,000	41
$110,001 to $120,000	29
$120,001 to $130,000	18
$130,001 to $140,000	38
$140,001 to $150,000	25
$150,001 to $160,000	13
$160,001 to $170,000	14
$170,001 to $180,000	10
$180,001 to $190,000	12
$190,001 to $200,000	10
$200,001 to $210,000	12
$210,001 to $220,000	3
$220,001 to $230,000	3
$230,001 to $240,000	1
$240,001 to $250,000	3
$250,001 to $260,000	6
$260,001 to $270,000	2
$280,001 to $290,000	2
$310,001 to $320,000	1
$340,001 to $350,000	4
$370,001 to $380,000	1
$380,001 to $390,000	1
$410,001 to $420,000	2
$430,001 to $440,000	1
$440,001 to $450,000	1
$460,001 to $470,000	1
$470,001 to $480,000	1
$480,001 to $490,000	1
$490,001 to $500,000	2
$500,001 to $510,000	1
$640,001 to $650,000	1
$700,001 to $710,000	1
$720,001 to $730,000	1
$810,001 to $820,000	2
$880,001 to $890,000	1
$950,001 to $960,000	1
$1,050,001 to $1,060,000	1
$1,980,001 to $1,990,000	1

Disclosures

Directors Holding Office

Infratil's Directors as at 31 March 2020 are:

- Mark Tume (Chairman)
- Marko Bogoievski
- Alison Gerry
- Paul Gough
- Kirsty Mactaggart
- Catherine Savage
- Peter Springford

Humphry Rolleston resigned as a Director at the 2019 annual meeting on 22 August 2019.

Entries in the Interests Register

Statement of Directors' interests

As at 31 March 2020, Directors had relevant interests (as defined in the Financial Markets Conduct Act 2013) in quoted financial products of Infratil or any related body corporate of Infratil, as follows:

	Beneficial interests	Non-beneficial interests
Infratil (IFT) ordinary shares		
M Tume	44,616	6,637
M Bogoievski	1,835,229	
A Gerry	24,481	
P Gough	180,313	
K Mactaggart	40,258	
P Springford	30,890	
Trustpower (TPW) ordinary shares		
M Bogoievski	26,318	
K Mactaggart	8,300	
IFT210 Bonds		
P Springford	40,000	
WIA030 Bonds		
P Springford	30,000	

As at 31 March 2020, Directors and senior executives (employed by Morrison & Co) held, in aggregate, 4.1% of the Infratil ordinary shares.

Dealing in securities

The following table shows transactions by Directors recorded in respect of those securities during the period from 1 April 2019 to 31 March 2020:

Director	No of securities bought/(sold)	Cost/(proceeds) (NZD)
Infratil Limited (IFT) ordinary shares		
M Tume – beneficial		
Allotment pursuant to Retail Entitlement Offer – 18/05/2019	4,956	19,824.00
On-market acquisition (in lieu of director's fees) – 20/06/2019	2,214	9,985.58
Allotment pursuant to Dividend Reinvestment Plan – 13/12/2019	469	2,289.38
M Tume – non-beneficial		
Allotment pursuant to Retail Entitlement Offer – 18/05/2019	776	3,104.00
Allotment pursuant to Dividend Reinvestment Plan – 13/12/2019	69	336.82
M Bogoievski – beneficial		
Allotment pursuant to Retail Entitlement Offer – 18/05/2019	216,930	867,720.00
A Gerry – beneficial		
Allotment pursuant to Retail Entitlement Offer – 18/05/2019	2,893	11,572.00
P Gough – beneficial		
Allotment pursuant to Retail Entitlement Offer – 18/05/2019	21,313	85,252.00
K Mactaggart – beneficial		
Allotment pursuant to Retail Entitlement Offer – 18/05/2019	4,758	19,032.00
P Springford – beneficial		
Allotment pursuant to Retail Entitlement Offer – 18/05/2019	3,351	13,404.00
On-market acquisition (in lieu of director's fees) – 20/06/2019	2,214	9,985.58
Allotment pursuant to Dividend Reinvestment Plan – 13/12/2019	325	1,586.46
H Rolleston – beneficial		
Allotment pursuant to Retail Entitlement Offer – 18/05/2019	4,405	17,620.00
On-market acquisition (in lieu of director's fees) – 20/06/2019	2,214	9,985.58

Use of Company information

During the period the Board has received no notices from any Director of the Company or its subsidiaries requesting to use company information received in their capacity as a Director, which would not otherwise have been available to them.

Directors' relevant interests

The following are relevant interests of the Company's Directors as at 31 March 2020:

M Tume

Director of Yeo Family Trustee Limited

Director of Long Board Limited

Director of Welltest Limited

Director of Koau Capital Partners Ltd

Director of various Infratil wholly owned companies

Director of RetireAustralia Pty Limited

Director of Blink Pay Global Group Limited

Chair of Te Atiawa Iwi Holdings Limited Partnership

Chair of Ngai Tahu Holdings Corporation Limited

M Bogoievski

Director of Zig Zag Farm Limited

Director of various Infratil companies

Chief Executive of the H.R.L. Morrison & Co group, and Director of H.R.L. Morrison & Co Group GP Limited and companies wholly-owned by the H.R.L. Morrison & Co Group Limited Partnership

A Gerry

Director of Wellington International Airport Limited

Director of Glendora Holdings Limited

Director of Glendora Avocados Limited

Director of Vero Insurance New Zealand Limited

Director of Vero Liability Insurance New Zealand Limited

Director of Asteron Life Limited

Director of On Being Bold Limited formerly Biz4Girls Limited

Director of Sharesies Limited

Director of Sharesies Nominees Limited

Director of ANZ Bank New Zealand Limited

P Gough

Partner of STAR Capital Partners

Director of various STAR Capital Group entities

Director of Star Asset Finance Limited

Director of Eversholt Investments GP Limited

Director of First Capital Finance Limited

Director of Kennet Equipment Leasing Limited

Director of Ignition Credit PLC

Director of Gough Capital Limited

Director of OPM Investments Limited

Director of Tipu Capital Limited

Director of Tipu Capital (NZ) Limited

Director of STAR Mayan Limited

Director of Urban Splash Residential Limited and various Urban Splash Residential Group entities

Director of STAR Errigal Topco Limited

Director of STAR Errigal Midco Limited

Director of STAR Errigal BidCo Limited

Director of STAR III Limited

Director of Safair Holdings (Pty) Ltd

Director of Safair Lease Finance (Pty) Ltd

Director of SAFOPS Investment Holdings (Pty) Ltd

Director of STAR Throne Midco Limited

Director of STAR Throne Bidco DAC

Director of ASL Aviation Holdings DAC

K Mactaggart

Director and shareholder of The Farm at Lake Hayes Limited

C M Savage

Director of CMS Capital Limited

Director of Comrad Holdings Limited

Director of Comrad Medical Systems Limited

Chair of Guardians of New Zealand Superannuation

Director of Hyklene Limited

Director of Industrial Distributors Limited

Director of Radsoft Holdings Limited

Director of SAFCO Food Service Limited

Director of SAFCO Limited

Director and shareholder of Savage Capital Holdings Limited

Director of Savage Capital Limited

Director and shareholder of Savage Group Limited

Director and shareholder of Savage Nominees Limited

Director of The Griffin Savage Coy. Limited

P M Springford

Director and Shareholder of Springford and Newick Limited

Director of Loncel Technologies 2014 Limited

Director and Shareholder of NZ Frost Fans Limited

Director and Shareholder of New Zealand Wood Products Limited

Director and Shareholder of Aussie Frost Fans 2012 Limited

Director and Shareholder of Omahu Ventures Limited

Director of Mondiale Technologies Limited

Director of Zespri Group Limited

All Directors
(other than A Gerry, K Mactaggart, C M Savage and P M Springford)

Aotea Energy Limited effected, from 23 July 2013, public offering of securities insurance brokered by Marsh & McLennan Agency Limited for the benefit of Z Energy Limited, Aotea Energy Investments Limited, Aotea Energy Holdings Limited and its subsidiaries, NZSF Aotea Limited and its subsidiaries, Guardians of New Zealand Superannuation as manager and administrator of the New Zealand Superannuation Fund as shareholder of NZSF Aotea Limited, Infratil Limited and its subsidiaries, Morrison & Co and its subsidiaries (subject to a professional indemnity exclusion), and the directors and employees of the foregoing. Full details of the POSI policy are available from Morrison & Co.

All Directors

Infratil has arranged Directors' and Officers' liability insurance covering any past, present or future director, officer (e.g. company secretary), executive officer, non-executive director or employee acting in a managerial or supervisory capacity or named as a co-defendant with Infratil or a subsidiary of Infratil. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for Infratil or a subsidiary, but excluding dishonest, fraudulent, malicious acts or omissions, wilful breach of statute or regulations or duty to Infratil or a subsidiary, improper use of information to the detriment of Infratil or a subsidiary, or breach of professional duty. The period of insurance is currently 1 August 2019 to 1 August 2020. The limit of Indemnity is $120 million (for claims other than securities claims) or $90 million (for securities claims) for any one claim and in aggregate, and separate defence costs cover of $20 million has been placed.

As permitted by its Constitution, Infratil Limited has entered into a deed of indemnity, access and insurance indemnifying certain directors and senior employees of Infratil, its wholly-owned subsidiaries and other approved subsidiaries and investment entities (**Indemnified Persons**) for potential liabilities, losses, costs and expenses they may incur for acts or omissions in their capacity as directors or senior employees, and agreeing to effect directors' and officers' liability insurance for the Indemnified Persons, in each case subject to the limitations set out in the Companies Act 1993. The deed was executed 31 July 2015.

Directors of Infratil Subsidiary Companies

Subsidiary company	Director of subsidiary
Aotea Energy Holdings Limited	M Bogoievski, P Harford and M Tume (ceased 26 August 2019)
Aotea Energy Holdings No 2 Limited	M Bogoievski, P Harford and M Tume (ceased 26 August 2019)
Aotea Energy Investments Limited	M Bogoievski, P Harford and M Tume (ceased 26 August 2019)
Aotea Energy Limited	M Bogoievski, P Harford and M Tume (ceased 26 August 2019)
Blayney and Crookwell WindFarm Pty Ltd	D Campbell and G Swier
Church Lane Wind Farm Pty Ltd	D Campbell and G Swier
Cityline (NZ) Limited (sale completed 2 September 2019)	Z Fulljames, C Stratton and S Thorne
Dundonnell Wind Farm Pty Ltd	D Campbell and G Swier
Dysart 1 Pty Ltd	D Campbell and G Swier
Fiery Creek Wind Farm Pty Ltd	D Campbell and G Swier
Fiery Creek Wind Farm Holdings Pty Ltd	D Campbell and G Swier
Hopsta Limited	V Hawksworth (ceased 24 January 2020) and D Prentice
Infratil 1998 Limited	M Bogoievski and M Tume
Infratil 2016 Limited	M Bogoievski and M Tume
Infratil 2018 Limited	M Bogoievski and M Tume
Infratil 2019 Limited	M Bogoievski and M Tume
Infratil Australia Limited	M Bogoievski and M Tume
Infratil Energy Limited	M Bogoievski, P Harford and M Tume (ceased 26 August 2019)
Infratil Energy New Zealand Limited	K Baker (ceased 19 July 2019), M Bogoievski and P Harford
Infratil Europe Limited	M Bogoievski and M Tume
Infratil Finance Limited	M Bogoievski and M Tume
Infratil Gas Limited	M Bogoievski, P Harford and M Tume (ceased 26 August 2019)
Infratil Infrastructure Property Limited	K Baker, P Coman
Infratil Investments Limited	M Bogoievski and M Tume
Infratil No. 1 Limited	M Bogoievski, P Harford and M Tume (ceased 26 August 2019)
Infratil No. 5 Limited	M Bogoievski and M Tume
Infratil Outdoor Media Limited	M Bogoievski
Infratil PPP Limited	K Baker (ceased 19 July 2019), M Bogoievski and P Harford
Infratil Renewables Limited	M Bogoievski and M Tume
Infratil RV Limited	M Bogoievski, P Harford and M Tume (ceased 26 August 2019)
Infratil Securities Limited	M Bogoievski, P Harford and M Tume (ceased 26 August 2019)
Infratil Trustee Company Limited	M Bogoievski and M Tume
Infratil UK Limited	M Bogoievski, P Harford and M Tume (ceased 26 August 2019)
Infratil US Renewables, Inc	M Bogoievski and V Vallabh
Infratil Ventures Limited	M Bogoievski, P Harford and M Tume (ceased 26 August 2019)
Infratil Ventures 2 Limited	M Bogoievski and M Tume
King Country Energy Holdings Ltd	V Hawksworth (ceased 24 January 2020) and D Prentice
King Country Energy Ltd	P Calderwood, R Carter and K Palmer
Liverpool Range Wind Farm Pty Ltd	D Campbell and G Swier
Meitaki Ltd	M Harrington, S Sanderson and A Willis
Nebo 1 Pty Ltd	D Campbell and G Swier
New Lynn Central Limited	P Coman, A Lamb and A Young
New Zealand Bus Finance Company Limited (sale completed 2 September 2019)	K Baker, J Boyes and S Proctor

Subsidiary company	Director of subsidiary
New Zealand Bus Limited (sale completed 2 September 2019)	K Baker, J Boyes and S Proctor
New Zealand Bus Tauranga Limited (sale completed 2 September 2019)	C Neville, C Stratton and S Thorne
North City Bus Limited (sale completed 2 September 2019)	Z Fulljames, C Stratton and S Thorne
North West Auckland Airport Limited	M Bogoievski and T Brown
NZ Airports Limited	M Bogoievski and M Tume
Perth Energy Holdings Pty Ltd (sale completed 3 September 2019)	J Biesse, R Crawford, M Faulkner, P Harford and S Jones
Perth Energy Pty Ltd (sale completed 3 September 2019)	J Biesse, R Crawford, M Faulkner, P Harford and S Jones
Renew Nominees Limited	M Bogoievski, P Harford and M Tume (ceased 26 August 2019)
Rye Park Renewable Energy Pty Ltd	D Campbell and G Swier
Salt Creek Wind Farm Pty Ltd	D Campbell and G Swier
Snapper Services Limited (sale completed 31 May 2019)	R Brougham and P Harford
Snowtown 2 Wind Farm Holdings Pty Ltd (incorporated 3 July 2019 and sale completed 17 December 2019)	D Campbell and G Swier
Snowtown North Solar Farm Pty Ltd (sale completed 17 December 2019)	D Campbell and G Swier
Snowtown South Wind Farm Pty Ltd (sale completed 17 December 2019)	D Campbell and G Swier
Snowtown Wind Farm Pty Ltd	D Campbell and G Swier
Snowtown Wind Farm Stage 2 Pty Ltd (sale completed 17 December 2019)	D Campbell and G Swier
Swift Transport Limited	M Bogoievski and M Tume
Swift Transport No.1 Limited (sale completed 2 September 2019)	K Baker, J Boyes and S Proctor
Tararua Wind Power Limited	B Harker, F Oliver and A Urlwin
Tilt Renewables Limited	B Harker, V Hawksworth, P Newfield, F Oliver, P Strachan (ceased 19 July 2019), G Swier, A Urlwin, V Vallabh
Tilt Renewables Australia Pty Ltd	D Campbell and G Swier
Tilt Renewables Financing Partnership	D Campbell and G Swier
Tilt Renewables Investments Pty Ltd	D Campbell and G Swier
Tilt Renewables Market Services Pty Ltd	D Campbell and G Swier
Tilt Renewables Retail Pty Ltd (name changed from Wingeel Wind Farm Pty Ltd on 6 March 2020)	D Campbell and G Swier
Transportation Auckland Corporation Limited (sale completed 2 September 2019)	Z Fulljames, C Stratton and S Thorne
Trustpower Insurance Limited	V Hawksworth (ceased 24 January 2020), K Turner and D Prentice
Trustpower Limited	R Aitken (ceased 26 July 2019), K Baker, A Bickers (ceased 26 July 2019), I Knowles, S Peterson, D Prentice, P Ridley-Smith, G Swier and K Turner
Trustpower Metering Limited	V Hawksworth (ceased 24 January 2020) and D Prentice
WA Power Exchange Pty Limited (sale completed 3 September 2019)	J Biesse, R Crawford, M Faulkner, P Harford and S Jones

Subsidiary company	Director of subsidiary
Waddi Wind Farm Pty Ltd	D Campbell and G Swier
Waverley Wind Farm Limited	B Harker and F Oliver
Waverley Wind Farm (NZ) Holding Limited	B Harker and F Oliver
Wellington Airport Noise Treatment Limited	M Harrington and S Sanderson
Wellington City Transport Limited (sale completed 2 September 2019)	Z Fulljames, C Stratton and S Thorne
Wellington International Airport Limited	J Boyes, T Brown, W Eagleson, A Foster, A Gerry and P Walker
Western Downs Solar Project Pty Ltd (acquired 11 January 2019 and sold 30 March 2020)	D Campbell and G Swier
Western Energy Holdings Pty Limited (sale completed 3 September 2019)	J Biesse, R Crawford, M Faulkner, P Harford and S Jones
Western Energy Pty Limited (sale completed 3 September 2019)	J Biesse, R Crawford, M Faulkner, P Harford and S Jones
Whare Manaakitanga Limited	M Clarke, M Harrington and S Sanderson

Directors' fees paid by Infratil subsidiary companies

(not otherwise disclosed in the Annual Report)

Subsidiary company	Director of subsidiary	Currency	Financial year 2020 (NZD)
New Zealand Bus Limited (sale completed 2 September 2019)	Kevin Baker	NZD	37,126
	Jason Boyes	NZD	18,001
	Steven Proctor	NZD	18,001
Perth Energy Pty Limited (sale completed 3 September 2019)	Roger Crawford	AUD	33,475
	Michael Faulkner	AUD	25,112
	P Harford	AUD	25,112
	Shane Jones	AUD	21,248
Snapper Services Limited (sale completed 31 May 2019)	Ralph Brayham	NZD	-
	P Harford	NZD	-
Tilt Renewables Limited	Bruce Harker	AUD	190,000
	Geoffrey Swier	AUD	106,333
	Paul Newfield	AUD	100,000
	Vimal Vallabh	AUD	90,000
	Phillip Strachan (ceased 19 July 2019)	AUD	34,323
	Fiona Oliver	AUD	113,333
	Anne Urlwin	AUD	102,333
Trustpower Limited	Richard Aitken (ceased 26 July 2019)	NZD	28,667
	Alan Bickers (ceased 26 July 2019)	NZD	28,667
	Kevin Baker	NZD	98,000
	Ian Knowles	NZD	119,250
	Susan Peterson	NZD	114,250
	David Prentice	NZD	46,000
	Paul Ridley-Smith	NZD	178,250
	Geoffrey Swier	NZD	114,250
	Keith Turner	NZD	64,333

Wellington International Airport Limited	Jason Boyes	NZD	88,995
	Tim Brown	NZD	177,990
	Wayne Eagleson	NZD	104,754
	Andrew Foster	NZD	88,995
	Alison Gerry	NZD	104,754
	Andrew Lamb	NZD	10,200
	Phillip Walker	NZD	88,995

Donations

Infratil made donations of $1.0 million during Financial Year 2020 (2019: $0.9 million).

Auditors

It is proposed that KPMG be reappointed automatically at the annual meeting pursuant to section 207T of the Companies Act 1993.

NZX waivers

During Financial Year 2020, Infratil was granted and relied on the following waivers from the NZS Listing Rules (all of which are available on Infratil's website: http://www.infratil.com/for-investors/announcements:

- On 16 May 2019, Infratil was granted a waiver from the previous NZX Listing Rule 7.11.1 to the extent that rule would otherwise require the allotment of New Shares (under the Equity Raising announced on 17 May 2019) to institutional shareholders and institutional investors in respect of subscriptions received under the Institutional Entitlement Offer and the Institutional Placement to occur within five Business Days of the latest date applications may be received under the Institutional Entitlement Offer and the Institutional Placement.
- On 19 August 2019, Infratil was granted a waiver from NZX Listing Rule 9.2.1 to the extent that rule would otherwise require Infratil to seek shareholder approval in relation to payment of a fee to Morrison & Co in relation to the divestment of Infratil's 50% interest in the Australian National University's purpose built student accommodation concession.
- On 21 August 2019, Infratil was granted a ruling on NZX Listing Rule 2.11.3 that, for the purposes of the application of that rule to Resolution 4 of Infratil's 2019 Notice of Meeting, the phrase "… the number when the remuneration was approved by an Ordinary Resolution,…" in the first sentence of the rule means seven Directors.
- On 20 September 2019, Infratil was granted a waiver from NZX Listing Rule 3.16.2 in respect of the extension of the closing date of the offer of bonds to be quoted on 20 September 2019 with the ticker code IFTHC.

Infratil was also granted a standing waiver from NZX Listing Rule 5.2.1 on 22 May 2020 (this standing waiver was originally granted on 8 May 2017 from the previous NZX Listing Rule 9.2.1 and has been re-documented under NZX's transition arrangements for the current NZX Listing Rules). 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. No transactions were entered into during Financial Year 2020 in reliance on this waiver.

Credit rating

Infratil does not have a credit rating. As at 31 March 2020, Wellington International Airport Limited has a BBB+/Watch Neg/A-2 credit rating from S&P Global Ratings. On 19 March 2020, S&P Global Ratings placed all rated Australian and New Zealand airports, including Wellington International Airport Limited, on CreditWatch with negative implications to reflect the current extraordinary curtailment of air travel across the globe caused by the rapid spread of the coronavirus and border controls by various countries.

Continuing share buyback programme

Infratil maintains an ongoing share buyback programme, as outlined in its 2019 Notice of Meeting. As at 31 March 2020, Infratil had repurchased 887,617 shares pursuant to that programme (which allows up to 50,000,000 shares to be bought back).

Shareholder information programme

Infratil is incorporated in New Zealand and is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001. The acquisition of securities in Infratil may be limited under New Zealand law by the Takeovers Code (which restricts the acquisition of control rights of more than 20% of Infratil other than via a takeover offer under the Code) or the effect of the Overseas Investment Act 2005 (which restricts the acquisition of New Zealand assets by overseas persons).

Substantial product holders

The following information is pursuant to Section 293 of the Financial Markets Conduct Act 2013. According to notices received by Infratil under that Act, the following person was a substantial product holder in Infratil as at 31 March 2020:

Ordinary shares	Number held
Accident Compensation Corporation	39,990,501

The total number of voting securities of the Company on issue as at 31 March 2020 was 659,678,837 fully paid ordinary shares.

Twenty largest shareholders as at 31 March 2020

Citibank Nominees (NZ) Ltd	43,571,042
Accident Compensation Corporation	39,075,418
Tea Custodians Limited	38,905,639
JPMORGAN Chase Bank	36,236,013
HSBC Nominees (New Zealand) Limited	35,536,795
Forsyth Barr Custodians Limited	28,149,999
HSBC Nominees (New Zealand) Limited	27,185,751
FNZ Custodians Limited	26,980,840
New Zealand Permanent Trustees Limited	18,105,636
JBWERE (NZ) Nominees Limited	15,984,268
Cogent Nominees Limited	14,493,930
National Nominees New Zealand Limited	13,193,541
Robert William Bentley Morrison & Andrew Stewart & Anthony Howard	11,748,820
BNP Paribas Nominees NZ Limited	11,386,872
New Zealand Depository Nominee	8,630,299
New Zealand Superannuation Fund Nominees Limited	8,480,666
Premier Nominees Limited	8,220,701
Custodial Services Limited	6,315,800
Custodial Services Limited	6,095,255
Investment Custodial Services Limited	4,170,845

Spread of shareholders as at 31 March 2020

Number of shares*	Number of holders	Total shares held	%
1-1,000	2,729	1,428,934	0.2
1,001-5,000	7,118	19,597,364	3.0
5,001-10,000	3,636	26,272,067	4.0
10,001-50,000	4,225	85,597,118	12.9
50,001-100,000	413	28,426,700	4.3
100,001 and Over	239	498,356,654	75.6
Total	**18,359**	**659,678,837**	**100.0**

* 303 shareholders hold less than a marketable parcel of Infratil shares

Twenty largest infrastructure bondholders as at 31 March 2020

JBWERE (NZ) Nominees Limited	173,096,913
Forsyth Barr Custodians	161,145,338
FNZ Custodians Limited	110,687,978
New Zealand Central Securities	52,633,625
Investment Custodial Services	38,501,105
Custodial Services Limited	38,158,333
Custodial Services Limited	38,003,016
Custodial Services Limited	29,149,818
Lynette Therese Erceg & Darryl Edward Gregory & Catherine Agnes Quinn	24,120,000
Custodial Services Limited	14,496,990
Forsyth Barr Custodians	9,413,000
Custodial Services Limited	7,026,500
Rgtkmt Investments Limited	6,250,000
Custodial Services Limited	5,289,000
FNZ Custodians Limited	5,196,500
Sterling Holdings Limited	5,130,000
Tappenden Holdings Limited	3,770,000
FNZ Custodians Limited	2,767,930
JBWERE (NZ) Nominees Limited	2,630,000
Garth Barfoot	2,500,000

Spread of infrastructure bondholders as at 31 March 2020

Number of Bonds	Number of holders	Total bonds held	%
1-1,000	5	4,373	-
1,001-5,000	1,266	6,292,194	0.5
5,001-10,000	3,363	32,342,784	2.5
10,001-50,000	8,636	245,452,601	18.8
50,001-100,000	1,406	115,220,657	8.8
100,001 and Over	810	904,506,916	69.4
Total	**15,486**	**1,303,819,525**	**100.0**

Comparative financial review

Financial performance	2020 $Millions	2019 $Millions	2018 $Millions	2017 $Millions	2016 $Millions	2015 $Millions	2014 $Millions	2013 $Millions	2012 $Millions	2011 $Millions
31 March year ended										
Operating revenue	1,281.3[4]	1,333.2[4]	1,200.8[4]	1,786.5	1,706.4	1,624.7	1,514.9	2,368.7	2,166.4	1,984.8
Underlying EBITDAF[5]	480.9[4]	431.2[4]	482.0[4]	488.0	462.1	452.5	437.4[2]	527.6	520.2	470.9[1]
Operating earnings[3]	6.3	135.5	157.2	155.2	149.4	120.3	164.2	183.5	199.3	252.9
Net gain/(loss) on foreign exchange and derivatives	6.2	0.3	34.9	28.1	(13.6)	(36.3)	70.7	(14.4)	19.2	(3.9)
Investment realisations, revaluations and impairments	510.7	0.6	13.8	(55.2)	(51.8)	29.5	222.2	(5.9)	4.3	(0.5)
Net surplus after taxation, discontinued operations and minorities	241.2	(19.5)	71.4	66.1	438.3	383.5	198.9	3.4	51.6	64.5
Dividends paid	113.7	95.1	89.6	82.9	110.4	148.8	57.0	48.2	44.1	37.6
Financial position										
Represented by										
Investments	2,033.3	936.6	940.6	882.9	534.3	532.3	294.1	334.2	340.9	323.7
Non-currents assets	4,618.5	4,614.2	5,075.3	5,170.4	5,085.2	4,830.6	4,613.3	4,435.2	4,328.8	4,193.7
Current assets	933.3	1,181.2	618.0	743.4	1,007.5	584.8	542.4	670.0	623.7	515.7
Total assets	**7,585.1**	**6,732.0**	**6,633.9**	**6,796.7**	**6,627.0**	**5,947.7**	**5,449.8**	**5,439.4**	**5,293.4**	**5,033.1**
Current liabilities	421.4	896.5	355.6	672.7	559.0	344.0	623.6	679.6	547.5	415.7
Non-current liabilities	2,530.6	1,963.4	2,148.9	1,984.8	2,048.2	2,066.5	1,810.4	1,920.0	1,887.7	1,919.7
Infrastructure bonds	1,293.2	1,127.6	994.4	998.3	949.8	981.9	979.9	904.3	851.6	854.8
Total Liabilities	**4,245.2**	**3,987.5**	**3,498.9**	**3,655.8**	**3,557.0**	**3,392.4**	**3,413.9**	**3,503.9**	**3,286.8**	**3,190.2**
Net Assets	**3,339.9**	**2,744.5**	**3,135.0**	**3,140.9**	**3,070.0**	**2,555.3**	**2,035.9**	**1,935.5**	**2,006.6**	**1,842.9**
Outside equity interest in subsidiaries	1,207.7	1,098.5	1,198.3	1,182.6	1,145.3	1,061.4	916.6	931.1	932.0	843.5
Equity	2,132.2	1,646.0	1,934.4	1,959.3	1,924.7	1,493.9	1,119.3	1,004.4	1,074.6	999.4
Total Equity	**3,339.9**	**2,744.5**	**3,132.7**	**3,141.9**	**3,070.0**	**2,555.3**	**2,035.9**	**1,935.5**	**2,006.6**	**1,842.9**
Dividends per share	17.25	17.00	16.00	14.75	19.65	26.50	9.75	8.25	7.25	6.25
Shares on issue ('000)	659,679	559,278	559,278	560,053	562,326	561,875	561,618	583,321	586,931	602,806

1 Prior to fair value gains on acquisition recognised by associates of $60.7 million.

2 Prior to fair value gains on acquisition recognised by associates of $33.1 million.

3 Operating earnings is earnings after depreciation, amortisation and interest.

4 Operating revenue and Underlying EBITDAF relate to continuing operations.

5 Underlying EBITDAF is an unaudited non-GAAP measure and is defined in the Infratil Annual Results Presentation 2020.

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